

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

RESOLUTION NO. 07-41

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 2007 and has caused a Financial Report 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 2007, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of July, 2007.

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 07-41
Date Passed 7/25/07

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

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 6/30/2007	Of Budget	To Date 6/30/2006
Toll Revenue-Cash-183A	410,000.00	384,332.26	93.74%	0.00
Toll Revenue-TxTag-183A	510,000.00	591,842.90	116.05%	0.00
Interest Income	503,050.00	464,805.57	92.40%	457,789.01
Reimbursed Expenditures	51,000.00	58,541.82	114.79%	32,724.88
Total Revenue	1,474,050.00	1,499,522.55	101.73%	490,513.89

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 6/30/2007	Of Budget	To Date 6/30/2006
Regular	1,210,148.00	1,084,972.06	89.66%	825,454.95
Part Time	17,000.00	14,826.36	87.21%	527.20
Overtime	10,000.00	893.07	8.93%	0.00
Contractual Employees	130,000.00	147,311.22	113.32%	139,599.89
TCDRS	155,866.00	140,465.45	90.12%	113,416.26
FICA	64,527.00	53,112.31	82.31%	44,493.39
FICA MED	17,939.00	15,359.69	85.62%	11,751.69
Health Insurance	117,223.00	89,529.68	76.38%	63,905.17
Life Insurance	1,682.00	1,140.00	67.78%	478.95
Auto Allowance	9,000.00	7,750.00	86.11%	9,100.00
Other Benefits	88,471.00	33,169.91	37.49%	29,534.28
Unemployment Taxes	4,590.00	829.59	18.07%	3,253.45
Workers Compensation	5,324.00	0.00		471.66
Total Salaries & Wages	1,831,770.00	1,589,359.34	86.77%	1,246,566.57

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 6/30/2007	Of Budget	To Date 6/30/2006
Professional Services				
Accounting	12,000.00	7,347.09	61.23%	24,583.59
Auditing	35,000.00	16,247.50	46.42%	10,800.00
Financial Advisors	4,000.00	0.00		29,320.00
General Engineering Consultant	450,000.00	0.00		5,568.75
General System Consultant	100,000.00	0.00		0.00
Geotechnical	1,200,000.00	147,423.97	12.29%	0.00
Human Resources	22,000.00	16,324.88	74.20%	5,863.04
Legal	300,000.00	110,208.44	36.74%	286,417.25
Photography	15,000.00	17,435.42	116.24%	13,117.66
Traffic & Revenue Consultants	40,000.00	10,000.00	25.00%	0.00
Communications and Marketing	150,000.00	100,136.28	66.76%	0.00
Transcripts	2,000.00	0.00		1,900.00
Total Professional Services	2,330,000.00	425,123.58	18.25%	377,675.29

	Budget FY 2007	Actual Year To Date 6/30/2007	Percent Of Budget	Actual Year To Date 6/30/2006
Other Contractual Services				
IT Services	25,000.00	15,028.85	60.12%	9,941.18
Graphic Design Services	50,000.00	5,750.00	11.50%	44,064.02
Website Maintenance	20,000.00	16,932.15	84.66%	31,903.00
Research Services	45,000.00	2,005.95	4.46%	47,588.07
Copy Machine	13,000.00	7,673.14	59.02%	4,443.68
Software licenses	21,675.00	21,033.80	97.04%	0.00
Advertising	50,000.00	57,793.43	115.59%	54,163.57
Direct Mail	20,000.00	25,293.39	126.47%	0.00
Video Production	50,000.00	103,941.48	207.88%	28,217.00
Television	150,000.00	180,396.64	120.26%	0.00
Radio	50,000.00	43,036.34	86.07%	0.00
Other Public Relations	0.00	51,650.41		192,139.93
Security Contracts	60,000.00	68,736.65	114.56%	0.00
Cell Phones	10,170.00	5,141.32	50.55%	6,160.89
Local	18,240.00	11,004.67	60.33%	3,377.02
Long Distance	2,400.00	786.21	32.76%	151.13
Internet	4,000.00	3,672.00	91.80%	2,016.95
Other Communication Expense	1,000.00	546.95	54.70%	1,608.12
Dues & Subscriptions	7,200.00	2,070.70	28.76%	4,936.71
Memberships	18,950.00	12,129.85	64.01%	6,595.00
Continuing Education	9,000.00	2,584.95	28.72%	2,245.00
Professional Development	11,000.00	950.00	8.64%	9,266.10
Seminars and Conferences	21,400.00	23,925.00	111.80%	10,431.72
Total Travel	70,500.00	25,601.56	36.31%	44,330.02
Other Contractual Svcs	9,000.00	9,571.93	106.35%	4,257.27
Contractual Contingencies	161,000.00	479.26	0.30%	
Total Other Contractual Services	826,860.00	697,736.63	84.38%	508,714.33
Total Contractual Expenses	3,156,860.00	1,122,860.21	35.57%	886,389.62

	Budget FY 2007	Actual Year To Date 6/30/2007	Percent Of Budget	Actual Year To Date 6/30/2006
Materials and Supplies				
Books & Publications	3,600.00	3,276.14	91.00%	5,460.85
Office Supplies	18,750.00	8,997.59	47.99%	16,266.71
Computer Supplies	17,500.00	6,471.12	36.98%	6,177.76
Copy Supplies	6,000.00	0.00		0.00
Annual Report	20,000.00	20,245.87	101.23%	14,950.00
Other Reports	60,500.00	54,441.27	89.99%	0.00
Direct Mail	0.00	3,455.00		24,483.00
Office Supplies	18,350.00	4,918.14	26.80%	3,679.12
Maintenance Supplies	500.00	0.00		0.00
Promotional Items	12,500.00	14,144.25	113.15%	0.00
Displays	10,000.00	13,201.12	132.01%	1,750.00
Tools & Equipment	2,250.00	1,188.67	52.83%	920.88
Misc Materials & Supplies	6,000.00	1,683.23	28.05%	381.85
Total Materials & Supplies Exp	175,950.00	132,022.40	75.03%	74,208.02

	Budget FY 2007	Actual Year To Date 6/30/2007	Percent Of Budget	Actual Year To Date 6/30/2006
Operating Expenses				
Gasoline	10,000.00	0.00		18.92
Mileage Reimbursement	8,200.00	7,154.08	87.24%	7,436.89
Parking	22,100.00	23,747.36	107.45%	2,147.64
Graffiti Removal	0.00	1,722.40		0.00
Meeting Facilities	3,000.00	5,000.00	166.67%	715.20
Community Events	20,000.00	1,366.37	6.83%	0.00
Meeting Expense	4,900.00	3,220.38	65.72%	3,358.09
Public Notices	3,500.00	328.75	9.39%	565.16
Postage	11,500.00	17,117.22	148.85%	4,577.78
Overnight Services	2,200.00	257.14	11.69%	294.20
Delivery Services	3,200.00	2,013.07	62.91%	1,966.13
Insurance	26,200.00	31,830.28	121.49%	18,802.61
Reimbursements	1,150.00	1.36	0.12%	39.21
Repair and Maintenance	3,600.00	0.00		158.00
Rent	162,290.00	182,683.47	112.57%	53,301.30
Water	17,000.00	0.00		0.00
Electricity	7,400.00	23,487.37	317.40%	735.90
Natural Gas	500.00	0.00		163.59
Amortization Expense	30,000.00	34,546.68	115.16%	12,635.53
Dep Exp- Furniture & Fixtures	12,000.00	10,534.02	87.78%	4,186.62
Dep Expense - Equipment	12,000.00	9,384.72	78.21%	4,161.74
Dep Expense-Communic Equip	6,000.00	5,998.59	99.98%	2,935.08
Depreciation Expense-Computers	48,000.00	28,168.75	58.68%	43,893.78
Recruitment	4,000.00	0.00		1,306.16
Community Initiative Grants	200,000.00	125,192.00	62.60%	32,500.00
Total Operating Expense	618,740.00	513,754.01	83.03%	195,899.53
Financing Expenses				
Arbitrage Rebate	1,000.00	3,500.00	350.00%	0.00
Loan Fees	10,500.00	11,000.00	104.76%	10,500.00
Bond Issuance Cost	25,000.00	25,000.00	100.00%	0.00
Trustee Fees	3,800.00	4,849.99	127.63%	3,483.37
Bank Fees	1,000.00	2,384.54	238.45%	350.67
Credit Card Fees	1,000.00	0.00		0.00
Contingency	20,000.00	0.00		0.00
Total Financing Expense	62,300.00	46,734.53	75.02%	14,334.04
Total Expenses	5,845,620.00	3,404,730.49	58.24%	2,417,397.78
Net Income	-4,371,570.00	-1,905,207.94		-1,926,883.89

Central Texas Regional Mobility Authority
Balance Sheet

As of

June 30, 2007

June 30, 2006

Assets

Current Assets

Cash in Operating Fund	35,704.56		(83,496.15)
Chase-Regions Trustee Account	5,595.45		0.00
Regions Trustee cash account	3,385.64		0.00
Cash In TexSTAR	7,413,353.77	7,246,752.49	
Cash in Chase Money Mkt Funds	0.00	8,005,326.80	
Money Market Payroll Account	1,896.79	0.00	
Fidelity Government MMA	593,936.99	0.00	
Restricted Cash-TexStar	64,081,248.60	21,931,006.77	
Total Cash Equivalents	<u>72,090,436.15</u>	<u>37,183,086.06</u>	
Accounts Receivable	2,948.27	1,361.30	
Due From Other Funds	145,510.38	0.00	
Due From TTA	260,490.00	0.00	
Due From NTTA	7,277.00	0.00	
Due From HCTRA	16,032.00	0.00	
Interest Receivable	39,731.79	97,381.93	
Agencies	8,467,084.14		18,252,663.25
Prepaid Insurance	16,409.38	10,484.26	
Prepaid Expenses	0.00	2,849.99	
Total Prepaid Expenses	<u>16,409.38</u>	<u>13,334.25</u>	
Total Current Assets	<u>81,090,604.76</u>	<u>55,464,330.64</u>	

Construction Work In Process

Utility Relocation Expense	61,460.46	31,582.56	
Consulting-Admin Services	687,052.37	658,809.46	
Consulting-Reimbursed Expenses	5,766.34	121.82	
Environmental Fees	398,750.00	398,750.00	
Funding Costs	30,000.00	30,000.00	
Legal Fees-Construction	2,286,860.09	1,825,481.80	
Traffic & Revenue Analysis	2,623,836.16	1,933,383.81	
Unsuccessful Proposers	356,625.82	356,625.82	
Engineering	4,244,068.00	1,767,193.20	
Right of Way	18,616,173.29	116,126.61	
Total Preliminary Costs	<u>29,310,592.53</u>	<u>7,118,075.08</u>	
Public Involvement	394,699.68	173,044.89	
CDA Oversight	7,985,018.62	4,204,927.75	
Engineering	14,082,913.49	14,082,913.49	
Total Construction Engineering	<u>22,462,631.79</u>	<u>18,460,886.13</u>	
Design	31,028,125.16	24,702,423.47	
Construction-CDA	137,049,256.06	86,116,200.15	
Other Construction Costs	388,282.41	75,465.53	
Total Construction	<u>168,465,663.63</u>	<u>110,894,089.15</u>	
Toll Collection System	8,180,362.24		2,583,715.12
Accrued Interest Income	(14,263,992.44)	(10,018,319.00)	
Accrued Interest Expense	27,524,716.84	16,013,333.04	
Amortization of Bond Premium	(3,701,455.14)	(2,121,069.00)	
Amortization Bond Disc Invest	(4,326,769.75)	(102,288.16)	
Total Accrued Interest	<u>5,232,499.51</u>	<u>3,771,656.88</u>	
Amortization Bond Issue Costs	3,360,843.92		1,928,528.72
Total Construction WIP	<u>237,012,593.62</u>	<u>144,756,951.08</u>	

Fixed Assets

Computers	115,571.52		115,571.52	
Accum Deprec-Computers	<u>(90,772.97)</u>	24,798.55	<u>(62,604.22)</u>	52,967.30
Computer Software	95,156.88		95,156.88	
Accumulated Amortization-Software	<u>(40,322.88)</u>	54,834.00	<u>(11,627.76)</u>	83,529.12
Furniture and Fixtures	61,409.41		49,900.17	
Accum Deprec-Furn & Fixtures	<u>(14,720.64)</u>	46,688.77	<u>(4,186.62)</u>	45,713.55
Equipment	30,721.93		28,777.93	
Accum Depec-Equipment	<u>(13,546.46)</u>	17,175.47	<u>(4,161.74)</u>	24,616.19
Autos and Trucks	16,295.00		0.00	
Communication Equipment	30,743.13		29,556.02	
Accum Deprec-Comm Equip	<u>(8,933.67)</u>	21,809.46	<u>(2,935.08)</u>	26,620.94
Leasehold Improvements		46,517.90		39,953.07
Total Fixed Assets		228,119.15		273,400.17
Other Assets				
Security Deposits		8,643.30		8,643.30
Long Term Investments				
GIC		10,161,470.17		112,820,230.32
Other Assets				
Intangible Assets		650.00		0.00
2005 Bond Issuance Costs		9,569,525.24		11,001,840.44
Total Assets		338,071,606.24		324,325,395.95

Liabilities**Current Liabilities**

Accounts Payable	2,790,424.90		7,982,632.85	
Salaries Payable	31,186.68		24,848.75	
Interest Payable	5,759,913.06		5,707,804.97	
Due to other Funds	145,510.38		0.00	
Deferred Compensation Payable	4,312.26		3,262.26	
TCDRS Payable	26,391.77		22,899.76	
Due to other Entities	692.31		692.31	
FICA Payable	4,906.36		4,653.20	
FICA MED Payable	1,353.76		1,088.22	
Federal Withholding Payable	5,877.00		4,748.00	
Due to State of Texas	19.38		99.39	
Total Due to other Entities	12,156.50		0.00	
Total Current Liabilities		8,770,587.86		13,752,729.71

Long Term Liabilities

Retainage Payable	8,721,248.89		5,657,712.95	
BANS 2005	66,000,000.00		66,000,000.00	
Senior Lien Revenue Bonds 2005	169,325,456.18		168,570,263.80	
Sn Lien Rev Bnd Prem/Disc 2005	6,156,751.41		7,737,137.55	
Total Long Term Liabilities	<u>250,203,456.48</u>		<u>247,965,114.30</u>	
Total Liabilities		258,974,044.34		261,717,844.01

Net Assets Section

Contributed Capital	18,430,634.57			
Net Assets beginning	62,572,135.27			64,499,019.16
Current Year Operations	<u>(1,905,207.94)</u>		<u>(1,891,467.22)</u>	
Total Liabilities and Net Assets		338,071,606.24		324,325,395.95

CTRMA INVESTMENT REPORT

Month Ending 6/30/2007							Current	
Balance		Discount	Accrued Interest	Withdrawals	Balance	Rate as of	Maturity	
5/31/2007	Additions	Amortization			6/30/2007	5/31/2007		
Amount in repo								
Construction Fund	331,764.53		See Note a	327,620.02	4,144.51	3.35%	April 1, 2007	
Debt Service Fund	10,246,198.96		28,212.79		10,274,411.75	3.35%	Jan 1, 08	
totals	10,577,963.49	0.00	28,212.79	327,620.02	10,278,556.26			
Amount in Trustee TexStar								
Additional Projects Fund	9,553,679.90		41,451.38	23,196.12	9,571,935.16	5.372%		
Construction Fund	29,953,326.35	145,510.38	129,437.80	372,478.47	29,855,796.06	5.372%		
Renewal & Replacement Fund	97,148.52		422.26		97,570.78	5.372%		
TxDOT Grant Fund	10,643,665.08		46,262.79		10,689,927.87	5.372%		
Revenue Fund	104,020.13	423,282.39	1,043.15		528,345.67	5.372%		
Debt Service Reserve Fund	13,279,951.33		57,721.43		13,337,672.76	5.372%		
	63,631,791.31	568,792.77	0.00	276,338.81	64,081,248.30			
Amount in TexStar Operating Fund								
	7,731,054.73		32,889.22	350,590.18	7,413,353.77	5.372%		
Fidelity Money Market Fund								
-Operating Fund	5,494.17		22.75		5,516.92	4.890%		
-Additional Projects Fund	0.00	23,196.12	4,184.26	27,380.38	0.00	4.890%		
-Construction Fund	0.00	700,098.49	31.93	700,130.42	0.00	4.890%		
-Debt Service Fund	50,339.72		208.49		50,548.21	4.890%		
-Subordinate Lien DS Fund	1,610.82		6.67		1,617.49	4.890%		
-TxDOT Grant Fund	6,219.55		24.93		6,244.48	4.890%		
-Renewal and Replavement	41.32	510,000.00	0.17		510,041.49	4.890%		
- Revenue Fund	62,407.45	517,177.84	111.91	568,793.07	10,904.13	4.890%		
-Debt Service Reserve Fund	9,026.87		37.39		9,064.26	4.890%		
	135,139.90	1,750,472.45	0.00	4,628.50	593,936.98			
Money Market Fund-payroll								
	1,607.43	77,500.00		25.90	77,236.54	4.940%		
Amount in Fed Agencies								
Amortized Principal	4,960,609.35	0.00	6,475.27		4,467,084.62			
Accrued Interest			14,534.72	500,000.00				
	4,960,609.35	0.00	6,475.27	500,000.00	4,467,084.62			
Total in Repo's								
	10,577,963.49	0.00	28,212.79	327,620.02	10,278,556.26			
Total in Pools								
	71,362,846.04	568,792.77	309,228.03	746,264.77	71,494,602.07			
Total in Money Market								
	136,747.33	1,827,972.45	4,654.40	1,373,540.41	595,833.77			
Total in Fed Agencies								
	4,960,609.35	0.00	6,475.27	500,000.00	4,467,084.62			
Total Invested								
	87,038,166.21	2,396,765.22	342,095.22	2,947,425.20	86,836,076.72			

Amount in Fed Agencies As of June 30, 2007

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	3133XEK57	1,000,000.00	1,000,000.00	999,060.00	4.750%	2/16/2006	8/16/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133X5DV7	2,466,550.00	2,471,785.65	2,471,000.00	5.310%	5/24/2007	1/14/2008	Additional Projects Fund
Federal Home Loan Bank	3133X8NL2	991,956.00	995,298.96	995,155.00	5.260%	4/24/2007	9/28/2007	TxDOT Grant Fund
Totals		<u>4,458,506.00</u>	<u>4,467,084.61</u>	<u>4,465,215.00</u>				
Matured								
Federal Home Loan Bank	3133XC5C3	493,295.00	500,000.00	500,000.00	5.344%	4/21/2006	6/22/2007	Renewal and Replacement Fund
		<u>493,295.00</u>	<u>500,000.00</u>	<u>500,000.00</u>				

Agency	CUSIP #	COST	Cummulative Amortization	6/30/2007		Interest Income June 2007		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
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 Bank	3133X5DV7	2,466,550.00	5,235.65	2,471,785.65	2,500,000.00	6,562.50	4,363.04	10,925.54
Federal Home Loan Bank	3133X8NL2	991,956.00	3,342.96	995,298.96	1,000,000.00	2,791.67	1,567.01	4,358.68
		<u>4,458,506.00</u>	<u>8,578.61</u>	<u>4,467,084.61</u>	<u>4,500,000.00</u>	<u>13,312.50</u>	<u>5,930.05</u>	<u>19,242.55</u>
Matured								
Federal Home Loan Bank	3133XC5C3	493,295.00	6,705.00	500,000.00	500,000.00	1,222.22	545.22	1,767.44
		<u>493,295.00</u>	<u>6,705.00</u>	<u>500,000.00</u>	<u>500,000.00</u>	<u>1,222.22</u>	<u>545.22</u>	<u>1,767.44</u>
						<u>14,534.72</u>	<u>6,475.27</u>	<u>21,009.99</u>



Monthly Newsletter - June 2007

Performance

As of June 30, 2007

Current Invested Balance	\$4,850,271,396.79
Weighted Average Maturity (1)	21 Days
Weighted Average Maturity (2)	25 Days
Net Asset Value	1.000014
Total Number of Participants	543
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$21,655,235.30
Management Fee Collected	\$202,984.66
Standard & Poor's Current Rating	AAAm

June Averages

Average Invested Balance	\$4,935,615,915.40
Average Monthly Yield, on a simple basis	5.2883%
Average Weighted Average Maturity (1)*	18 Days
Average Weighted Average Maturity (2)*	25 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.

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

New Participants

We would like to welcome the following entities who joined the TexSTAR program in June 2007:

- | | | |
|--------------------|-------------------------------------|------------------|
| ★ Terrell County | ★ Lee County | ★ Guthrie CSD |
| ★ City of Forney | ★ City of Navasota | ★ Wimberley ISD |
| ★ Grimes County | ★ La Academia de Estrellas | ★ White Deer ISD |
| ★ Irion County ISD | ★ Spring Branch Management District | ★ Millsap ISD |

Economic Commentary

Second quarter economic reports pointed to a rebound in growth. Payroll gains started off the quarter with less than 80,000 and rose to a very healthy 157,000 in May. Conversely, the unemployment rate held steady at 4.5%. Initial jobless claims averaged a solid 316,000 last quarter versus 321,000 in the previous quarter. Both the claims data and the most recent employment report suggest labor market conditions remain tight.

Housing reports were mixed throughout the quarter. New home sales, a leading indicator, rose a cumulative 10.9% in April and May while existing home sales declined a cumulative 3.4%. Housing starts were up 1.0% in April, only to fall 2.1% in May. Manufacturing activity bounced back in the second quarter. Most regional surveys posted solid increases through the quarter, and the June ISM Manufacturing survey came in at a robust 56.0, with details of the report signaling an acceleration in manufacturing activity in the months ahead.

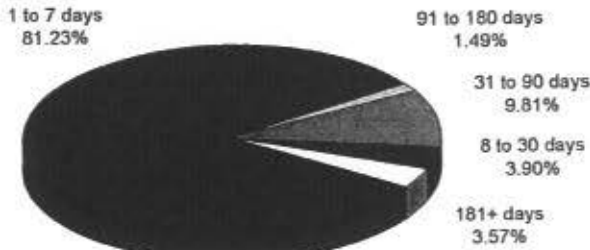
The core CPI printed 0.2% in April and 0.1% in May, with the year-over-year increase moderating to 2.2%, versus 2.5% in March. The core PCE deflator, the Federal Reserve's preferred inflation measure, was up only 0.1% in both months, and is currently up only 1.9% year-on-year (within the Fed's 1% - 2% comfort zone), down from 2.1% at the end of the first quarter. During the second quarter, yields rose dramatically across the curve. The U.S. Treasury yield curve steepened over the quarter, as the spread between two and five year Treasury notes ended June at 6 bps, higher by 10 bps from March 31.

The Fed is expected to stay on the sidelines through the end of the year, with any chance of a tightening or easing in 2008 being data dependant. The economy should continue to grow at an annualized pace of 3.6% in the second quarter as the result of an improvement in inventories and the trade balance.

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, 2007

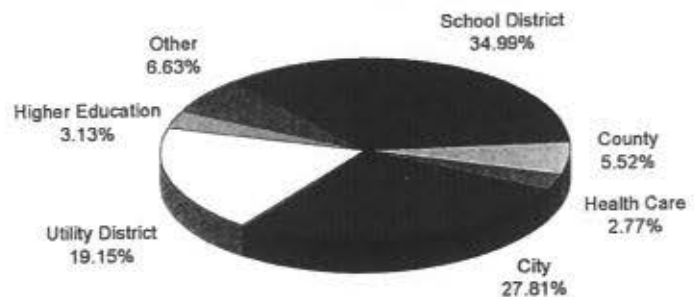


Repurchase Agreements
83.35%



Agencies
16.65%

Portfolio by Maturity As of June 30, 2007



Distribution of Participants by Type As of June 30, 2007

Performance

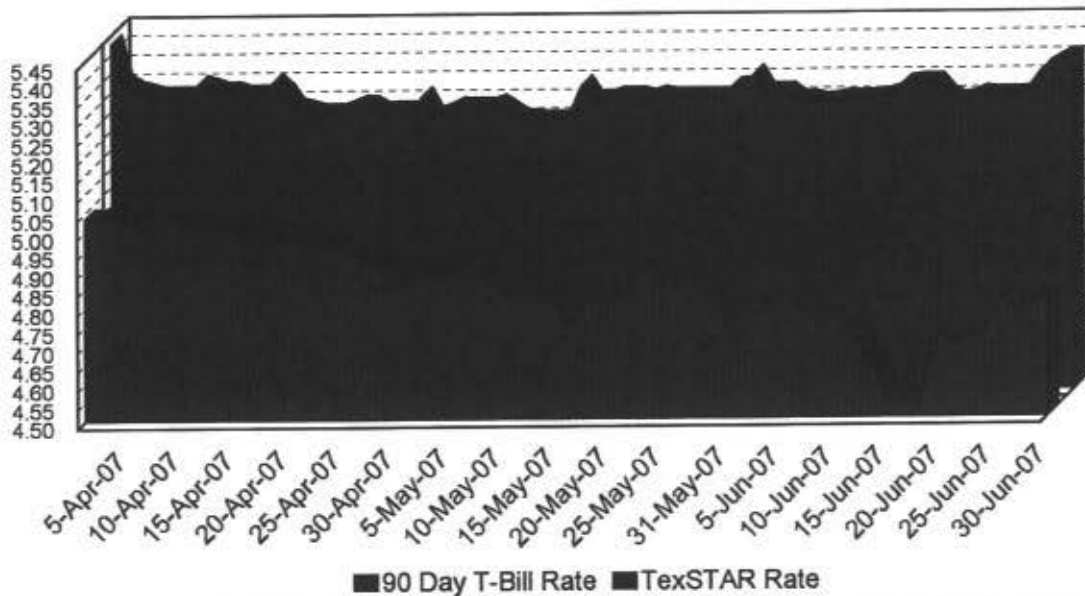
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jun 07	5.2883%	\$ 4,850,271,396.79	\$ 4,850,377,392.01	1.000014	18	25	543
May 07	5.2613%	4,809,313,042.18	4,809,314,578.92	1.000000	11	20	531
Apr 07	5.2803%	5,032,146,136.61	5,031,747,141.26	0.999920	13	23	523
Mar 07	5.2999%	5,200,629,725.85	5,200,442,100.26	0.999957	11	26	513
Feb 07	5.2903%	5,608,621,555.72	5,608,663,678.19	1.000007	12	31	505
Jan 07	5.2920%	4,939,413,083.56	4,939,578,732.47	1.000033	17	40	501
Dec 06	5.2991%	4,277,003,031.52	4,276,711,759.92	0.999923	15	49	493
Nov 06	5.2785%	3,929,299,527.54	3,928,963,502.14	0.999914	22	63	488
Oct 06	5.2903%	3,782,690,698.30	3,782,682,727.03	0.999997	30	75	484
Sep 06	5.2742%	3,711,282,274.72	3,712,264,237.96	1.000249	24	81	472
Aug 06	5.2601%	3,403,609,840.35	3,403,747,759.54	1.000040	16	76	466
Jul 06	5.2609%	3,652,659,353.06	3,652,612,174.26	0.999987	15	72	461
Jun 06	5.0063%	3,490,853,364.63	3,490,672,360.70	0.999935	14	72	457

Portfolio Asset Summary as of June 30, 2007

	Book Value	Market Value
Uninvested Balance	\$ 204,868.45	\$ 204,868.45
Accrual of Interest Income	4,486,252.00	4,486,252.00
Interest and Management Fees Payable	(21,698,793.33)	(21,698,793.33)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreements	4,063,501,000.00	4,063,501,000.00
Government Securities	803,778,069.67	803,884,064.89
Total	\$ 4,850,271,396.79	\$ 4,850,377,392.01

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 2007

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-07	5.2852%	0.000144800	4,846,514,904.39	0.999997	14	21
2-Jun-07	5.2852%	0.000144800	4,846,514,904.39	0.999997	14	21
3-Jun-07	5.2852%	0.000144800	4,846,514,904.39	0.999997	14	21
4-Jun-07	5.2645%	0.000144232	4,870,023,889.73	1.000000	14	22
5-Jun-07	5.2643%	0.000144227	4,904,181,677.02	0.999998	16	24
6-Jun-07	5.2582%	0.000144061	4,895,566,826.16	1.000001	16	24
7-Jun-07	5.2603%	0.000144117	4,928,683,774.01	0.999999	15	23
8-Jun-07	5.2655%	0.000144260	4,936,469,325.53	1.000002	17	24
9-Jun-07	5.2655%	0.000144260	4,936,469,325.53	1.000002	17	24
10-Jun-07	5.2655%	0.000144260	4,936,469,325.53	1.000002	17	24
11-Jun-07	5.2692%	0.000144361	4,926,565,023.39	1.000004	16	24
12-Jun-07	5.2713%	0.000144418	4,999,564,543.59	0.999995	19	26
13-Jun-07	5.2796%	0.000144647	4,955,739,526.25	0.999999	19	26
14-Jun-07	5.3035%	0.000145300	4,917,166,628.20	0.999995	19	26
15-Jun-07	5.3084%	0.000145435	4,885,308,234.97	0.999994	21	28
16-Jun-07	5.3084%	0.000145435	4,885,308,234.97	0.999994	21	28
17-Jun-07	5.3084%	0.000145435	4,885,308,234.97	0.999994	21	28
18-Jun-07	5.2752%	0.000144525	4,939,043,154.69	0.999999	21	28
19-Jun-07	5.2569%	0.000144025	4,931,749,586.42	1.000004	21	27
20-Jun-07	5.2628%	0.000144185	4,925,961,942.17	1.000003	21	27
21-Jun-07	5.2754%	0.000144531	5,018,154,318.95	1.000010	20	27
22-Jun-07	5.2717%	0.000144429	5,017,637,169.62	1.000010	19	26
23-Jun-07	5.2717%	0.000144429	5,017,637,169.62	1.000010	19	26
24-Jun-07	5.2717%	0.000144429	5,017,637,169.62	1.000010	19	26
25-Jun-07	5.2741%	0.000144495	5,100,826,848.70	1.000011	19	25
26-Jun-07	5.3006%	0.000145223	5,063,580,590.32	1.000009	19	25
27-Jun-07	5.3391%	0.000146278	5,007,370,049.41	1.000018	20	25
28-Jun-07	5.3567%	0.000146760	4,925,967,385.80	1.000013	22	25
29-Jun-07	5.3719%	0.000147176	4,850,271,396.79	1.000014	21	25
30-Jun-07	5.3719%	0.000147176	4,850,271,396.79	1.000014	21	25
Average	5.2883%	0.000144884	4,935,615,915.40		18	25

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>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>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

 **First Southwest Asset Management**

 **JPMorganChase**