

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending September 30, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
REVENUE				
Operating Revenue				
Toll Revenue Kansas 183A	96,000	38,244	39.84%	19,589
Toll Revenue Oklahoma 183A	168,500	51,768	30.72%	36,887
Toll Revenue Florida 183A	-	50,846	-	-
Toll Revenue-TxTag-183A	50,269,610	11,147,762	22.18%	10,002,435
Toll Revenue-HCTRA-183A	6,947,300	1,909,861	27.49%	1,618,007
Toll Revenue-NTTA-183A	6,199,000	1,901,954	30.68%	1,317,209
Toll Revenue-TxTag-MoPac ML	7,441,100	1,859,873	24.99%	1,456,879
Toll Revenue-Kansas MoPAC ML	19,800	7,994	40.37%	3,674
Toll Revenue Oklahoma MoPac ML	24,300	6,846	28.17%	4,492
Toll Revenue Florida MoPac ML	-	3,855	-	-
Toll Revenue-HCTRA MoPac ML	1,138,200	316,045	27.77%	231,956
Toll Revenue-NTTA-Mopac ML	1,226,900	350,263	28.55%	241,292
Toll Revenue-TxTag-290E	17,883,701	4,311,655	24.11%	3,725,077
Toll Revenue-Kansas 290E	72,200	28,255	39.13%	14,098
Toll Revenue Oklahoma Manor 290E	122,000	43,070	35.30%	27,577
Toll Revenue Florida Manor	-	72,005	-	-
Toll Revenue-HCTRA 290E	5,498,100	1,593,780	28.99%	1,343,895
Toll Revenue-NTTA-290E	2,485,500	767,432	30.88%	556,938
Toll Revenue-TxTag-71E	5,360,994	1,190,733	22.21%	1,102,866
Toll Revenue-Kansas 71E	17,100	5,156	30.15%	3,603
Toll Revenue Oklahoma 71E	39,200	9,302	23.73%	8,993
Toll Revenue Florida 71E	-	20,657	-	-
Toll Revenue-HCTRA 71E	2,433,000	643,264	26.44%	579,810
Toll Revenue-NTTA-71E	778,500	216,084	27.76%	182,094
Toll Revenue TxTAG 45SW	4,676,882	1,145,768	24.50%	917,640
Toll Revenue Kansas 45SW	6,601	2,767	41.92%	1,445
Toll Revenue Oklahoma 45SW	9,000	4,326	48.07%	1,848
Toll Revenue Florida 45SW	-	5,535	-	-
Toll Revenue HCTRA 45SW	543,300	164,874	30.35%	122,587
Toll Revenue NTTA 45SW	465,700	148,426	31.87%	99,016
Toll Revenue TxTAG 183S	28,348,112	6,962,885	24.56%	5,676,184
Toll Revenue Kansas 183S	84,800	37,082	43.73%	16,726
Toll Revenue Oklahoma 183S	206,300	59,186	28.69%	45,684
Toll Revenue Florida 183S	-	79,350	-	-
Toll Revenue HCTRA 183S	7,089,400	2,086,360	29.43%	1,623,369
Toll Revenue NTTA 183S	4,141,600	1,290,423	31.16%	913,650
Subtotal Toll Revenue	153,792,700	38,533,687	25.06%	31,895,518
Video Tolls 183A	24,877,100	4,887,788	19.65%	6,042,126
Video Tolls Manor Expressway	10,913,800	2,387,780	21.88%	2,621,945
Video Tolls MoPac ML	3,957,300	846,762	21.40%	802,296
Video Tolls 71E	3,678,700	736,523	20.02%	882,502
Video Tolls 183S	18,430,500	4,003,328	21.72%	4,286,877
Video Tolls 45SW	2,494,600	546,791	21.92%	589,997
Subtotal Video Tolls	64,352,000	13,408,972	20.84%	15,225,743
Fee Revenue 183A	4,136,700	982,155	23.74%	841,449
Fee Revenue Manor Expressway	2,986,500	776,296	25.99%	621,976
Fee Revenue MoPac ML	431,500	107,029	24.80%	88,436

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Fee Revenue 71E	797,000	194,528	24.41%	167,951
Fee Revenue 183S	4,219,600	1,084,686	25.71%	856,387
Fee Revenue 45SW	391,600	96,908	24.75%	79,497
Subtotal Fee Revenue	12,962,900	3,241,602	25.01%	2,655,696
Total Operating Revenue	231,107,600	55,184,260	23.88%	49,776,957
Other Revenue				
Interest Income	24,905,700	10,563,041	42.41%	3,701,969
Grant Revenue	945,500	82,466	8.72%	-
Misc Revenue	230,000	5,609	2.44%	10,436
Total Other Revenue	26,081,200	10,651,116	40.84%	3,712,405
TOTAL REVENUE	257,188,800	65,835,376	25.60%	53,489,362
EXPENSES				
Salaries and Benefits				
Salary Expense-Regular	4,871,464	878,691	18.04%	783,682
Salary Reserve	80,000	-	-	-
TCDRS	1,591,401	162,515	10.21%	150,288
FICA	249,197	43,734	17.55%	37,282
FICA MED	70,635	12,624	17.87%	11,306
Health Insurance Expense	584,446	113,041	19.34%	93,100
Life Insurance Expense	3,817	726	19.03%	1,088
Auto Allowance Expense	10,200	2,295	22.50%	1,913
Other Benefits	166,290	17,210	10.35%	18,599
Unemployment Taxes	5,760	-	-	30
Total Salaries and Benefits	7,633,210	1,230,837	16.12%	1,097,287
Administrative				
Administrative and Office Expenses				
Accounting	9,500	2,176	22.91%	2,093
Auditing	245,000	62,100	25.35%	107,531
Financial Advisors	162,000	54,000	33.33%	54,000
Human Resources	37,500	494	1.32%	595
Legal	70,000	4,750	6.79%	1,770
IT Services	365,000	77,002	21.10%	48,662
Internet	150	-	-	-
Software Licenses	1,167,000	689,309	59.07%	31,051
Cell Phones	27,800	7,476	26.89%	3,027
Local Telephone Service	2,000	24,873	1243.63%	25,261
Overnight Delivery Services	250	-	-	40
Copy Machine	10,000	3,816	38.16%	3,816
Repair & Maintenance-General	10,000	8,445	84.45%	-
Meeting Facilities	2,000	-	-	-
Meeting Expense	13,750	489	3.55%	4,005
Toll Tag Expense	3,000	100	3.33%	100
Parking / Local Ride Share	3,550	27	0.76%	275
Mileage Reimbursement	4,350	206	4.73%	557
Insurance Expense	651,000	147,556	22.67%	128,063
Rent Expense	562,540	25,020	4.45%	192,325

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Building Parking	3,500	192	5.49%	425
Total Legal Services	488,000	18,793	3.85%	340
Total Administrative and Office Expenses	3,837,890	1,126,822	29.36%	603,936
Office Supplies				
Books & Publications	5,090	639	12.56%	615
Office Supplies	8,250	88	1.06%	1,163
Misc Office Equipment	4,500	-	-	-
Computer Supplies	202,100	23,650	11.70%	132,296
Copy Supplies	1,000	-	-	-
Other Reports-Printing	1,500	-	-	-
Office Supplies-Printed	2,000	102	5.10%	668
Postage Expense	550	329	59.73%	122
Total Office Supplies	224,990	24,807	11.03%	134,864
Communications and Public Relations				
Graphic Design Services	75,000	-	-	-
Website Maintenance	464,000	157,325	33.91%	23,692
Research Services	150,000	-	-	-
Communications and Marketing	400,000	12,420	3.11%	-
Advertising Expense	500,000	165,235	33.05%	56,551
Direct Mail	40,000	-	-	-
Video Production	160,000	-	-	28,359
Photography	25,000	295	1.18%	450
Radio	50,000	-	-	-
Other Public Relations	22,500	-	-	-
Promotional Items	20,000	1,166	5.83%	7,656
Annual Report printing	1,300	-	-	-
Direct Mail Printing	17,500	-	-	-
Other Communication Expenses	15,000	-	-	17,703
Total Communications and Public Relations	1,940,300	336,441	17.34%	134,411
Employee Development				
Subscriptions	750	139	18.53%	264
Agency Memberships	88,440	25	0.03%	1,200
Continuing Education	14,800	500	3.38%	-
Professional Development	20,150	-	-	375
Other Licenses	2,500	-	-	497
Seminars and Conferences	104,100	1,445	1.39%	35,310
Travel	110,500	12,852	11.63%	30
Total Employee Development	341,240	14,961	4.38%	37,676
Financing and Banking Fees				
Trustee Fees	62,000	32,500	52.42%	36,000
Bank Fee Expense	3,240	1,505	46.44%	273
Continuing Disclosure	7,000	-	-	-
Arbitrage Rebate Calculation	16,300	-	-	16,300
Rating Agency Expense	45,000	32,500	72.22%	31,000
Total Financing and Banking Fees	133,540	66,505	49.80%	83,573

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Total Administrative	6,477,960	1,569,536	24.23%	994,459
Operations and Maintenance				
Operations and Maintenance Consulting				
GEC-Trust Indenture Support	1,131,395	485,164	42.88%	279,930
GEC-Financial Planning Support	275,000	100,754	36.64%	66,422
GEC-Toll Ops Support	1,584,000	278,543	17.58%	154,812
GEC-Roadway Ops Support	1,605,500	259,921	16.19%	115,749
GEC-Technology Support	679,526	328,107	48.28%	160,803
GEC-Public Information Support	200,000	56,106	28.05%	48,451
GEC-General Support	1,631,820	365,306	22.39%	198,994
General System Consultant	1,381,000	36,186	2.62%	307,054
Traffic Modeling	125,000	-	-	-
Traffic and Revenue Consultant	1,010,000	60,761	6.02%	162,641
Total Operations and Maintenance Consulting	9,623,241	1,970,849	20.48%	1,494,855
Roadway Operations and Maintenance				
Roadway Maintenance	3,431,819	256,969	7.49%	1,065,486
Landscape Maintenance	2,789,256	391,010	14.02%	1,315,369
Signal & Illumination Maint	25,000	-	-	-
Maintenance Supplies-Roadway	400,000	-	-	-
Tools & Equipment Expense	-	-	-	444
Gasoline	30,000	3,729	12.43%	5,112
Repair & Maintenance - Vehicles	10,000	360	3.60%	674
Natural Gas	2,500	7,220	288.80%	1,285
Electricity - Roadways	250,000	65,136	26.05%	63,807
Total Roadway Operations and Maintenance	6,938,575	724,424	10.44%	2,452,178
Toll Processing and Collection Expense				
Image Processing	3,000,000	514,785	17.16%	1,023,675
Tag Collection Fees	11,500,000	2,682,471	23.33%	2,361,248
Court Enforcement Costs	10,000	-	-	-
ETC Incentive	500,000	-	-	-
Total Processing and Collection Expense	15,010,000	3,197,257	21.30%	3,384,923
Toll Operations Expense				
Generator Fuel	3,000	-	-	-
Fire and Burglar Alarm	500	123	24.67%	123
Refuse	2,360	474	20.08%	640
Telecommunications	60,000	-	-	-
Water - Irrigation	7,500	2,252	30.03%	3,082
Electricity	750	249	33.14%	111
ETC spare parts expense	100,000	16,453	16.45%	-
Repair & Maintenance Toll Equip	50,000	-	-	31,491
Law Enforcement	600,000	118,445	19.74%	106,434
ETC Maintenance Contract	6,450,000	531,208	8.24%	666,601
Transaction Processing Maintenance Contract	2,000,000	-	-	-
ETC Toll Management Center System Operation	2,885,054	134,101	4.65%	134,510

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ETC Development	650,000	65,823	10.13%	2,759
ETC Testing	225,000	-	-	-
Total Toll Operations Expense	13,034,164	869,127	6.67%	945,752
Total Operations and Maintenance	44,605,980	6,761,657	15.16%	8,277,707
Other Expenses				
Special Projects and Contingencies				
HERO	200,000	41,838	20.92%	36,957
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	1,621,070	32.42%	1,324,641
Customer Relations	10,000	-	-	-
Technology Initiatives	185,000	-	-	-
Other Contractual Svcs	390,000	48,000	12.31%	75,500
Contingency	200,000	-	-	-
Total Special Projects and Contingencies	6,085,000	1,710,909	28.12%	1,437,098
Non Cash Expenses				
Amortization Expense				
Amortization Expense - Software	1,228,015	6,349	0.52%	320,073
Amortization Expense - Right to Use Asset - Subscr	355,208	55,696	15.68%	-
Amortization Expense - Refundings	1,907,487	1,536,354	80.54%	1,330,277
Subtotal Amortization Expense	3,490,710	1,598,400	45.79%	1,650,351
Depreciation Expense				
Dep Exp - Furniture & Fixtures	2,178	-	-	653
Dep Expense - Equipment	476,653	155,676	32.66%	-
Dep Expense - Autos & Trucks	45,399	7,602	16.75%	13,338
Dep Expense - Buildng & Toll Fac	187,058	44,187	23.62%	44,187
Dep Expense - Highways & Bridges	48,608,788	12,709,388	26.15%	12,655,386
Dep Expense - Toll Equipment	3,917,914	759,562	19.39%	1,035,778
Dep Expense - Signs	1,641,174	302,239	18.42%	254,143
Dep Expense - Land Improvements	884,934	163,163	18.44%	221,234
Depreciation Expense - Computers	98,507	-	-	47,270
Subtotal Depreciation Expense	55,862,606	14,141,817	25.32%	14,271,988
Total Non Cash Expenses	59,353,316	15,740,216	26.52%	15,922,338
Total Other Expenses	65,438,316	17,451,125	26.67%	17,359,437
Non Operating Expenses				
Bond Issuance Expense	1,250,000	-	-	132,074
Loan Fee Expense	40,000	-	-	-
Interest Expense - Debt Obligations	95,964,098	19,698,810	20.53%	19,504,907
Interest Expense - Right to Use Assets	-	-	-	-
CAMPO RIF Payment	6,000,000	6,000,000	100.00%	5,000,000
Community Initiatives	645,000	-	-	-
Total Non Operating Expenses	103,899,098	25,698,810	24.73%	24,636,981
TOTAL EXPENSES	228,054,564	52,711,964	23.11%	52,365,871
Net Income	29,134,236	13,123,412		1,123,491

Central Texas Regional Mobility Authority
Balance Sheet
as of September 30, 2023

as of 09/30/2023 as of 09/30/2022

ASSETS

Current Assets

Cash

Regions Operating Account	\$ 92,051	\$ 3,518,183
Cash in TexStar	158,162	42,930
Regions Payroll Account	107,534	99,387

Restricted Cash

Goldman Sachs FSGF 465	592,768,575	1,103,383,771
Restricted Cash - TexSTAR	6,210,647	10,409,892
Overpayments account	-	291,108

Total Cash and Cash Equivalents	599,336,969	1,117,745,271
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Accounts Receivables

Accounts Receivable - Net	4,979,871	2,770,089
Due From Other Agencies	346,552	65,805
Due From TTA	988,433	548,177
Due From NTTA	1,477,295	1,062,984
Due From HCTRA	3,652,916	2,065,183
Due From TxDOT	6,073,328	164,602
Interest Receivable	693,342	693,342

Total Receivables	18,211,737	7,370,183
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Short Term Investments

Treasuries	118,543,252	(0)
Agencies	339,758,036	(0)

Total Short Term Investments	458,301,288	(0)
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Total Current Assets	1,075,849,994	1,125,115,454
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Construction in Progress

423,204,754	282,434,317
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Capital Assets (Net of Depreciation and Amortization)

Depreciable Assets

Computers	-	51,237
Furniture and Fixtures	-	1,525
Equipment	1,245,411	9,624
Autos and Trucks	39,279	80,545
Buildings and Toll Facilities	4,185,774	4,372,832
Highways and Bridges	1,659,604,479	1,704,435,035
Toll Equipment	14,916,806	19,014,496
Signs	11,094,662	12,917,392
Land Improvements	5,151,172	5,978,035

Central Texas Regional Mobility Authority
Balance Sheet
as of September 30, 2023

	as of 09/30/2023	as of 09/30/2022
Right of way	88,149,606	88,149,606
Leasehold Improvements	2,116	33,176
Intangible Assets		
Computer Software	-	1,470,864
Right to Use Assets		
Leases	1,286,881	-
Subscription Based IT Arrangements	167,087	-
Total Fixed Assets	1,785,843,273	1,836,514,366
Other Assets		
Intangible Assets-Net	171,848,342	173,961,907
2005 Bond Insurance Costs	-	3,301,851
Deferred Outflows (pension related)	2,661,405	675,913
Pension Asset	1,046,634	2,549,818
Total Other Assets	175,556,381	180,489,489
Total Assets	\$ 3,460,454,402	\$ 3,424,553,625

LIABILITIES

Current Liabilities		
Accounts Payable	3,324,075	21,780,077
Construction Payable	9,796,249	5,224,110
Overpayments	1,570	294,629
Interest Payable	19,966,690	20,449,024
TCDRS Payable	82,369	74,574
Due to other Agencies	3,569	2,849
Due to TTA	625,830	624,134
Due to HCTRA	154,452	148,238
Due to Other Entities	1,878,422	57,776
71E TxDOT Obligation - ST	4,307,645	3,142,749
Total Current Liabilities	40,140,870	51,798,159
Long Term Liabilities		
Compensated Absences	240,954	268,014
Right to Use Obligations - Lease	1,286,881	-
Right to Use Obligations - SBITA	233,657	-
Deferred Inflows (pension related)	1,340,710	1,481,361
Long Term Payables	3,102,203	1,749,375

Central Texas Regional Mobility Authority
Balance Sheet
as of September 30, 2023

as of 09/30/2023 as of 09/30/2022

Bonds Payable

Senior Lien Revenue Bonds:

Senior Lien Revenue Bonds 2010	96,178,695	89,266,291
Senior Lien Revenue Bonds 2011	16,459,605	19,136,793
Senior Refunding Bonds 2013	-	3,475,000
Senior Lien Revenue Bonds 2015	10,000,000	10,000,000
Senior Lien Refunding Revenue Bonds 2016	59,340,000	70,790,000
Senior Lien Revenue Bonds 2018	44,345,000	44,345,000
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000
Senior Lien Refunding Bonds 2020B	54,970,000	55,600,000
Senior Lien Refunding Bonds 2020C	138,435,000	138,435,000
Senior Lien Revenue Bonds 2020E	167,160,000	167,160,000
Senior Lien Revenue Bonds 2021B	255,075,000	255,075,000
Senior Lien Refunding Bonds 2021D	274,150,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	447,279
Senior Lien Premium 2016 Revenue Bonds	6,736,845	7,383,436
Sn Lien Revenue Bond Premium 2018	2,816,574	3,083,148
Senior Lien Revenue Bond Premium 2020A	11,112,493	11,304,305
Senior Lien Refunding Bond Premium 2020B	11,102,812	11,637,887
Senior Lien Revenue Bonds Premium 2020E	23,711,689	25,427,076
Senior Lien Revenue Bonds Premium 2021B	52,830,298	53,414,235
Senior Lien Refunding Bonds Premium 2021D	44,221,847	44,749,354
Total Senior Lien Revenue Bonds	1,651,495,859	1,671,229,804

Sub Lien Revenue Bonds:

Sub Lien Refunding Bonds 2013	-	2,725,000
Sub Lien Refunding Bonds 2016	71,435,000	72,605,000
Sub Lien Refunding Bonds 2020D	97,440,000	98,580,000
Subordinated Lien BANs 2020F	110,875,000	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinated Lien BANs 2021C	244,185,000	244,185,000
Sub Refunding 2013 Prem/Disc	-	95,437
Sub Refunding 2016 Prem/Disc	4,797,315	5,587,450
Subordinated Lien BANs 2020F Premium	5,003,581	9,006,445
Subordinated Lien Refunding Bonds Premium 2020G	6,663,255	7,067,227
Sub Lien BANS 2021C Premium	24,737,951	32,349,629
Total Sub Lien Revenue Bonds	626,707,102	644,646,188

Central Texas Regional Mobility Authority
Balance Sheet
as of September 30, 2023

	as of 09/30/2023	as of 09/30/2022
Other Obligations		
TIFIA Note 2021	361,020,863	353,243,889
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2022 MoPac Loan	23,765,900	24,690,900
Total Other Obligations	436,704,983	433,012,053
Total Long Term Liabilities	2,718,010,147	2,750,637,420
Total Liabilities	2,758,151,017	2,802,435,579
NET ASSETS		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	567,717,870	499,532,451
Current Year Operations	13,123,412	1,123,491
Total Net Assets	702,303,386	622,118,046
Total Liabilities and Net Assets	\$ 3,460,454,402	\$ 3,424,553,625

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of September 2023

Cash flows from operating activities:

Receipts from toll revenues	59,249,872
Receipts from Other Sources (AR)	88,075
Payments to vendors	(45,009,416)
Payments to employees	(1,236,275)
Net cash flows provided by (used in) operating activities	13,092,256

Cash flows from capital and related financing activities:

Prepaid payment on Intangible assets	(1,536,354)
Issuance Expense	(3,513,621)
Payments on bonds / loans	(452,428)
RIF Contribution	(6,000,000)
Acquisition of capital assets - non project	(528,249)
Acquisitions of construction in progress	(12,725,320)
Net cash flows provided by (used in) capital and related financing activities	(24,755,971)

Cash flows from investing activities:

Interest income	10,563,041
Purchase of investments	(235,602,845)
Proceeds from sale or maturity of investments	-
Net cash flows provided by (used in) investing activities	(225,039,804)

Net increase (decrease) in cash and cash equivalents	(276,473,905)
Cash and cash equivalents at beginning of period	894,022,611
Cash and cash equivalents at end of period	617,548,706

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

Operating income	13,123,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	15,740,216
Changes in assets and liabilities:	
Decrease in accounts receivable	4,065,612
Increase in prepaid expenses and other assets	147,093
Decrease in accrued expenses	(29,119,846)
Decrease in Interest expense	19,698,810
Increase in interest receivable	(10,563,041)
(Decrease) increase in Pension Asset	-
(Increase) in deferred outflows of resources	-
(Increase) in deferred inflows of resources	-
Total adjustments	(31,156)
Net cash flows provided by (used in) operating activities	\$ 13,092,256

Reconciliation of cash and cash equivalents:

Unrestricted cash and cash equivalents	18,569,484
Restricted cash and cash equivalents	598,979,222
Total	617,548,706

Investments by Fund

Fund	TexSTAR	TexSTAR- Trustee	Goldman Sachs	Agencies/ Treasuries	Balance
Renewal and Replacement Fund	8.64		708.95		717.59
Grant Fund	478,736.54		10,082,282.02		10,561,018.56
Senior Debt Service Reserve Fund	1,039,007.51		6,039,414.35	104,995,814.41	112,074,236.27
2010 Senior Lien Debt Service			63,597.75		63,597.75
2011 Sr Debt Service t			5,485,481.65		5,485,481.65
2013 Sr Debt Service t			42,155.46		42,155.46
2013 Sub Debt Service			33,177.67		33,177.67
2013 Sub Debt Service Reserve Fund	822,179.51		129.28		822,308.79
2015 Sr Debt Service			4,230,483.38		4,230,483.38
2016 Sr Lien Rev Refunding Debt Service			11,835,342.08		11,835,342.08
2016 Sub Lien Rev Refunding Debt Service			2,633,004.50		2,633,004.50
2016 Sub Lien Rev Refunding DSR			605,726.55	6,671,837.25	7,277,563.80
Operating Fund	589,881.22	158,161.73	19,472,636.84		20,220,679.79
Revenue Fund			7,707,473.77		7,707,473.77
General Fund	1,198,952.10		70,213,927.80	104,917,207.70	176,330,087.60
71E Revenue Fund			31,595,004.11		31,595,004.11
MoPac Revenue Fund			10,688,312.32		10,688,312.32
MoPac General Fund					-
MoPac Operating Fund			1,297,663.04		1,297,663.04
MoPac Loan Repayment Fund			508,218.52		508,218.52
2015B Project	368,502.39		7,947,938.30		8,316,440.69
2015 TIFIA Project	732,088.08		9,116,692.01	30,000,000.00	39,848,780.09
2011 Sr Financial Assistance Fund	16.40		28,283.42		28,299.82
2018 Sr Lien Debt Service			566,371.74		566,371.74
2018 Sr Lien Project Cap I			746.72		746.72
2018 Sr Lien Project	981,274.99		13,220,888.14		14,202,163.13
2020A Senior Lien Debt Service			640,980.04		640,980.04
2020B Senior Lien Debt Service			1,183,613.54		1,183,613.54
2020C Senior Lien Debt Service			4,870,435.65		4,870,435.65
2020D Sub Lien Debt Service			3,801,732.10		3,801,732.10
2020D Sub Debt Service Reserve Fund			457,286.11	7,987,089.95	8,444,376.06
2020E Senior Lien Project			91,783,608.01	50,000,000.00	141,783,608.01
2020E Senior Lien Project Cap Interest			15,175,484.12		15,175,484.12
2020F Sub Lien Project			0.00		-
2020F Sub Lien Deb Service			1,416,516.17		1,416,516.17
2020G Sub Lien Debt Service			652,229.84		652,229.84
2020G Sub Lien Debt Service Reserve			1,156,903.01	2,995,158.73	4,152,061.74
2021A Sub Lien Debt Service Reserve			4,360,440.34	15,974,180.00	20,334,620.34
2021A Sub Debt Service			100.40		100.40
2021B Senior Lien Cap I Project Fund			36,241,995.01		36,241,995.01
2021B Senior Lien Project			105,450,897.67	135,000,000.00	240,450,897.67
2021C Sub Lien Cap I Project Fund			1,401.33		1,401.33
2021C Sub Lien Project			90,421,822.05		90,421,822.05
2021C Sub Lien Debt Service			3,119,792.09		3,119,792.09
2021D Senior Lien Debt Service			3,239,207.21		3,239,207.21
2021E Senior Lien Debt Service			4,790,165.35		4,790,165.35
Totals	6,210,647.38	158,161.73	582,180,270.41	458,541,288.04	1,047,090,367.56

CTRMA INVESTMENT REPORT

Month Ending September 30, 2023

	Balance 9/1/2023	Accrued Interest	Additions	Cash Transfers	Withdrawals	Balance 9/30/2023	Rate Sept
Amount in Trustee TexStar							
2011 Sr Lien Financial Assist Fund	16.36	0.04				16.40	5.3105%
2013 Sub Lien Debt Service Reserve	818,606.47	3,573.04				822,179.51	5.3105%
General Fund	1,193,741.70	5,210.40				1,198,952.10	5.3105%
Trustee Operating Fund	3,085,873.43	4,007.79		(2,500,000.00)		589,881.22	5.3105%
Renewal and Replacement	8.63	0.01				8.64	5.3105%
TxDOT Grant Fund	476,656.03	2,080.51				478,736.54	5.3105%
Senior Lien Debt Service Reserve Fund	1,034,492.18	4,515.33				1,039,007.51	5.3105%
2015B Sr Ln Project	366,900.95	1,601.44				368,502.39	5.3105%
2015C TIFIA Project	728,906.58	3,181.50				732,088.08	5.3105%
2018 Sr Lien Project	977,010.57	4,264.42				981,274.99	5.3105%
	8,682,212.90	28,434.48	-	(2,500,000.00)	-	6,210,647.38	

Amount in TexStar Operating Fund	304,100.30	4,061.43		2,500,000.00	2,650,000.00	158,161.73	5.3105%
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Goldman Sachs

Operating Fund	15,293,149.54	54,380.84	128,885.23	4,000,000.00	3,778.77	19,472,636.84	5.2100%
2020A Senior Lien Debt Service	430,317.02	1,225.52		209,437.50		640,980.04	5.2100%
2020B Senior Lien Debt Service	903,405.04	3,100.17		277,108.33		1,183,613.54	5.2100%
2020C Senior Lien Debt Service	4,113,189.40	6,901.56		750,344.69		4,870,435.65	5.2100%
2020D Sub Lien Debt Service	3,209,311.03	12,318.31		580,102.76		3,801,732.10	5.2100%
2020D Sub Debt Service Reserve Fund	455,270.53	2,015.58				457,286.11	5.2100%
2020E Sr Lien Project	91,825,227.68	518,839.36			560,459.03	91,783,608.01	5.2100%
2020E Sr Ln Project Cap Interest	15,108,595.33	66,888.79				15,175,484.12	5.2100%
2020E Sr Lien Debt Service	0.00					0.00	5.2100%
2020F Sub Lien Project	44,466.13				44,466.13	0.00	5.2100%
2020F Sub Lien Debt Service	951,826.56	2,710.44		461,979.17		1,416,516.17	5.2100%
2020G Sub Lien Debt Service	438,265.16	1,248.01		212,716.67		652,229.84	5.2100%
2020G Sub Debt Service Reserve Fund	791,657.75	3,376.42		361,868.84		1,156,903.01	5.2100%
2021A Sub Debt Service Reserve Fund	2,270,886.96	8,210.20		2,081,343.18		4,360,440.34	5.2100%
2021A TIFIA Sub Lien Debt Service Acct	99.96	0.44				100.40	5.2100%
2021A TIFIA Sub Lien Debt Service Acct	0.00			585,082.17		585,082.17	5.2100%
2021B Senior Lien Cap I Project Fund	36,082,251.50	159,743.51				36,241,995.01	5.2100%
2021B Senior Lien Project	104,787,374.96	663,522.71				105,450,897.67	5.2100%
2021B Senior Lien Cap I Debt Service	0.00					0.00	5.2100%
2021C Sub Lien Cap I Project Fund	1,395.15	6.18				1,401.33	5.2100%
2021C Sub Lien Project	99,001,051.73	420,434.55			8,999,664.23	90,421,822.05	5.2100%
2021C Sub Lien Debt Service	2,096,384.89	5,969.70		1,017,437.50		3,119,792.09	5.2100%
2021D Senior Lien Debt Service	2,257,880.93	6,826.28		974,500.00		3,239,207.21	5.2100%
2021E Senior Lien Debt Service	3,712,753.07	12,984.54		1,064,427.74		4,790,165.35	5.2100%
2011 Sr Financial Assistance Fund	28,158.74	124.68				28,283.42	5.2100%
2010 Senior DSF	63,317.39	280.36				63,597.75	5.2100%
2011 Senior Lien Debt Service	4,863,815.80	19,582.52		602,083.33		5,485,481.65	5.2100%
2013 Senior Lien Debt Service	41,969.63	185.83				42,155.46	5.2100%
2013 Sub Debt Service Reserve Fund	128.71	0.57				129.28	5.2100%
2013 Subordinate Debt Service	33,031.41	146.26				33,177.67	5.2100%
2015A Sr Lien Debt Service	4,170,351.15	18,465.56		41,666.67		4,230,483.38	5.2100%
2015B Project	7,940,384.97	35,175.95			27,622.62	7,947,938.30	5.2100%
2015C TIFIA Project	9,076,502.90	40,189.11				9,116,692.01	5.2100%
2016 Sr Lien Rev Refunding Debt Service	9,451,488.10	37,975.85		2,345,878.13		11,835,342.08	5.2100%
2016 Sub Lien Rev Refunding Debt Service	2,157,284.44	8,031.52		467,688.54		2,633,004.50	5.2100%
2016 Sub Lien Rev Refunding DSR	603,056.33	2,670.22				605,726.55	5.2100%
2018 Sr Lien Project Cap I	743.43	3.29				746.72	5.2100%
2018 Sr Lien Debt Service	380,517.40	1,083.51		184,770.83		566,371.74	5.2100%
2018 Sr Lien Project	13,162,787.93	58,100.21				13,220,888.14	5.2100%
TxDOT Grant Fund	10,037,836.30	44,445.72				10,082,282.02	5.2100%
Renewal and Replacement	57.76	1.46		53,830.00	53,180.27	708.95	5.2100%
Revenue Fund	2,262,971.25	51,972.96	17,989,142.42	(12,491,528.62)	105,084.24	7,707,473.77	5.2100%
General Fund	75,906,289.05	306,362.92	82,465.90	(5,409,434.53)	671,755.54	70,213,927.80	5.2100%
Senior Lien Debt Service Reserve Fund	6,012,790.80	26,623.55				6,039,414.35	5.2100%
71E Revenue Fund	30,467,902.42	131,592.94	383,268.69	729,572.01	117,331.95	31,595,004.11	5.2100%
MoPac Revenue Fund	0.00	840.44	347,599.02	(275,150.04)		73,289.42	5.2100%
MoPac General Fund	16,060,730.22	68,823.41		603,645.95	6,044,887.26	10,688,312.32	5.2100%
MoPac Operating Fund	1,049,817.82	3,557.27	125,990.00	400,000.00	281,702.05	1,297,663.04	5.2100%
MoPac Loan Repayment Fund	336,784.00	805.34		170,629.18		508,218.52	5.2100%
	577,883,478.27	2,807,744.56	19,057,351.26	-	16,909,932.09	582,838,642.00	

Amount in Fed Agencies and Treasuries

Amortized Principal	458,541,288.04					458,541,288.04	
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Certificates of Deposit

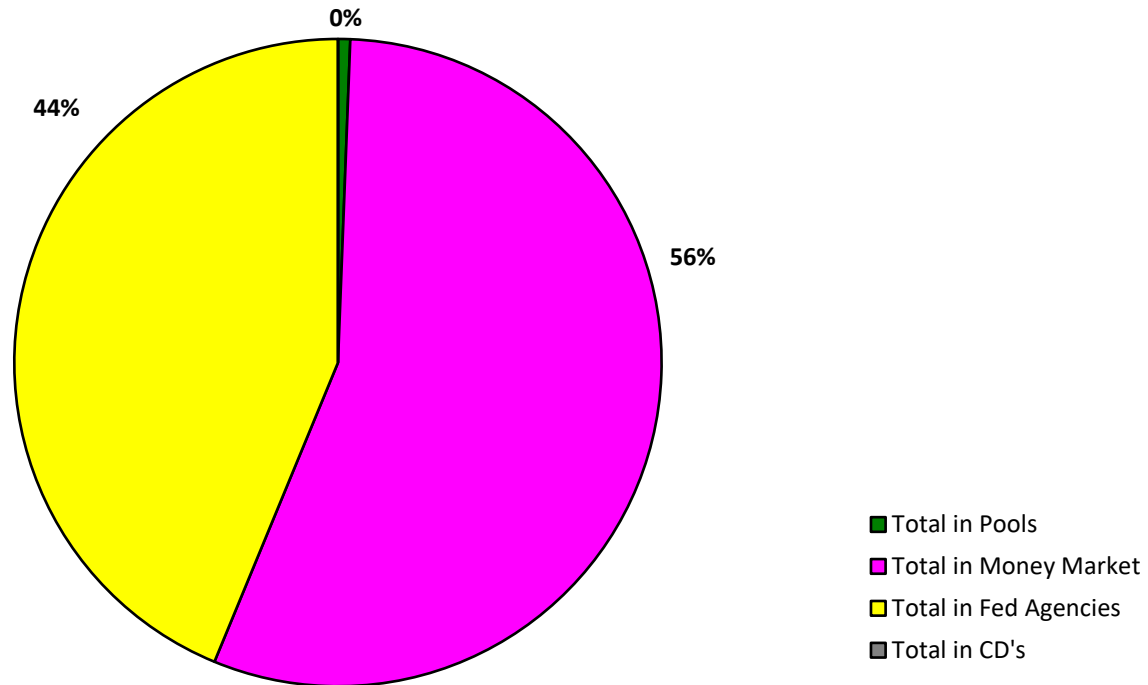
Total in Pools - TxStar	8,986,313.20	32,495.91	-	-	2,650,000.00	6,368,809.11	
Total in GS FSGF	577,883,478.27	2,807,744.56	19,057,351.26	-	16,909,932.09	582,838,642.00	
Total in Fed Agencies and Treasuries	458,541,288.04	-	-	-	-	458,541,288.04	
Total Invested	1,045,411,079.51	2,840,240.47	19,057,351.26	-	19,559,932.09	1,047,748,739.15	

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.02:

José Hernández, CFO
Ann Zigmund, Controller

9/30/2023

Allocation of Funds



Goldman Sachs Escrow Funds

	Balance		Accrued		Balance
	9/1/2023	Additions	Interest	Withdrawals	9/30/2023
Travis County Escrow Fund - Elroy Road	3,010,667.50		13,331.05		3,023,998.55
Travis County Escrow Fund - Ross Road	164,644.29		728.99		165,373.28
Travis County Escrow Fund - Old San Antonio Road	31,719.54		140.46		31,860.00
Travis County Escrow Fund - Old Lockhart Road	133,158.58		586.48		133,745.06
Travis County Escrow Fund - County Line Road	218,738.50	5,659,349.84	969.09	558.23	5,878,499.20
Travis County Escrow Fund - South Pleasant Valley Road	303,764.46	1,346.45			305,110.91
Travis County Escrow Fund - Thaxton Road	111,291.84	494.50			111,786.34
Travis County Escrow Fund - Pearce Lane Road	278,326.89	1,232.73			279,559.62
	4,252,311.60	5,662,423.52	15,756.07	558.23	9,929,932.96

	Amount of In							
Bank	FUND	COST	Cummulative Amortization	Book Value	Maturity Value	Interest Income		
						Accrued Interest	Amortization	Interest Earned
6180006366	2016SUBDSR	6,671,837.25		6,671,837.25				-
1001017484	2020D DSRF	7,987,089.95		7,987,089.95	8,200,000.00			-
1001021540	2020G DSRF	2,995,158.73		2,995,158.73	3,075,000.00			-
1001021543	2021A DSRF	15,974,180.00		15,974,180.00	16,400,000.00			-
6180000120	GENERAL	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000120	GENERAL	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	44,963,937.40		44,963,937.40	47,150,000.00	3,864.75		3,864.75
6180000059	SENLINDSR	20,000,000.00		20,000,000.00	20,000,000.00	22,222.22		22,222.22
6180000059	SENLINDSR	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000059	SENLINDSR	45,000,000.00		45,000,000.00	45,000,000.00			-
6180000059	SENLINDSR	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180005349	2015TIFIAP	30,000,000.00		30,000,000.00	30,000,000.00			
1001021273	2021BPROJ	35,000,000.00		35,000,000.00	35,000,000.00			-
1001021533	2020E PRJ	50,000,000.00		50,000,000.00	50,000,000.00			
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			-
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			
		458,459,645.51	-	458,459,645.51	455,825,000.00	81,642.53	-	81,642.53



PERFORMANCE

As of September 30, 2023

Current Invested Balance	\$ 9,992,445,950.80
Weighted Average Maturity (1)	30 Days
Weighted Average Life (2)	57 Days
Net Asset Value	0.999816
Total Number of Participants	1028
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$ 44,553,431.86
Management Fee Collected	\$ 496,951.28
% of Portfolio Invested Beyond 1 Year	3.63%
Standard & Poor's Current Rating	AAAm

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

September Averages

Average Invested Balance	\$ 10,093,864,488.70
Average Monthly Yield, on a simple basis	5.3105%
Average Weighted Maturity (1)	29 Days
Average Weighted Life (2)	56 Days

Definition of Weighted Average Maturity (1) & (2)

(1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate instruction to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.
 (2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

The maximum management fee authorized for the TexSTAR Cash Reserve Fund is 12 basis points. This fee may be waived in full or in part in the discretion of the TexSTAR co-administrators at any time as provided for in the TexSTAR Information Statement.

NEW PARTICIPANTS

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

- * City of Blue Mound * Galveston County Municipal Utility District No. 79 * Jacksboro Independent School District
- * Montgomery County Municipal Utility District No. 211 * Pantego Economic Development Corporation

HOLIDAY REMINDER

In observance of **Columbus Day, TexSTAR will be closed on Monday, October 9, 2023**. All ACH transactions initiated on Friday, October 6th will settle on Tuesday, October 10th. Standard transaction deadlines will be observed on Friday, October 6th. Please plan accordingly for your liquidity needs.

ECONOMIC COMMENTARY

Market review

In the third quarter, easing inflation and stronger economic growth helped fuel optimism for a soft landing of the U.S. economy. However, monthly data suggest economic momentum is slowing, and we may not be out of the woods just yet. The quarter was less exciting for financial markets, which struggled as investors re-positioned for higher rates for longer. In fact, one of the few asset classes that saw positive gains short term fixed income portfolios and funds.

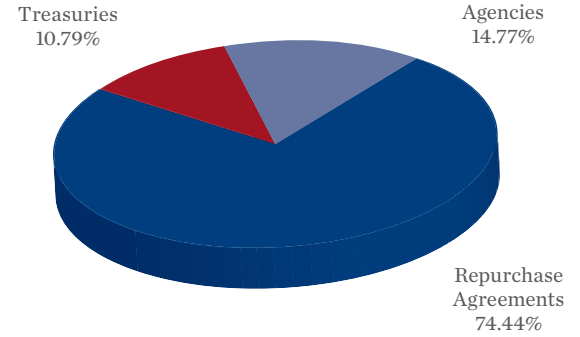
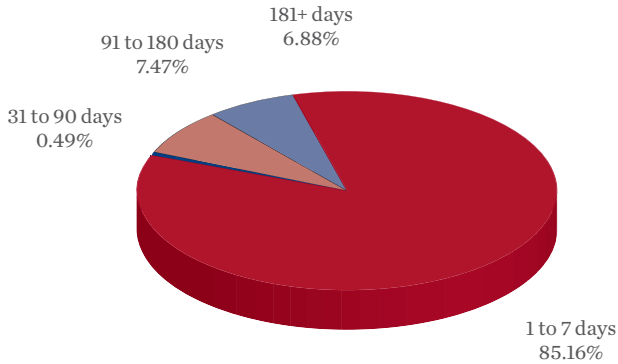
After nearly two years of hot inflation, a sustained inflation downtrend is now underway. The August CPI report showed continued progress on core inflation while energy contributed to a bounce in headline inflation. Headline CPI rose 0.6% month-over-month (m/m) seasonally adjusted and 3.7% year-over-year (y/y) non-seasonally adjusted, an acceleration compared to last month. This increase was largely anticipated and primarily driven by a 5.6% surge in energy prices, as consumer prices rose a more modest 0.3% excluding energy. Core CPI rose 0.3% m/m and eased to 4.3% on a y/y basis. In the details, shelter inflation continued to moderate while transportation services saw strong gains. However, moderating new and used vehicle prices in the months ahead should help ease core inflationary pressures. Similarly, headline PCE inflation accelerated to 3.5% y/y while core PCE eased to 3.9%. Moving forward, we expect that the impact of oil price spikes will be limited.

Labor market strength is gradually easing. The pace of job gains, while still robust, has been trending lower since last year. Improved labor force participation has so far supported job growth, with the participation rate for adults aged 25-54 having fully recovered to pre-pandemic levels. Wage inflation remains sticky but has been moderating. Wage growth has now come down to 4.3% y/y in August from a peak of 5.9% in March 2022. Weekly initial jobless claims for unemployment averaged 232K in the third quarter.

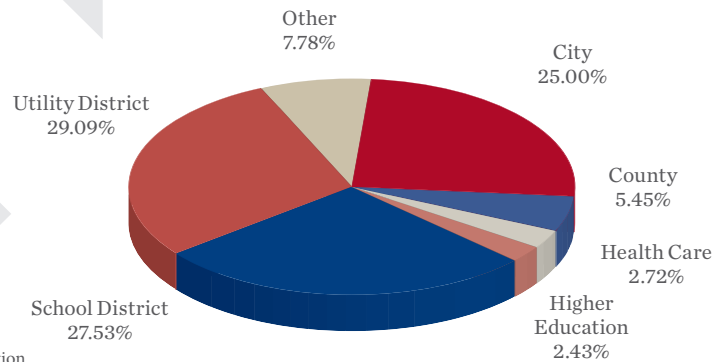
(continued page 4)

INFORMATION AT A GLANCE

PORTFOLIO BY TYPE OF INVESTMENT AS OF SEPTEMBER 30, 2023



PORTFOLIO BY MATURITY AS OF SEPTEMBER 30, 2023 (1)



DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF SEPTEMBER 30, 2023

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

HISTORICAL PROGRAM INFORMATION

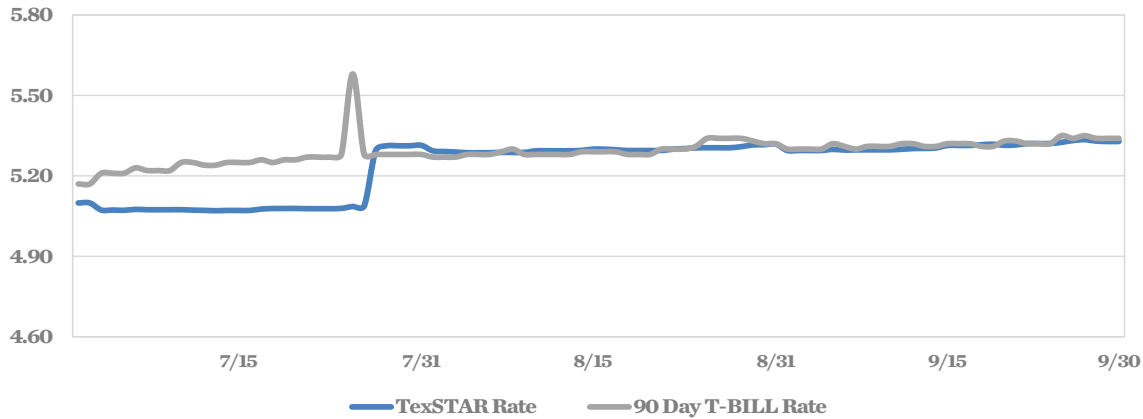
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Sep 23	5.3105 %	\$9,992,445,950.80	\$9,990,730,955.61	0.999816	29	56	1028
Aug 23	5.2974%	10,207,693,267.12	10,205,377,223.94	0.999773	26	49	1023
Jul 23	5.1148%	10,852,471,505.08	10,849,665,890.42	0.999741	22	47	1021
Jun 23	5.0764%	10,475,876,514.08	10,473,945,855.73	0.999806	22	50	1020
May 23	5.0471%	10,704,350,596.85	10,702,720,616.60	0.999847	20	45	1019
Apr 23	4.8292%	10,940,711,794.05	10,941,057,413.24	1.000031	17	42	1017
Mar 23	4.6066%	11,042,113,205.98	11,042,864,910.32	1.000029	11	39	1012
Feb 23	4.4919%	10,962,890,240.57	10,961,778,645.78	0.999898	9	38	1008
Jan 23	4.2515%	10,451,037,339.95	10,450,044,625.54	0.999905	6	41	1003
Dec 22	3.9681%	9,016,826,910.67	9,015,709,981.89	0.999855	5	43	999
Nov 22	3.5588%	8,393,118,851.17	8,390,786,906.73	0.999722	6	47	998
Oct 22	2.8531%	8,388,414,626.87	8,384,901,873.82	0.999581	10	46	996

PORTFOLIO ASSET SUMMARY AS OF SEPTEMBER 30, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 688.21	\$ 688.21
Accrual of Interest Income	22,688,328.56	22,688,328.56
Interest and Management Fees Payable	(44,540,141.00)	(44,540,141.00)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	7,454,316,999.79	7,454,316,999.79
Government Securities	2,559,980,075.24	2,558,265,080.05
TOTAL	\$ 9,992,445,950.80	\$ 9,990,730,955.61

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

TEXSTAR VERSUS 90-DAY TREASURY BILL



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

DAILY SUMMARY FOR SEPTEMBER 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
9/1/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/2/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/3/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/4/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/5/2023	5.2989%	0.000145174	\$10,187,547,284.60	0.999777	27	53
9/6/2023	5.2962%	0.000145100	\$10,163,186,946.99	0.999779	27	53
9/7/2023	5.2968%	0.000145119	\$10,122,935,905.70	0.999773	27	53
9/8/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/9/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/10/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/11/2023	5.2992%	0.000145183	\$10,200,180,265.84	0.999778	28	53
9/12/2023	5.3018%	0.000145256	\$10,278,685,601.56	0.999790	28	56
9/13/2023	5.3025%	0.000145275	\$10,337,867,157.92	0.999810	28	56
9/14/2023	5.3041%	0.000145317	\$10,211,821,190.92	0.999808	28	56
9/15/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/16/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/17/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/18/2023	5.3163%	0.000145652	\$10,069,542,232.34	0.999801	30	58
9/19/2023	5.3181%	0.000145702	\$10,087,639,347.86	0.999807	31	59
9/20/2023	5.3140%	0.000145589	\$10,063,497,654.15	0.999803	31	59
9/21/2023	5.3153%	0.000145624	\$9,929,491,072.90	0.999799	32	60
9/22/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/23/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/24/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/25/2023	5.3251%	0.000145893	\$9,952,707,704.94	0.999797	31	59
9/26/2023	5.3318%	0.000146077	\$10,063,656,735.35	0.999792	31	58
9/27/2023	5.3349%	0.000146163	\$10,087,419,330.05	0.999788	30	57
9/28/2023	5.3299%	0.000146024	\$9,946,270,040.13	0.999792	31	58
9/29/2023	5.3282%	0.000145978	\$9,992,445,950.80	0.999816	30	57
9/30/2023	5.3282%	0.000145978	\$9,992,445,950.80	0.999816	30	57
Average	5.3105%	0.000145492	\$10,093,864,488.70		29	56



ECONOMIC COMMENTARY (cont.)

While this is above its average of 214K in 2022, the levels are still indicative of a healthy labor market and have been trending lower more recently. The Job Openings and Labor Turnover Survey (JOLTS) data for August surprised to the upside as job openings surged 7.7% to 9.6 million, up from 8.8 million in the month prior, while quits rose a modest 0.5%. The ratio of vacancies to unemployed workers remained unchanged from July at 1.5. Job openings have been volatile around a declining trend, but the data remain well above pre-pandemic norms.

Given the strength in the labor market is not surprising that the consumer has been the primary driver of the economy so far, but consumer confidence has begun to falter. The Conference Board Consumer Confidence Index fell for the second straight month, from 106.1 in August to 103 in September, reflecting a decline in consumers' assessment of future business conditions. Personal spending in August showed a deceleration relative to July, at a 0.4% m/m change, down from 0.8%. The GDP revisions had limited impact on the headline growth profile, as second quarter GDP was unchanged at a 2.1% annualized rate. In the details of the revision, the composition shifted from consumption to business investment: consumption grew a modest 0.8% annualized rate while business fixed investment spending grew 5.2%, its best pace since IQ22. Comprehensive GDP revisions painted a picture of private sector resilience and improved household savings with softer consumption growth than previously reported.

In a widely anticipated move, the Federal Open Market Committee (FOMC) voted to leave the federal funds rate unchanged at a range of 5.25% to 5.50% at its September meeting and reiterated its commitment to a data-driven approach. The updated "dot plot" remained hawkish, with the median FOMC member now expecting only two cuts in 2024, reinforcing the "higher for longer" message. Notably, its updated economic forecasts leaned strongly into the soft-landing narrative. In the Summary of Economic Projections, real GDP growth expectations rose meaningfully for 2023 and 2024. Elsewhere, the median forecast for the unemployment rate fell to 3.8% while the core PCE forecast ticked lower.

September was a challenging month for markets and for Congress. As the month ended, in a surprise turnaround just 3 hours before the deadline, Congress averted a government shutdown, passing a short-term continuing resolution to keep the government running through November 17th. Improved prospects for growth and incoming supply, against the backdrop of 'higher for longer' policy rates pushed longer term yields to their highest levels since 2007, with two-year and 10-year Treasury yields up 18 bps and 47 bps on the month to 5.05% and 4.57% respectively. Meanwhile three-month Treasury bill yields remained unchanged at 5.45%, and six-month T-bill yields increased a modest 4 bps to 5.55%. Moreover, the potential government shutdown (which was averted in the 11th hour), United Auto Workers (UAW) labor strikes and higher oil prices have weighed on investor sentiment.

Outlook

"Resiliency" has been the buzzword of 2023, with better-than-expected economic growth and corporate profits coupled with milder drags from credit tightening and business spending contraction raising hopes for a soft landing. Economic data has underscored the strength of U.S. consumers and labor markets, aided by falling inflation.

Nevertheless, the clouds of recession have not departed, as growing drags from higher energy prices, declining pandemic excess savings and the lagged effects of monetary policy suggest it is far too soon to call an "all clear" on a U.S. recession.

Business spending has held up more strongly than expected due to higher spending on manufacturing and slowing corporate profits could still constrain growth in capital expenditures. Consumers have remained resilient in the third quarter, supported by solid job growth and rising real wages. So far in 2023, excess consumer savings and the use of credit have kept consumption as a pillar of strength in the U.S. economy.

However, consumer savings balances have shrunk as they take on more debt to maintain current spending, and delinquencies are starting to rise. By our measures, pandemic excess savings has declined to \$1.1 trillion from its peak of \$2.3 trillion, leading consumers to draw on revolving credit to finance their spending habits.

(continued page 5)



ECONOMIC COMMENTARY (cont.)

Revolving credit as a share of disposable income doesn't look too worrying yet (at 6.3% in June compared to 6.5% pre-pandemic), but delinquencies for credit cards and auto loans are starting to rise. This, along with the lagged impacts of monetary tightening, higher energy prices, and the forthcoming resumption of student loan payments, should weigh on consumer spending in the coming months.

Other risks to growth are accumulating as we enter the fall. While a U.S. government shutdown was averted, Congress merely kicked the can down the road until November. The odds of a government shutdown later this year have arguably risen but would probably be temporary if it happens (a few weeks at most) until political and market pressures force everyone to keep the government open. Historically, the economic impact has tended to be short-lived and reversed the following period. Additionally, the United Auto Workers (UAW) strike continues to escalate, as progress between the UAW and automakers has not improved yet. Should it build further, the strike could negatively impact economic activity and pressure inflation upward.

Overall, the U.S. economy should continue to grow at a moderate but slowing pace from here, and while a near-term recession is not guaranteed, a slower-moving economy will be increasingly sensitive to shocks. With risks remaining on the horizon, we see at least a 50/50 chance of a recession starting by the end of 2024, and a greater chance of a recession in 2025 if one fails to materialize earlier.

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

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