

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

RESOLUTION NO. 08-21

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 February 2008 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 February 2008, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of March 2008.

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 08-21
Date Passed 3/26/08

Central Texas Regional Mobility Authority

Balance Sheet

As of

February 29, 2008

February 28, 2007

Assets

Current Assets

Cash in Operating Fund		23,905.15		15,357.43
Chase-Regions Trustee Account		3,895.55		0.00
Regions Trustee cash account		0.00		0.00
Cash In TexSTAR	5,968,849.81		8,443,227.50	
Money Market Payroll Account	3,010.85		43,394.95	
Fidelity Government MMA	10,954,348.33		4,152,853.10	
Restricted Cash-TexStar	49,882,951.74		29,097,506.82	
Total Cash Equivalents		66,809,160.73		41,736,982.37
Due From TTA	434,813.55		0.00	
Due From NTTA	18,100.80		0.00	
Due From HCTRA	54,582.30		0.00	
Interest Receivable	0.00		65,735.14	
Total Receivables		507,496.65		65,735.14
Agencies		0.00		5,432,582.83
Prepaid Insurance	93,223.23		30,119.42	
Prepaid Expenses	0.00		316.63	
Total Prepaid Expenses		93,223.23		30,436.05
Total Current Assets		67,437,681.31		47,281,093.82

Construction Work In Process

Utility Relocation Expense	7,296.44		61,411.19	
Consulting-Admin Services	28,559.43		687,052.37	
Consulting-Reimbursed Expenses	5,137.68		5,703.31	
Environmental Fees	0.00		398,750.00	
Funding Costs	39,204.26		30,000.00	
Legal Fees-Construction	668,333.43		2,174,971.27	
Traffic & Revenue Analysis	1,657,685.87		2,449,353.50	
Unsuccessful Proposers	0.00		356,625.82	
Engineering	2,291,049.21		3,721,261.14	
Right of Way	68,947.30		155,178.62	
Total Preliminary Costs		4,766,213.62		10,040,307.22
Public Involvement	142,610.38		319,800.36	
CDA Oversight	0.00		6,973,635.86	
Engineering	0.00		14,082,913.49	
Total Construction Engineering		142,610.38		21,376,349.71
Design	0.00		30,212,840.43	
Construction-CDA	0.00		126,498,804.52	
Other Construction Costs	0.00		296,476.42	
Total Construction		0.00		157,008,121.37
Toll Collection System		27,220.00		6,687,854.24
Accrued Interest Income	0.00		(13,115,233.51)	
Accrued Interest Expense	0.00		23,684,774.80	
Amortization of Bond Premium	0.00		(3,168,700.70)	
Amortization Bond Disc Invest	0.00		(303,886.44)	
Total Accrued Interest		0.00		7,096,954.15
Amortization Bond Issue Costs		0.00		2,878,317.16
Total Construction WIP		4,936,044.00		205,087,903.85

Fixed Assets				
Computers	1,202,456.72		115,571.52	
Accum Deprec-Computers	<u>(364,872.91)</u>	837,583.81	<u>(85,635.11)</u>	29,936.41
Computer Software	5,342,599.91		95,156.88	
Accumulated Amortization-Software	<u>(759,422.88)</u>	4,583,177.03	<u>(30,967.16)</u>	64,189.72
Furniture and Fixtures	93,167.66		60,057.16	
Accum Deprec-Furn & Fixtures	<u>(26,679.24)</u>	66,488.42	<u>(11,030.23)</u>	49,026.93
Equipment	76,177.93		28,777.93	
Accum Depec-Equipment	<u>(26,880.54)</u>	49,297.39	<u>(10,418.22)</u>	18,359.71
Autos and Trucks	16,295.00		0.00	
Accum Deprec-Autos and Trucks	<u>(2,715.84)</u>	13,579.16	<u>0.00</u>	0.00
Buildings and Toll Facilities	7,062,332.11		0.00	
Accum Deprec-Buildings & Toll	<u>(129,673.51)</u>	6,932,658.60	<u>0.00</u>	0.00
Highways and Bridges	195,532,292.37		0.00	
Accum Deprec-Highways & Bridge	<u>(3,618,257.71)</u>	191,914,034.66	<u>0.00</u>	0.00
Communication Equipment	1,938,955.13		30,743.13	
Accum Deprec-Comm Equip	<u>(156,029.81)</u>	1,782,925.32	<u>(6,930.23)</u>	23,812.90
Toll Equipment	4,587,114.80		0.00	
Accum Deprec-Toll Equip	<u>(340,677.48)</u>	4,246,437.32	<u>0.00</u>	0.00
Signs	5,260,262.00		0.00	
Accum Deprec-Signs	<u>(98,613.18)</u>	5,161,648.82	<u>0.00</u>	0.00
Land Improvements	946,495.00		0.00	
Accum Deprec-Land Improv	<u>(30,732.75)</u>	915,762.25	<u>0.00</u>	0.00
Right of Way		22,795,124.38		
Leasehold Improvements		42,616.87		48,468.42
Total Fixed Assets		239,341,334.03		233,794.09
Other Assets				
Security Deposits		8,643.30		8,643.30
Long Term Investments				
GIC		0.00		54,971,815.88
Other Assets				
Intangible Assets		650.00		650.00
2005 Bond Issuance Costs		8,800,311.92		10,052,052.00
Total Assets		320,524,664.56		317,635,952.94
Liabilities				
Current Liabilities				
Accounts Payable		52,951.67		4,470,812.28
Interest Payable		1,375,774.88		1,884,554.35
TCDRS Payable		31,360.56		15,931.07
Due to State of Texas		602.82		2,831.77
Total Due to other Entities		602.82		0.00
Total Current Liabilities		1,460,689.93		6,374,129.47
Long Term Liabilities				
Accrued Vac & Sick Leave Paybl		150,835.00		0.00
Retainage Payable		1,928,833.03		8,155,265.53
BANS 2005		0.00		66,000,000.00
Senior Lien Revenue Bonds 2005		170,114,368.18		169,325,456.18
Sn Lien Rev Bnd Prem/Disc 2005		5,333,312.65		6,689,505.85
TIFIA note 2008		66,515,900.00		0.00
Total Long Term Liabilities		244,043,248.86		250,170,227.56
Total Liabilities		245,503,938.79		256,544,357.03

Net Assets Section

Contributed Capital
Net Assets beginning

18,430,634.57
59,639,556.31

62,604,167.57

Current Year Operations

(3,049,465.11)

(1,512,571.66)

Total Liabilities and Net Assets

320,524,664.56

317,635,952.94

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 2/29/2008	Of Budget	To Date 2/28/2007
Toll Revenue-Cash-183A	1,800,000.00	1,166,710.02	64.82%	0.00
Toll Revenue-TxTag-183A	6,500,000.00	8,869,935.84	136.46%	0.00
Interest Income	1,369,790.00	3,160,614.59	230.74%	322,566.06
Reimbursed Expenditures	20,060.00	41,873.92	208.74%	35,302.80
Gain/Loss on Sale of Asset	0.00	4,182.44		0.00
Total Revenue	9,689,850.00	13,243,316.81	136.67%	357,868.86

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 2/29/2008	Of Budget	To Date 2/28/2007
Regular	1,431,950.00	833,712.28	58.22%	611,311.33
Part Time	20,000.00	2,524.51	12.62%	2,268.76
Overtime	7,000.00	157.41	2.25%	764.58
Contractual Employees	30,000.00	73,787.09	245.96%	105,715.47
TCDRS	181,533.00	105,690.73	58.22%	81,229.30
FICA	74,339.00	36,337.89	48.88%	26,427.86
FICA MED	21,591.00	12,012.73	55.64%	8,676.91
Health Insurance	134,542.00	79,813.87	59.32%	58,058.30
Life Insurance	1,697.00	2,196.40	129.43%	703.75
Auto Allowance	16,000.00	5,300.00	33.13%	4,600.00
Other Benefits	117,697.00	62,437.42	53.05%	20,448.99
Unemployment Taxes	855.00	791.96	92.63%	3,104.15
Total Salaries & Wages	2,037,204.00	1,214,762.29	59.63%	923,309.40

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 2/29/2008	Of Budget	To Date 2/28/2007
Professional Services				
Accounting	9,000.00	5,993.71	66.60%	3,738.14
Auditing	50,000.00	22,560.00	45.12%	11,747.50
General Engineering Consultant	445,000.00	0.00		0.00
General System Consultant	425,000.00	0.00		0.00
Toll Collection contract	1,879,111.00	777,802.10	41.39%	0.00
Toll collection mgt adm	131,460.00	0.00		0.00
CSC mgt admin	84,074.00	0.00		0.00
Facility management	176,017.00	32,797.52	18.63%	0.00
Facility management	63,017.00	30,209.22	47.94%	0.00
Toll perform plan	35,106.00	0.00		0.00
Human Resources	30,000.00	13,889.20	46.30%	10,728.70
Legal	150,000.00	63,156.07	42.10%	44,960.04
Photography	15,000.00	16,985.00	113.23%	13,900.43
Traffic & Revenue Consultants	50,000.00	45,000.00	90.00%	0.00
Communications and Marketing	150,000.00	51,858.28	34.57%	83,042.03
Transcripts	1,000.00	0.00		0.00
Total Professional Services	3,693,785.00	1,060,251.10	28.70%	168,116.84

	Budget FY 2008	Actual Year To Date 2/29/2008	Percent Of Budget	Actual Year To Date 2/28/2007
Other Contractual Services				
IT Services	683,240.00	24,796.39	3.63%	2,445.50
Graphic Design Services	20,000.00	625.00	3.13%	750.00
Website Maintenance	20,000.00	3,910.25	19.55%	11,460.41
Research Services	45,000.00	5,565.00	12.37%	0.00
Copy Machine	13,000.00	5,710.87	43.93%	6,012.60
Software licenses	24,000.00	20,396.80	84.99%	20,397.80
ETC system Maintenance	1,177,800.00	0.00		0.00
Advertising	56,000.00	7,021.96	12.54%	9,061.09
Direct Mail	20,000.00	0.00		4,326.70
Video Production	10,000.00	0.00		78,744.48
Television	20,000.00	0.00		170,484.68
Radio	50,000.00	4,985.00	9.97%	7,500.00
Other Public Relations	0.00	1,032.73		13,933.75
Security Contracts	350,000.00	122,809.77	35.09%	134.40
Cell Phones	6,800.00	5,308.37	78.06%	3,156.37
Local	55,252.00	9,553.53	17.29%	3,689.15
Long Distance	2,000.00	392.82	19.64%	550.06
Internet	8,472.00	3,164.37	37.35%	2,142.00
Other Communication Expense	1,000.00	622.24	62.22%	342.01
Dues & Subscriptions	1,850.00	353.00	19.08%	1,876.90
Memberships	14,295.00	5,482.50	38.35%	3,979.85
Continuing Education	6,000.00	714.85	11.91%	2,374.95
Professional Development	22,000.00	238.00	1.08%	950.00
Seminars and Conferences	26,450.00	13,767.00	52.05%	15,990.00
Total Travel	70,500.00	33,682.84	47.78%	13,551.83
Other Contractual Svcs	0.00	1,277.90		3,240.50
Roadway maintenance contract	1,157,000.00	136,891.08	11.83%	0.00
Contractual Contingencies	141,000.00	2,898.43	2.06%	23446.00%
Total Other Contractual Services	4,001,659.00	411,200.70	10.28%	377,329.49
Total Contractual Expenses	7,695,444.00	1,471,451.80	19.12%	545,446.33

	Budget FY 2008	Actual Year To Date 2/29/2008	Percent Of Budget	Actual Year To Date 2/28/2007
Materials and Supplies				
Books & Publications	10,400.00	4,811.71	46.27%	1,613.24
Office Supplies	15,500.00	4,004.65	25.84%	7,046.28
Computer Supplies	15,500.00	2,009.03	12.96%	4,417.05
Copy Supplies	3,000.00	0.00		0.00
Annual Report	20,000.00	0.00		14,564.62
Other Reports	50,500.00	25,528.63	50.55%	1,006.00
Direct Mail	0.00	431.02		0.00
Office Supplies	3,500.00	1,718.96	49.11%	3,574.77
Maintenance Supplies	100.00	0.00		0.00
Promotional Items	10,000.00	199.34	1.99%	7,926.37
Displays	5,000.00	468.93	9.38%	12,703.42
Tools & Equipment	2,700.00	864.95	32.04%	1,188.67
Misc Materials & Supplies	3,500.00	6,340.99	181.17%	929.98
Total Materials & Supplies Exp	139,700.00	46,378.21	33.20%	54,970.40

	Budget FY 2008	Actual Year To Date 2/29/2008	Percent Of Budget	Actual Year To Date 2/28/2007
Operating Expenses				
Gasoline	10,000.00	2,276.53	22.77%	0.00
Mileage Reimbursement	7,850.00	4,477.17	57.03%	3,590.60
Parking	26,950.00	16,771.53	62.23%	14,785.42
Meeting Facilities	2,600.00	50.00	1.92%	0.00
Community Events	20,000.00	0.00		250.00
Meeting Expense	6,325.00	3,273.51	51.76%	2,214.22
Public Notices	2,300.00	3,261.14	141.79%	9.00
Postage	8,900.00	1,118.99	12.57%	1,250.09
Overnight Services	1,250.00	1,263.67	101.09%	142.90
Delivery Services	2,400.00	989.53	41.23%	1,114.21
Insurance	175,000.00	69,286.32	39.59%	21,568.24
Repair & Maintenance-Vehicles	2,000.00	109.39	5.47%	0.00
Rent	181,973.00	122,814.74	67.49%	112,607.63
Water	7,400.00	0.00		0.00
Electricity	56,000.00	55,427.70	98.98%	2,314.70
Amortization Expense	34,808.00	652,580.69	1874.80%	23,240.44
Dep Exp- Furniture & Fixtures	4,000.00	11,496.34	287.41%	6,843.61
Dep Expense - Equipment	1,200.00	12,576.48	1048.04%	6,256.48
Dep Expense - Autos & Trucks	8,000.00	2,715.84	33.95%	0.00
Dep Expense-Buildng & Toll Fac	147,898.00	115,303.47	77.96%	0.00
Dep Expense-Highways & Bridges	5,429,806.00	3,221,778.11	59.34%	0.00
Dep Expense-Communic Equip	5,995.00	131,194.37	2188.40%	3,995.15
Dep Expense-Toll Equipment	918,771.00	303,010.88	32.98%	0.00
Dep Expense - Signs	120,436.00	87,657.64	72.78%	0.00
Dep Expense-Land Improvemts	733,880.00	27,318.44	3.72%	0.00
Depreciation Expense-Computers	33,000.00	238,221.44	721.88%	23,030.89
Recruitment	1,000.00	0.00		0.00
Community Initiative Grants	102,500.00	15,000.00	14.63%	109,492.00
Total Operating Expense	8,052,242.00	5,099,973.92	63.34%	332,705.58
Financing Expenses				
Arbitrage Rebate	3,500.00	0.00		3,500.00
Bond Issuance Expense	0.00	769,213.32		0.00
Loan Fees	12,000.00	11,000.00	91.67%	11,000.00
Bond Issuance Cost	25,000.00	0.00		0.00
Trustee Fees	2,000.00	0.00		2,533.36
Bank Fees	2,500.00	16,328.56	653.14%	359.82
Interest Expense	11,443,524.00	7,660,173.82	66.94%	0.00
Contingency	20,000.00	3,500.00	17.50%	0.00
Total Financing Expense	11,508,524.00	8,460,215.70	73.51%	17,393.18
Total Expenses	29,433,114.00	16,292,781.92	55.36%	1,873,824.89
Net Income	-19,743,264.00	-3,049,465.11		-1,515,956.03

CTRMA INVESTMENT REPORT

	Month Ending 2/29/2008					Current Rate as of 2/29/2008	
	Balance 1/31/2008	Additions	Discount Amortization	Accrued Interest	Withdrawals		Balance 2/29/2008
Amount in Trustee TexStar							
Additional Projects Fund	9,425,795.33	2,481,187.58		31,666.41		11,938,649.32	3.383%
Construction Fund	13,266,040.60			35,261.73	349,587.45	12,951,714.88	3.383%
Trustee Operating Fund	837,578.93	1,449,116.06		1,780.64	2,000,000.00	288,475.63	3.383%
Renewal & Replacement Fund	100,396.41			273.00		100,669.41	3.383%
TxDOT Grant Fund	10,999,504.58			29,909.79		11,029,414.37	3.383%
Revenue Fund	5,990,868.37			7,963.49	5,990,867.37	7,964.49	3.383%
Subordinate Lien DS Fund	0.00			0.00	0.00	0.00	3.383%
Debt Service Reserve Fund	13,529,274.92			36,788.72		13,566,063.64	3.383%
	54,149,459.14	3,930,303.64	0.00	143,643.78	8,340,454.82	49,882,951.74	
Amount in TexStar Operating Fund	4,400,378.31	2,000,000.00		13,471.50	445,000.00	5,968,849.81	3.383%
Fidelity Money Market Fund							
-Operating Fund	726,774.42	721,104.68		1,236.96	1,449,116.06	0.00	3.080%
-Additional Projects Fund	2,519,719.91			4,826.31	2,524,546.22	0.00	3.080%
-Construction Fund	0.00	349,587.45		74.82	349,662.27	0.00	3.080%
-Debt Service Fund	732,175.75	619,958.33		1,407.36		1,353,541.44	3.080%
-Subordinate Lien DS Fund	7,701.36			24.51		7,725.87	3.080%
-TxDOT Grant Fund	1,073,063.72	1,000,000.00		12,800.43		2,085,864.15	3.080%
-Renewal and Replavement	530,315.76	500,000.00		13,398.23	512,111.78	531,602.21	3.080%
-Revenue Fund	284,375.86	7,340,458.65		3,541.77	6,809,522.26	818,854.02	3.080%
-General Fund	678,474.64	5,468,459.25		479.84		6,147,413.73	3.080%
-Debt Service Reserve Fund	9,315.33			31.58		9,346.91	3.080%
	6,561,916.75	15,999,568.36	0.00	37,821.81	11,644,958.59	10,954,348.33	
Money Market Fund-payroll	18,030.41	98,000.00		20.30	113,039.86	3,010.85	2.700%
Amount in Fed Agencies							
Amortized Principal	998,189.93	500,334.00	562.57		1,499,086.50	0.00	
Accrued Interest	998,189.93	500,334.00	562.57	4,484.02	1,499,086.50	0.00	
Total in Pools	58,549,837.45	5,930,303.64	0.00	157,115.28	8,785,454.82	55,851,801.55	
Total in Money Market	6,579,947.16	16,097,568.36	0.00	37,842.11	11,757,998.45	10,957,359.18	
Total in Fed Agencies	998,189.93	500,334.00	562.57	0.00	1,499,086.50	0.00	
Total Invested	66,127,974.54	22,528,206.00	562.57	194,957.39	22,042,539.77	66,809,160.73	

Amount in Fed Agencies As of February 29, 2008

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Called								
Fannie Mae	31359M5N9	500,334.00	500,324.97	500,000.00	5.264%	2/6/2008	2/26/2010	Renwal and Replacement
Federal Home Loan Bank	3133X6DE3	997,142.00	998,761.53	1,000,000.00	4.310%	12/5/2007	5/5/2008	TxDOT Grant Fund
		<u>1,497,476.00</u>	<u>1,499,086.50</u>	<u>1,500,000.00</u>				

Agency	CUSIP #	COST	Cummulative Amortization	2/29/08 Book Value	Maturity Value	Interest Income February 2008		
						Accrued Interest	Amortizatuion	Interest Earned
Called								
Fannie Mae	31359M5N9	500,334.00	9.03	500,324.97	500,000.00	1,463.19	-9.03	1,454.16
Federal Home Loan Bank	3133X6DE3	997,142.00	1,619.53	998,761.53	1,000,000.00	3,020.83	571.60	3,592.43
		<u>1,497,476.00</u>	<u>1,628.56</u>	<u>1,499,086.50</u>	<u>1,500,000.00</u>	<u>4,484.02</u>	<u>562.57</u>	<u>5,046.59</u>
						<u>4,484.02</u>	<u>562.57</u>	<u>5,046.59</u>



Monthly Newsletter - February 2008

Performance

<i>As of February 29, 2008</i>		<i>February Averages</i>	
Current Invested Balance	\$6,294,186,095.49	Average Invested Balance	\$6,241,940,362.82
Weighted Average Maturity (1)	17 Days	Average Monthly Yield, on a simple basis	3.4224%
Weighted Average Maturity (2)	85 Days	Average Weighted Average Maturity (1)*	17 Days
Net Asset Value	1.000401	Average Weighted Average Maturity (2)*	82 Days
Total Number of Participants	609	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	\$17,219,416.46	(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	\$249,591.10	* 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.	
% of Portfolio Invested Beyond 1 Year	8.86%		
Standard & Poor's Current Rating	AAAm		

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 February 2008:

- ★ City of Fort Stockton
- ★ Brazoria Fort Bend County MUD 1
- ★ Argyle ISD
- ★ Travis County Healthcare District
- ★ Pecos-Barstow-Toyah ISD
- ★ Northeast Hospital Authority

Holiday Reminder

Please note that in observance of the Good Friday holiday, **TexSTAR will be closed on Friday, March 21, 2008.** Notification of any early transaction deadlines on the day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants.

Economic Commentary

Economic data point to continued anemic growth. The estimated probability of recession increased to 45% as consumer confidence plummeted, labor market conditions softened, stock prices fell, housing problems continued, and credit issues worsened. In addition, both gas prices and mortgage rates shifted upward again as inflation firmed. The pace of layoffs accelerated, with the four-week average of initial jobless claims climbing to 360,500 at the end of January. The unemployment rate is expected to tick up to 5.0% as consumers find jobs more difficult to obtain. Existing home sales edged down 0.4% in January while new home sales slid 2.8% in the same period. Also inventories of existing homes, which make up almost 90% of total homes for sale, bounced up 5.5%.

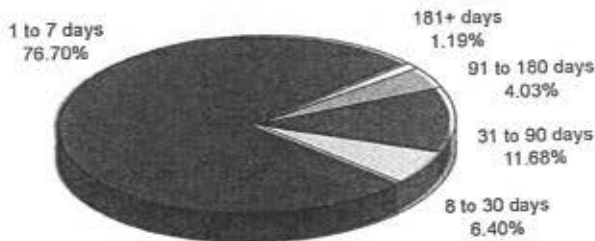
Inflation news turned unfavorable last month as broad-based firming was reported in both the core PCE and core CPI. The January core CPI rose a higher-than-expected 0.3%, pushing its year-on-year increase to an elevated 2.5%. In the markets' continued flight to quality, Treasury yields plummeted further and the curve steepened by 18 bps as the spread between two and five-year Treasury notes ended February at +85 bps. Two-year yields ended the month down 48 bps at 1.62% and five-year yields ended down 29 bps at 2.47%. Meanwhile, LIBOR rates declined slightly, with one-month and twelve-month rates lower by 3 bps and 14 bps at 3.11% and 2.71%, respectively.

The Fed is expected to cut rates by 50 bps at the March 18th FOMC meeting. Despite the uptrend in inflation, the Fed's focus remains on economic growth, and they will most likely cut rates as much as necessary to stimulate growth. The economy should grow at a 1.0% annualized pace in the first quarter, boosted by strength in net exports. Solid economic growth is anticipated in the second half of the year as the effects of the federal stimulus package and the lagged effects of monetary policy take effect.

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 February 29, 2008

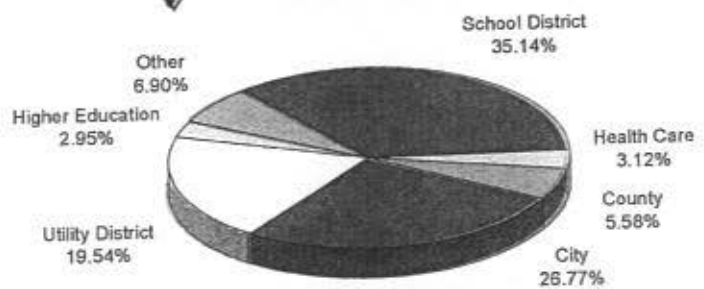


Repurchase Agreements
66.11%



Agencies
33.89%

Portfolio by Maturity As of February 29, 2008



Distribution of Participants by Type As of February 29, 2008

Performance

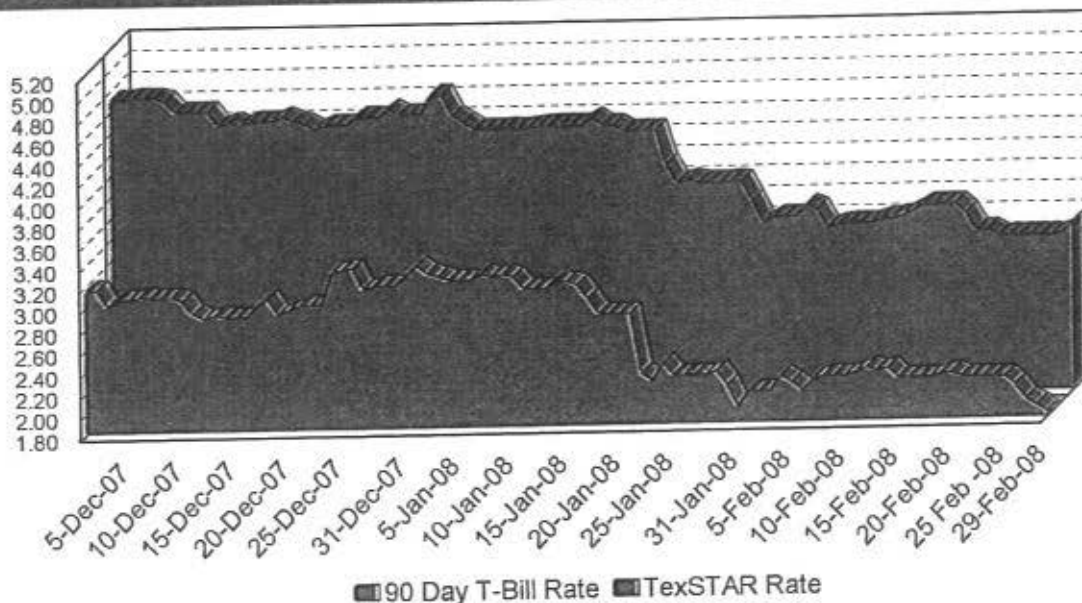
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Feb 08	3.4224%	\$ 6,294,186,095.49	\$ 6,296,863,425.91	1.000401	17	82	609
Jan 08	4.2033%	5,919,661,192.90	5,923,891,294.00	1.000714	22	80	603
Dec 07	4.5430%	5,180,414,831.71	5,181,584,153.60	1.000202	21	79	594
Nov 07	4.6975%	4,999,671,312.52	5,000,767,637.47	1.000190	18	79	591
Oct 07	4.9007%	4,793,406,663.48	4,794,712,410.18	1.000272	19	84	584
Sep 07	5.1175%	5,101,146,389.66	5,102,374,857.54	1.000240	20	78	573
Aug 07	5.2540%	5,117,776,256.51	5,118,532,127.32	1.000118	16	42	567
Jul 07	5.2540%	5,037,425,646.08	5,037,616,062.72	1.000037	18	22	554
Jun 07	5.2829%	5,037,425,646.08	5,037,616,062.72	1.000014	18	25	543
May 07	5.2883%	4,850,271,396.79	4,850,377,392.01	1.000014	18	25	543
Apr 07	5.2613%	4,809,313,042.18	4,809,314,578.92	1.000000	11	20	531
Mar 07	5.2803%	5,032,146,136.61	5,031,747,141.26	0.999920	13	23	523
Feb 07	5.2999%	5,200,629,725.85	5,200,442,100.26	0.999957	11	26	513
Jan 07	5.2903%	5,608,621,555.72	5,608,663,678.19	1.000007	12	31	505

Portfolio Asset Summary as of February 29, 2008

	Book Value	Market Value
Uninvested Balance	\$ 967.04	\$ 967.04
Accrual of Interest Income	7,105,105.62	7,105,105.62
Interest and Management Fees Payable	(17,263,014.51)	(17,263,014.51)
Payable for Investment Purchased	(15,000,000.00)	(15,000,000.00)
Repurchase Agreements	4,179,793,000.00	4,179,793,000.00
Government Securities	2,139,550,037.34	2,142,227,367.76
Total	\$ 6,294,186,095.49	\$ 6,296,863,425.91

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 February 2008

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Feb-08	3.4863%	0.000095517	6,001,200,908.16	1.000665	19	83
2-Feb-08	3.4864%	0.000095517	6,001,200,908.16	1.000665	19	83
3-Feb-08	3.4864%	0.000095517	6,001,200,908.16	1.000665	19	83
4-Feb-08	3.5905%	0.000098371	6,087,906,760.44	1.000617	19	81
5-Feb-08	3.5516%	0.000097304	6,152,861,176.60	1.000608	18	80
6-Feb-08	3.3800%	0.000092603	6,220,981,868.15	1.000598	18	79
7-Feb-08	3.4061%	0.000093319	6,247,017,684.98	1.000577	17	81
8-Feb-08	3.4129%	0.000093503	6,334,441,448.17	1.000544	16	79
9-Feb-08	3.4129%	0.000093503	6,334,441,448.17	1.000544	16	79
10-Feb-08	3.4129%	0.000093503	6,334,441,448.17	1.000544	16	79
11-Feb-08	3.4505%	0.000094533	6,372,764,118.26	1.000525	16	78
12-Feb-08	3.4516%	0.000094564	6,389,289,180.39	1.000510	16	81
13-Feb-08	3.4713%	0.000095105	6,349,435,552.35	1.000503	16	82
14-Feb-08	3.5191%	0.000096414	6,353,279,160.89	1.000487	15	81
15-Feb-08	3.5191%	0.000096414	6,353,279,160.89	1.000487	16	81
16-Feb-08	3.5798%	0.000098077	6,225,923,069.39	1.000468	16	81
17-Feb-08	3.5798%	0.000098077	6,225,923,069.39	1.000468	16	81
18-Feb-08	3.5798%	0.000098077	6,225,923,069.39	1.000468	16	81
19-Feb-08	3.4898%	0.000095610	6,190,976,137.78	1.000455	16	82
20-Feb-08	3.3215%	0.000091000	6,186,634,497.54	1.000441	16	85
21-Feb-08	3.3260%	0.000091124	6,277,891,368.60	1.000425	15	83
22-Feb-08	3.2678%	0.000089528	6,265,724,692.94	1.000400	15	83
23-Feb-08	3.2678%	0.000089528	6,265,724,692.94	1.000400	15	83
24-Feb-08	3.2678%	0.000089528	6,265,724,692.94	1.000400	15	83
25-Feb-08	3.2732%	0.000089678	6,296,654,987.63	1.000386	17	84
26-Feb-08	3.2662%	0.000089484	6,290,367,870.77	1.000379	18	85
27-Feb-08	3.2622%	0.000089375	6,279,245,765.77	1.000386	18	85
28-Feb-08	3.2881%	0.000090085	6,318,984,870.67	1.000388	18	86
29-Feb-08	3.3826%	0.000092674	6,294,186,095.49	1.000401	17	85
Average	3.4224%	0.000093765	6,241,940,362.82		17	82

TexSTAR Participant Services
First Southwest Asset Management, Inc.
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Dallas, Texas 75201



TexSTAR Board Members

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Nell Lange

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Advisory Board

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

 **First Southwest Asset Management**

 **JPMorganChase**