



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

April 26, 2023  
**AGENDA ITEM #8**

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Accept the financial statements for  
March 2023

Strategic Plan Relevance: Stewardship  
Department: Finance  
Contact: José Hernández, Chief Financial Officer  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on draft resolution

**Project Description/Background:** Presentation and acceptance of the financial statements for March 2023.

**Previous Actions & Brief History of the Program/Project:** N/A

**Financing:** N/A

**Action requested/Staff Recommendation:** Accept the financial statements for March 2023.

**Backup provided:** Draft Resolution  
Draft financial statements for March 2023

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

**RESOLUTION NO. 23-0XX**

**ACCEPT THE FINANCIAL STATEMENTS FOR MARCH 2023**

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 month of March 2023 and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the financial statements for March 2023, attached hereto as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2023.

Submitted and reviewed by:

Approved:

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James M. Bass  
Executive Director

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Robert W. Jenkins, Jr.  
Chairman, Board of Directors

**Exhibit A**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

		Budget			
		Amount FY	Actual Year to	Percent of	Actual Prior
		2023	Date	Budget	Year to Date
<b>REVENUE</b>					
<b>Operating Revenue</b>					
Toll Revenue		119,610,800	105,819,728	88.47%	85,223,037
Video Tolls		46,743,300	48,197,942	103.11%	33,717,948
Fee Revenue		13,845,900	9,750,069	70.42%	10,435,561
	<b>Total Operating Revenue</b>	<b>180,200,000</b>	<b>163,767,739</b>	<b>90.88%</b>	<b>129,376,546</b>
<b>Other Revenue</b>					
Interest Income		3,190,301	23,405,727	733.65%	792,936
Grant Revenue		1,359,833	344,737	25.35%	553,991
Misc Revenue		130,000	18,519	14.25%	204,920
Gain/Loss on Sale of Asset		-	-	-	6,568
	<b>Total Other Revenue</b>	<b>4,680,134</b>	<b>23,768,983</b>	<b>507.87%</b>	<b>1,558,414</b>
<b>TOTAL REVENUE</b>		<b>\$184,880,134</b>	<b>\$187,536,722</b>	<b>101.44%</b>	<b>130,934,960</b>
<b>EXPENSES</b>					
<b>Salaries and Benefits</b>					
Salary Expense-Regular		4,621,321	2,731,816	59.11%	2,783,219
Salary Reserve		80,000	-	-	-
TCDRS		1,046,269	725,645	69.36%	560,896
FICA		232,304	126,822	54.59%	138,564
FICA MED		67,009	39,712	59.26%	41,406
Health Insurance Expense		580,271	314,749	54.24%	293,254
Life Insurance Expense		5,972	3,009	50.38%	4,407
Auto Allowance Expense		10,200	7,013	68.75%	7,225
Other Benefits		126,590	68,008	53.72%	116,864
Unemployment Taxes		4,608	(1,765)	-38.30%	4,362
	<b>Total Salaries and Benefits</b>	<b>6,774,544</b>	<b>4,015,009</b>	<b>59.27%</b>	<b>3,950,197</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	9,500	6,303	66.35%	6,283
Auditing	190,000	138,655	72.98%	100,975
Financial Advisors	108,000	151,200	140.00%	16,200
Human Resources	30,000	49,582	165.27%	14,767
Legal	70,000	24,397	34.85%	3,245
IT Services	350,000	302,963	86.56%	102,053
Internet	150	-	-	-
Software Licenses	557,500	527,611	94.64%	332,584
Cell Phones	24,200	12,319	50.91%	15,001
Local Telephone Service	10,000	71,083	710.83%	66,627
Overnight Delivery Services	250	48	19.24%	57
Copy Machine	15,500	11,448	73.86%	10,176
Repair & Maintenance-General	8,000	-	-	2,273
Meeting Facilities	-	-	-	1,300
Meeting Expense	12,750	7,132	55.94%	730
Toll Tag Expense	3,000	300	10.00%	1,920
Parking / Local Ride Share	2,800	510	18.20%	17
Mileage Reimbursement	3,950	710	17.98%	164
Insurance Expense	651,250	422,712	64.91%	410,290
Rent Expense	731,203	460,077	62.92%	477,591
Building Parking	3,500	1,212	34.62%	957
Legal Services	443,000	180,306	40.70%	208,536
<b>Total Administrative and Office Expenses</b>	<b>3,224,553</b>	<b>2,368,566</b>	<b>73.45%</b>	<b>1,771,745</b>
<b>Office Supplies</b>				
Books & Publications	3,250	2,006	61.74%	2,720
Office Supplies	7,750	1,852	23.90%	1,235
Misc Office Equipment	4,500	9,370	208.21%	732
Computer Supplies	221,950	200,787	90.46%	37,766
Other Reports-Printing	5,000	-	-	-
Office Supplies-Printed	3,100	1,142	36.84%	171
Postage Expense	550	366	66.60%	464
<b>Total Office Supplies</b>	<b>246,100</b>	<b>215,523</b>	<b>87.58%</b>	<b>43,089</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Communications and Public Relations</b>				
Graphic Design Services	75,000	-	-	-
Website Maintenance	111,500	37,388	33.53%	43,692
Research Services	140,000	-	-	10,109
Communications and Marketing	400,000	19,788	4.95%	15,327
Advertising Expense	500,000	221,890	44.38%	151,539
Direct Mail	65,000	-	-	-
Video Production	82,500	29,097	35.27%	8,820
Photography	25,000	12,160	48.64%	199
Radio	50,000	-	-	-
Other Public Relations	2,500	1,200	48.00%	-
Promotional Items	520,000	12,682	2.44%	-
Annual Report printing	1,500	-	-	780
Direct Mail Printing	26,000	-	-	-
Other Communication Expenses	15,000	(30)	-0.20%	12,790
<b>Total Communications and Public Relations</b>	<b>2,014,000</b>	<b>334,175</b>	<b>16.59%</b>	<b>243,255</b>
<b>Employee Development</b>				
Subscriptions	50,700	1,653	3.26%	123
Agency Memberships	78,550	46,314	58.96%	37,025
Continuing Education	4,800	1,049	21.85%	1,354
Professional Development	19,150	4,672	24.40%	240
Other Licenses	1,900	577	30.36%	554
Seminars and Conferences	118,500	46,473	39.22%	7,318
Travel	93,500	12,952	13.85%	11,417
<b>Total Employee Development</b>	<b>367,100</b>	<b>113,690</b>	<b>30.97%</b>	<b>58,030</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	60,000	56,500	94.17%	53,538
Bank Fee Expense	3,240	1,198	36.99%	2,598
Continuing Disclosure	7,000	11,525	164.64%	6,184
Arbitrage Rebate Calculation	15,000	16,300	108.67%	13,967
Rating Agency Expense	50,000	43,000	86.00%	12,000
<b>Total Financing and Banking Fees</b>	<b>135,240</b>	<b>128,523</b>	<b>95.03%</b>	<b>88,287</b>
<b>Total Administrative</b>	<b>5,986,993</b>	<b>3,160,478</b>	<b>52.79%</b>	<b>2,204,406</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
GEC-Trust Indenture Support	763,997	452,217	59.19%	377,947
GEC-Financial Planning Support	275,000	201,945	73.43%	163,097
GEC-Toll Ops Support	2,550,000	639,609	25.08%	597,584
GEC-Roadway Ops Support	1,411,139	611,911	43.36%	642,071
GEC-Technology Support	654,369	329,697	50.38%	357,894
GEC-Public Information Support	200,000	115,502	57.75%	135,204
GEC-General Support	1,360,000	555,654	40.86%	672,245
General System Consultant	1,159,640	692,183	59.69%	722,528
Traffic Modeling	150,000	-	-	25,294
Traffic and Revenue Consultant	500,000	595,200	119.04%	351,956
<b>Total Operations and Maintenance Consulting</b>	<b>9,024,145</b>	<b>4,193,919</b>	<b>46.47%</b>	<b>4,045,821</b>
<b>Roadway Operations and Maintenance</b>				
Roadway Maintenance	1,868,052	984,869	52.72%	2,170,250
Landscape Maintenance	2,949,320	2,113,513	71.66%	555,542
Maintenance Supplies-Roadway	300,000	(17,834)	-5.94%	93,118
Tools & Equipment Expense	25,000	444	1.78%	138
Gasoline	30,000	13,625	45.42%	9,908
Repair & Maintenance - Vehicles	10,000	(19,006)	-190.06%	4,267
Natural Gas	2,500	4,812	192.47%	3,623
Electricity - Roadways	250,000	213,185	85.27%	139,044
<b>Total Roadway Operations and Maintenance</b>	<b>5,434,872</b>	<b>3,293,608</b>	<b>60.60%</b>	<b>2,975,891</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	4,208,340	2,187,259	51.97%	2,807,131
Tag Collection Fees	8,453,846	7,429,739	87.89%	6,299,281
Court Enforcement Costs	10,000	-	-	-
DMV Lookup Fees	200	-	-	-
<b>Total Processing and Collection Expense</b>	<b>12,672,387</b>	<b>9,616,998</b>	<b>75.89%</b>	<b>9,106,412</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Toll Operations Expense</b>				
Generator Fuel	3,000	1,252	41.74%	-
Fire and Burglar Alarm	500	370	74.02%	370
Refuse	2,180	1,493	68.47%	1,315
Telecommunications	-	3,360	-	-
Water - Irrigation	7,500	5,220	69.60%	3,864
Electricity	500	547	109.40%	511
ETC spare parts expense	200,000	-	-	(33,850)
Repair & Maintenance Toll Equip	50,000	192,085	384.17%	5,197
Law Enforcement	500,000	324,732	64.95%	301,929
ETC Maintenance Contract	6,000,000	5,373,903	89.57%	2,024,130
Transaction Processing Maintenance Contract	1,500,000	248,740	16.58%	-
ETC Toll Management Center System Operation	875,000	454,630	51.96%	455,696
ETC Development	559,000	70,473	12.61%	179,939
ETC Testing	275,000	41,922	15.24%	-
<b>Total Toll Operations Expense</b>	<b>9,972,680</b>	<b>6,718,727</b>	<b>67.37%</b>	<b>2,939,100</b>
<b>Total Operations and Maintenance</b>	<b>37,104,083</b>	<b>23,823,252</b>	<b>64.21%</b>	<b>19,067,225</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	149,000	98,553	66.14%	110,872
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	639,949	12.80%	1,331,694
Customer Relations	3,000	-	-	-
Technology Initiatives	75,000	43,834	58.45%	41,395
Other Contractual Svcs	370,000	278,320	75.22%	138,925
Contingency	300,000	632,357	210.79%	-
<b>Total Special Projects and Contingencies</b>	<b>5,997,000</b>	<b>1,693,013</b>	<b>28.23%</b>	<b>1,622,885</b>



**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Non Cash Expenses</b>				
Amortization Expense	2,020,950	955,508	47.28%	1,049,335
Amort Expense - Refund Savings	9,073,105	4,122,609	45.44%	6,686,266
Dep Exp - Furniture & Fixtures	2,178	1,960	90.01%	1,960
Dep Expense - Equipment	-	-	-	1,875
Dep Expense - Autos & Trucks	46,496	38,894	83.65%	23,541
Dep Expense - Building & Toll Fac	176,748	132,561	75.00%	132,561
Dep Expense - Highways & Bridges	53,479,102	37,966,158	70.99%	37,966,158
Dep Expense - Toll Equipment	4,736,604	2,691,380	56.82%	3,055,825
Dep Expense - Signs	1,052,717	762,428	72.42%	762,428
Dep Expense - Land Improvements	884,934	663,701	75.00%	663,701
Depreciation Expense - Computers	64,319	63,835	99.25%	141,811
<b>Total Non Cash Expenses</b>	<b>71,537,153</b>	<b>47,399,033</b>	<b>66.26%</b>	<b>50,485,460</b>
<b>Total Other Expenses</b>	<b>77,534,153</b>	<b>49,092,047</b>	<b>63.32%</b>	<b>52,108,345</b>
<b>Non Operating Expenses</b>				
Bond Issuance Expense	1,250,000	396,222	31.70%	4,776,387
Loan Fee Expense	14,500	32,000	220.69%	14,500
Interest Expense	83,664,454	58,177,359	69.54%	59,092,745
CAMPO RIF Payment	-	-	-	5,000,000
Community Initiatives	150,000	40,050	26.70%	47,670
<b>Total Non Operating Expenses</b>	<b>\$85,078,954</b>	<b>\$58,645,631</b>	<b>68.93%</b>	<b>\$68,931,302</b>
<b>TOTAL EXPENSES</b>				
	<b>212,478,727</b>	<b>138,736,417</b>	<b>65.29%</b>	<b>146,261,474</b>
<b>Net Income</b>	<b>\$ (27,598,593)</b>	<b>\$ 48,800,305</b>		<b>\$ (15,326,515)</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of March 31, 2023**

	as of 03/31/2023	as of 03/31/2022
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash</b>		
Regions Operating Account	\$ 263,647	\$ 927,026
Cash in TexStar	47,305	540,333
Regions Payroll Account	105,432	92,258
<b>Restricted Cash</b>		
Goldman Sachs FSGF 465	1,085,328,668	880,087,343
Restricted Cash - TexSTAR	15,455,716	11,425,408
Overpayments account	290,978	582,053
<b>Total Cash and Cash Equivalents</b>	<u>1,101,491,746</u>	<u>893,654,423</u>
<b>Accounts Receivable</b>		
Accounts Receivable	2,770,089	2,770,089
Due From Other Agencies	103,056	89,816
Due From TTA	775,611	5,102,419
Due From NTTA	1,597,047	1,355,713
Due From HCTRA	2,454,652	1,948,208
Due From TxDOT	561,210	4,050,733
Interest Receivable	693,342	1,239,345
<b>Total Receivables</b>	<u>8,955,007</u>	<u>16,556,324</u>
<b>Short Term Investments</b>		
Treasuries	-	79,101,293
Agencies	-	153,879,840
<b>Total Short Term Investments</b>	<u>-</u>	<u>232,981,134</u>
<b>Total Current Assets</b>	<u>1,110,446,753</u>	<u>1,143,191,881</u>
<b>Total Construction in Progress</b>	351,354,868	261,345,503
<b>Fixed Assets (Net of Depreciation and Amortization)</b>		
Computers	34,672	145,777
Computer Software	927,284	1,767,650
Furniture and Fixtures	218	2,831
Equipment	9,624	10,249
Autos and Trucks	54,989	107,220
Buildings and Toll Facilities	4,284,458	4,461,206
Highways and Bridges	1,679,531,086	1,728,220,183
Toll Equipment	19,689,711	19,570,619
Signs	12,850,906	13,359,881
Land Improvements	5,535,568	6,420,502
Right of way	88,149,606	88,149,606
Leasehold Improvements	14,815	56,247
<b>Total Fixed Assets</b>	<u>1,811,082,938</u>	<u>1,862,271,971</u>
<b>Other Assets</b>		
Intangible Assets-Net	171,169,575	180,765,916
2005 Bond Insurance Costs	3,037,702	3,487,302
Prepaid Insurance	294,185	256,127
Deferred Outflows (pension related)	675,913	641,074
Pension Asset	2,549,818	591,247
<b>Total Other Assets</b>	<u>177,727,194</u>	<u>185,741,665</u>
<b>Total Assets</b>	<u><u>\$ 3,450,611,753</u></u>	<u><u>\$ 3,452,551,020</u></u>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of March 31, 2023**

	as of 03/31/2023	as of 03/31/2022
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable	\$ 40,814,098	\$ 32,705,659
Construction Payable	5,086,891	5,933,700
Overpayments	294,629	585,473
Interest Payable	19,494,485	31,752,828
TCDRS Payable	80,002	70,447
Due to other Agencies	16,948	3,902
Due to TTA	289,431	618,332
Due to HCTRA	167,649	139,501
Due to Other Entities	517,193	961,256
71E TxDOT Obligation - ST	1,096,617	782,449
<b>Total Current Liabilities</b>	<b>67,857,943</b>	<b>73,553,547</b>
<b>Long Term Liabilities</b>		
Compensated Absences	240,954	283,554
Deferred Inflows (pension related)	1,481,361	109,052
<b>Long Term Payables</b>	<b>1,722,315</b>	<b>392,606</b>
<b>Bonds Payable</b>		
<b>Senior Lien Revenue Bonds:</b>		
Senior Lien Revenue Bonds 2010	92,657,958	85,998,789
Senior Lien Revenue Bonds 2011	15,952,995	18,552,138
Senior Refunding Bonds 2013	-	3,475,000
Senior Lien Revenue Bonds 2015	10,000,000	10,000,000
Senior Lien Refunding Revenue Bonds 2016	59,340,000	70,790,000
Senior Lien Revenue Bonds 2018	44,345,000	44,345,000
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000
Senior Lien Refunding Bonds 2020B	54,970,000	55,600,000
Senior Lien Refunding Bonds 2020C	138,435,000	138,435,000
Senior Lien Revenue Bonds 2020E	167,160,000	167,160,000
Senior Lien Revenue Bonds 2021B	255,075,000	255,075,000
Senior Lien Refunding Bonds 2021D	274,625,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	1,341,838
Senior Lien Premium 2016 Revenue Bonds	6,685,149	7,820,924
Sn Lien Revenue Bond Premium 2018	2,949,861	3,216,434
Senior Lien Revenue Bond Premium 2020A	11,215,250	11,379,659
Senior Lien Refunding Bond Premium 2020B	11,370,349	11,905,425
Senior Lien Revenue Bonds Premium 2020E	24,569,382	26,284,769
Senior Lien Revenue Bonds Premium 2021B	53,155,956	53,605,138
Senior Lien Refunding Bonds Premium 2021D	44,050,030	44,894,387
<b>Total Senior Lien Revenue Bonds</b>	<b>1,649,406,930</b>	<b>1,670,379,501</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of March 31, 2023**

	as of 03/31/2023	as of 03/31/2022
<b>Sub Lien Revenue Bonds:</b>		
Sub Lien Refunding Bonds 2013	-	2,725,000
Sub Lien Refunding Bonds 2016	71,435,000	72,605,000
Sub Lien Refunding Bonds 2020D	97,440,000	98,580,000
Subordinated Lien BANs 2020F	110,875,000	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinated Lien BANs 2021C	244,185,000	244,185,000
Sub Refunding 2013 Prem/Disc	-	286,311
Sub Refunding 2016 Prem/Disc	5,187,829	5,996,179
Subordinated Lien BANs 2020F Premium	7,005,013	11,007,878
Subordinated Lien Refunding Bonds Premium 2020G	6,865,241	7,269,213
Sub Lien BANS 2021C Premium	28,543,790	36,155,467
<b>Total Sub Lien Revenue Bonds</b>	633,106,873	651,255,047
<b>Other Obligations</b>		
TIFIA Note 2021	357,113,712	348,279,485
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2017 MoPAC Note	-	24,990,900
Regions 2022 MoPac Loan	24,690,900	-
<b>Total Other Obligations</b>	433,722,832	428,347,650
<b>Total Long Term Liabilities</b>	2,717,958,950	2,750,374,804
<b>Total Liabilities</b>	2,785,816,892	2,823,928,351
<b>NET ASSETS</b>		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	494,532,189	522,486,817
Current Year Operations	48,800,567	(15,326,253)
<b>Total Net Assets</b>	664,794,861	628,622,669
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,450,611,753</b>	<b>\$ 3,452,551,020</b>

**Central Texas Regional Mobility Authority**  
**Statement of Cash Flow**  
**as of March 2023**

**Cash flows from operating activities:**

Receipts from toll revenues	167,089,606
Receipts from Other Sources (AR)	363,256
Payments to vendors	(41,793,546)
Payments to employees	(4,245,771)
Net cash flows provided by (used in) operating activities	121,413,544

**Cash flows from capital and related financing activities:**

Prepaid payment on Intangible assets	(4,122,609)
Issuance Expense	(5,038,629)
Payments on bonds / loans	(28,895,528)
RIF Contribution	(5,000,000)
Acquisition of capital assets - non project	(4,743,698)
Acquisitions of construction in progress	(61,064,788)
Net cash flows provided by (used in) capital and related financing activities	(108,865,252)

**Cash flows from investing activities:**

Interest income	23,404,319
Purchase of investments	(256,150,896)
Proceeds from sale or maturity of investments	175,046,270
Net cash flows provided by (used in) investing activities	(57,700,308)

Net increase (decrease) in cash and cash equivalents	(45,152,015)
Cash and cash equivalents at beginning of period	1,153,777,279
Cash and cash equivalents at end of period	1,108,625,263

**Reconciliation of change in net assets to net cash provided by operating activities:**

Operating income	45,641,261
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	47,399,033
Changes in assets and liabilities:	
Decrease in accounts receivable	3,321,866
Increase in prepaid expenses and other assets	(166,122)
Decrease in accrued expenses	(12,951,165)
Decrease in Interest expense	58,645,631
Increase in interest receivable	(23,406,337)
Difference between Operating statement and Trial balance	2,929,376
Total adjustments	75,772,284
Net cash flows provided by (used in) operating activities	\$ 121,413,544

**Reconciliation of cash and cash equivalents:**

Unrestricted cash and cash equivalents	7,840,879
Restricted cash and cash equivalents	1,100,784,384
Total	1,108,625,264

INVESTMENTS by FUND

		Balance March 31, 2023	
Renewal & Replacement Fund			TexSTAR 15,503,020.86
TexSTAR	8.63		Goldman Sachs 1,080,226,456.20
Goldman Sachs	330.01		Agencies & Treasury Notes -
Agencies/ Treasuries		338.64	\$ 1,095,729,477.06
Grant Fund			Balance below: 1,095,729,477.06
TexSTAR	466,646.06		Difference: \$ -
Goldman Sachs	9,835,730.30		
Agencies/ Treasuries		MATURED 10,302,376.36	
Senior Debt Service Reserve Fund			
TexSTAR	1,012,767.45		
Goldman Sachs	109,348,578.08		
Agencies/ Treasuries		MATURED 110,361,345.53	
2010 Senior Lien Debt Service Account			
Goldman Sachs	62,042.53	62,042.53	
2011 Sr Debt Service Accountt			
Goldman Sachs	1,832,014.67	1,832,014.67	
2013 Sr Debt Service Accountt			
Goldman Sachs	41,124.60	41,124.60	
2013 Sub Debt Service Account			
Goldman Sachs	32,366.34	32,366.34	
2013 Sub Debt Service Reserve Fund			
Goldman Sachs	126.11	801,541.63	
TexSTAR	801,415.52		
2015 Sr Debt Service Account			
Goldman Sachs	4,332,333.20	4,332,333.20	
2016 Sr Lien Rev Refunding Debt Service Account			
Goldman Sachs	4,200,296.31	4,200,296.31	
2016 Sub Lien Rev Refunding Debt Service Account			
Goldman Sachs	1,420,252.18	1,420,252.18	
2016 Sub Lien Rev Refunding DSR			
Goldman Sachs	7,157,360.20		
Agencies/ Treasuries	-	7,157,360.20	
Operating Fund			
TexSTAR	47,304.51		
TexSTAR-Trustee	9,976,901.75		
Goldman Sachs	8,370,589.81	18,394,796.07	
Revenue Fund			
Goldman Sachs	6,932,585.86	6,932,585.86	
General Fund			
TexSTAR	1,168,672.69		
Goldman Sachs	157,734,820.97		
Agencies/ Treasuries	-	158,903,493.66	
71E Revenue Fund			
Goldman Sachs	24,998,771.24	24,998,771.24	
MoPac Revenue Fund			
Goldman Sachs	85,304.12	85,304.12	
MoPac General Fund			
Goldman Sachs	12,527,992.87	12,527,992.87	
MoPac Operating Fund			
Goldman Sachs	145,814.69	145,814.69	
MoPac Loan Repayment Fund			
Goldman Sachs	903,272.65	903,272.65	
2015B Project Account			
Goldman Sachs	42,645,419.25		
TexSTAR	359,195.86	43,004,615.11	
2015 TIFIA Project Account			
Goldman Sachs	38,371,340.33		
TexSTAR	713,599.23		
Agencies/ Treasuries	-	39,084,939.56	
2011 Sr Financial Assistance Fund			
Goldman Sachs	506,014.99	506,031.15	
TexSTAR	16.16		
2018 Sr Lien Debt Service Account			
Goldman Sachs	560,572.10	560,572.10	
2018 Sr Lien Project Cap I			
Goldman Sachs	728.47	728.47	
2018 Sr Lien Project Account			
Goldman Sachs	12,687,671.62		
TexSTAR	956,493.00	13,644,164.62	
2020A Senior Lien Debt Service Account			
Goldman Sachs	637,111.94	637,111.94	
2020B Senior Lien Debt Service Account			
Goldman Sachs	842,815.92	842,815.92	
2020C Senior Lien Debt Service Account			
Goldman Sachs	1,095,444.25	1,095,444.25	
2020D Sub Lien Debt Service Account			
Goldman Sachs	1,757,319.09	1,757,319.09	
2020D Sub Debt Service Reserve Fund			
Goldman Sachs	8,308,132.78	8,308,132.78	
2020E Senior Lien Project Account			
Goldman Sachs	155,004,055.77	155,004,055.77	
2020E Senior Lien Project Cap Interest			
Goldman Sachs	18,462,901.55	18,462,901.55	
2020F Sub Lien Project Account			
Goldman Sachs	2,375,480.05	2,375,480.05	
2020F Sub Lien Deb Service Account			
Goldman Sachs	1,401,219.01	1,401,219.01	
2020G Sub Lien Debt Service Account			
Goldman Sachs	645,186.30	645,186.30	
2020G Sub Lien Debt Service Reserve Account			
Goldman Sachs	3,373,524.86	3,373,524.86	
2021A Sub Lien Debt Service Reserve Account			
Goldman Sachs	15,179,881.10	15,179,881.10	34,820,440.57
2021A Sub Debt Service Account			
Goldman Sachs	97.94	97.94	
2021B Senior Lien Cap I Project Fund			
Goldman Sachs	41,127,731.73	41,127,731.73	
2021B Senior Lien Project Account			
Goldman Sachs	235,056,169.59		
Agencies/ Treasuries		MATURED 235,056,169.59	
2021C Sub Lien Cap I Project Fund			
Goldman Sachs	1,367.06	1,367.06	
2021C Sub Lien Project Account			
Goldman Sachs	140,942,048.10	140,942,048.10	
2021C Sub Lien Debt Service Account			
Goldman Sachs	3,085,756.56	3,085,756.56	
2021D Senior Lien Debt Service Account			
Goldman Sachs	2,957,300.52	2,957,300.52	
2021E Senior Lien Debt Service Account			
Goldman Sachs	3,239,458.58	3,239,458.58	
		\$ 1,095,729,477.06	

## CTRMA INVESTMENT REPORT

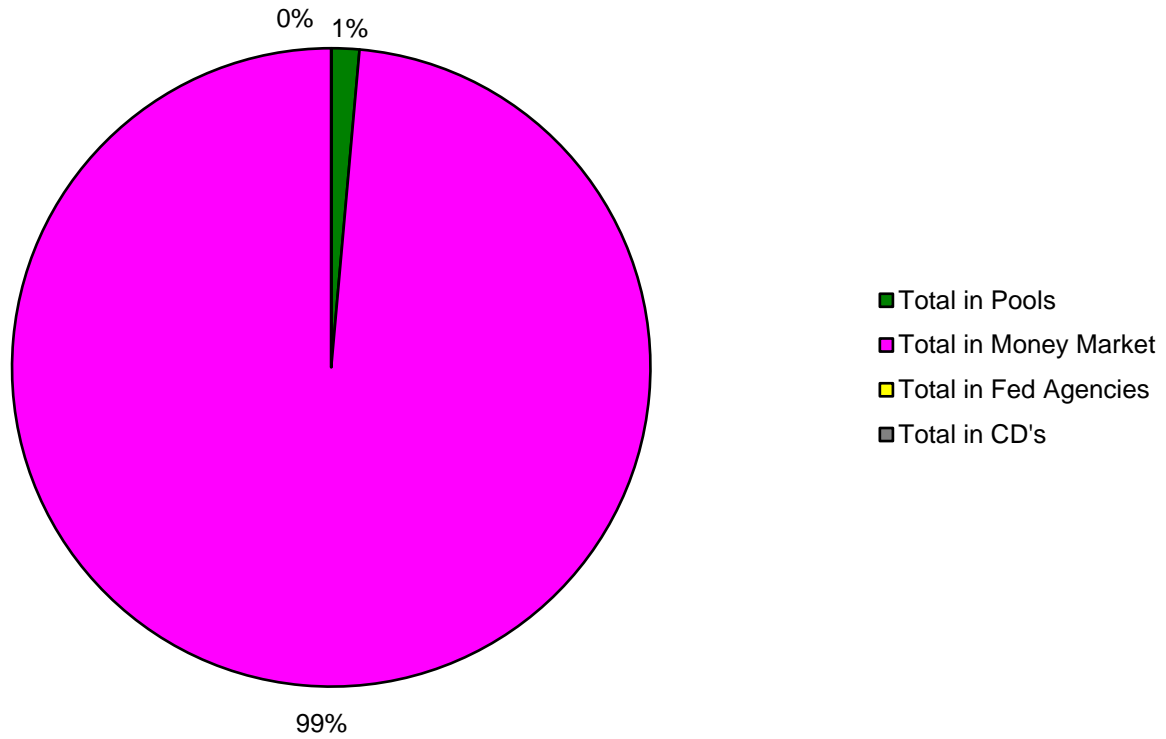
		Month Ending 3/31/2023						
Fund Number	Acct No.	Balance 3/1/2023	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 3/31/2023	Rate March
<b>Amount in Trustee TexStar</b>								
2011 Sr Lien Financial Assist Fund	2011SR FAF	2270320116	16.12		0.04		16.16	4.6066%
2013 Sub Lien Debt Service Reserve	2013SUBDSR	2270320130	798,292.23		3,123.29		801,415.52	4.6066%
General Fund	GENERAL	2270311120	1,164,118.10		4,554.59		1,168,672.69	4.6066%
Trustee Operating Fund	OPERATING	2270311110	9,147,120.40	4,000,000.00	29,781.35	3,200,000.00	9,976,901.75	4.6066%
Renewal and Replacement	RENEWRPL	2270312000	890.59		1.43	883.39	8.63	4.6066%
TxDOT Grant Fund	TXDOTGRANT	2270318180	464,827.44		1,818.62		466,646.06	4.6066%
Senior Lien Debt Service Reserve Fund	SENLIENSR	2270362330	1,008,820.47		3,946.98		1,012,767.45	4.6066%
2015B Sr Ln Project	2015BPROJ	2270320152	357,795.99		1,399.87		359,195.86	4.6066%
2015C TIFIA Project	2015TIFIAP	2270320155	710,818.17		2,781.06		713,599.23	4.6066%
2018 Sr Lien Project Account	2018SRPROJ	2270320180	952,765.35		3,727.65		956,493.00	4.6066%
			14,605,464.86	4,000,000.00	51,134.88	3,200,883.39	15,455,716.35	
<b>Amount in TexStar Operating Fund</b>	OPERATING	2270211110	43,611.57	3,200,000.00	3,692.94	3,200,000.00	47,304.51	4.6066%
<b>Goldman Sachs</b>								
Operating Fund	OPERATING	6180000031	8,340,410.50	4,002,052.25	28,127.06	4,000,000.00	8,370,589.81	4.5500%
2020A Senior Lien Debt Service Account	2020A DSA	1001021485	428,943.79	207,058.12	1,110.03		637,111.94	4.5500%
2020B Senior Lien Debt Service Account	2020B DSF	1001017465	567,314.52	274,033.61	1,467.79		842,815.92	4.5500%
2020C Senior Lien Debt Service Account	2020C DSF	1001017469	734,621.45	358,929.03	1,893.77		1,095,444.25	4.5500%
2020D Sub Lien Debt Service Account	2020D DSF	1001017483	1,178,408.19	575,873.28	3,037.62		1,757,319.09	4.5500%
2020D Sub Debt Service Reserve Fund	2020D DSRF	1001017484	8,279,944.45		28,188.33		8,308,132.78	4.5500%
2020E Sr Lien Project Account	2020E PRJ	1001021533	154,478,148.75		525,907.02		155,004,055.77	4.5500%
2020E Sr Ln Project Cap Interest	2020ESCAPI	1001021534	18,400,259.61		62,641.94		18,462,901.55	4.5500%
2020F Sub Lien Project Account	2020FPROJ	1001021537	7,608,341.94		28,489.97	5,261,351.86	2,375,480.05	4.5500%
2020F Sub Lien Debt Service Account	2020F DSF	1001021538	940,700.74	458,090.68	2,427.59		1,401,219.01	4.5500%
2020G Sub Lien Debt Service Account	2020G DSF	1001021539	433,142.29	210,926.23	1,117.78		645,186.30	4.5500%
2020G Sub Debt Service Reserve Fund	2020G DSRF	1001021540	3,270,342.50	92,204.74	10,977.62		3,373,524.86	4.5500%
2021A Sub Debt Service Reserve Fund	2021A DSRF	1001021543	14,569,505.92	561,724.77	48,650.41		15,179,881.10	4.5500%
2021A Sub Debt Service Account	2021A DSA	1001021542	97.61		0.33		97.94	4.5500%
2021B Senior Lien Cap I Project Fund	2021BSCAPI	1001021274	40,988,191.26		139,540.47		41,127,731.73	4.5500%
2021B Senior Lien Project Account	2021BPROJ	1001021273	234,258,656.97		797,512.62		235,056,169.59	4.5500%
2021C Sub Lien Cap I Project Fund	2021CCAPI	1001021282	1,362.42		4.64		1,367.06	4.5500%
2021C Sub Lien Project Account	2021CPROJ	1001021281	141,285,298.91	4,224,262.22	481,511.66	5,049,024.69	140,942,048.10	4.5500%
2021C Sub Lien Debt Service Account	2021C DSF	1001021283	2,071,467.99	1,008,943.25	5,345.32		3,085,756.56	4.5500%
2021D Senior Lien Debt Service Account	2021D DSF	1001024372	1,986,372.31	965,799.61	5,128.60		2,957,300.52	4.5500%
2021E Senior Lien Debt Service Account	2021E DSF	1001024373	2,181,840.87	1,051,969.46	5,648.25		3,239,458.58	4.5500%
2011 Sr Financial Assistance Fund	2011SR FAF	6180003305	504,297.95		1,717.04		506,014.99	4.5500%
2010 Senior DSF	2010SNLIEN	6180002039	61,832.00		210.53		62,042.53	4.5500%
2011 Senior Lien Debt Service Account	2011SRDSA	6180003289	1,233,722.89	595,098.21	3,193.57		1,832,014.67	4.5500%
2013 Senior Lien Debt Service Account	2013SRLIEN	6180004322	40,985.05		139.55		41,124.60	4.5500%
2013 Sub Debt Service Reserve Fund	2013SUBDSR	6180004377	125.68		0.43		126.11	4.5500%
2013 Subordinate Debt Service Account	2013SUBDSF	6180004368	32,256.51		109.83		32,366.34	4.5500%
2015A Sr Lien Debt Service Account	2015DSA	6180005205	4,317,632.43		14,700.77		4,332,333.20	4.5500%
2015B Project Account	2015BPROJ	6180005278	42,643,366.94		145,289.37	143,237.06	42,645,419.25	4.5500%
2015C TIFIA Project Account	2015TIFIAP	6180005349	38,241,136.11		130,204.22		38,371,340.33	4.5500%
2016 Sr Lien Rev Refunding Debt Service	2016SR DSF	6180006179	3,012,052.43	1,179,985.17	8,258.71		4,200,296.31	4.5500%
2016 Sub Lien Rev Refunding Debt Serv	2016SUBDSF	6180006357	954,598.03	463,187.73	2,466.42		1,420,252.18	4.5500%
2016 Sub Lien Rev Refunding DSR	2016SUBDSR	6180006366	7,133,073.36		24,286.84		7,157,360.20	4.5500%
2018 Sr Lien Project Cap I	2018SRCAPI	1001007946	726.00		2.47		728.47	4.5500%
2018 Sr Lien Debt Service Account	2018RDSF	1001007943	376,448.53	183,151.81	971.76		560,572.10	4.5500%
2018 Sr Lien Project Account	2018SRPROJ	1001007945	12,644,621.89		43,049.73		12,687,671.62	4.5500%
TxDOT Grant Fund	TXDOTGRANT	6180000157	9,802,355.04		33,375.26		9,835,730.30	4.5500%
Renewal and Replacement	RENEWRPL	6180000102	0.00	17,883.39	58.55	17,611.93	330.01	4.5500%
Revenue Fund	REVENUE	6180000013	8,882,861.42	18,657,030.70	30,455.43	20,637,761.69	6,932,585.86	4.5500%
General Fund	GENERAL	6180000120	150,654,853.67	7,198,611.79	508,966.42	627,610.91	157,734,820.97	4.5500%
Senior Lien Debt Service Reserve Fund	SENLIENSR	6180000059	108,977,529.10		371,048.98		109,348,578.08	4.5500%
71E Revenue Fund	71E REVENU	6146001086	29,425,012.99	383,145.03	98,547.29	4,907,934.07	24,998,771.24	4.5500%
MoPac Revenue Fund	MOPACREV	6146001068	0.00	406,948.55	2,591.89	324,236.32	85,304.12	4.5500%
MoPac General Fund	MOPAC GENL	1001001935	12,012,453.33	559,914.48	38,014.74	82,389.68	12,527,992.87	4.5500%
MoPac Operating Fund	MOPAC OPER	1001001923	429,782.46	400,000.00	651.35	684,619.12	145,814.69	4.5500%
MoPac Loan Repayment Fund	MOPAC LOAN	1001001934	758,264.86	142,877.72	2,130.07		903,272.65	4.5500%
			1,074,143,361.66	44,179,701.83	0.00	3,639,170.04	41,735,777.33	1,080,226,456.20
<b>Amount in Fed Agencies and Treasuries</b>								
Amortized Principal			0.00			0.00	0.00	
			0.00				0.00	
<b>Certificates of Deposit</b>								
Total in Pools			14,649,076.43	7,200,000.00	54,827.82	6,400,883.39	15,503,020.86	
Total in GS FSGF			1,074,143,360.66	44,179,701.83	3,639,170.04	41,735,777.33	1,080,226,456.20	
Total in Fed Agencies and Treasuries			0.00			0.00	0.00	
Total Invested			1,088,792,437.09	51,379,701.83	3,693,997.86	48,136,660.72	1,095,729,477.06	

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

José Hernández, CFO  
Ann Zigmund, Controller

3/31/2023

## Allocation of Funds





## Goldman Sachs Escrow Funds

	Fund Number	Acct No.	Balance	Accrued		Balance	
			3/1/2023	Additions	Interest	Withdrawals	3/31/2023
Travis County Escrow Fund - Elroy Road	ELROYRD	1001005077	3,719,131.41		12,662.98	22,185.04	3,709,609.35
Travis County Escrow Fund - Ross Road	ROSSRD	1001021483	212,892.64		724.77	1,362.10	212,255.31
Travis County Escrow Fund - Old San Antonio Road	OLDSANARD	1001021487	39,674.25		136.91	2,914.75	36,896.41
Travis County Escrow Fund - Old Lockhart Road	LOCKHARTRD	1001021488	138,133.27		507.50	7,259.43	131,381.34
Travis County Escrow Fund - County Line Road	COUNTYLRD	1001021489	293,486.86		999.15	30,020.62	264,465.39
Travis County Escrow Fund - South Pleasant Valley Road	SPLEASVRD	1001021490	317,100.57		1,079.54	2,284.62	315,895.49
Travis County Escrow Fund - Thaxton Road	THAXTONRD	1001021531	131,948.88		449.21	1,792.83	130,605.26
Travis County Escrow Fund - Pearce Lane Road	PEARCELNRD	1001021532	305,698.18		1,040.72	5,635.60	301,103.30



### PERFORMANCE

#### As of March 31, 2023

Current Invested Balance	\$ 11,042,113,205.98
Weighted Average Maturity (1)	12 Days
Weighted Average Life (2)	39 Days
Net Asset Value	1.000029
Total Number of Participants	1012
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$42,836,750.54
Management Fee Collected	\$550,737.21
% of Portfolio Invested Beyond 1 Year	0.58%
Standard & Poor's Current Rating	AAAm

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

#### March Averages

Average Invested Balance	\$10,807,713,296.46
Average Monthly Yield, on a simple basis	4.6066%
Average Weighted Maturity (1)	11 Days
Average Weighted Life (2)	39 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 instruction 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 March:

- \* City of Alvord \* Galveston County Municipal Utility District No. 59
- \* Jefferson County Emergency Services District No. 4 \* City of Mineola

### HOLIDAY REMINDER

In observance of Good Friday, **TexSTAR will be closed Friday, April 7, 2023**. All ACH transactions initiated on Thursday, April 6th will settle on Monday, April 10th. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

### ECONOMIC COMMENTARY

#### Market review

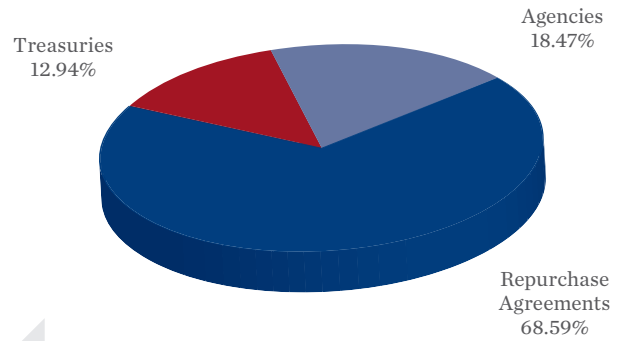
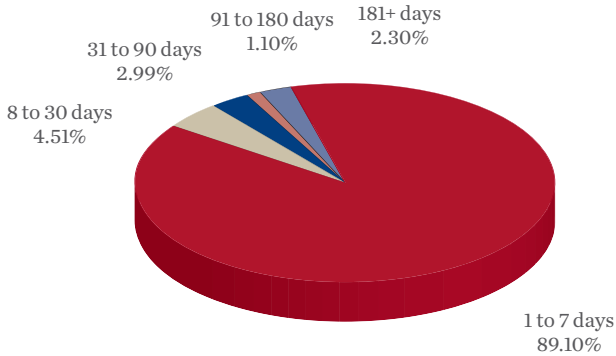
In the early months of 2023, we saw stronger-than-expected economic data, a leveling off in disinflation and signs of cooling wage growth. In recent weeks, financial distress in the U.S. regional bank sector rattled markets and exposed the vulnerabilities of an economy facing a rapid rise in interest rates after a very long period of easy policy. Consequently, credit conditions, which had already tightened due to Federal Reserve (Fed) policy, are expected to tighten further and could drag on economic activity, hiring and inflation. While the government responded swiftly to the bank fears, the Fed stopped short of pausing its monetary tightening campaign with a March rate hike and maintained its focus on bringing inflation down. It is at the point where economic conditions are tight, when a company's vulnerabilities come to light. This was particularly evident for Silicon Valley Bank (SVB), Signature Bank (SBNY), and Credit Suisse (CS). It is important to note that SVB, SBNY and CS were unique situations. Three problems led to the failures of SVB and SBNY. The first issue was a narrow depositor base, concentrated in troubled industries (startups and crypto), with a very large percentage of uninsured deposits. The second issue was an asset base that was particularly vulnerable to increases in interest rates. Third, was the Fed's sharp switch from years of negative real rates and quantitative easing to higher rates and quantitative tightening. Joint action by the Department of the Treasury, the Fed, and the Federal Deposit Insurance Corporation (FDIC), reimbursing all deposits at SVB and Signature Bank, not just insured deposits, and establishing a fund to support other banks with asset problems appeared to help calm the situation.

CS, a global systemically important bank (GSIB) became another casualty in the fallout from the SVB and SBNY collapse. The bank's largest shareholder, Saudi National Bank, said it wouldn't be willing to provide the company additional financing because of exposure limits.

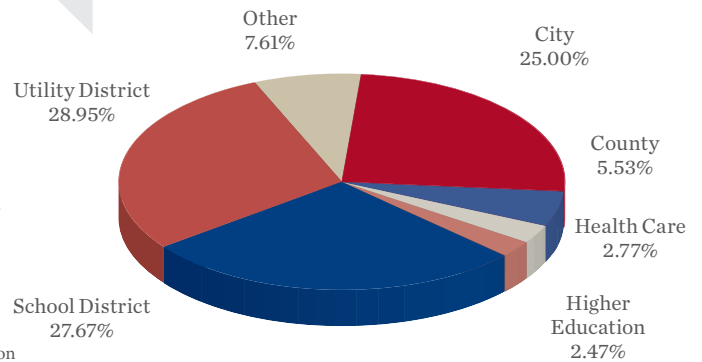
(continued page 4)

## INFORMATION AT A GLANCE

### PORTFOLIO BY TYPE OF INVESTMENT AS OF MARCH 31, 2023



### PORTFOLIO BY MATURITY AS OF MARCH 31, 2023 (1)



### DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF MARCH 31, 2023

(1) Portfolio by Maturity is calculated using WAM (1) definition for stated maturity. See page 1 for definition

## HISTORICAL PROGRAM INFORMATION

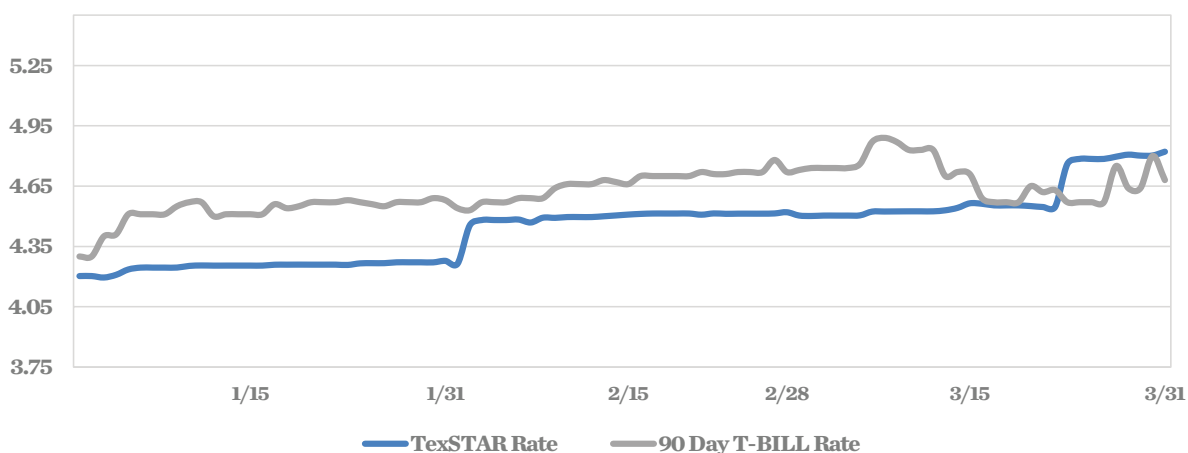
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Mar 23	4.6066%	\$11,042,113,205.98	\$11,042,864,910.32	1.000029	11	39	1012
Feb 23	4.4919%	10,962,890,240.57	10,961,778,645.78	0.999898	9	38	1008
Jan 23	4.2515%	10,451,037,339.95	10,450,044,625.54	0.999905	6	41	1003
Dec 22	3.9681%	9,016,826,910.67	9,015,709,981.89	0.999855	5	43	999
Nov 22	3.5588%	8,393,118,851.17	8,390,786,906.73	0.999722	6	47	998
Oct 22	2.8531%	8,388,414,626.87	8,384,901,873.82	0.999581	10	46	996
Sep 22	2.2941%	8,448,258,598.47	8,444,307,157.72	0.999510	16	43	994
Aug 22	1.9469%	8,988,292,520.61	8,983,610,837.50	0.999479	27	50	991
Jul 22	1.4010%	9,799,798,062.32	9,793,880,215.07	0.999396	34	49	990
Jun 22	0.9850%	9,799,299,684.61	9,793,062,348.93	0.999363	42	57	989
May 22	0.6459%	9,701,777,049.61	9,700,243,468.41	0.999841	43	61	988
Apr 22	0.3225%	8,985,925,505.16	8,984,338,322.90	0.999818	39	60	986

## PORTFOLIO ASSET SUMMARY AS OF MARCH 31, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 725.19	\$ 725.19
Accrual of Interest Income	11,276,483.73	11,276,483.73
Interest and Management Fees Payable	(42,897,085.38)	(42,897,085.38)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	7,594,735,999.76	7,594,735,999.76
Government Securities	3,478,997,082.68	3,479,748,787.02
<b>TOTAL</b>	<b>\$ 11,042,113,205.98</b>	<b>\$ 11,042,864,910.32</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 historical 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 of \$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 consists 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. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

### DAILY SUMMARY FOR MARCH 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
3/1/2023	4.5037%	0.000123390	\$10,934,005,482.72	0.999903	10	38
3/2/2023	4.5014%	0.000123325	\$11,065,468,689.29	0.999896	9	37
3/3/2023	4.5034%	0.000123382	\$10,929,935,778.83	0.999910	9	37
3/4/2023	4.5034%	0.000123382	\$10,929,935,778.83	0.999910	9	37
3/5/2023	4.5034%	0.000123382	\$10,929,935,778.83	0.999910	9	37
3/6/2023	4.5045%	0.000123412	\$10,885,527,688.27	0.999905	9	37
3/7/2023	4.5232%	0.000123922	\$10,866,487,492.38	0.999899	9	37
3/8/2023	4.5236%	0.000123934	\$10,858,406,297.88	0.999880	9	36
3/9/2023	4.5241%	0.000123947	\$10,744,115,636.17	0.999882	9	37
3/10/2023	4.5245%	0.000123958	\$10,722,681,700.29	0.999931	9	36
3/11/2023	4.5245%	0.000123958	\$10,722,681,700.29	0.999931	9	36
3/12/2023	4.5245%	0.000123958	\$10,722,681,700.29	0.999931	9	36
3/13/2023	4.5296%	0.000124099	\$10,703,805,917.77	0.999936	9	36
3/14/2023	4.5417%	0.000124429	\$10,711,147,872.64	0.999960	10	39
3/15/2023	4.5643%	0.000125048	\$10,702,810,662.06	1.000057	13	41
3/16/2023	4.5621%	0.000124988	\$10,732,005,588.25	1.000059	13	41
3/17/2023	4.5540%	0.000124767	\$10,727,515,983.26	1.000061	12	41
3/18/2023	4.5540%	0.000124767	\$10,727,515,983.26	1.000061	12	41
3/19/2023	4.5540%	0.000124767	\$10,727,515,983.26	1.000061	12	41
3/20/2023	4.5506%	0.000124674	\$10,739,730,466.69	1.000041	12	40
3/21/2023	4.5459%	0.000124544	\$10,739,821,599.63	1.000026	12	40
3/22/2023	4.5463%	0.000124556	\$10,727,446,854.41	1.000027	13	41
3/23/2023	4.7593%	0.000130391	\$10,686,408,406.82	1.000056	13	40
3/24/2023	4.7847%	0.000131088	\$10,642,985,866.85	1.000072	14	41
3/25/2023	4.7847%	0.000131088	\$10,642,985,866.85	1.000072	14	41
3/26/2023	4.7847%	0.000131088	\$10,642,985,866.85	1.000072	14	41
3/27/2023	4.7959%	0.000131394	\$10,658,770,447.28	1.000047	13	42
3/28/2023	4.8059%	0.000131669	\$11,098,688,328.32	1.000049	12	40
3/29/2023	4.8011%	0.000131537	\$11,085,529,588.19	1.000031	12	40
3/30/2023	4.8018%	0.000131556	\$10,987,463,977.90	1.000023	12	40
3/31/2023	4.8206%	0.000132072	\$11,042,113,205.98	1.000029	12	39
<b>Average</b>	<b>4.6066%</b>	<b>0.000126209</b>	<b>\$10,807,713,296.46</b>		<b>11</b>	<b>39</b>



## *ECONOMIC COMMENTARY (cont.)*

The issues with CS were not new. However, because the markets were already jittery, this became the catalyst for a renewed deterioration in market confidence given CS's complex and lengthy restructuring plan. The repercussions soon blanketed the broader market universe and reignited contagion worries. Initially, the Swiss National Bank (SNB) extended-\$55 billion in liquidity support to CS, which underscored the distinction between the challenges facing US regional banks and European GSIBs. In the end, UBS Group AG agreed to buy CS in a government-brokered deal aimed at containing a crisis of confidence that threatened to spread across global financial markets. Ultimately, the banking failures of these three institutions were idiosyncratic events due to poor risk management.

Meanwhile, inflation was still the prime focus of the Fed. Since its peak in June 2022, inflation has shown signs of cooling, although the road to the Fed's 2% target has been bumpier than originally anticipated. February's Consumer Price Index (CPI) report came largely in line with expectations with headline CPI rising 0.4% month-over-month (m/m) and 6% year-over-year (y/y), marking the eighth consecutive monthly decline in the y/y measure. Core CPI (ex-food and energy) rose by 0.5% m/m, and 5.5% y/y. The lagged effect of shelter inflation, which accounts for a little over a third of CPI, continued to be the primary contributor to elevated inflation, at 0.8% m/m. The headline and core Personal Consumption Expenditures (PCE) Price Index both rose 0.3% m/m, a deceleration from prior month. Year-over-year headline PCE cooled, declining from 5.4% to 5.0%. Furthermore, personal income came in slightly above expectations at 0.3%, but at a decelerated rate from prior month. Real personal spending declined by 0.1%, down from the 1.1% increase we saw in January. The personal savings rate increased to 4.6% in February, up from the 4.4% we saw in January, pointing to a slowdown in consumption.

The February Jobs report highlighted solid gains in payroll employment, but other details were softer than expected. Nonfarm payroll employment rose by 311K, well above consensus estimates of 223K. However, gains for the prior two months were revised down by 34K, and the unemployment rate rose above consensus to 3.6%. The labor market continued to prove its resilience. However, there were also clearer signs that wage data is moderating. Average hourly earnings were below consensus, rising by 0.2% m/m and 4.6% y/y. Overall, the report suggested that the labor market is starting to feel the pressure of tighter policy and provided little evidence that a tight labor market will disrupt the downtrend in consumer inflation.

In a highly anticipated policy decision, the Federal Open Market Committee (FOMC) voted unanimously to raise the federal funds rate by 0.25% to a target range of 4.75%-5.00%. The statement language and press conference were somewhat dovish, acknowledging the potential implications of banking turmoil on the economic outlook but also the need for further progress on inflation. The Fed notably downshifted the phrase "ongoing increases in the target range will be appropriate" to "some additional policy firming may be appropriate," signaling a near end to tightening. At the press conference, Chairman Powell kicked off by addressing banks and affirmed that the overall "banking system is sound and resilient." In the Summary of Economic projections (SEP), the "dot plot" revealed an unchanged median expectation for the federal funds rate at 5.1% for year-end 2023, suggesting an additional 25 bp hike to come. Surprisingly, policymakers projected less easing next year, suggesting an expectation that policy will have to be tighter for longer to combat inflation. Updates to the Fed's economic projections reflected a more dovish picture of slower growth, lower unemployment and slightly higher inflation. Treasury yields fell across the curve during the month. In money markets, the three-month Treasury bill yield decreased by 6 bps to 4.75% and the six-month Treasury bill yield decreased by 26 bps to 4.88%. Longer Treasury yields plummeted, with the two-year yield dropping by 79 bps to 4.03% and the three-year yield dropping by 74 bps to 3.79%.

### **Outlook**

Following recent events across the banking sector and the latest Fed rate hike, investors have materially reassessed their expectations for the future path of interest rates. Prior to recent concerns about the financial sector, the market expected that the Fed would continue to hike with the federal funds rate peaking at 5.5%. Markets are now teetering between the potential for another 25 bp hike or a pause at the May 3 FOMC meeting and anticipate rate cuts by year-end. The front end of the curve is particularly reactive to headline risks and has seen both a material repricing and a high level of volatility. We think that the outcome of the March FOMC meeting was designed to show the markets that the Fed has confidence in the banking system, and that it is willing to be flexible depending upon ongoing developments.



*ECONOMIC COMMENTARY (cont.)*

Bank lending (globally) is very likely to decline rapidly. Credit conditions were already tightening before the regional bank issue, and Chair Powell recognizes that a tightening in lending standards will slow GDP growth and weaken demand for labor, thus substituting for additional rate hikes. The volatility of the past couple of weeks supports our base case of a recession, as tight monetary policy has caused stress in the banking sector while inflation persists. The Fed is in a challenging spot as they need to strike a balance between financial stability and price stability. As a result, we think it is likely that they raise rates in May before pausing. The federal funds futures market is pricing in rate cuts beginning in June. While that may be a bit aggressive, the market is removing policy hikes in anticipation of weakening hard economic data.

This information is an excerpt from an economic report dated March 2023 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

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