Central Texas Regional Mobility Authority

Basic Financial Statements
June 30, 2021

Contents

Financial Section

Basic Financial Statements

RSM US LLP

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

Report on the Financial Statements
We have audited the accompanying financial statements of the business-type activities and the fiduciary fund activities of the Central Texas Regional Mobility Authority (the Authority) as of June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed on the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2021 and 2020, and the respective changes in its financial position and its cash flows (if applicable) thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As described in Note 1(A), effective July 1, 2019, the Authority adopted Statement No. 84 of the Governmental Accounting Standards Board, *Fiduciary Activities*. The adoption of this pronouncement required the presentation and reporting of a statement of fiduciary net position and statement of changes in fiduciary net position. The impact to the financial statements, as a result of the adoption of the pronouncement, is disclosed on Note 1. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information—Pension Plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The Indenture Cash Flow and Debt Service Coverage on page 57 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Austin, Texas
September 28, 2021

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Central Texas Regional Mobility Authority (the Authority) presents the following discussion and analysis of the Authority's financial activities during the fiscal years that ended June 30, 2021 and 2020. This section is intended to be read in conjunction with the Authority's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts: management's discussion and analysis, the basic financial statements, the notes to the financial statements and the required supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Basic financial statements: The financial statements are designed to provide readers with an overview of the Authority's finances in a manner similar to private-sector business.

The S*tatements of Net Position* present information on all of the Authority's assets and deferred outflows, as well as the Authority's liabilities and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Net Position can be found on pages 10-11 of this report.

The S*tatements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal years ended June 30, 2021 and 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase or decrease in net position may serve as an indicator of the effect of the Authority's current year operations on its financial position. The Statements of Revenues, Expenses and Changes in Net Position can be found on page 12 of this report.

The *Statements of Cash Flows* summarize all of the Authority's cash flows into three categories as applicable: 1) cash flows from operating activities, 2) cash flows from capital and related financing activities and 3) cash flows from investing activities. The Statement of Cash Flows can be found on page 13 of this report. The Statements of Cash Flows, along with the related notes and information in other financial statements, can be useful in assessing the following:

- The Authority's ability to generate future cash flows
- The Authority's ability to pay its debt as the debt matures
- Reasons for the difference between the Authority's operating cash flows and operating income
- The impact of the Authority's financial position of cash and noncash transactions from investing, capital, and financing activities

Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government's own programs. The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position reports the assets, liability and related activity of the Nationwide Retirement Solutions Governmental Profit Sharing Plan and Trust Defined Contribution Plan and custodial funds held in trust for construction projects of other local governments. The fiduciary funds are reported using the economic resources measurement focus and are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles. Contributions and income are recorded when earned and benefits and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. The Authority is reporting fiduciary fund financial statements in the following two fund categories:

Pension Trust Funds are used to report fiduciary activities that are pension plans and other post employment benefit plans that are administered through trust or other employee benefit plans for which resources are held in trusts that meet the criteria outlined by the Governmental Accounting Standards Board (GASB).

Custodial funds are used to report fiduciary activities for resources that are held in trust that meet the criteria outlined by GASB and that are not required to be reported in pension trust funds, investment trust fund or private purpose trust funds.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found starting on page 16 of this report.

FINANCIAL HIGHLIGHTS – Business type activities

- Total operating revenue decreased to $115.5 million in 2021 from $116.9 million in 2020 or a 1% decrease. Total operating revenue increased to $116.9 million in 2020 from $108.3 million in 2019 or an 8% increase.

- Total operating expenses were approximately $79.9 million, $77.9 million and $64.5 million in 2021, 2020 and 2019, respectively.

- Total construction in progress was approximately $154.6 million, $634.0 million and $763.4 million as of June 30, 2021, 2020 and 2019, respectively. Construction in progress decreased by approximately $479.3 million from 2020 to 2021 mainly due to progress made on the 183A Phase III Project and the 183 North Project offset by current period transfers for the completion of projects placed in service during the period for both the 183 South Project and 290 E Phase III.

- Construction in progress decreased by approximately $129.4 million from 2019 to 2020 in part due to progress made on the 183 South Project and the 290 E Phase III offset by current period transfers for sections placed in service during the period for both the 183 South Project and 290 E Phase III.

- Total restricted cash and cash equivalents increased from $86.0 million in 2020 to $777.5 million in 2021. The overall increase in restricted cash and cash equivalent was largely due to bond proceeds received for the 183 North Project.

- Total restricted cash and cash equivalents decreased from $197.7 million from 2019 to $86.0 million in 2020. The overall decrease in restricted cash and cash equivalent was largely due to ongoing Projects.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position: As noted above, net position may serve over time as a useful indicator of the Authority's financial position. The net position reflects an un-expendable and expendable portion of net position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by approximately $636.4 million, $669.8 million and $663.8 million as of June 30, 2021, 2020 and 2019, respectively (see Table A-1). As of June 30, 2021, 2020 and 2019, the largest portion of the Authority's net position is reflected its investment in capital assets (the Tolling System infrastructure and related assets) net of any outstanding debt used to acquire those assets. The second largest portion of net position, as of June 30, 2021, 2020 and 2019, is expendable and reflects proceeds restricted for debt service or construction expenditures. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Condensed Schedules of Net Position Information
(In Thousands of Dollars)

	2021	2020	2019
Current assets	$ 348,326	$ 195,863	$ 210,885
Restricted assets	936,104	252,951	347,054
Pension asset	592	897	177
Capital assets	2,056,506	1,968,134	1,810,304
Total assets	3,341,528	2,417,845	2,368,420
Deferred outflows of resources	130,771	105,437	107,392
Total assets and deferred outflows of resources	$ 3,472,299	$ 2,523,282	$ 2,475,812
Total liabilities	$ 2,835,355	$ 1,853,168	$ 1,811,756
Deferred inflows of resources	464	385	236
Total liabilities and deferred inflows of resources	2,835,819	$ 1,853,553	1,811,992
Net position:			
Invested in capital assets	404,560	446,275	439,875
Restricted for other purposes	76,872	122,723	118,363
Unrestricted	155,048	100,731	105,582
Total net position	636,480	669,729	663,820
Total liabilities, deferred inflows of resources and net position	$ 3,472,299	$ 2,523,282	$ 2,475,812

For fiscal year 2021, restricted assets increased as a result of the Authority's ongoing financing for the construction of the Projects and the start of the 183A Phase III Project and the 183 North Project. The Authority's increase in the restricted assets is offset by the decrease in funds held in escrow for Travis County road projects for agreements between the County and the Authority.

For fiscal year 2020, restricted assets decreased as a result of the Authority's ongoing construction of the Projects and the start of the 290E Phase III Project. The Authority's decrease in the restricted assets is offset by the increase in funds held in escrow for Travis County road projects for agreements between the County and the Authority.

For fiscal year 2021 and 2020, excluding accumulated depreciation, depreciable capital assets increased as a result of the ongoing construction and current period Project additions of approximately $607.9 million and $327.0 million, respectively.

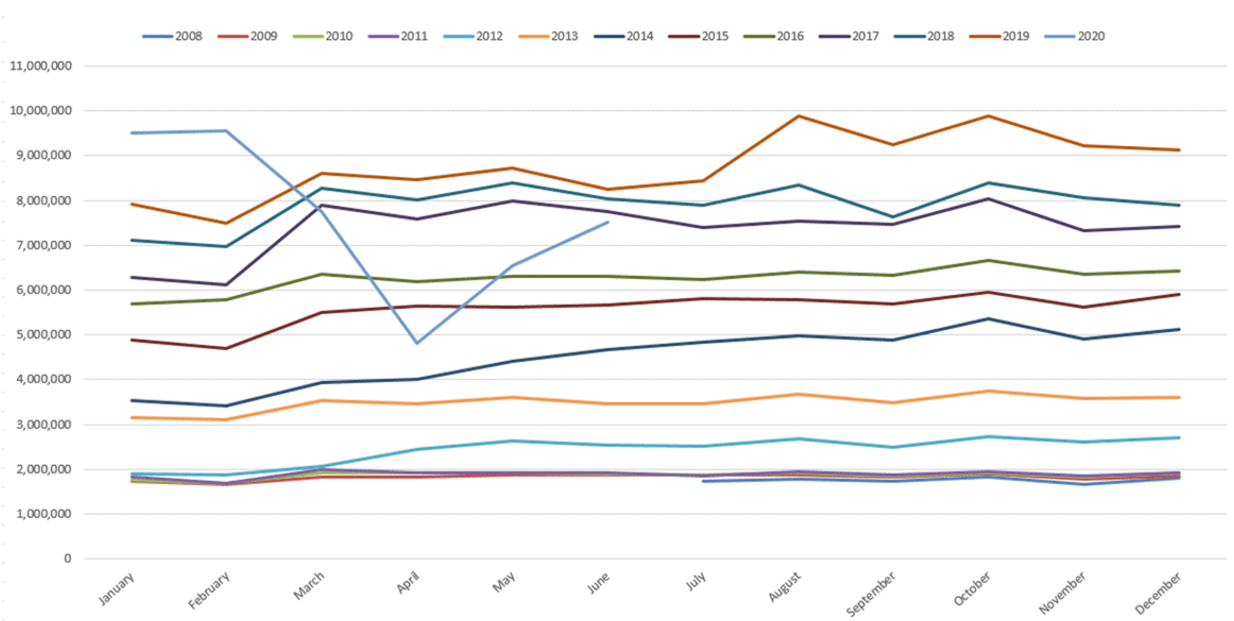
For fiscal year 2020 and 2019, excluding accumulated depreciation, depreciable capital assets increased as a result of the ongoing construction and current period Project additions of approximately $327 million and $44.6 million, respectively.

Changes in net position: The operating revenues remained constant in 2021 compared to 2020. The 2021 activity included the activity for the 183 South Project to entire year compared to a partial year in 2020. For both 2021 and 2020, the tolling activity includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I, II and III), the SH 71 Express Project and SH 45 Southwest Project. The average daily Tolling System transactions increased from approximately 277.4 thousand per day in 2020 to approximately 326.8 thousand per day in 2021 or from an annual transaction total of approximately 101.5 million to 119.3 million from 2020 to 2021. The total revenue decrease in 2021 is attributable to a lower average per transaction in 2021 compared to 2020.

Activity in the MoPac Improvement Project is not reflected in the total Tolling System transactions above. The MoPac Improvement Project is not included in the Authority's Tolling System established by the bond indenture securing the Authority's toll revenue obligations. For fiscal year 2021 and 2020, activity of the MoPac Improvement Project consisted of approximately 6.7 million and 9.7 million transactions, respectively, and approximately $4.3 million and $14.3 million in revenue, respectively.

The chart below includes transactions for the completed projects of the Authority's Tolling System for the period ending June 30, 2021 (which as of June 30, 2020, includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I and II) the SH 71 Express Project and the SH 45 Southwest Project).

Total Monthly Tolling System Transactions



As noted at Table A-2, operating expenses increased by $2.0 million from 2020 to 2021 and increased by $13.3 million from 2019 to 2020. The operating expenses increase from 2020 to 2021 was a result of a reduction of lower marketing activity, professional fees for project initiatives and maintenance expenses offset by higher operating expenses for tolling activity. The increases from 2019 to 2020 are related to the increase in the number of tolling transactions which result in additional expenses for road maintenance, image tag and collection fees.

The nonoperating expenses (net) increased from $36.4 million in fiscal year 2020 to $69.6 million in fiscal year 2021. The increase is related to the refunding activity, additional interest expense and the new financing for the 183 North Project in 2021 compared to 2020.

The nonoperating expenses (net) increased from $32.8 million in fiscal year 2019 to $36.4 million in fiscal year 2020.

The change in net position before capital grants and contributions is a loss of $34.1 million in 2021 and a gain of approximately $2.6 million, and $10.9 million in fiscal years 2020, and 2019 respectively. See Table A-2.

Table A-2
Condensed Schedules of Revenue, Expenses and Changes in Net Position Information
(In Thousands of Dollars)

	2021	2020	2019
Revenues:			
Toll revenue	$ 115,321	$ 116,927	$ 108,314
Grant proceeds and other operating	159	8	41
Total revenues	115,480	116,935	108,355
Expenses:			
Administrative expenses	8,494	8,859	9,582
Operations and maintenance	23,826	22,773	18,943
Other operating expenses	7,026	6,295	6,100
Depreciation and amortization	40,555	39,983	29,934
Total expenses	79,901	77,910	64,559
Operating income	35,579	39,025	43,796
Total net nonoperating revenue (expenses)	(69,680)	(36,367)	(32,802)
Change in net position—before capital grants and contributions	(34,101)	2,658	10,994
Capital grants and contributions, net	852	3,250	16,676
Change in net position	(33,249)	5,908	27,670
Total net position at beginning of year	669,729	663,821	636,151
Total net position at end of year	$ 636,480	$ 669,729	$ 663,821

FINANCIAL ANALYSIS OF THE AUTHORITY – Fiduciary activities

- Total assets decreased in the pension trust fund from $1.6 million in 2020 to $1.5 million in 2021. The decrease is attributable to Nationwide rollover payments to beneficiary in 2021 compared to 2020.

- Total assets in the custodial fund decreased from $21.8 million in 2020 to $14.4 million in 2021. The decrease is the result of the ongoing county construction projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: As of June 30, 2021, 2020 and 2019, the Authority had invested approximately $154.6 million, $634.0 million and $763.4 million, respectively, in construction in progress. Of the total $154.6 million, the 183 North Project and the 183A Phase III Project incurred approximately $60.0 million in additions in 2021. Of the $634.0 million, and $763.4 million of the construction in progress, the non-Tolling System projects (projects other than the 183A Turnpike Project, the 290E Project, the 183 South Project, the SH 71 Express Project and SH 45 Southwest Project) made up $43.5 million and $129.1 million of the total in 2020 and 2019, respectively. See Table A-3 and Note 3.

Table A-3
Capital Assets Information
(Net of Depreciation, in Thousands of Dollars)

	2021	2020	2019
Property and equipment	$ 7,339	$ 7,157	$ 5,002
Toll road	2,143,481	1,535,679	1,210,661
Accumulated depreciation	(248,986)	(208,705)	(168,808)
Construction in progress	154,672	634,003	763,449
Net capital assets	$ 2,056,506	$ 1,968,134	$ 1,810,304

Long-term debt: As of June 30, 2021, 2020 and 2019, the Authority had total debt outstanding of approximately $2.73 billion, $1.79 billion, and $1.74 billion, respectively. See Table A-4.

Table A-4
Long Term Debt Information
(In Thousands of Dollars)

	2021	2020	2019
Long-term debt:			
Total bonds and other obligations	$ 2,731,436	$ 1,798,976	$ 1,747,903
Long term debt outstanding	$ 2,731,436	$ 1,798,976	$ 1,747,903
Debt service payments:			
Principal payments	$ 17,341	$ 7,425	$ 8,755
Interest payments	57,489	57,575	54,324

Excluding the TxDOT Reimbursement Amount obligation related to the SH 71 Express Project, the total debt obligations include the current portion of the obligations, which totaled $90.5 million, $15.6 million, and $14.6 million for 2021, 2020 and 2019, respectively.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.

Economic Factors and Next Year's Budget

The FY 2022 Operating Budget reflects a conservative return-to-normal from the scaled back budget for the prior year. Activity on the roadways, as reflected in the uptick in transactions is driving this approach. The revenue estimate for FY 2022 of $154.3 million is an approximate 124% increase of the FY 2021 budget. The revenues were projected using the most recent System Transaction and Revenue (T&R) Estimates, historic data, and recent transactions – primarily for new roadways brought on-line in FY 2021. Expense estimates for FY 2022 are $195.7 million, representing a 46% increase of the FY 2021 budget

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority, 3300 North IH 35, Suite 300, Austin, 78705.

Central Texas Regional Mobility Authority

Statements of Net Position
June 30, 2021 and 2020

	2021	2020
Current assets:		
Unrestricted:		
Cash and cash equivalents (Note 2)	**$ 63,057,414**	$ 38,909,537
Investments (Note 2)	**89,758,602**	83,730,161
Due from other governments (Note 8)	**8,392,551**	9,985,068
Accrued interest receivable	**1,217,669**	227,930
Prepaid expenses and other assets	**153,896**	257,675
Total unrestricted	**162,580,132**	133,110,371
Restricted:		
Cash and cash equivalents (Note 2)	**185,746,093**	62,752,322
Total restricted	**185,746,093**	62,752,322
Total current assets	**348,326,225**	195,862,693
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents (Note 2)	**591,754,254**	23,472,678
Investments (Note 2)	**344,349,657**	229,478,605
Total restricted assets	**936,103,911**	252,951,283
Net pension asset (Note 7)	**591,247**	896,834
Total capital assets, net (Note 3)	**2,056,506,490**	1,968,134,306
Total assets	**3,341,527,873**	2,417,845,116
Total deferred outflows of resources (Notes 5 and 7)	**130,770,856**	105,437,455
Total assets and deferred outflows of resources	**$ 3,472,298,729**	$ 2,523,282,571

See notes to financial statements.

Central Texas Regional Mobility Authority

Statements of Net Position (Continued)
June 30, 2021 and 2020

	2021	2020
Current liabilities:		
Payable from current assets:		
Accounts payable	**$ 2,240,994**	$ 3,350,160
Due to other governments	**5,208,346**	2,684,082
Accrued expenses	**1,199,519**	1,371,403
Total payable from current assets	**8,648,859**	7,405,645
Payable from restricted current assets:		
Construction accounts payable	**53,976,505**	17,001,160
Accrued interest payable	**41,293,239**	29,786,162
Bonds, notes payable and other obligations, current portion (Note 4)	**90,476,349**	15,965,000
Total payable from restricted current assets	**185,746,093**	62,752,322
Total current liabilities	**194,394,952**	70,157,967
Noncurrent liabilities:		
Bonds, notes payable and other obligations, net of current portion (Note 4)	**2,640,959,802**	1,783,011,449
Total noncurrent liabilities	**2,640,959,802**	1,783,011,449
Total liabilities	**2,835,354,754**	1,853,169,416
Total deferred inflows of resources (Notes 5 and 7)	**463,845**	384,573
Total liabilities and deferred inflows of resources	**2,835,818,599**	1,853,553,989
Net position:		
Net investment in capital assets	**404,559,794**	446,275,037
Restricted for debt service	**76,872,402**	122,722,855
Unrestricted	**155,047,934**	100,730,690
Total net position	**$ 636,480,130**	$ 669,728,582

See notes to financial statements.

Central Texas Regional Mobility Authority

Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2021 and 2020

	2021	2020
Operating revenues:		
Tolls	**$ 115,320,643**	$ 116,926,800
Other operating	**158,631**	7,622
Total operating revenues	**115,479,274**	116,934,422
Operating expenses:		
Administrative expenses	**8,493,519**	8,858,553
Operations and maintenance	**23,825,575**	22,773,283
Other operating expenses	**7,025,883**	6,294,999
Depreciation and amortization	**40,555,216**	39,983,305
Total operating expenses	**79,900,193**	77,910,140
Operating income	**35,579,081**	39,024,282
Nonoperating revenues (expenses):		
Interest income	**492,393**	4,463,494
Undeveloped project loss and gain on sale of assets	**(4,468,748)**	11,117
Financing expense	**(10,728,950)**	(1,614,044)
Interest expense, net of interest capitalized	**(54,974,699)**	(39,227,622)
Total nonoperating revenues (expenses), net	**(69,680,004)**	(36,367,055)
Change in net position before capital grants and contributions	**(34,100,923)**	2,657,227
TxDOT capital grants and contributions	**852,471**	3,250,396
Change in net position	**(33,248,452)**	5,907,623
Total net position at beginning of year, restated	**669,728,582**	663,820,959
Total net position at end of year	**$ 636,480,130**	$ 669,728,582

See notes to financial statements.

Central Texas Regional Mobility Authority

Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Receipts from toll fees	$ 113,158,258	$ 119,287,721
Receipts from other income	158,631	7,622
Payments to vendors	(32,441,985)	(38,302,274)
Payments to employees	(5,986,673)	(5,631,094)
Net cash flows provided by operating activities	74,888,231	75,361,975
Cash flows from capital and related financing activities:		
Proceeds from notes payable and other obligations	907,351,645	62,770,819
Payments on revenue bonds issuance	-	(4,874,983)
Payments on interest	(57,489,169)	(55,966,816)
Payments on bonds	(17,341,348)	(16,706,323)
Purchase of capital assets	(3,197,289)	(516,125)
Payments for construction in progress	(70,318,324)	(177,661,086)
Proceeds from capital grants	852,471	2,675,396
Net cash flows provided by (used in) capital and related financing activities	759,857,986	(190,279,118)
Cash flows from investing activities:		
Interest income	1,707,553	8,360,648
Purchase of investments	(384,015,803)	(281,846,351)
Proceeds from sale or maturity of investments	262,985,257	271,976,841
Net cash flows (used in) investing activities	(119,322,993)	(1,508,862)
Net increase (decrease) in cash and cash equivalents	715,423,224	(116,426,005)
Cash and cash equivalents at beginning of year	125,134,537	241,560,542
Cash and cash equivalents at end of year	$ 840,557,761	$ 125,134,537
Reconciliation of change in net position to net cash provided by operating activities:		
Operating income	$ 35,579,081	$ 39,024,282
Adjustments to reconcile change in net position to net cash provided by operating activities:		
Depreciation and amortization	40,555,216	39,983,305
Changes in assets and liabilities:		
Increase in due from other governments	1,592,517	2,360,921
Increase in prepaid expenses and other assets	103,779	(57,508)
Increase (decrease) in accounts payable	(3,132,270)	(1,018,686)
Increase (decrease) in accrued expenses	375,484	(4,836,688)
Increase (decrease) in pension asset	305,587	(719,608)
Increase in deferred outflow of resources	(455,385)	668,230
Decrease in deferred inflow of resources	(35,778)	(42,273)
Total adjustments	39,309,150	36,337,693
Net cash flows provided by operating activities	$ 74,888,231	$ 75,361,975
Reconciliation of cash and cash equivalents:		
Unrestricted cash and cash equivalents	$ 63,057,414	$ 38,909,537
Restricted cash and cash equivalents:		
Current	185,746,093	62,752,322
Noncurrent	591,754,254	23,472,678
Total	$ 840,557,761	$ 125,134,537

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2021 and 2020

	2021		2020	
	Pension Trust Fund	**Custodial Fund**	Pension Trust Fund	Custodial Fund
Assets:				
Restricted:				
Cash and cash equivalents (Note 2)	**$ 82,766**	**$ 14,383,192**	$ -	$ 21,807,950
Investments (Note 2):				
Collective Investment Fund	**1,435,203**	**-**	1,664,638	-
Participant loans	**-**		37,339	
Total assets	**1,517,969**	**14,383,192**	1,701,977	21,807,950
Payable:				
Account payable	**-**	**1,569,098**	-	1,408,514
	-	**1,569,098**	-	1,408,514
Net position:				
Restricted:				
Other governments	**-**	**12,814,094**	-	20,399,436
Pension	**1,517,969**	**-**	1,701,977	-
Total net position	**$ 1,517,969**	**$ 12,814,094**	$ 1,701,977	$ 20,399,436

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Changes in Fiduciary Net Position—Fiduciary Funds
Years Ended June 30, 2021 and 2020

	2021		2020	
	Pension Trust Fund	**Custodial Fund**	Pension Trust Fund	Custodial Fund
Additions:				
Contributions:				
Employer	**$ 215,656**	**$ -**	$ 134,368	$ -
Total contributions	**215,656**	**-**	134,368	-
Investment earnings:				
Net increase in fair value of investments	**475,127**	**-**	58,145	-
Interest and dividends	**1,544**	**10,882**	2,856	273,866
Other additions				
Deposits from other governments	**-**	**2,164,039**	-	26,660,299
Total additions	**692,327**	**2,174,921**	195,369	26,934,165
Deductions:				
Benefits paid to participants and beneficiaries	**876,335**	**-**	1,240	-
Construction withdrawals other governments	**-**	**9,760,263**	-	7,266,525
Total deductions	**876,335**	**9,760,263**	1,240	7,266,525
Net (decrease) increase in fiduciary net position	**(184,008)**	**(7,585,342)**	194,129	19,667,640
Net position, beginning, restated	**1,701,977**	**20,399,436**	1,507,848	731,796
Net position, ending	**$ 1,517,969**	**$ 12,814,094**	$ 1,701,977	$ 20,399,436

See notes to financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

The financial statements of the Central Texas Regional Mobility Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

A. Reporting entity: The Authority was authorized by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the Texas Department of Transportation (TxDOT). The Authority receives its revenues from tolls, fees and reimbursement grants from the operation of turnpike projects and reimbursement grants for the construction of toll projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

The Authority was formed through the joint efforts of Travis and Williamson Counties (the Counties). Their efforts began in September 2002, following the enactment of provisions by the 77th Texas Legislature authorizing the formation of regional mobility authorities (RMAs). The petition to form the Authority was filed by the Counties, and the Texas Transportation Commission granted approval for its formation in October 2002. The initial meeting of the Board of Directors (the Board) of the Authority was held in January 2003. Each County appoints three directors, and the Governor appoints the presiding officer. The members are appointed in belief that the composition of the Board and the common interest in the region shared by all Board members will result in adequate representation of all political subdivisions within the geographic area of the RMA and the members will serve without pay for terms of two years. The Authority has full control over all operations, but must comply with certain bond indentures and trust agreements. The Authority employs an Executive Director who manages the day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has determined there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

Effective July 1, 2019, the Authority adopted new accounting guidance by implementing the provisions of GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement requires the reporting of fiduciary activities in the fiduciary fund financial statements of the basic financial statements because (a) their related assets are controlled by the government or (b) fiduciary component units have been identified through the component unit evaluation.

In accordance with the provisions of GASB Statement No. 84, *Fiduciary Activities*, the Authority determined that reporting a statement of fiduciary net position and a statement of changes in fiduciary net position in the fiduciary fund financial statements of the basic financial statements would be appropriate for the following funds that meet the outlined criteria:

Pension Trust Funds are used to report fiduciary activities that are pension plans and other post employment benefit plans that are administered through trust or other employee benefit plans for which resources are held in trusts that meet the criteria outlined by GASB.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Custodial funds are used to report fiduciary activities for resources that are held in trust that meet the criteria outlined by GASB and that are not required to be reported in pension trust funds, investment trust funds or private purpose trust funds.

The impact of adopting GASB Statement No. 84 is as follows:

	June 30, 2020		
	As Previously Reported	GASB Statement No. 84 Impact	Restatement Reported
Enterprise Fund			
Statement of Net Position			
Cash and cash equivalents—restricted	$ 84,560,272	$ (21,807,950)	$ 62,752,322
Construction accounts payable	38,809,110	(21,807,950)	17,001,160
Statement of Cash flows			
Payments for construction in progress	(155,853,136)	(21,807,950)	(177,661,086)
Cash and cash equivalents end of year	146,942,487	(21,807,950)	125,134,537
Fiduciary Fund			
Cash and cash equivalents	-	21,807,950	21,807,950
Investments - collective investment fund	-	1,664,638	1,664,638
Participant loans	-	37,339	37,339
Accounts payable	-	1,408,514	1,408,514
Net position- restricted for other government	-	20,399,436	20,399,436
Net position- restricted pension	-	1,701,977	1,701,977

B. Basis of accounting: The operations of the Authority are accounted for within a single proprietary (enterprise) fund through which all non-fiduciary financial activities are recorded. The measurement focus for an enterprise fund is the flow of economic resources. An enterprise fund follows the accrual basis of accounting. With this measurement focus, all assets, liabilities and deferred inflows and outflows of resources associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into amounts of net investment in capital assets, amounts restricted for capital activity and debt service pursuant to the bond indenture, and amounts which are unrestricted. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which the liability is incurred regardless of the timing of related cash flows, and depreciation of capital assets is recognized. Revenue from grants and contracts specifying allowable costs to be incurred are recognized as revenue when all eligibility requirements imposed by the provider are met and qualifying expenditures have been incurred.

The fiduciary fund financial statements of the Pension Plan and the Custodial Fund are reported using the economic resources measurement focus and are prepared on the accrual basis of accounting in conformity with U.S. GAAP. Contributions and income are recorded when earned and benefits and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. The Pension Plan and the Custodial Fund apply all applicable GASB pronouncements.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

C. Pledged revenue: In accordance with the bond indenture, as amended, between the Authority and the trustee named therein, the Authority has designated the following projects as part of the "CTRMA Turnpike System" (the Tolling System) as of June 30, 2021 and 2020: the 183A Turnpike Project, the 290E Project, the 183 South Project, the SH 71 Express Project and the SH 45 Southwest Project. The trust estate established by the bond indenture is pledged to secure certain outstanding obligations of the Authority, and such trust estate includes the revenues from the Tolling System. The Tolling System may also include any future Project and other roads, bridges or other toll facilities for which the Authority has operational responsibility that the Authority designates as part of the Tolling System by official action of its Board of Directors.

D. Cash, cash equivalents and investments: Cash and cash equivalents include cash on hand, demand deposits, investments in the money market mutual fund and short-term investments with original maturities of three months or less from the date of acquisition. Bank deposits are fully collateralized or covered by federal depository insurance. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Investments in debt securities are reported at fair value based on pricing service modeling for fixed income securities. Investment in local government investment pools are reported at amortized cost. The net change in fair value of investments is recorded on the Statements of Revenues, Expenses and Changes in Net Position and includes the unrealized and realized gains and losses on investments. The Authority's investment practices for the enterprise fund and the custodial fund are governed by State statutes, the Authority's own investment policy and bond indentures and the Texas Public Funds Investment Act. The Pension Trust Fund investments are restricted by investment options provided in the Collective Investment Fund.

E. Compensated absences: Full-time regular employees are eligible for vacation, which accrues monthly. The maximum paid accrual is from 180 hours for one to two years of service up to 336 hours for 10 plus years of service. Vested vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized. Accrued vacation leave on the Statements of Net Position is $372,715 and $543,329 as of June 30, 2021 and 2020, respectively.

F. Capital assets: Capital assets, which include property and equipment, right of way and toll roads, are reported at cost. Capital assets acquired through contributions, such as those from developers or other governments, are recorded at estimated acquisition value at the date of donation. Capital assets are defined as assets with initial, individual costs exceeding $500 to $20,000, depending on the asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

	Estimated Useful Lives
Roads and bridges	40 years
Improvements	5-20 years
Buildings	20-30 years
Equipment	3-10 years

A full month's depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, the cost and accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

The Authority capitalizes interest cost of restricted tax-exempt borrowings less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use.

The Authority evaluates for impairment of capital assets when significant unexpected decline in service utility occurs. There were no asset impairments in fiscal year 2021 or 2020.

G. Grants and contributions: Revenues from grants and contributions are cash and noncash which include the following: (1) Capital grants and contributions which are restricted revenues whose resources may only be spent to purchase, build or use capital assets for specified programs or (2) Operating grants and contributions which are restricted in the way they may be spent for operations of a particular program.

The Authority has entered into several construction contracts with TxDOT for the construction of roadways using Highway Planning and Construction federal funding and certain state funding for transportation improvements. During the years ended June 30, 2021 and 2020, the Authority recognized capital grants and contributions of approximately $0.852 million and $3.2 million, respectively, from TxDOT. Revenues from federal and state cost reimbursement grants and contracts are recognized as earned when all eligibility requirements, including incurring allowable expenditures, have been met.

H. Restricted assets: Certain assets of the Authority are classified as restricted assets in the Statement of Net Position because their use is limited by applicable bond covenants or TxDOT construction contracts. When the proceeds are restricted for the acquisition or construction of noncurrent assets or are restricted for liquidation of long-term debt, they are further classified as noncurrent restricted assets. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. In the financial statements, restricted net position is reported for amounts that are externally restricted by creditors (e.g., bond covenants), grantors, contributors or laws and regulations of other governments or law through constitutional provision or enabling legislation.

I. Income taxes: The Authority is an instrumentality of the state of Texas. As such, income earned in the exercise of its essential government functions is exempt from federal income taxes.

J. Pensions: The net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Authority's participation in the Texas County and District Retirement System (TCDRS), an Agent Plan, and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized in the TCDRS net pension liability calculations when due and payable in accordance with the benefit terms. The investments are stated at fair value.

K. Deferred outflows and inflows of resources: The Authority has classified as deferred inflows of resources items that represent acquisition of net position that applies to future periods and will not be recognized as a revenue until then. The Authority has classified as deferred outflows of resources certain items that represent a consumption of resources that applies to a future period and, therefore, will not be recognized as an expense until then. Bond issuance cost, other than prepaid insurance, is expensed as incurred, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Deferred gains/losses on refunding (the difference between the reacquisition price and the carrying value of the existing debt) are recorded as deferred outflows of resources and amortized over the shorter of the life of the original bonds or the life of the refunding bonds.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

L. Long-term obligations: Long term obligations are reported as liabilities in the statement of net position and consist of notes and bonds payable and related premiums and discounts. The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to interest expense using the effective interest method.

M. Classification of operating and nonoperating revenue and expenses: The Authority defines operating revenues and expenses as those revenues and expenses generated by the Authority's Tolling System (the 183A Turnpike Project, the 290E Project, the 183 South Project, the operations of the SH 71 Express Project and the SH 45 Southwest Project) and non-Tolling System (the MoPac Improvement Project). It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities. This definition is consistent with the Codification of Governmental Accounting and Financial Reporting Standards, which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, noncapital financing or investing activities. All revenues and expense not meeting this definition are reported as nonoperating revenue and expenses.

N. Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

O. Noncash disclosures for statements of cash flows—capital appreciation bonds*:* The Authority's outstanding capital appreciation bonds Series 2010 and 2011 included accreted interest of $6.9 million and $6.4 million for the periods ended June 30, 2021 and 2020, respectively.

P. Issued but not yet effective pronouncements: GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*, requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of the statement are effective for the period beginning after December 15, 2020. Management of the Authority is currently evaluating the requirements of this pronouncement but expects the adoption will have an impact on the financial statements as capitalized interest will no longer be capitalized.

Note 2. Cash and Investments

The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, state statutes and bond indenture provisions by qualifying the broker or financial institution with whom the Authority will transact business, maintaining sufficient collateralization, portfolio diversification and limiting maturities.

TexSTAR Investment Pool and Goldman Sachs Fund balances are carried at amortized cost, which does not require categorization under GASB Statement No. 72, *Fair Value Measurements and Application*.

The Authority's enterprise fund had the following investments as of June 30:

Summary of Investments by Type	2021	2020
Cash and cash equivalents:		
Cash	$ 1,727,372	$ 930,319
Goldman Sachs Financial Square Treasury Obligations Fund	838,830,390	124,204,218
TexSTAR Investment Pool	164,727,310	293,077,714
U.S. government sponsored enterprises and treasury notes	269,380,948	20,131,052
Total cash and investments	$ 1,274,666,020	$ 438,343,303
Unrestricted cash and cash equivalents	$ 63,057,414	$ 38,909,537
Unrestricted investments	89,758,602	83,730,161
Restricted cash and cash equivalents:		
Current	185,746,093	62,752,322
Noncurrent	591,754,254	23,472,678
Restricted investments	344,349,657	229,478,605
Total cash and cash equivalent and investment, as reported on the Statement of Net Position	$ 1,274,666,020	$ 438,343,303

The Authority utilizes various methods to measure the fair value of investments on a recurring basis. GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Authority has the ability to access.

Level 2: Inputs are observable other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3: Inputs are unobservable for the asset or liability, to the extent relevant observable inputs are not available, representing the Authority's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Note 2. Cash and Investments (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments measured at net asset value do not have significant terms or conditions for redemption or commitment for additional funding. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following tables summarize the inputs used as of June 30, 2021 and 2020, for the Authority's investments measured at fair value:

	Fair Value Hierarchy at June 30, 2021			
Investment Type	Level 1	Level 2	Level 3	Balance
U.S. Treasury notes	$ -	$ 269,380,948	$ -	$ 269,380,948
Total U.S. government sponsored enterprise securities and treasury notes	$ -	$ 269,380,948	$ -	269,380,948
Investments at net asset value (NAV) based on amortized cost:				
Goldman Sachs Financial Square Treasury Obligations Fund				838,830,390
TexSTAR Investment Pool				164,727,310
Total				$ 1,272,938,648

	Fair Value Hierarchy at June 30, 2020			
Investment Type	Level 1	Level 2	Level 3	Balance
Farmer MAC	$ -	$ 20,131,052	$ -	$ 20,131,052
Total U.S. government sponsored enterprise securities and treasury notes	$ -	$ 20,131,052	$ -	20,131,052
Investments at NAV based on amortized cost:				
Goldman Sachs Financial Square Treasury Obligations Fund				124,204,218
TexSTAR Investment Pool				293,077,714
Total				$ 437,412,984

Custodial credit risk—deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. The Authority has a formal policy specific to custodial credit risk, which requires bank deposit accounts to be collateralized with pledged securities equal to 105% of the carrying value.

Note 2. Cash and Investments (Continued)

The Authority was fully collateralized with pledged securities held in the name of the pledging financial institution for amounts in excess of the Federal Deposit Insurance Corporation limit as of June 30, 2021 and 2020. Cash balance as of June 30, 2021 and 2020, is $1,727,372 and $930,319, respectively.

Custodial credit risk—investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority and are held by the counterparty, its trust or agent, but not in the Authority's name. The Authority's investment securities are not exposed to custodial credit risk because all securities are held by the Authority's custodial bank in the Authority's name.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: United States Treasury and federal agency issues, certificates of deposit issued by a state or national bank domiciled in the state of Texas, repurchase agreements collateralized by United States Treasury or federal agency securities, guaranteed investment contracts (GICs), obligations of states and municipalities, Securities and Exchange Commission (SEC) registered no-load money market mutual funds and local government investment pools. The Authority does not have a specific investment policy related to concentration of credit risk. The Authority does have a policy related to portfolio diversification.

With regards to investment composition, the Authority's investment policy currently states that local government investment pools may not exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100% of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

The Authority's portfolio consisted of the following as of June 30:

	2021		2020	
TexSTAR Investment Pool	$ 164,727,310	12.9%	$ 293,077,714	67.1%
Goldman Sachs Financial Square Treasury Obligations Fund	838,830,390	65.9%	124,204,218	28.3%
Farmer MAC	-	0.0%	20,131,052	4.6%
U.S. Treasury notes	269,380,948	21.2%	-	0.0%
Total	$ 1,272,938,648		$ 437,412,984	

Interest rate risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio.

Note 2. Cash and Investments (Continued)

The Authority's investment policy notes that with regard to maximum maturities, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest operating or general funds in securities maturing more than 16 months from the date of purchase, unless approved by the Authority's Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project. Reserve funds may be invested in securities exceeding 12 months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

As of June 30, 2021 and 2020, the Authority's investments in debt securities mature as follows:

	Investment Maturities (in Days)—2021				
Investment Type	90 Days or Less	91 to 180 Days	191 to 365 Days	Greater Than 365 Days	Fair Value
U.S. Treasury notes	$ -	$ 28,770,719	$ 240,610,229	$ -	$ 269,380,948
Total U.S. government sponsored enterprise securities and treasury notes	$ -	$ 28,770,719	$ 240,610,229	$ -	$ 269,380,948

	Investment Maturities (in Days)—2020				
Investment Type	90 Days or Less	91 to 180 Days	191 to 365 Days	Greater Than 365 Days	Fair Value
Farmer MAC	$ -	$ 20,131,052	$ -	$ -	$ 20,131,052
Total U.S. government sponsored enterprise securities and treasury notes	$ -	$ 20,131,052	$ -	$ -	$ 20,131,052

Local Government Investment Pool: The Texas Short-Term Asset Reserve Fund (TexSTAR) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. TexSTAR is managed by a 5-member board of trustees who has contracted with JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. to administer the operations of the fund. TexSTAR is rated AAA by Standard & Poor's and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice.

The Authority has investments of $164.7 million and $293.1 million, respectively, in TexSTAR as of June 30, 2021 and 2020.

Money market mutual fund: The Goldman Sachs Financial Square Treasury Obligations Fund is a government money market fund. The fund values its securities using net asset value. The fund is rated Aaa by Moody's as of June 30, 2021 and 2020. The redemption frequency is one day and there are no unfunded commitments.

Note 2. Cash and Investments (Continued)

Credit risk: Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

- Limiting investments to the safest types of securities, as listed above under the concentration of credit risk section
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business

The Authority's investments had the following credit risk structure as of June 30, 2021 and 2020, based on Standard & Poor's ratings:

U.S. Government Sponsored Enterprise Securities and Treasury Notes	Standard & Poor's Investment Grade Rating	2021	2020
U.S. Treasury Notes	Aaa	$ 269,380,948	$ -
Farmer MAC	NR	-	20,131,052
Total		$ 269,380,948	$ 20,131,052

Fiduciary Fund Investments
As of June 30, 2021 and 2020, the investments in the Pension Trust Fund (401 (a) Plan- "the Plan") totaled $1,435,203 and $1,664,637, respectively. The investment are held in Nationwide Collective Investment Fund and are reported at fair value. The investments are level 2 investments in that the Collective Investment Fund uses observable market data for the underlying investments that support the Collective Investment Fund to determine the fair value net of applicable contract fees.

As of June 30, 2021 and 2020, the Custodial Fund investment in Goldman Sachs totaled $14,383,192 and $21,807,950, respectively. The Goldman Sachs Financial Square Treasury Obligations Fund is a government money market fund. The fund values its securities using net asset value. The fund is rated Aaa by Moody's as of June 30, 2021 and 2020. The redemption frequency is one day and there are no unfunded commitments.

The following address interest rate risk exposure by investment type, concentration of credit risk, credit risk and foreign currency risk. Investments held by the Plan are recorded at fair value. All assets held by the Plan are held in irrevocable trusts. The Pension Trust Fund investments are restricted by investment options provided in the Collective Investment Fund.

The Custodial Fund assets are invested in accordance with the investment policy of the Authority. Accordingly, the interest rate risk exposure by investment type, concentration of credit risk, credit risk and foreign currency risk are addressed with the Authority's disclosure for amount held in Goldman Sachs of $14.3 million and $21.8 million as of June 30, 2021 and 2020, respectively.

Note 2. Cash and Investments (Continued)

Interest rate risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Plan does not have an interest rate risk policy. However, the investments held in the Plan are not exposed to interest rate risk as of June 30, 2021 and 2020.

Credit risk: Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan does not have a credit risk policy. However, the investments held in the Plan are not exposed to credit risk as of June 30, 2021 and 2020.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan does not have a concentration of credit risk policy. However, the Plan does not have concentration of credit risk as of June 30, 2021 and 2020.

Foreign currency risk: The Plan does not have a foreign currency risk policy. There were no nondollar foreign investments held directly as of June 30, 2021 and 2020.

Note 3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2021 and 2020:

	2020	Additions	Disposals/ Adjustments	Transfers	2021
Nondepreciable assets:					
Construction in progress	$ 634,003,651	$ 129,625,167	$ (4,468,748)	$ (604,487,401)	$ 154,672,669
Right of way	88,149,608	-	-	-	88,149,608
Total nondepreciable assets	722,153,259	129,625,167	(4,468,748)	(604,487,401)	242,822,277
Depreciable assets:					
Property and equipment	7,157,005	228,603	(46,143)	-	7,339,465
Toll road:					
Building and toll facilities	7,062,332	-	-	-	7,062,332
Highways and bridges	1,369,140,506	179,767	-	602,738,152	1,972,058,425
Toll equipment	40,476,020	1,460,654	-	1,749,249	43,685,923
Signs	16,606,496	1,674,445	-	-	18,280,941
Land improvements	14,243,759	-	-	-	14,243,759
Total depreciable assets	1,454,686,118	3,543,469	(46,143)	604,487,401	2,062,670,845
Accumulated depreciation:					
Property and equipment	(3,082,757)	(1,109,846)	46,143		(4,146,460)
Building and toll facilities	(2,291,819)	(176,748)	-	-	(2,468,567)
Highways and bridges	(175,654,041)	(33,760,010)	-	-	(209,414,051)
Toll equipment	(17,829,403)	(3,379,595)	-	-	(21,208,998)
Signs	(3,572,429)	(1,016,571)	-	-	(4,589,000)
Land improvements	(6,274,622)	(884,934)	-	-	(7,159,556)
Total accumulated depreciation	(208,705,071)	(40,327,704)	46,143	-	(248,986,632)
Net property and equipment	$ 1,968,134,306	$ 92,840,932	$ (4,468,748)	$ -	$ 2,056,506,490

Note 3. Capital Assets (Continued)

	2019	Additions	Disposals/ Adjustments	Transfers	2020
Nondepreciable assets:					
Construction in progress	$ 763,449,265	$ 197,146,765	$ -	$ (326,592,379)	634,003,651
Right of way	88,149,608	-	-	-	88,149,608
Total nondepreciable assets	851,598,873	197,146,765	-	(326,592,379)	722,153,259
Depreciable assets:					
Property and equipment	5,001,732	604,188	(88,063)	1,639,148	7,157,005
Toll road:					
Building and toll facilities	7,062,332	-	-	-	7,062,332
Highways and bridges	1,055,762,444	-	-	313,378,062	1,369,140,506
Toll equipment	32,223,257	-	-	8,252,763	40,476,020
Signs	13,220,587	63,503	-	3,322,406	16,606,496
Land improvements	14,243,759	-	-	-	14,243,759
Total depreciable assets	1,127,514,111	667,691	(88,063)	326,592,379	1,454,686,118
Accumulated depreciation:					
Property and equipment	(2,053,454)	(1,106,248)	76,945		(3,082,757)
Building and toll facilities	(2,115,071)	(176,748)	-	-	(2,291,819)
Highways and bridges	(142,425,781)	(33,228,260)	-	-	(175,654,041)
Toll equipment	(14,170,300)	(3,659,103)	-	-	(17,829,403)
Signs	(2,727,678)	(844,751)	-	-	(3,572,429)
Land improvements	(5,315,944)	(958,678)	-	-	(6,274,622)
Total accumulated depreciation	(168,808,228)	(39,973,788)	76,945	-	(208,705,071)
Net property and equipment	$ 1,810,304,756	$ 157,840,668	$ (11,118)	$ -	$ 1,968,134,306

Construction in progress as of June 30, 2021 and 2020, consists of the following:

	2020	Additions	Disposals	Transfers	2021
Construction in progress:					
Preliminary and construction costs	$ 545,611,304	$ 105,572,685	$ (4,453,270)	$ (505,285,454)	$ 141,445,265
Collection system	4,458,523	5,161,584	-	(1,751,414)	7,868,693
Capitalized interest	83,933,825	18,890,899	(15,477)	(97,450,533)	5,358,714
Net construction in progress	$ 634,003,652	$ 129,625,168	$ (4,468,747)	$ (604,487,401)	$ 154,672,672

	2019	Additions	Disposals	Transfers	2020
Construction in progress:					
Preliminary and construction costs	$ 696,479,929	$ 166,804,383	$ -	$ (317,673,008)	$ 545,611,304
Collection system	7,748,050	5,629,843	-	(8,919,370)	4,458,523
Capitalized interest	59,221,286	24,712,539	-	-	83,933,825
Net construction in progress	$ 763,449,265	$ 197,146,765	$ -	$ (326,592,378)	$ 634,003,652

Including amortization expense, depreciation expense for the years ended June 30, 2021 and 2020, totaled $40,555,216 and $39,983,305, respectively.

Note 3. Capital Assets (Continued)

As of June 30, 2021 and 2020, the Authority has the following other non-Tolling System capital assets (capital assets other than the 183A Turnpike Project, the 290E Project, the 183 South Project and the SH 71 Express Project) in operation:

	2021	2020
Capital assets in non-Tolling System projects:		
Building and toll facilities, net of depreciation	$ 211,443,095	$ 203,516,633
Toll equipment, net of depreciation	2,901,002	3,632,447
Total non-Tolling System projects	$ 214,344,097	$ 207,149,080

Note 4. Notes and Bonds Payable

The following schedule summarizes total notes and bonds payable for the years ended June 30, 2021 and 2020:

	2020	Additions/ Accretion	Amortization/ Deductions	2021	Due Within One Year
Series 2010 Obligations (CIB and CAB bonds)	$ 34,999,710	$ -	$ -	$ 34,999,710	$ -
Series 2010 CAB accretion	40,463,777	5,842,858	-	46,306,635	-
Total 2010 Bonds	75,463,487	5,842,858	-	81,306,345	-
Series 2011 Obligations	9,999,944	-	-	9,999,944	480,449
Series 2011 CAB accretion	7,452,132	1,113,930	-	8,566,062	-
Total 2011 Bonds	17,452,076	1,113,930	-	18,566,006	480,449
Series 2013 Obligations	229,140,000	-	(216,740,000)	12,400,000	6,200,000
TIFIA Bond 2015—Series C	297,022,691	5,384,670	(302,407,361)	-	-
SIB Bond 2015—Series E	33,695,520	-	(33,695,520)	-	-
SHF Bond 2015—Series D	33,695,550	-	(33,695,550)	-	-
Series 2015 Bonds—Series A and B	367,575,000	-	(68,785,000)	298,790,000	-
Total 2015 Bonds	731,988,761	5,384,670	(438,583,431)	298,790,000	-
Sub Lien Refunding Bonds, Series 2016	73,490,000	-	(435,000)	73,055,000	450,000
Sr. Lien Refunding Bonds, Series 2016	356,785,000	-	(8,490,000)	348,295,000	10,605,000
Total 2016 Bonds	430,275,000	-	(8,925,000)	421,350,000	11,055,000
Sr. Lien Revenue Bonds, Series 2018	44,345,000	-	-	44,345,000	-
Sub Lien Revenue BAN, Series 2018	46,020,000	-	-	46,020,000	46,020,000
Total 2018 Bonds	90,365,000	-	-	90,365,000	46,020,000
Sr. Lien Revenue Bonds, Series 2020	50,265,000	167,160,000	-	217,425,000	-
Sub Lien Revenue BAN, Series 2020	-	110,875,000	-	110,875,000	-
Sr. Lien Refunding Bonds, Series 2020	-	195,555,000	(915,000)	194,640,000	605,000
Sub Lien Refunding Bonds, Series 2020	-	161,275,000	-	161,275,000	1,125,000
Total 2020 Bonds	50,265,000	634,865,000	(915,000)	684,215,000	1,730,000
Sub Lien Revenue Bonds, Series 2021A-TIFIA	-	304,684,652	-	304,684,652	-
Sr. Lien Revenue Bonds, Series 2021	-	255,075,000	-	255,075,000	-
Sub Lien Revenue BAN, Series 2021	-	244,185,000	-	244,185,000	-
	-	803,944,652	-	803,944,652	-
71E Toll Project Obligation	58,481,888	-	(1,218,477)	57,263,411	-
Regions 2017 MoPac Obligation	24,990,900	-	-	24,990,900	24,990,900
TIFIA Bond 2019—290E Phase III	51,917	954	(52,871)	-	-
Total other obligations	83,524,705	954	(1,271,348)	82,254,311	24,990,900
Total notes, bonds and other obligations payable	1,708,474,029	1,451,152,064	(666,434,779)	2,493,191,314	90,476,349
Net premium (discount) on revenue bonds payable	90,502,420	161,681,039	(13,938,622)	238,244,837	-
Total notes, bonds and other obligations payable, net	1,798,976,449	$ 1,612,833,103	$ (680,373,401)	2,731,436,151	$ 90,476,349
Less current maturities of notes and bonds payable	(15,965,000)			(90,476,349)	
Total	$ 1,783,011,449			$ 2,640,959,802	

Note 4. Notes and Bonds Payable (Continued)

	2019	Additions/ Accretion	Amortization/ Deductions	2020	Due Within One Year
Series 2010 Obligations (CIB and CAB bonds)	$ 42,239,710	$ -	$ (7,240,000)	$ 34,999,710	$ -
Series 2010 CAB accretion	35,040,989	5,422,788	-	40,463,777	-
Total 2010 Bonds	77,280,699	5,422,788	(7,240,000)	75,463,487	-
Series 2011 Obligations	9,999,944	-	-	9,999,944	-
Series 2011 CAB accretion	6,405,044	1,047,088	-	7,452,132	-
Total 2011 Bonds	16,404,988	1,047,088	-	17,452,076	-
Series 2013 Obligations	234,700,000	-	(5,560,000)	229,140,000	6,230,000
TIFIA Bond 2015—Series C	230,302,177	66,720,514	-	297,022,691	-
SIB Bond 2015—Series E	33,034,828	660,692	-	33,695,520	-
SHF Bond 2015—Series D	33,034,858	660,692	-	33,695,550	-
Series 2015 Bonds—Series A and B	367,575,000	-	-	367,575,000	810,000
Total 2015 Bonds	663,946,863	68,041,898	-	731,988,761	810,000
Sub Lien Refunding Bonds, Series 2016	73,905,000	-	(415,000)	73,490,000	435,000
Sr. Lien Refunding Bonds, Series 2016	358,030,000	-	(1,245,000)	356,785,000	8,490,000
Total 2016 Bonds	431,935,000	-	(1,660,000)	430,275,000	8,925,000
Sr. Lien Revenue Bonds, Series 2018	44,345,000	-	-	44,345,000	-
Sub Lien Revenue BAN, Series 2018	46,020,000	-	-	46,020,000	-
Total 2018 Bonds	90,365,000	-	-	90,365,000	-
Series 2020A Obligations	-	50,265,000	-	50,265,000	-
Total 2020 Bonds	-	50,265,000	-	50,265,000	-
71E Toll Project Obligation	60,728,211	-	(2,246,323)	58,481,888	-
SH 45 Southwest Obligation	57,420,370	6,390,600	(63,810,970)	-	-
Regions 2017 MoPac Obligation	24,990,900	-	-	24,990,900	
TIFIA Bond 2019—290E Phase III	50,414	1,503	-	51,917	-
Total other obligations	143,189,895	6,392,103	(66,057,293)	83,524,705	-
Total notes, bonds and other obligations payable	1,657,822,445	131,168,877	(80,517,293)	1,708,474,029	15,965,000
Net premium (discount) on revenue bonds payable	90,080,586	11,684,232	(11,262,398)	90,502,420	-
Total notes, bonds and other obligations payable, net	1,747,903,031	$ 142,853,109	$ (91,779,691)	1,798,976,449	$ 15,965,000
Less current maturities of notes and bonds payable	(14,460,000)			(15,965,000)	
Total	$ 1,733,443,031			$ 1,783,011,449	

The Series 2010 Obligations, the Series 2011 Obligations, the Series 2013 Obligations, the Series 2015 Obligations, the Series 2016 Obligations, the Series 2018 Obligations, the 2019 TIFIA Bond, the Series 2020 Obligations, and the Series 2021 Obligations each as further described below, were issued by the Authority pursuant to a bond indenture between the Authority and the trustee named therein, and are secured by and payable from the trust estate established thereby, in the manner described in and subject to the terms and conditions of the bond indenture. The trust estate established by the bond indenture includes the revenues from the Tolling System. The Authority is required to establish and maintain toll rates in connection with the Tolling System as shall be sufficient to satisfy its rate covenant under the bond indenture.

Series 2010 Obligations: The Authority issued its Series 2010 Senior Lien Revenue Bonds and Taxable Series 2010 Subordinate Lien Revenue Build America Bonds (Series 2010 Subordinate Lien BABs) on March 1, 2010, collectively called the Series 2010 Obligations. The Series 2010 Senior Lien Revenue Bonds were issued in part as current interest bonds (Series 2010 CIBs) and in part as capital appreciation bonds (Series 2010 CABs). The Series 2010 Subordinate Lien BABs were refunded and redeemed in whole by the Authority on June 5, 2013.

Note 4. Notes and Bonds Payable (Continued)

The proceeds from the Series 2010 Obligations were used to (i) finance a portion of the costs of the 183A Phase II Project; (ii) currently refund and redeem, in whole, the Authority's outstanding Revenue Notes, Taxable Series 2009; (iii) pay capitalized interest with respect to the Series 2010 Obligations; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2010 Obligations.

As of June 30, 2021 and 2020, the Series 2010 CIBs did not have an outstanding principal balance.

The Series 2010 CABs are scheduled to mature in 2025 through 2040 at an aggregated maturity amount of $176.1 million. The principal amount of $34.9 million of the Series 2010 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2021 and 2020.

Interest on the Series 2010 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 7.20% to 7.85% and will compound on each July 1 and January 1, commencing July 1, 2010. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2010 CABs as of June 30, 2021 and 2020, was $46.3 million and $40.5 million, respectively. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

Series 2011 Obligations: The Authority issued its Series 2011 Senior Lien Revenue Bonds and Series 2011 Subordinate Lien Revenue Bonds (Series 2011 Subordinate Lien Bonds) on June 29, 2011, collectively called the Series 2011 Obligations. The Series 2011 Senior Lien Revenue Bonds were issued in part as current interest bonds (Series 2011 CIBs) and in part as capital appreciation bonds (Series 2011 CABs). The Series 2011 CIBs were refunded in full during fiscal year 2016, and the Series 2011 Subordinate Lien Revenue Bonds were refunded in full during fiscal year 2017.

A portion of the proceeds from the Series 2011 Obligations was used to (i) prepay a State Infrastructure Bank loan in full, (ii) redeem the Authority's Series 2010 Notes in whole, (iii) pay capitalized interest with respect to the Series 2011 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2011 Obligations. The remaining proceeds of the Series 2011 Obligations were used to finance a portion of the costs of the 290E Phase II Project and as otherwise authorized in the Indenture.

The Series 2011 CABs are scheduled to mature starting in 2022 through 2026 at an aggregated maturity amount of $22.1 million. The principal amount of $9.9 million for the Series 2011 CABs represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2021 and 2020.

Interest on the Series 2011 CABs will accrete from the date of initial delivery to stated maturity at rates ranging from 5.9% to 6.5% and will compound on each July 1 and January 1, commencing July 1, 2011. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

Note 4. Notes and Bonds Payable (Continued)

The amount of accumulated accreted interest on the Series 2011 CABs as of June 30, 2021 and 2020, was $8.5 million and $7.5 million, respectively. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

Series 2013 Obligations: The Authority issued its Series 2013A Senior Lien Revenue Refunding Bonds (Series 2013A Senior Lien Bonds), Series 2013B Senior Lien Revenue Refunding Put Bonds (Series 2013B Senior Lien Put Bonds) and Series 2013 Subordinate Lien Revenue Refunding Bonds (Series 2013 Subordinate Lien Bonds), collectively called the Series 2013 Obligations, on May 16, 2013. The Series 2013B Senior Lien Put Bonds were refunded in full during fiscal year 2016. The Series 2013A Senior Lien Bonds Term Bonds (maturing in the years 2033 and 2043) in the amount of $122.3 million and the Series 2013 Subordinate Lien Bonds (maturing in the years 2033 and 2042) in the amount of $88.1 million were refunded during fiscal year 2021.

The proceeds from the Series 2013 Obligations were used to (i) refund in full the Authority's Series 2005 Senior Lien Revenue Bonds, the Authority's 2005 TIFIA Bond, and the Authority's Series 2010 Subordinate Lien BABs, (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2013 Obligations.

The remaining Series 2013A Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in the years 2022 and 2023. Interest on the Series 2013A Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2013A Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2021 and 2020, the outstanding principal amount was $7.08 million and $133.2 million, respectively.

The remaining Series 2013 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in the years 2022 and 2023. Interest on the Series 2013 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5%. Interest on the Series 2013 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2021 and 2020, the outstanding principal amount was $5.3 million and $95.9 million, respectively.

Series 2015 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2015A (Series 2015A Bonds) and its Senior Lien Revenue and Refunding Put Bonds, Series 2015B (Series 2015B Bonds) on November 19, 2015. The Authority issued its Subordinate Lien Revenue Bond, Taxable Series 2015C (the 2015C TIFIA Bond), its Subordinate Lien Revenue Bond, Taxable Series 2015D (2015D SHF Bond), and its Subordinate Lien Revenue Bond, Taxable Series 2015E (2015E SIB Bond) on November 18, 2015. The Series 2015A Bonds, the Series 2015B Bonds, the 2015C TIFIA Bond, the 2015D SHF Bond and the 2015E SIB Bond are collectively referred to as the Series 2015 Obligations.

A portion of the proceeds of the Series 2015 Obligations was used to finance and refinance the costs of designing, engineering, developing and constructing the 183 South Project. The remaining proceeds of the Series 2015 Obligations were used to (i) refund and redeem in whole the Authority's outstanding Senior Lien Revenue Refunding Put Bonds, Series 2013B, (ii) prepay in whole the Authority's outstanding 2015 Draw Down Note, (iii) pay capitalized interest with respect to the Series 2015A Bonds, (iv) make deposits to the Senior Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2015 Obligations.

Note 4. Notes and Bonds Payable (Continued)

Series 2015A Bonds: The Series 2015A Bonds were issued as current interest bonds and are scheduled to mature in 2025 through 2045. Interest on the Series 2015A Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2015A Bonds is payable on each July 1 and January 1, commencing January 1, 2016. As of June 30, 2021 and 2020, the outstanding principal amount was $298.8 million and $298.8 million, respectively.

Series 2015B Bonds: The Series 2015B Bonds were issued as current interest bonds and as variable rate obligations and were scheduled to mature in 2045, and were subject to mandatory sinking fund redemption in 2021 through 2045. The 2015B Bonds in the amount of $68.8 were refunded in fiscal year 2021.

As of June 30, 2021 and 2020, the outstanding principal amount was $0 and $68.8 million, respectively.

2015C TIFIA Bond: In November 2015, the Authority entered into a secured loan agreement (the 2015 TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed $282,200,885 to pay eligible project costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the 2015 TIFIA Loan Agreement is evidenced by the 2015C TIFIA Bond. The 2015C TIFIA Bond bears interest at 3.08% per annum and the final maturity date thereof will be the earlier of (i) the date this is 35 years from the date of substantial completion of the 183 South Project and (ii) July 1, 2049. Payments of principal and interest due on the 2015C TIFIA Bond are payable in the amounts set forth in the 2015 TIFIA Loan Agreement on each January 1 and July 1, commencing on the earlier of (i) July 1, 2024 and (ii) the semiannual payment date on (or immediately preceding) the fifth anniversary of the date of substantial completion of the 183 South Project.

The Authority's loan and accreted interest of was $282.2 million as of June 30, 2020. On February 26, 2021, the loan balance of $302.9 million was refinanced and the balance of the 2015 TIFIA Loan Agreement is $0 as of June 30, 2021.

2015D SHF Bond: In November 2015, the Authority entered into a secured loan agreement (the SHF Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed $30 million to pay eligible projects costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the SHF Loan Agreement is evidenced by the 2015D SHF Bond. Interest on the 2015D SHF Bond is payable on each January 1 and July 1, commencing July 1, 2020, and installments of principal thereof are payable on each July 1, commencing July 1, 2025 in the amounts set forth in the SHF Loan Agreement. The 2015D SHF Bond bears interest at 4% per annum and the final maturity date thereof is July 1, 2049.

As of June 30, 2020, the 2015D SHF Bond had an outstanding balance of $33.7 million and included accrued interest of approximately $3.7 million. The 2015D SHF Bond balance of $33.7 million plus accrued interest was refunded in fiscal year 2021.

Note 4. Notes and Bonds Payable (Continued)

2015E SIB Bond: In November 2015, the Authority entered into a secured loan agreement (the SIB Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed $30 million to pay eligible projects costs of the 183 South Project. The Authority's obligation to repay amounts borrowed under the SIB Loan Agreement is evidenced by the 2015E SIB Bond. Interest on the 2015E SIB Bond is payable on each January 1 and July 1, commencing July 1, 2020, and installments of principal thereof are payable on each July 1, commencing July 1, 2025, in the amounts set forth in the SIB Loan Agreement. The 2015E SIB Bond bears interest at 4% per annum and the final maturity date thereof is July 1, 2049.

As of June 30, 2020, the 2015E SIB Bond had an outstanding balance of $33.7 million and included accrued interest of approximately $3.7 million. The 2015E SIB Bond balance of $33.7 million plus accrued interest was refunded in fiscal year 2021.

Series 2016 Obligations: On August 9, 2016, the Authority issued its Series 2016 Subordinate Lien Revenue Refunding Bonds (2016 Subordinate Lien Bonds) and on June 1, 2016 the Authority issued its Series 2016 Senior Lien Revenue Refunding Bonds (2016 Senior Lien Bonds), collectively called the Series 2016 Obligations. The proceeds of the 2016 Subordinate Lien Bonds were used to (i) refund in whole the Series 2011 Subordinate Lien Bonds and (ii) make deposit to the Subordinate Lien reserve fund account for the 2016 Subordinate Lien Bonds and (iii) pay for the issuance costs of the 2016 Subordinate Lien Bonds. The proceeds of the Series 2016 Senior Lien Bonds were used to (i) refund a portion of the Series 2010 CIBs and all outstanding Series 2011 CIBs and (ii) pay issuance costs of the Series 2016 Senior Lien Bonds.

The 2016 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2018 through 2036 and in 2041. Interest on the 2016 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.125% to 5.000%. Interest on the 2016 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2017. As of June 30, 2021 and 2020, the outstanding principal amount was $73.1 million and $73.5 million, respectively.

The 2016 Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2020 through 2036 and in 2040, 2041 and 2046. Interest on the 2016 Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.375% to 5.000%. Interest on the 2016 Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2016. As of June 30, 2021 and 2020, the outstanding principal amount was $348.3 million and $356.8 million, respectively.

Series 2018 Obligations: On November 20, 2018, the Authority issued its Series 2018 Senior Lien Revenue Bonds (2018 Senior Lien Bonds) and its Series 2018 Subordinate Lien Revenue Bond Anticipation Notes (2018 Sub Lien BANs), collectively called the Series 2018 Obligations. The proceeds of the Series 2018 Obligations were used to (i) finance the costs of designing, engineering, developing and constructing the 290 E Phase III Project (ii) pay capitalized interest with respect to the 2018 Senior Lien Bonds and (iii) pay issuance costs of the Series 2018 Obligations.

The 2018 Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2025 through 2039 and in 2043 and 2048. Interest on the 2018 Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5.000%. Interest on the 2018 Senior Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2019. As of June 30, 2021 and 2020, the outstanding principal amount was $44.3 million and $44.3 million, respectively.

Note 4. Notes and Bonds Payable (Continued)

The 2018 Sub Lien BANs were issued as current interest bonds and are scheduled to mature in 2022. Interest on the 2018 Sub Lien BANs is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4.000%. Interest on the 2018 Sub Lien BANs is payable on each July 1 and January 1, commencing January 1, 2019. As of June 30, 2021 and 2020, the outstanding principal amount was $46.02 million and $46.02 million, respectively.

2019 TIFIA Bond: In March 2019, the Authority entered into a secured loan agreement (the 2019 TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed $46,940,400 to pay eligible project costs of the 290E Phase III Project. The Authority's obligation to repay amounts borrowed under the 2019 TIFIA Loan Agreement is evidenced by the 2019 TIFIA Bond. The 2019 TIFIA Bond bears interest at 2.96% per annum and the final maturity date thereof will be the earlier of (i) the date this is 35 years from the date of substantial completion of the 290E Phase III Project and (ii) January 1, 2054. Payments of principal and interest due on the 2019 TIFIA Bond are payable in the amounts set forth in the 2019 TIFIA Loan Agreement on each January 1 and July 1, commencing on the earlier of (i) January 1, 2025 and (ii) the semiannual payment date on (or immediately preceding) the fifth anniversary of the date of substantial completion of the 290E Phase III Project.

The Authority has received loan proceeds of approximately $50,000 during fiscal year 2019 under the 2019 TIFIA Loan Agreement. As of June 30, 2020, the TIFIA Bond had an outstanding balance of $50,000 with accreted interest of $1,917. The 2019 TIFIA Bond was paid in full during fiscal year 2021.

Series 2020 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2020A (Series 2020A Bonds) on January 22, 2020. The authority issued its Senior Lien Revenue Refunding Bonds, Series 2020B (Series 2020B Bonds) and its Senior Lien Revenue Refunding Bonds, Taxable Series 2020C (Series 2020C Bonds) on September 23, 2020. The Authority issued its Subordinate Lien Revenue Refunding Bonds, Taxable Series 2020D (Series 2020D Bonds) on September 23, 2020. The Authority issued its Senior Lien Revenue Bonds, Series 2020E (Series 2020E Bonds) on November 19, 2020. The Authority issued its Subordinate Lien Revenue Bond Anticipation Notes, Series 2020F (Series 2020F BANs) and its Subordinate Lien Revenue Refunding Bonds, Series 2020G (Series 2020G Bonds) on November 19, 2020. The Series 2020A Bonds, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds, the Series 2020E Bonds, the Series 2020F BANs and the Series 2020G Bonds are collectively referred to as the Series 2020 Obligations.

Series 2020A Bonds: The proceeds of the Series 2020A Bonds were used to (i) prepay in whole the Authority's outstanding 2016 Draw Down Note and (ii) pay certain issuance costs of the Series 2020A Bonds. The Series 2020A Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2026 through 2040 and in 2044 and 2049. Interest on the Series 2020A Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5.00%. Interest on the Series 2020A Senior Lien Bonds is payable on each January 1 and July 1, commencing July 1, 2020. As of June 30, 2021 and 2020, the outstanding principal amount was $50.26 million and $50.26 million, respectively.

Series 2020B Bonds: The proceeds of the Series 2020B Bonds were used to (i) refund and redeem in whole the Authority's outstanding Series 2015B Senior Lien Put Bonds and (ii) pay certain issuance costs of the Series 2020B Bonds. The Series 2020B Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2021 through 2040 and in 2045. Interest on the Series 2020B Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4% to 5.00%. Interest on the Series 2020B Senior Lien Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $56.20 million.

Note 4. Notes and Bonds Payable (Continued)

Series 2020C Bonds: The proceeds of the Series 2020C Bonds were used to (i) refund and redeem in whole the Authority's outstanding Series 2013A Senior Lien Term Bonds and (ii) pay certain issuance costs of the Series 2020C Bonds. The Series 2020C Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2024 through 2035 and in 2042. Interest on the Series 2020C Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 1.34% to 3.29%. Interest on the Series 2020B Senior Lien Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $138.43 million.

Series 2020D Bonds: The proceeds of the Series 2020D Bonds were used to (i) refund and redeem in whole the Authority's outstanding Series 2013 Subordinate Lien Term Bonds and (ii) pay certain issuance costs of the Series 2020D Bonds. The Series 2020D Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2022 through 2031 and in 2035 and 2042. Interest on the Series 2020D Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 1.3% to 3.59%. Interest on the Series 2020D Subordinate Lien Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $99.70 million.

Series 2020E Bonds: The proceeds of the Series 2020E Bonds will be used to (i) finance the costs of various improvements and extensions of the System, including the cost of the 183A Phase III Project, (ii) fund capitalized interest subaccounts for the Series 2020E Bonds, (iii) fund senior lien debt service reserve fund and (iv) pay certain issuance costs of the Series 2020E Bonds. The Series 2020E Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2029 through 2040 and in 2045 and 2050. Interest on the Series 2020E Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4.0% to 5.0%. Interest on the Series 2020E Senior Lien Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $167.16 million.

Series 2020F BANs: The proceeds of the Series 2020F Subordinate Lien BANs will be used to (i) finance the costs of various improvements and extensions of the System, including the cost of the 183A Phase III Project, and (ii) pay certain issuance costs of the Series 2020F Subordinate Lien BANs. The Series 2020F Subordinate Lien BANS were issued as current interest bonds and are scheduled to mature in 2025. Interest on the Series 2020F Subordinate Lien BANS is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5.00%. Interest on the Series 2020F Subordinate Lien BANS is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $110.87 million.

Series 2020G Bonds: The proceeds of the Series 2020G Subordinate Lien Bonds were used to (i) refund and redeem in whole the Authority's outstanding 2015D SHF Bond and the 2015E SIB Bond and (ii) pay certain issuance costs of the Series 2020G Bonds. The Series 2020G Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2028 through 2040 and in 2045 and 2050. Interest on the Series 2020G Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4% to 5.00%. Interest on the Series 2020G Subordinate Lien Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2021, the outstanding principal amount was $61.57 million.

Note 4. Notes and Bonds Payable (Continued)

Series 2021 Obligations: The Authority issued its Subordinate Lien Revenue Bonds, Taxable Series 2021A (the Series 2021A TIFIA Bonds) on February 26, 2021. The Authority issued its Senior Lien Revenue, Series 2021B (Series 2021B Bonds) and its Subordinate Lien Revenue BANS, Series 2021C (Series 2021C BANs) on April 14, 2021.

A portion of the proceeds of the Series 2021B Bonds and Series 2021C BANs was used to finance and refinance the costs of designing, engineering, developing and constructing the 183 North Mobility Project. The remaining proceeds of the Series 2021B Bonds and Series 2021C BANs were used to (i) pay capitalized interest with respect to the Series 2021 Obligations, (ii) make deposits to the Senior Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2021 Obligations.

The Series 2021B Bonds were issued as current interest bonds and are scheduled to mature in 2029 through 2041 and in 2046 and 2051. The Series 2021C BANs were issued as current interest bonds and are scheduled to mature in 2027 and are subject to optional redemption in whole or in part on or after January 1, 2026. Interest on the Series 2021B Bonds and Series 2021C BANs is calculated on the basis of a 360-day year of 12, 30-day months at rates of 4% to 5.00%. Interest on the Series 2021B Bonds and Series 2021C BANs is payable on each January 1 and July 1, commencing July 1, 2021. As of June 30, 2021, the outstanding principal amount on the Series 2021B Bonds and Series 2021C BANs was $255.07 million and $244.18 million, respectively.

2021 TIFIA Bond: In connection with the Series 2021 TIFIA Bond, the Authority entered into a secured loan agreement (the 2021 TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed $448,383,623 (excluding interest that is capitalized) (i) to pay eligible project costs of the 183A Phase III Project (183A tranche), (ii) refinance the 2015C TIFIA Bond (183S tranche) previously used on 183 South Project and (iii) to pay eligible project costs of improvements to the 290 East Project (Manor Expressway Tranche). The Authority's obligation to repay amounts borrowed under the 2021A TIFIA Loan Agreement is evidenced by the 2021A TIFIA Bond.

The 2021A TIFIA Bond bears interest at 2.19% for the 183S tranche, 2.2% for the Manor Expressway Tranche and 2.2% for the 183A tranche. The 2021A TIFIA Bonds maturity date is July 1, 2049 for the 183S tranche, January 1, 2054 for the Manor Expressway tranche and January 1, 2055 for the 183A tranche.

Payments of principal and interest are payable January 1 and July 1, commencing on July 1, 2024 for the 183S tranche; January 1, 2025 for the Manor Expressway Tranche and January 1, 2029 for the 183A tranche.

The Authority has received loan proceeds from the 183S tranche of approximately $282.2 million and $282.2 million and through fiscal year 2021 and 2020, respectively. The Authority has not used the available balance under the 183A tranche and the Manor Expressway tranche. As of June 30, 2021, the 2021 TIFIA Bond had an outstanding balance of $304.6 million and which included accrued interest of approximately $22.4 million as part of the loan balance.

Note 4. Notes and Bonds Payable (Continued)

71E Toll Project Obligation to TxDOT: The Authority, the Capitol Area Metropolitan Planning Organization (CAMPO) and TxDOT approved the execution of a Project Agreement (the SH 71 Agreement) for the development of toll lanes on SH 71 extending from Presidential Boulevard to just east of SH 130, including the realignment of FM 973 where that road intersects with SH 71, which is referred to as the SH 71 Express Project.

Pursuant to a resolution adopted by the Authority's Board, the Authority waived and declined to exercise its option to develop, finance, and construct the SH 71 Express Project, and retained (and did not waive) its option to operate any potential toll lanes on the SH 71 Express Project and to retain the revenues generated therefrom. Upon completion of the SH 71 Express Project, the SH 71 Agreement obligates the Authority to operate and maintain the toll lanes and related infrastructure of the SH 71 Express Project developed, financed and constructed by TxDOT. The Authority will retain the revenues generated from the SH 71 Express Project, which will be used to pay operation and maintenance costs of the toll lanes, toll facilities and related equipment. After payment of such operation and maintenance costs, one-half of the remaining revenues from the SH 71 Express Project must be used to reimburse TxDOT for up to $65.0 million of the costs of the SH 71 Express Project (the TxDOT Reimbursement Amount), plus interest thereon at 3.62% per annum.

The SH 71 Agreement obligates the Authority to repay the TxDOT Reimbursement Amount solely from one-half of the net revenues of the SH 71 Express Project over a 35-year term. The first payment is due on the first anniversary of substantial completion of the SH 71 Express Project and continuing every year thereafter for a total of 35 years or until the TxDOT Reimbursement Amount and all accrued interest is paid. The SH 71 Express Project was substantially completed on March 8, 2017, and, accordingly, the first payment payable by the Authority to TxDOT under the SH 71 Agreement was due on March 8, 2018. In the event any annual payment is not sufficient to pay for all accrued interest due, the unpaid amount of accrued interest is added to the TxDOT Reimbursement Amount.

Under the SH 71 Agreement, TxDOT is obligated to operate and maintain all other aspects of the SH 71 Express Project, including but not limited to, the general purpose lanes and the FM 973 realigned intersection with SH 71.

As of June 30, 2017, the toll lanes of the SH 71 Express Project were operational and the Authority recorded a capital contribution of $96.0 million and a note payable to TxDOT of $65.0 million; however, payments made by the Authority in respect of the TxDOT Reimbursement Amount are paid as, and constitute, Operating Expenses under the terms of the Authority's bond indenture securing its outstanding toll revenue obligations. During fiscal year 2021 and 2020, the Authority made payments on the TxDOT Reimbursement Amount of approximately $1.2 million and $2.2 million, respectively in principal.

As of June 30, 2021 and 2020, the outstanding TxDOT Reimbursement Amount was approximately $57.2 million and $58.5 million, respectively.

Note 4. Notes and Bonds Payable (Continued)

2016 SHF SH 45SW Loan: In October 2016, the Authority entered into a secured loan agreement (the SHF SH 45SW Loan Agreement) with TxDOT, pursuant to which the Authority is authorized to borrow an amount not to exceed $60 million to pay eligible project costs of the SH 45 Southwest Project. Interest on amounts borrowed under the SHF SH 45SW Loan Agreement (the SH 45SW Loan) (i) will accrete at 4% per annum, compounding semiannually on each January 1 and July 1, until the January 1 or July 1 which is six months prior to the initial interest payment date, and (ii) is payable on each January 1 and July 1, commencing on July 1, 2022. Principal installment payments are due on amounts borrowed under the SHF SH 45SW Loan Agreement on each January 1, commencing on the January 1, 2027, in the amounts set forth therein. Amounts borrowed under the SHF SH 45SW Loan Agreement will bear interest at 4% per annum and the final maturity date thereof is January 1, 2049. The Authority may defer up to 25% of the principal and interest due on any principal or interest payment date, not to exceed two years and not past the final maturity date. The net revenues from the SH 45 Southwest Project have been pledged as collateral for amounts borrowed under the SHF SH 45SW Loan Agreement.

During fiscal year 2020, the SW 45SW Loan was prepaid in whole from the proceeds from the Series 2020A Senior Lien Bonds.

Regions 2017 MoPac Note: In December 2017, the Authority entered into a secured loan agreement with a bank for an aggregate principal amount not to exceed $24,990,900 (the MoPac Note). The MoPac Note bears interest at LIBOR plus 1.44% per annum and matures on December 1, 2021. The MoPac Note requires monthly interest payments on the outstanding balance starting January 1, 2018. The net revenues from the MoPac Improvement Project have been pledged as collateral for the MoPac Note.

Proceeds from the MoPac Note are to be used to pay (i) expenses of studying the cost, design, engineering and feasibility of the MoPac Improvement Project; (ii) the costs of construction of the MoPac Improvement Project (iii) the acquisition of the right-of-way other interest in the real property; (iv) expenses associated with securing the MoPac Note and (v) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the MoPac Improvement Project incurred prior to the execution of the MoPac Note.

As of June 30, 2021 and 2020, the outstanding principal amount of the MoPac Note was $24,990,900 and $24,990,900, respectively.

Note 4. Notes and Bonds Payable (Continued)

Future payments on debt obligations: Future payments of principal and interest on the Authority's bonds and notes described in this Note 4 (based on the scheduled payments) as of June 30, 2021, are as follows:

	Current Interest Bonds		Capital Appreciation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	$ 65,005,000	$ 94,113,441	$ 480,449	$ 404,551	$ 24,990,900	$ 162,726
2023	20,590,000	99,140,210	1,868,357	1,861,643	-	-
2024	24,575,000	87,625,269	3,346,476	3,878,525	-	-
2025	129,635,000	93,791,314	6,341,742	10,113,258	-	-
2026	24,910,023	87,608,355	4,636,952	9,118,048	-	-
2027-2031	488,670,766	371,305,785	14,325,806	43,144,194	-	-
2032-2036	381,135,809	296,976,067	9,109,084	46,640,916	-	-
2037-2041	480,241,505	205,248,776	4,890,789	38,089,212	-	-
2042-2046	495,459,343	101,568,783	-	-	-	-
2047-2051	200,842,206	19,724,963	-	-	-	-
	$ 2,311,064,652	$ 1,457,102,963	$ 44,999,655	$ 153,250,347	$ 24,990,900	$ 162,726

	Total Debt Service	
	Principal	Interest
2021	$ 90,476,349	$ 94,680,718
2022	22,458,357	101,001,853
2023	27,921,476	91,503,794
2024	135,976,742	103,904,572
2025	29,546,975	96,726,403
2025-2029	502,996,572	414,449,979
2030-2034	390,244,893	343,616,983
2035-2039	485,132,294	243,337,988
2040-2044	495,459,343	101,568,783
2045-2049	200,842,206	19,724,963
Total	2,381,055,207	$ 1,610,516,036
SH 71E Obligation	57,263,411	
Accreted interest—CABs	54,872,696	
	112,136,107	
	$ 2,493,191,314	

As described above, the Series 2010 CABs and the Series 2011 CABs were issued as capital appreciation bonds. The accreted interest on the Series 2010 CABs and 2011 CABs are reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table in the amount of $54,872,698. Additionally, the 2021 TIFIA Bond also included accreted interest reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table.

Note 5. Deferred Outflow and Inflow of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, the Authority has classified the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The Authority has also deferred outflows and inflows of resources for certain pension related items in accordance with applicable pension standards as noted under Note 7.

The Authority's deferred outflow of resources balance is composed of the following:

	June 30	
	2021	2020
Deferred outflows from bond refundings	$ 129,774,989	$ 105,018,517
Pension-related amounts:		
Employer pension contribution	306,998	300,886
Experience changes	94,776	88,820
Assumption changes	594,093	29,232
	$ 130,770,856	$ 105,437,455

The Authority's deferred inflow of resources balance is composed of the following:

	June 30	
	2021	2020
Pension-related amounts:		
Experience changes	$ 151,366	$ 193,638
Difference in pension investment assumption	312,479	190,935
	$ 463,845	$ 384,573

Note 6. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences; tort/liability claims; errors and omissions claims; and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage during fiscal years 2021 and 2020.

Note 7. Employee Retirement Plan

Plan description: The Authority participates in Texas County and District Retirement System (TCDRS). TCDRS is a statewide, agent multiple-employer, public employee retirement system. TCDRS is a nonprofit public trust providing pension, disability and death benefits for the eligible employees of participating counties and districts. TCDRS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for TCDRS administration. TCDRS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That annual report may be downloaded at http://www.tcdrs.com.

Note 7. Employee Retirement Plan (Continued)

Benefits provided: Effective the date of participation, the Authority provides retirement, disability and death benefits. A percentage of each employee's paycheck is deposited into his or her TCDRS account. That percentage has been set by the Authority at 7% and has elected a matching rate of $2 to $1. The employee's savings grow at a rate of 7%, compounded annually. At retirement, the employee's account balance is combined with the Authority's matching and converted into a lifetime monthly benefit. Employees receive a month of service time for each month that they make a deposit into their account. The amount of service an employee needs to earn a future benefit is called the vesting requirement. When an employee is vested, he or she has the right to a monthly benefit, which includes the employer matching contribution, at age 60 or older.

The Authority adopted a 10 year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which: (a) any TCDRS member who has 10 or more years of service credit with the District and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member and shall have the right to retire and receive a service retirement annuity after attaining age 60, unless the optional 8 year/age 60 Retirement Eligibility and/or Optional Rule 75 Retirement Eligibility is adopted, as allowed by the plan. The Authority has adopted both the Optional 8 year/Age 60 Retirement Eligibility, which allows an 8-year service eligibility requirement for vesting, service, and disability retirement; and Optional Rule 75, which allows the member to have the right to retire and receive service retirement annuity when years of such credited service added to his or her years of attained age equal or exceed 75.

Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60, and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.

Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled, as defined by the plan.

Any TCDRS member who has four or more years of service credit with the District and other subdivisions is eligible for purposes of the Survivor Annuity Death Benefit.

Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options. Prior service gives employees monetary credit for time worked for an eligible organization before it joined the system. Buybacks allow current employees to re-establish a closed TCDRS account from previous service with an employer. Partial lump sum payments at retirement allow employees to withdraw part of their TCDRS account balance as a lump sum at retirement with a reduced monthly benefit. In addition, the Authority may choose to adopt a cost-of-living adjustment (COLA) for its retirees. This adjusts retiree benefits to restore purchasing power lost due to the effects of inflation.

Note 7. Employee Retirement Plan (Continued)

Employees covered by benefit terms: The following employees were covered by the benefit terms as of the valuation date December 31:

	2020	2019
Inactive employees or beneficiaries currently receiving benefits	4	4
Inactive employees entitled to, but not yet receiving benefits	14	11
Active employees	31	29
Total	49	44

Contributions: Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of plan members and the Authority are established and may be amended. For 2020 and 2019, the contribution rate for the plan members was 7% of gross pay. The Authority pays a matching portion to the pension plan totaling 14% of gross pay for 2021 and 2020, which totaled $607,537 and $494,804, respectively.

Net pension asset: The Authority's net pension asset was measured as of December 31, 2020 and 2019, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial assumptions: The actuarial assumptions that determined the total pension liability as of December 31, 2020 were based on the results of an actuarial experience study for the period January 1, 2013, through December 31, 2016, except where required to be different by GASB Statement No. 68.

The total pension liability in the December 31, 2020 and 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2020	2019
Inflation	2.50%	2.75%
Salary increases (including inflation plus average merit of 1.6% and productivity of 0.5% for 2020 and 2019)	4.60%	4.90%
Investment rate of return	7.6%	8.0%

Mortality rates were based on the following:

Depositing members: For the December 31, 2020 and 2019 valuation, 90% of the RP-2014 Active Employee Mortality Table for males and 90% of the RP-2014 Active Employee Mortality Table for females, projected with 110% of the MP-2014 Ultimate scale after 2014.

Service retirees, beneficiaries and nondepositing members: For the December 31, 2020 and 2019 valuation, 130% of the RP-2014 Healthy Annuitant Mortality Table for males and 110% of the RP-2014 Healthy Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Disabled retirees: For the December 31, 2020 and 2019 valuation, 130% of the RP-2014 Disabled Annuitant Mortality Table for males and 115% of the RP-2014 Disabled Annuitant Mortality Table for females, both projected with 110% of the MP-2014 Ultimate scale after 2014.

Note 7. Employee Retirement Plan (Continued)

Long-term rate of return on assets: The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and is set based on a 30-year time horizon; the most recent analysis was performed in 2017.

The capital market assumptions and information shown below are provided by TCDRS' investment consultant based on December 31, 2020, information for a seven- to 10-year time horizon.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
United States Equities	Dow Jones U.S. Total Stock Market Index	11.5%	4.25%
Global Equities	MSCI World (net) Index	2.5%	4.55%
International Equities—Developed	MSCI World Ex USA (net)	5.0%	4.25%
International Equities—Emerging	MSCI EM Standard (net) index	6.0%	4.75%
Investment—Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.0%	2.11%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.0%	6.70%
Distressed Debt	Cambridge Associates Distressed Index (4)	4.0%	5.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index plus 33% FRSE EPRA/NAREIT Global Real Estate Index	2.0%	3.45%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	5.10%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.0%	4.90%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index (5)	25.0%	7.25%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	6.0%	1.85%
Cash Equivalents	90-Day U.S. Treasury	2.0%	-0.7%

The capital market assumptions and information shown below are provided by TCDRS' investment consultant based on December 31, 2019, information for a seven- to 10-year time horizon.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
United States Equities	Dow Jones U.S. Total Stock Market Index	14.5%	5.20%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index (3)	20.0%	8.20%
Global Equities	MSCI World (net) Index	2.5%	5.50%
International Equities—Developed	MSCI World Ex USA (net)	7.0%	5.20%
International Equities—Emerging	MSCI EM Standard (net) index	7.0%	5.70%
Investment—Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	-0.20%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	12.0%	3.14%
Direct Lending	S&P/LSTA Leveraged Loan Index	11.0%	7.16%
Distressed Debt	Cambridge Associates Distressed Index (4)	4.0%	6.90%
REIT Equities	67% FTSE NAREIT Equity REITs Index plus 33% FRSE EPRA/NAREIT Global Real Estate Index	3.0%	4.50%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	8.40%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (5)	6.0%	5.50%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	8.0%	2.30%

Note 7. Employee Retirement Plan (Continued)

(1) Target asset allocation adopted at the March 2021 and June 2020 TCDRS Board meetings.

(2) Geometric real rates of return in addition to assumed inflation of 2.0% and 1.8%, respectively, per investment consultant's 2020 and 2019 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Discount rate: The discount rate used to measure the total pension liability was 7.6% and 8.1% for December 31, 2020 and 2019, respectively. In order to determine the discount rate to be used by the employer, the TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

(1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods.

(2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

(3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

(4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Changes in net pension liability (asset): Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB Statement No. 68 purposes. Therefore, the system has used a discount rate of 7.6%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.5%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

Note 7. Employee Retirement Plan (Continued)

Changes in Net Pension Liability (Asset) 2021

Changes in Net Pension Liability (Asset)	Increase (Decrease) Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of June 30, 2019	$ 9,450,452	$ 10,347,286	$ (896,834)
Changes for the year:			
Service cost	791,930	-	791,930
Interest on total pension liability (1)	825,944	-	825,944
Effect of plan changes (2)	16,761	-	16,761
Effect of economic/demographic (gains) or losses	21,833	-	21,833
Effect of assumptions changes or inputs	642,701	-	642,701
Refund of contributions	-	-	-
Benefit payments	(91,356)	(91,356)	-
Administrative expenses	-	(8,963)	8,963
Member contributions	-	302,284	(302,284)
Net investment income	-	1,070,532	(1,070,532)
Employer contributions	-	604,572	(604,572)
Other (3)	-	25,157	(25,157)
Balances as of June 30, 2020	$ 11,658,265	$ 12,249,512	$ (591,247)

Changes in Net Pension Liability (Asset) 2020

Changes in Net Pension Liability (Asset)	Increase (Decrease) Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of June 30, 2018	$ 8,014,760	$ 8,191,986	$ (177,226)
Changes for the year:			
Service cost	714,326	-	714,326
Interest on total pension liability (1)	705,006	-	705,006
Effect of plan changes (2)	16,858	-	16,858
Effect of economic/demographic (gains) or losses	49,571	-	49,571
Refund of contributions	-	-	-
Benefit payments	(50,069)	(50,069)	-
Administrative expenses	-	(7,884)	7,884
Member contributions	-	280,130	(280,130)
Net investment income	-	1,344,360	(1,344,360)
Employer contributions	-	560,263	(560,263)
Other (3)	-	28,500	(28,500)
Balances as of June 30, 2019	$ 9,450,452	$ 10,347,286	$ (896,834)

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Reflects new annuity purchase rates applicable to all TCDRS employees effective January 1, 2020.

(3) Relates to allocation of system-wide items.

Note 7. Employee Retirement Plan (Continued)

Sensitivity analysis: The following presents the net pension asset/liability of the Authority, calculated using the discount rate of 7.6%, as well as what the net pension asset/liability would be if it were calculated using a discount rate that is percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	June 30, 2021		
	1.0% Decrease	Current Discount Rate	1.0% Increase
	6.6%	7.6%	8.6%
Total pension liability	$ 13,124,664	$ 11,658,265	$ 10,415,648
Fiduciary net position	12,248,751	12,249,512	12,248,751
Net pension liability (asset)	875,913	(591,247)	(1,833,103)

	June 30, 2020		
	1.0% Decrease	Current Discount Rate	1.0% Increase
	7.1%	8.1%	9.1%
Total pension liability	$ 10,607,680	$ 9,450,452	$ 8,462,848
Fiduciary net position	10,345,525	10,347,286	10,346,525
Net pension liability (asset)	262,155	(896,834)	(1,883,677)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separate issued TCDRS report.

Pension expense: the Authority recognized the following pension related expense (income):

	June 30	
Pension Expense (Income)	2021	2020
Service cost	$ 791,930	$ 714,326
Interest on total pension liability (1)	825,944	705,006
Effect of plan changes	16,761	16,858
Administrative expenses	8,963	7,884
Member contributions	(302,284)	(280,130)
Expected investment return net of investment expenses	(871,096)	(695,693)
Recognition of deferred inflows/outflows of resources:		
Recognition of economic/demographic gains or losses	(26,395)	(28,821)
Recognition of assumption changes or inputs	77,840	6,429
Recognition of investment gains or losses	(77,891)	75,451
Other (2)	(25,157)	(28,500)
Pension expense	$ 418,615	$ 492,810

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.
(2) Relates to allocation of system-wide items.

Note 7. Employee Retirement Plan (Continued)

Deferred inflows and outflows of resources: the deferred inflows and outflows of resources are as follows:

	June 30, 2021		June 30, 2020	
Deferred Inflows/ Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	$ 151,366	$ 94,776	$ 193,638	$ 88,820
Changes of assumptions	-	594,093	-	29,232
Net difference between projected and actual earnings	312,479	-	190,935	-
Contributions made subsequent to measurement date	-	306,998	-	300,886
	$ 463,845	$ 995,867	$ 384,573	$ 418,938

Contributions made subsequent to the measurement date are eligible employer contributions made from January 1, 2021 through June 30, 2021. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Years ending June 30:	
2022	$ (38,402)
2023	37,390
2024	(118,642)
2025	25,098
2026	80,572
Thereafter	239,008
	$ 225,024

Note 7. Employee Retirement Plan (Continued)

The remaining balance to be recognized in future years (and included in the thereafter category), if any, will be impacted by additional future deferred inflows and outflows of resources.

Schedule of Deferred Inflows and Outflows of Resources

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 6/30/20 Expenses (1)	Balance of Deferred Inflows 6/30/2020	Balance of Deferred Outflows 6/30/2020
Investment (gains) losses	$ (199,435)	12/31/2020	5 years	$ (39,887)	$ 159,548	
Investment (gains) losses	(648,667)	12/31/2019	5 years	(129,733)	(389,201)	
Investment (gains) losses	780,159	12/31/2018	5 years	156,032	-	312,063
Investment (gains) losses	(378,957)	12/31/2017	5 years	(75,791)	(75,792)	-
Investment (gains) losses	57,439	12/31/2016	5 years	11,488	-	-
Economic/demographic (gains) or losses	21,833	12/31/2020	9 years	2,426	-	19,407
Economic/demographic (gains) or losses	49,571	12/31/2019	9 years	5,508	-	38,555
Economic/demographic (gains) or losses	32,484	12/31/2018	10 years	3,248	-	22,740
Economic/demographic (gains) or losses	(34,008)	12/31/2017	9 years	(3,779)	(18,892)	-
Economic/demographic (gains) or losses	(152,926)	12/31/2016	9 years	(16,992)	(67,966)	-
Economic/demographic (gains) or losses	(193,519)	12/31/2015	9 years	(21,502)	(64,507)	-
Economic/demographic (gains) or losses	46,958	12/31/2014	10 years	4,696	-	14,087
Assumption changes or inputs	15,820	12/31/2017	9 years	1,758	-	8,788
Assumption changes or inputs	42,041	12/31/2015	9 years	4,671	-	14,014

(1) Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gain)/losses and assumption changes or inputs are recognized over the average remaining service life for all active, inactive and retired members.

Note 8. Disaggregation of Receivable and Payable Balances

Due from other agencies are comprised of current intergovernmental receivables and amounts due from other entities related to toll tag transactions on the Authority's toll roads. The Authority does not issue toll tags; however, the Authority has contracted with TxDOT and other tolling entities located both within and outside the State of Texas to handle customer service and operations related to the toll tag transactions at June 30, 2021 and 2020. Accounts payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2021 and 2020.

As of June 30, 2021 and 2020, the receivable from TxDOT comprises 38.6% and 47.1%, respectively. The total balances are as follows:

	June 30 2021	June 30 2020
TxDOT	$ 3,247,295	$ 4,706,616
Agencies	2,770,089	2,770,089
Other governments	2,375,167	2,508,363
Total	$ 8,392,551	$ 9,985,068

Note 9. Commitments and Contingent Liabilities

Commitments: In May 2014, the Authority entered into a 10-year lease agreement for office space which was amended in April 2019. The aggregate future minimum lease payments under the new lease are as follows:

Years ending December 31:		
2022	$	593,909
2023		524,390
	$	1,118,299

The Authority's rental expense for fiscal year 2021 and 2020 totaled $554,627 and $538,012, respectively, which includes common area maintenance and property taxes.

The Authority has a capital improvement program for roadway construction projects extending into future years. As of June 30, 2021 and 2020, the Authority has a capital budget of approximately $1.712 billion and $1.744 billion, respectively, for future toll projects, which may or may not materialize. Including the 183 North Project and the 183A PH III Project which are the most significant ongoing projects, the Authority's construction commitments related to its capital improvement plan are approximately $726 million and $55.0 million, respectively, for the years ended June 30, 2021 and 2020. All contracts contain a termination for convenience clause in which such contracts may be terminated, in whole or in part, for the convenience of the Authority.

CAMPO Interlocal Agreement: Capital Area Metropolitan Planning Organization (CAMPO) is the designated metropolitan planning organization for Central Texas. As part of the designated planning organization, CAMPO received approximately $136 million in grant funds of which $130 million was allocated to the MoPac Improvement Project. The funding received was made available for transportation projects in the Austin area. As part of the construction of the MoPac Improvement Project, the Authority executed an agreement with CAMPO. The executed agreement calls for the sharing of surplus revenue generated from the MoPac Improvement Project by setting up a Regional Infrastructure Fund (RIF) account. The RIF account was created upon execution of the agreement with CAMPO. The Authority funded deposits into the RIF account from the surplus revenue from the MoPac Improvement Project. The amounts placed in the RIF account in accordance with the agreement are to be used to fund other CAMPO identified transportation projects in the region. As of June 30, 2021 and 2020, the Authority has funded inception to date amounts of $11,000,000 and $7,000,000, respectively, which is deposited in the RIF account. The commitment to the RIF account is dependent upon there being surplus revenue of the MoPac Improvement Project in the future such that the remaining amount payable to the RIF account pursuant to the CAMPO agreement of $230 million, may be paid through fiscal year 2041. As of June 30, 2021 and 2020, the Authority's funding resulted in RIF expense of $4,000,000 and $3,000,000, respectively.

Litigation: As of June 30, 2021 and 2020, the Authority is involved in various contract disputes on its construction projects. Based on the status of the claims and the information available, the Authority believes that a liability has not been incurred as of the date of the financial statements. The Authority believes it has substantial defenses against these claims and the resolution of these matters will not have a material adverse effect on its financial statements.

Note 10. Authority's Tolling System Disclosure

During fiscal years 2021 and 2020, the Authority had non-Tolling System assets generating revenue (the MoPac Improvement Project). For fiscal years 2021 and 2020, activity of the MoPac Improvement Project consisted of approximately 6.7 million and 9.6 million transactions, respectively, and approximately $4.3 million and $14.2 million in revenue, respectively.

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for defined activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity reported as or within an enterprise fund or other stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments outstanding with a revenue pledge to support that debt. In addition, the activities, revenue, expenses, gains and losses, assets and liabilities are required to be accounted for separately. The requirement for separate accounting for the Authority's Tolling System is also imposed by the bond indenture. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue backed debt and has related expenses, gains and losses, assets, and liabilities that can be identified.

The following is condensed financial information for the Authority's Tolling System activities:

Statement of Net Position

	June 30	
Assets and Deferred Outflows	2021	2020
Current assets	$ 323,271,826	$ 177,995,864
Restricted assets	960,984,711	253,655,916
Pension asset	591,247	896,834
Capital assets	1,827,297,809	1,717,422,551
Total assets	3,112,145,593	2,149,971,165
Deferred outflows of resources	130,458,377	105,246,520
Total assets and deferred outflows of resources	$ 3,242,603,970	$ 2,255,217,685
Liabilities and Deferred Inflows		
Current liabilities	$ 169,514,152	$ 71,289,761
Noncurrent liabilities	2,640,959,802	1,758,020,549
Total liabilities	2,810,473,954	1,829,310,310
Deferred inflows of resources	151,366	193,638
Total liabilities and deferred inflows of resources	2,810,625,320	1,829,503,948
Net position:		
Total net position	431,978,650	425,713,737
Total liabilities, deferred inflows of resources and net position	$ 3,242,603,970	$ 2,255,217,685

Note 10. Authority's Tolling System Disclosure (Continued)

Statements of Revenues, Expenses and Changes in Net Position

	June 30 2021	June 30 2020
Operating revenues	$ 110,973,197	$ 102,636,890
Operating expenses, including depreciation and amortization	67,618,007	62,811,277
Operating income	43,355,190	39,825,613
Total net nonoperating revenues (expenses)	(65,211,256)	(36,367,055)
Change in net position—before capital grants and contributions	(21,856,066)	3,458,558
Capital grants and contributions, net of TxDOT adjustment	-	-
Change in net position	(21,856,066)	3,458,558
Transfers into the System, Net 183 North	28,120,979	24,141,317
Total net position at beginning of year	425,713,737	398,113,862
Total net position at end of year	$ 431,978,650	$ 425,713,737

Statement of Cash Flows

	June 30 2021	June 30 2020
Net cash flows provided by operating activities	$ 76,331,755	$ 70,642,730
Net cash flows provided by capital and related financing activities	741,444,131	(148,798,656)
Net cash flows used in investing activities	(119,322,993)	(5,049,174)
Net increase (decrease) in cash and cash equivalents	698,452,893	(83,205,100)
Cash and cash equivalents at beginning of year	129,986,675	213,191,775
Cash and cash equivalents at end of year	$ 828,439,568	$ 129,986,675

Note 11. Subsequent Events

Since the coronavirus outbreak (COVID-19), a "Public Health Emergency of International Concern," the spread of COVID-19 has severely impacted many local economies around the world. Businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown.

The Authority has determined that these subsequent events are nonadjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended June 30, 2021, have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of global government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Authority for future periods.

Subsequent events have been evaluated through September 28, 2021, the date the financial statements were available to be issued.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan
Schedule of Changes in Net Pension Assets and Related Ratios
As of Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015
Total pension liability:							
Service cost	$ 791,930	$ 714,326	$ 623,080	$ 621,685	$ 636,083	$ 474,778	$ 461,237
Interest on total pension liability	825,944	705,006	599,756	512,318	417,633	361,003	295,151
Effect of plan changes	16,761	16,858	-	-	-	(33,691)	-
Effect of assumption changes or inputs	642,701	-	-	15,820	-	42,041	-
Effect of economic/demographic (gains) or losses	21,833	49,571	32,484	(34,009)	(152,926)	(193,519)	46,958
Benefit payments/refunds of contributions	(91,356)	(50,069)	(44,409)	(31,286)	(51,685)	(2,211)	-
Net change in total pension liability	2,207,813	1,435,692	1,210,911	1,084,528	849,105	648,401	803,346
Total pension liability at beginning of year	9,449,694	8,014,002	6,803,091	5,718,563	4,869,458	4,221,057	3,417,711
Total pension liability at end of year (a)	11,657,507	9,449,694	8,014,002	6,803,091	5,718,563	4,869,458	4,221,057
Fiduciary net position:							
Employer contributions	604,572	560,263	484,115	457,484	422,157	361,493	327,807
Member contributions	302,284	280,130	242,056	228,848	211,078	180,742	163,979
Investment income net of investment expense	1,070,532	1,344,360	(134,521)	897,084	378,134	(162,009)	261,626
Benefit payments/refunds of contributions	(91,356)	(50,069)	(44,409)	(31,286)	(51,685)	(2,211)	-
Administrative expenses	(8,963)	(7,884)	(6,579)	(5,074)	(4,111)	(3,541)	(3,345)
Other	25,157	28,500	21,078	8,731	46,648	955	(242)
Net change in fiduciary net position	1,902,226	2,155,300	561,740	1,555,787	1,002,221	375,429	749,825
Fiduciary net position at beginning of year	10,346,528	8,191,228	7,629,488	6,073,701	5,071,480	4,696,051	3,946,226
Fiduciary net position at end of year (b)	12,248,754	10,346,528	8,191,228	7,629,488	6,073,701	5,071,480	4,696,051
Net pension asset at end of year = (a) - (b)	$ (591,247)	$ (896,834)	$ (177,226)	$ (826,397)	$ (355,138)	$ (202,022)	$ (474,994)
Fiduciary net position as a percentage of total pension liability	105.07%	109.49%	102.21%	112.15%	106.21%	104.15%	111.25%
Pensionable covered payroll	$ 4,318,340	$ 4,001,855	$ 3,457,946	$ 3,269,251	$ 3,015,395	$ 2,582,032	$ 2,342,556
Net pension asset as a percentage of covered payroll	(13.69%)	(22.41%)	(5.13%)	(25.28%)	(11.78%)	(7.82%)	(20.28%)

The Schedule of Changes in Net Pension Assets and related Ratio disclosure is required for 10 years. The schedule noted above is only for the years which the new GASB Statements have been implemented.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan (Continued)
Schedule of Employer Contributions
As of June 30,

Year Ending	Actuarially Determined Contribution (1)	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll (2)	Actual Contribution as a Percentage of Covered Payroll
2012	$ 248,565	$ 270,179	$ (21,614)	$ 1,863,303	14.5%
2013	251,978	286,786	(34,808)	2,048,602	14.0%
2014	261,182	304,447	(43,265)	2,174,701	14.0%
2015	284,621	327,807	(43,186)	2,342,556	14.0%
2016	302,614	361,493	(58,879)	2,582,093	14.0%
2017	341,041	422,157	(81,116)	3,015,407	14.0%
2018	383,156	457,484	(74,328)	3,269,251	14.0%
2019	402,505	484,115	(81,610)	3,457,964	14.0%
2020	461,814	560,263	(98,449)	4,001,855	14.0%
2021	519,928	604,572	(84,644)	4,318,340	14.0%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB No. 68 indicates the Authority should report contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported for the fiscal year to TCDRS.

Actuarial methods and assumptions used: Following are the key assumptions and methods used in determining the actuarially determined contribution:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Individual entry age normal cost method, as required by GASB Statement No. 68, used for GASB calculations. A slightly different version of the entry age normal cost method is used for the funding actuarial valuation.
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Economic Assumptions	
Inflation	2.75%
Salary increases	4.85% (made up of 2.75% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.60% per year for a career employee.
Investment rate of return	8.00%
COLAs	COLAs for the Authority are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

Demographic assumptions—related to December 31, 2020 valuation:

Annual Rates of Service Retirement*

Retirement Age	Male	Female	Age	Male	Female
40-44	4.5%	4.5%	62	20%	20%
45-49	9	9	63	15	15
50	10	10	64	15	15
51	9	9	65	25	25
52	9	9	66	25	25
53	9	9	67	22	22
54	10	10	68	20	20
55	10	10	69	20	20
56	10	10	70	22	22
57	10	10	71	22	22
58	12	12	72	22	22
59	12	12	73	22	22
60	12	12	74 **	22	22
61	12	12			

* Deferred members are assumed to retire (100% probability) at the later of: a) age 60 b) earliest retirement eligibility.

** For all eligible members ages 75 and later, retirement is assumed to occur immediately.

Other terminations of employment: The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement are all set at 0% and the rates do not vary by length of service, entry-age group (age at hire), and sex. No termination after eligibility for retirement is assumed.

Withdrawals: Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in table below. For nondepositing members who are not vested, 100% are assumed to elect a withdrawal.

Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	40%
1	100	16	38
2	100	17	36
3	100	18	33
4	100	19	30
5	50	20	28
6	49	21	26
7	48	22	24
8	47	23	22
9	46	24	20
10	45	25	18
11	44	26	16
12	43	27	14
13	42	28	12
14	41	29*	10

*Members with more than 29 years of service are not assumed to refund.

Central Texas Regional Mobility Authority

Supplementary Information—Indenture Cash Flow and Debt Service Coverage
June 30, 2021

Toll revenues*		$ 110,973,198
Miscellaneous revenue*		158,631
Interest income available to pay debt service		492,393
Total revenues		111,624,222
Less system operating expenses		(22,766,569)
Revenues available for rate covenant and additional bonds tests		88,857,653
Net senior lien debt service	$ 47,721,605	
Net subordinate lien debt service	10,586,054	
Total net debt service	58,307,659	
Debt service coverage ratios for rate covenant and additional bonds test:		
Senior lien obligations	1.86	
Senior and subordinate lien obligations	1.52	
Less system maintenance expenses		(4,549,270)
Revenues available for debt service		84,308,383
Debt service coverage ratios for revenues available for debt service:		
Senior lien obligations	1.77	
Senior and subordinate lien obligations	1.45	
Less total net debt service		(58,307,659)
Less deposits to renewal and replacement fund		-
Less debt service payments on other obligations		-
Annual excess		$ 26,000,724

*Total operating revenue for segment reporting of $110,973,198 consists of toll revenue and excludes miscellaneous revenue and interest income.