

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

RESOLUTION NO. 06-44

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") 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 CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA'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 June 2006 and has caused a Financial Report for June 2006 to be prepared which is attached hereto as Attachment "A;"

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for June 2006 attached hereto as Attachment "A."


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of July, 2006.

Submitted and reviewed by:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 06-44
Date Passed 07/26/06

CTA INVESTMENT REPORT

Month Ending 6/30/2006							Current	
Balance 5/31/2006	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 6/30/2006	Rate as of 6/30/2006	Maturity	
Amount in repo								
Construction Fund	103,946,048.73		277,305.07	6,766,468.91	97,456,884.89	3.35%	April 1, 2007	
Debt Service Fund	20,136,257.76		55,000.79	4,827,913.16	15,363,345.39	3.35%	April 1, 2007	
totals	124,082,306.49	0.00	332,305.86	11,594,382.07	112,820,230.28			
Amount in Trustee TexStar								
Additional Projects Fund	10,812,108.16		43,882.16	212,703.51	10,643,286.81	5.277%		
Renewal & Replacement Fund	5,793.29		23.84		5,817.13	5.277%		
TxDOT Grant Fund	5,903,804.90		24,293.02		5,928,097.92	5.277%		
Debt Service Reserve Fund	5,331,865.31		21,939.60		5,353,804.91	5.277%		
	22,053,571.66	0.00	90,138.62	212,703.51	21,931,006.77			
Amount in TexStar Operating Fund								
	7,462,391.02	0.00	29,986.47	245,625.00	7,246,752.49	5.277%		
Chase Money Market Fund								
-Proceeds Fund	3,422.60		13.54		3,436.14	4.77%		
-Operating Fund	40,076.94	1,000,000.00	16,408.40		1,056,485.34	4.77%		
-Additional Projects Fund	26,250.00	212,703.51	57.56	212,703.51	26,307.56	4.77%		
-Construction Fund	3,755.39	6,766,468.91	1,587.60	6,766,468.91	5,342.99	4.77%		
-Debt Service Fund	92,798.19	3,527,228.30	366.80		3,620,393.29	4.77%		
-Subordinate Lien DS Fund	1,051.08	1,650,000.00	4.15		1,651,055.23	4.77%		
-TxDOT Grant Fund	111,330.64		11,608.54		122,939.18	4.77%		
-Renewal and Replavement	567,608.84		11,255.61	502,517.22	76,347.23	4.77%		
-Debt Service Reserve Fund	5,074,003.18	2,500,000.00	56,436.65	6,187,677.34	1,442,762.49	4.77%		
	5,920,296.86	15,656,400.72	97,738.85	13,669,366.98	8,005,069.45			
Money Market Fund-payroll								
	506.11	67,916.21	8.23	68,173.22	257.33	4.77%		
Amount in Fed Agencies								
Amortized Principal	15,406,997.28	6,331,657.20	14,009.29	3,500,000.00	18,252,663.77			
Accrued Interest			43,973.57					
	15,406,997.28	6,331,657.20	14,009.29	3,500,000.00	18,252,663.77			
Total in Repo's								
	124,082,306.49	0.00	332,305.86	11,594,382.07	112,820,230.28			
Total in Pools								
	29,515,962.68	0.00	120,125.09	458,328.51	29,177,759.26			
Total in Money Market								
	5,920,802.97	15,724,316.93	97,747.08	13,737,540.20	8,005,326.78			
Total in Fed Agencies								
	15,406,997.28	6,331,657.20	14,009.29	3,500,000.00	18,252,663.77			
Total Invested								
	174,926,069.42	22,055,974.13	550,178.03	29,290,250.78	168,255,980.09			

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

William Chapman, CFO

CTRMA INVESTMENT REPORT

Quarter Ending 6/30/2006							Current Rate as of 6/30/2006	Maturity
Balance 3/31/2006	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 6/30/2006			
Amount in repo								
Construction Fund	115,723,218.77			898,483.73	19,164,817.61	97,456,884.89	3.35%	April 1, 2007
Debt Service Fund	20,025,357.66			165,900.89	4,827,913.16	15,363,345.39	3.35%	April 1, 2007
totals	135,748,576.43	0.00	0.00	1,064,384.62	23,992,730.77	112,820,230.28		
Amount in Trustee TexStar								
Additional Projects Fund	14,214,838.77			139,423.64	3,710,975.60	10,643,286.81	5.277%	
Renewal & Replacement Fund	5,746.80			70.33		5,817.13	5.277%	
TxDOT Grant Fund	5,856,422.22			71,675.70		5,928,097.92	5.277%	
Debt Service Reserve Fund	5,289,072.89			64,732.02		5,353,804.91	5.277%	
	25,366,080.68	0.00	0.00	275,901.69	3,710,975.60	21,931,006.77		
Amount in TexStar Operating Fund								
	7,737,974.73	0.00	0.00	91,402.76	582,625.00	7,246,752.49	5.277%	
Chase Money Market Fund								
-Proceeds Fund	3,397.35			38.79		3,436.14	4.77%	
-Operating Fund	27,775.35	1,012,053.13		16,656.86		1,056,485.34	4.77%	
-Additional Projects Fund	7,667.74	3,735,251.59		921.96	3,717,533.73	26,307.56	4.77%	
-Construction Fund	404.45	6,768,442.92		2,964.53	6,766,468.91	5,342.99	4.77%	
-Debt Service Fund	92,113.20	3,527,228.30		1,051.79		3,620,393.29	4.77%	
-Subordinate Lien DS Fund	1,043.34	1,650,000.00		11.89		1,651,055.23	4.77%	
-TxDOT Grant Fund	46,694.87			76,244.31		122,939.18	4.77%	
-Renewal and Replavement	6,318.09	561,243.75		11,302.61	502,517.22	76,347.23	4.77%	
-Debt Service Reserve Fund	28.10	7,573,975.00		56,436.73	6,187,677.34	1,442,762.49	4.77%	
	185,442.49	24,828,194.69	0.00	165,629.47	17,174,197.20	8,005,069.45		
Money Market Fund-payroll								
	5,053.32	163,116.21		35.88	167,948.08	257.33	4.77%	
Amount in Fed Agencies								
Amortized Principal	18,007,170.70	9,281,168.95	39,324.12		9,075,000.00	18,252,663.77		
Accrued Interest				128,647.54				
	18,007,170.70	9,281,168.95	39,324.12		9,075,000.00	18,252,663.77		
Total in Repo's								
	135,748,576.43	0.00	0.00	1,064,384.62	23,992,730.77	112,820,230.28		
Total in Pools								
	33,104,055.41	0.00	0.00	367,304.45	4,293,600.60	29,177,759.26		
Total in Money Market								
	190,495.81	24,991,310.90	0.00	165,665.35	17,342,145.28	8,005,326.78		
Total in Fed Agencies								
	18,007,170.70	9,281,168.95	39,324.12	0.00	9,075,000.00	18,252,663.77		
Total Invested								
	187,050,298.35	34,272,479.85	39,324.12	1,597,354.42	54,703,476.65	168,255,980.09		

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

William Chapman, CFO

Amount in Fed Agencies As of June 30, 2006

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
FHLMC Discount note	313397U66	1,947,877.20	1,948,750.77	1,948,280.00	5.366%	6/27/2006	12/26/2006	Debt Service Reserve Fund
FHLMC Discount note	313397U90	3,890,485.00	3,894,767.71	3,894,800.00	5.431%	6/23/2006	12/29/2006	Debt Service Reserve Fund
Federal Home Loan Bank	3133XC6D0	2,498,828.13	2,500,000.00	2,500,000.00	3.673%	6/27/2005	6/14/2006	Debt Service Reserve Fund
Federal Home Loan Bank	3133XC5C3	493,295.00	493,542.31	492,655.00	5.344%	4/21/2006	6/22/2007	Renewal and Replacement Fund
Federal Farm Credit	31331TGN5	996,995.79	1,010,414.92	1,007,387.50	4.220%	10/5/2005	10/2/2006	Operating Fund
Federal Farm Credit	31331QWK9	998,577.84	1,011,263.78	1,008,930.00	3.900%	9/20/2005	9/1/2006	Operating Fund
Fannie Mae	31359MVS9	994,687.50	1,000,000.00	1,000,000.00	3.920%	9/8/2005	6/28/2006	Operating Fund
Federal Home Loan Bank	31287X3UK7	999,000.00	999,795.64	999,120.00	4.320%	9/8/2005	9/15/2006	TxDOT Grant Fund
Federal Home Loan Bank	3133XD6H9	1,000,000.00	1,000,000.00	992,810.00	4.050%	9/29/2005	12/29/2006	TxDOT Grant Fund
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	2,000,000.00	1,987,500.00	4.500%	11/9/2005	2/9/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XPBW9	990,810.00	994,500.70	990,000.00	4.778%	1/27/2006	2/16/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XEK57	1,000,000.00	1,000,000.00	991,560.00	4.750%	2/16/2006	8/16/2007	TxDOT Grant Fund
Federal Home Loan Mortga	3128X4Q95	939,624.00	939,739.51	935,544.40	5.092%	3/8/2006	3/30/2007	Additional Projects Fund
Federal Home Loan Bank	3133X7C51	1,476,113.31	1,480,744.98	1,474,215.00	5.019%	4/13/2006	5/15/2007	Additional Projects Fund
Federal Home Loan Bank	3133X8KT8	1,473,398.44	1,479,143.47	1,473,750.00	5.139%	4/21/2006	3/7/2007	Additional Projects Fund
Less matured securities		-3,493,515.63	-3,500,000.00	-3,500,000.00				
		18,206,176.58	18,252,663.79	18,196,551.90				

Agency	CUSIP #	COST	Cumulative Amortization	June 30 Book Value	Maturity Value	Interest Income June 2006		
						Accrued Interest	Amortization	Interest Earned
FHLMC Discount note	313397U66	1,947,877.20	873.57	1,948,750.77	2,000,000.00		873.57	873.57
FHLMC Discount note	313397U90	3,890,485.00	4,282.71	3,894,767.71	4,000,000.00		4,282.71	4,282.71
Federal Home Loan Bank	3133XC6D0	2,498,828.13	1,171.87	2,500,000.00	2,500,000.00	3,524.31	49.30	3,573.61
Federal Home Loan Bank	3133XC5C3	493,295.00	247.31	493,542.31	500,000.00	-333.34	247.31	-86.03
Federal Farm Credit	31331TGN5	996,995.79	13,419.13	1,010,414.92	1,015,000.00	2,008.85	1,528.36	3,537.21
Federal Farm Credit	31331QWK9	998,577.84	12,685.94	1,011,263.78	1,014,000.00	1,901.25	1,368.11	3,269.36
Fannie Mae	31359MVS9	994,687.50	5,312.50	1,000,000.00	1,000,000.00	2,708.33	515.23	3,223.56
Federal Home Loan Bank	31287X3UK7	999,000.00	795.64	999,795.64	1,000,000.00	3,958.33	81.74	4,040.07
Federal Home Loan Bank	3133XD6H9	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,375.00	0.00	3,375.00
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	0.00	2,000,000.00	2,000,000.00	7,500.00	0.00	7,500.00
Federal Home Loan Bank	3133XPBW9	990,810.00	3,690.70	994,500.70	1,000,000.00	3,229.17	726.30	3,955.47
Federal Home Loan Bank	3133XEK57	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,958.33	0.00	3,958.33
Federal Home Loan Mortga	3128X4Q95	939,624.00	115.51	939,739.51	940,000.00	3,955.83	30.94	3,986.77
Federal Home Loan Bank	3133X7C51	1,476,113.31	4,631.67	1,480,744.98	1,500,000.00	4,375.01	1,807.88	6,182.89
Federal Home Loan Bank	3133X8KT8	1,473,398.44	5,745.03	1,479,143.47	1,500,000.00	3,812.50	2,497.84	6,310.34
Less matured securities		-3,493,515.63	-6,484.37	-3,500,000.00	-3,500,000.00			
		18,206,176.58	46,487.21	18,252,663.79	18,469,000.00	43,973.57	14,009.29	57,982.86

Fannie Mae	31359MVS9	Matured 6/28/06	1,000,000.00
Federal Home Loan Bank	3133XC6D0	Matured 6/14/06	2,500,000.00

Central Texas Regional Mobility Authority
Balance Sheet
As of June 30, 2006

Assets

Current Assets

Cash in Operating Fund		(83,546.15)	
Cash In TexSTAR	7,246,752.49		
Cash in Chase Money Mkt Funds	8,005,326.80		
Restricted Cash-TexStar	21,931,006.77		
Total Cash			37,099,539.91
Accounts Receivable	1,361.30		
Interest Receivable	97,381.93		
Total Receivables			98,743.23
Agencies			18,252,663.25
Prepaid Insurance	10,484.26		
Prepaid Expenses	2,849.99		
Total Prepaid Expenses			13,334.25
Total Current Assets			55,464,280.64

Construction Work In Process

Relocation Expense	31,582.56		
Consulting-Admin Services	658,809.46		
Consulting-Reimbursed Expenses	121.82		
Environmental Fees	398,750.00		
Funding Costs	30,000.00		
Legal Fees-Construction	1,729,988.01		
Traffic & Revenue Analysis	1,933,383.81		
Unsuccessful Proposers	356,625.82		
Engineering	1,741,880.87		
Right of Way	116,126.61		
Total Preliminary Costs			6,997,268.96
Public Involvement	154,626.86		
CDA Oversight	4,148,818.53		
Engineering	14,082,913.49		
Total Construction Engineering			18,386,358.88
Design	24,702,423.47		
Construction-CDA	86,116,200.15		
Other Construction Costs	75,465.53		
Total Construction			110,894,089.15
Toll Collection System			2,583,715.12
Accrued Interest Income	(10,018,319.00)		
Accrued Interest Expense	16,013,333.04		
Amortization of Bond Premium	(2,121,069.00)		
Amortization Bond Disc Invest	(102,288.16)		
Total Accrued Interest			3,771,656.88
Amortization Bond Issue Costs			1,928,528.72
Total Construction WIP			144,561,617.71

Fixed Assets		
Computers	115,571.52	
Accum Deprec-Computers	(62,604.22)	52,967.30
Computer Software	95,156.88	
Accumulated Amortization-Software	(11,627.76)	83,529.12
Furniture and Fixtures	49,900.17	
Accum Deprec-Furn & Fixtures	(4,186.62)	45,713.55
Equipment	29,490.93	
Accum Deprec-Equipment	(4,161.74)	25,329.19
Communication Equipment	29,556.02	
Accum Deprec-Comm Equip	(2,935.08)	26,620.94
Leasehold Improvements		39,953.07
Total Fixed Assets		274,113.17
Other Assets		
Long Term Investments		
GIC	112,820,230.32	
Total Long Term Investments		112,820,230.32
2005 Bond Issuance Costs		11,001,840.44
Total Assets		324,130,725.58

Liabilities

Current Liabilities

Accounts Payable	7,777,914.55	
Salaries Payable	24,848.75	
Interest Payable	5,743,221.64	
Deferred Compensation Payable	3,262.26	
TCDRS Payable	22,987.01	
Due to other Entities	692.31	
FICA Payable	4,653.20	
FICA MED Payable	1,088.22	
Federal Withholding Payable	4,748.00	
Due to State of Texas	99.39	
Total Due to other Entities	10,588.81	
Total Current Liabilities		13,583,515.33

Long Term Liabilities

Retainage Payable	5,657,712.95	
BANS 2005	66,000,000.00	
Senior Lien Revenue Bonds 2005	168,570,263.80	
Sn Lien Rev Bnd Prem/Disc 2005	7,737,137.55	
Total Long Term Liabilities		247,965,114.30
Total Liabilities		261,548,629.63

Net Assets Section

Net Assets beginning		64,499,019.16
Current Year Operations		(1,916,923.21)
Total Net Assets		62,582,095.95
Total Liabilities and Net Assets		324,130,725.58

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

	Budget FY 2006	Actual Year To Date 6/30/2006	Percent Of Budget
Revenue			
Interest Income	373,317.00	457,789.01	122.63%
Reimbursed Expenditures	0.00	32,724.88	
Total Revenue	373,317.00	490,513.89	131.39%
	Budget FY 2006	Actual Year To Date 6/30/2006	Percent Of Budget
Expenditures			
Regular	982,047.00	825,484.53	84.06%
Part Time	27,000.00	527.20	1.95%
Contractual Employees	129,000.00	139,599.89	108.22%
TCDRS	135,113.00	113,473.93	83.98%
FICA	46,222.00	44,493.39	96.26%
FICA MED	14,631.00	11,751.69	80.32%
Health Insurance	93,109.00	63,905.17	68.63%
Life Insurance	3,225.00	478.95	14.85%
Auto Allowance	7,800.00	9,100.00	116.67%
Other Benefits	23,000.00	29,534.28	128.41%
Deferred compensation	0.00	4,579.68	
Unemployment Taxes	0.00	3,253.45	
Workers Compensation	0.00	471.66	
Total Salaries & Wages	1,461,147.00	1,246,653.82	85.32%

	Budget FY 2006	Actual Year To Date 6/30/2006	Percent Of Budget
Contractual Services			
Professional Services			
Accounting	36,000.00	24,583.59	68.29%
Auditing	11,000.00	10,800.00	98.18%
Business Opportunity Program	80,000.00	0.00	
Consulting	10,000.00	0.00	
Engineering	0.00	105.00	
Financial Advisors	0.00	29,320.00	
General Engineering Consultant	200,000.00	5,568.75	2.78%
Human Resources	12,000.00	5,863.04	48.86%
Legal	410,000.00	276,532.56	67.45%
Photography	8,000.00	13,117.66	163.97%
Transcripts	0.00	1,900.00	
Total Professional Services	767,000.00	367,790.60	47.95%
Other Contractual Services			
IT Services	60,000.00	9,941.18	16.57%
Graphic Design Services	115,000.00	44,064.02	38.32%
Website Maintenance	20,000.00	31,903.00	159.52%
Research Services	65,000.00	47,588.07	73.21%
Computer Maintenance	6,000.00	772.95	12.88%
Copy Machine	24,000.00	4,443.68	18.52%
Other Maintenance Contracts	9,000.00	105.00	1.17%
Advertising	0.00	54,163.57	
Video Production	0.00	28,217.00	
Other Public Relations	160,000.00	192,139.93	120.09%
Cell Phones	5,960.00	6,160.89	103.37%
Local	0.00	3,377.02	
Long Distance	10,344.00	151.13	1.46%
Internet	0.00	2,016.95	
Other Communication Expense	0.00	1,608.12	
Dues & Subscriptions	2,500.00	4,936.71	197.47%
Memberships	5,500.00	6,595.00	119.91%
Continuing Education	2,000.00	2,245.00	112.25%
Professional Development	10,000.00	9,266.10	92.66%
Seminars and Conferences	11,500.00	10,431.72	90.71%
Total Travel	55,500.00	44,330.02	79.87%
Other Contractual Svcs	10,000.00	4,257.27	42.57%
Contractual Contingencies	25,000.00	0.00	
Total Other Contractual Services	597,304.00	508,714.33	85.17%
Total Contractual Expenses	1,364,304.00	876,504.93	64.25%

	Budget FY 2006	Actual Year To Date 6/30/2006	Percent Of Budget
Materials and Supplies			
Books & Publications	0.00	5,460.85	
Office Supplies	24,500.00	16,323.47	66.63%
Computer Supplies	25,000.00	6,177.76	24.71%
Copy Supplies	8,000.00	0.00	
Annual Report	15,000.00	14,950.00	99.67%
Other Reports	2,000.00	0.00	
Direct Mail	45,000.00	24,483.00	54.41%
Office Supplies	0.00	3,679.12	
Promotional Items	5,000.00	0.00	
Displays	6,000.00	1,750.00	29.17%
Other Supplies	0.00	137.85	
Tools & Equipment	0.00	700.88	
Misc Materials & Supplies	33,000.00	381.85	1.16%
Total Materials & Supplies Exp	163,500.00	74,044.78	45.29%
Operating Expenses			
Gasoline	0.00	18.92	
Mileage Reimbursement	3,300.00	7,436.89	225.36%
Parking	1,700.00	2,147.64	126.33%
Meeting Facilities	4,800.00	715.20	14.90%
Meeting Expense	0.00	3,358.09	
Public Notices	0.00	565.16	
Postage	12,100.00	4,577.78	37.83%
Overnight Services	9,000.00	294.20	3.27%
Delivery Services	4,000.00	1,966.13	49.15%
Insurance	25,000.00	18,802.61	75.21%
Reimbursements	12,500.00	39.21	0.31%
Repair and Maintenance	500.00	158.00	31.60%
Rent	112,583.00	53,301.30	
Electricity	0.00	735.90	
Natural Gas	0.00	163.59	
Amortization Expense	0.00	12,635.53	
Dep Exp- Furniture & Fixtures	0.00	4,186.62	
Dep Expense - Equipment	0.00	4,161.74	
Dep Expense-Communic Equip	0.00	2,935.08	
Depreciation Expense-Computers	0.00	43,893.78	
Special Events	10,000.00	0.00	
Recruitment	5,000.00	1,306.16	26.12%
Community Initiative Grants	200,000.00	32,500.00	16.25%
Total Operating Expense	400,483.00	195,899.53	48.92%
Financing Expenses			
Loan Fees	0.00	10,500.00	
Trustee Fees	0.00	3,483.37	
Bank Fees	0.00	350.67	
Total Financing Expense	0.00	14,334.04	
Total Expenses	3,389,434.00	2,407,437.10	71.03%
Net Income	-3,016,117.00	-1,916,923.21	



Monthly Newsletter - June 2006

Performance

<i>As of June 30, 2006</i>		<i>June Averages</i>	
Current Invested Balance	\$3,490,853,364.63	Average Invested Balance	\$3,623,959,565.42
Weighted Average Maturity (1)	16 Days	Average Monthly Yield, on a simple basis	5.0063%
Weighted Average Maturity (2)	75 Days	Average Weighted Average Maturity (1)*	14 Days
Net Asset Value	.999935	Average Weighted Average Maturity (2)*	72 Days
Total Number of Participants	457	Definition of Weighted Average Maturity (1) & (2)	
Management Fee on Invested Balance	0.12%*	(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.	
Interest Distributed	\$15,058,775.75	(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.	
Management Fee Collected	\$148,933.79	* 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.	
Standard & Poor's Current Rating	AAAm		

New Participants

We would like to welcome the following entities who joined the TexSTAR program in June 2006:

- ★ Houston Convention Center Hotel Corporation

Direct Deposit of State and Local Payments

Direct Deposit has become the preferred payment method for state and local agencies and TexSTAR offers the ability to have these payments directly deposited to your TexSTAR account. Direct deposit to TexSTAR ensures that your payment will be automatically invested on the day it is issued. Since there is no additional charge for this service, you save both time and the expense of an investment transaction. Direct deposit to TexSTAR also alleviates the concern of having collateral available for these funds at your depository. Forms to initiate direct deposit of state agency payments are available at <http://www.window.state.tx.us/taxinfo/taxforms/74-176.pdf>. In addition, TexSTAR has direct deposit arrangements with many local taxing authorities. For more information about this service, please call TexSTAR Participant Services at 1.800.839.7827.

Economic Commentary

Overall, most economic reports released in the second quarter point to an ongoing moderation in the pace of economic activity. Labor market conditions softened substantially with payrolls averaging a meager 101,000 in the April-May period bringing down the 3-month average to 125,000. The unemployment rate edged down to 4.6% in May marking a new cycle-low for the series. Rising gas prices took a toll on consumer confidence. The manufacturing sector, on the other hand, remained healthy throughout the quarter. Housing market data released in the last three months point to the prospect of at least a temporary stabilization of the housing market.

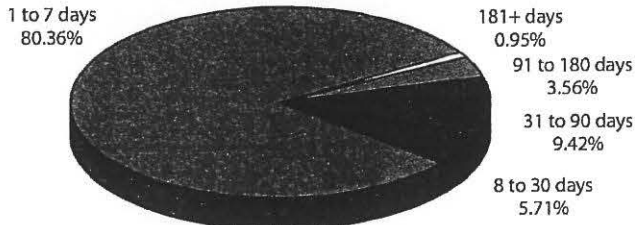
On the inflation front, consumer prices accelerated throughout the course of the quarter with the core CPI increasing by 0.3% for three consecutive months since March and now up 2.4% on a year-on-year basis. The core PCE deflator, following two consecutive 0.2% increases, is still up 2.1% year-on-year. The Treasury yield curve flattened during the quarter. The yield on 3-month Treasury bills rose 37 bps to end at 4.98%. Meanwhile, the LIBOR curve flattened modestly, as the spread between 1-month and 12-month yields decreased from 46 bps at the end of March to 36 bps at the end of June.

There is a 60% probability that the Fed will raise the fed funds rate to 5.5% by the end of the summer. The probability of an additional move on August 8th depends largely on the CPI report to be released on July 19th. As economic growth moderates closer to trend and energy prices stabilize, the recent acceleration in inflation is not expected to intensify on a sustained basis.

For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of June 30, 2006

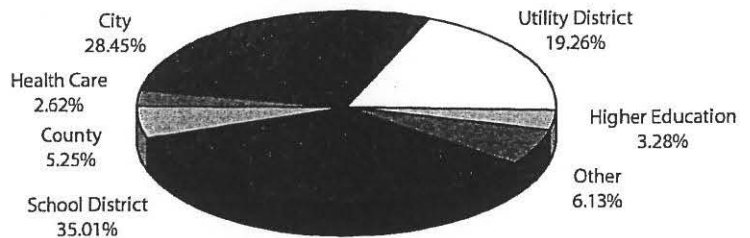


Repurchase Agreements
77.43%



Agencies
22.57%

Portfolio by Maturity As of June 30, 2006



Distribution of Participants by Type As of June 30, 2006

Historical Program Information

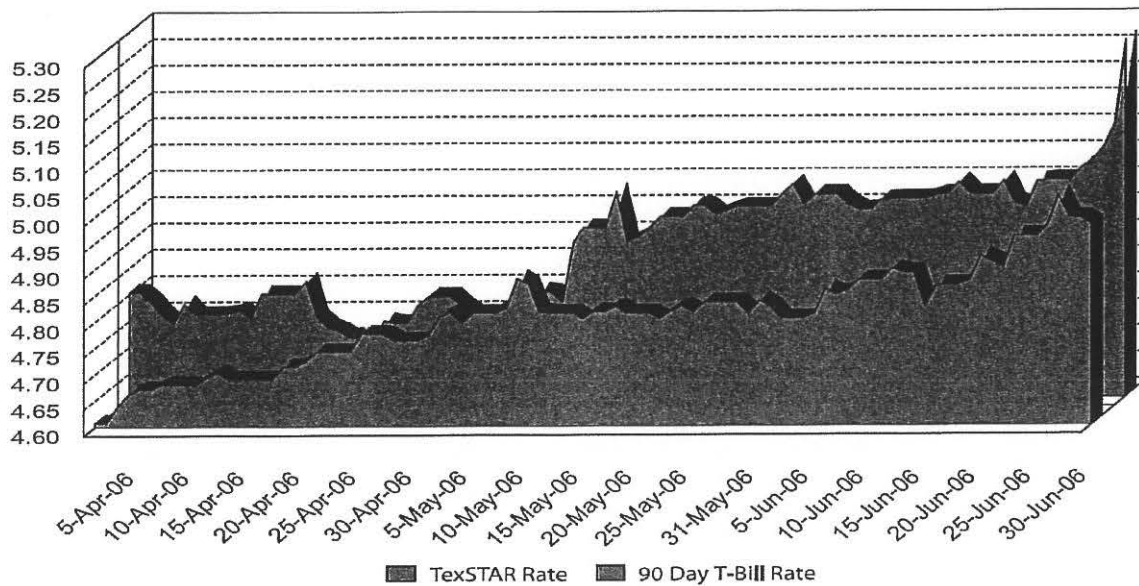
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jun 06	5.0063%	\$ 3,490,853,364.63	\$ 3,490,672,360.70	0.999935	14	72	457
May 06	4.8929%	3,709,022,855.02	3,708,815,237.78	0.999944	11	59	456
Apr 06	4.7679%	3,886,888,058.02	3,886,490,684.37	0.999897	14	60	451
Mar 06	4.5746%	3,914,969,328.87	3,914,628,496.64	0.999912	13	57	447
Feb 06	4.4898%	4,002,329,057.36	4,001,985,615.58	0.999914	12	53	442
Jan 06	4.3121%	3,730,218,809.33	3,729,885,751.81	0.999910	14	56	437
Dec 05	4.1835%	2,992,136,881.94	2,991,868,874.98	0.999895	18	57	430
Nov 05	3.9249%	2,297,701,062.61	2,295,751,046.27	0.999151	20	43	427
Oct 05	3.7095%	2,425,528,634.83	2,422,699,456.41	0.998833	30	47	422
Sep 05	3.5540%	2,649,344,687.07	2,647,386,589.80	0.999201	33	50	418
Aug 05	3.4264%	2,675,030,454.20	2,673,861,602.84	0.999563	35	58	414
Jul 05	3.2419%	2,786,919,144.64	2,786,334,011.23	0.999790	38	65	406
Jun 05	3.0426%	2,682,360,633.06	2,681,982,562.48	0.999859	34	60	396

Portfolio Asset Summary as of June 30, 2006

	Book Value	Market Value
Uninvested Balance	\$ 691,850.64	\$ 691,850.64
Accrual of Interest Income	3,081,264.07	3,081,264.07
Interest and Management Fees Payable	(15,118,790.78)	(15,118,790.78)
Receivable for Investment Sold	(13,264.02)	(13,264.02)
Repurchase Agreements	2,714,456,000.00	2,714,456,000.00
Government Securities	787,756,304.72	787,575,300.79
Total	\$ 3,490,853,364.63	\$ 3,490,672,360.70

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



Daily Summary for June 2006

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Jun-06	4.9686%	0.000136126	3,688,512,453.47	0.999941	9	69
2-Jun-06	4.9867%	0.000136623	3,686,723,011.35	0.999950	9	68
3-Jun-06	4.9867%	0.000136623	3,686,723,011.35	0.999950	9	68
4-Jun-06	4.9867%	0.000136623	3,686,723,011.35	0.999950	9	68
5-Jun-06	4.9670%	0.000136082	3,679,143,146.17	0.999948	8	68
6-Jun-06	4.9571%	0.000135812	3,676,424,332.06	0.999946	8	68
7-Jun-06	4.9580%	0.000135835	3,645,994,298.32	0.999946	13	71
8-Jun-06	4.9767%	0.000136347	3,652,321,249.61	0.999951	15	73
9-Jun-06	4.9781%	0.000136385	3,662,192,759.31	0.999950	14	72
10-Jun-06	4.9781%	0.000136385	3,662,192,759.31	0.999950	14	72
11-Jun-06	4.9781%	0.000136385	3,662,192,759.31	0.999950	14	72
12-Jun-06	4.9794%	0.000136423	3,655,295,679.66	0.999948	14	72
13-Jun-06	4.9857%	0.000136594	3,645,025,291.00	0.999947	14	74
14-Jun-06	4.9873%	0.000136638	3,663,986,306.23	0.999941	14	73
15-Jun-06	5.0093%	0.000137240	3,663,441,768.24	0.999935	13	73
16-Jun-06	4.9866%	0.000136620	3,638,469,586.56	0.999934	14	73
17-Jun-06	4.9866%	0.000136620	3,638,469,586.56	0.999934	14	73
18-Jun-06	4.9866%	0.000136620	3,638,469,586.56	0.999934	14	73
19-Jun-06	5.0118%	0.000137310	3,631,919,273.90	0.999933	16	73
20-Jun-06	4.9699%	0.000136162	3,617,999,324.98	0.999933	16	72
21-Jun-06	4.9633%	0.000135982	3,593,121,897.19	0.999928	16	73
22-Jun-06	5.0108%	0.000137283	3,552,762,868.07	0.999925	17	73
23-Jun-06	5.0129%	0.000137339	3,546,987,806.64	0.999923	16	72
24-Jun-06	5.0129%	0.000137339	3,546,987,806.64	0.999923	16	72
25-Jun-06	5.0129%	0.000137339	3,546,987,806.64	0.999923	16	72
26-Jun-06	5.0361%	0.000137976	3,634,218,540.42	0.999922	15	70
27-Jun-06	5.0490%	0.000138330	3,567,979,509.94	0.999917	17	74
28-Jun-06	5.0731%	0.000138988	3,554,779,199.36	0.999922	17	74
29-Jun-06	5.1176%	0.000140207	3,501,888,967.74	0.999921	17	75
30-Jun-06	5.2768%	0.000144571	3,490,853,364.63	0.999935	16	75
Average	5.0063%	0.000137160	3,623,959,565.42		14	72

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>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Will Williams</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>Scott Christensen</i>	<i>Reid Road MUD No. 1</i>	<i>Advisory Board</i>
<i>Ramiro Flores</i>	<i>Harlingen CISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs & Santow</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>
<i>Charles Wall</i>	<i>Texas Tech University</i>	<i>Advisory Board</i>

 **First Southwest Asset Management**

 **JPMorganChase**