

**Central Texas Regional Mobility Authority
Balance Sheet**

As of

December 31, 2011

December 31, 2010

Assets

Current Assets

Cash in Regions Operating Account	54,051		146,446
Cash In TexSTAR	106,821		46,754
Regions Payroll Account	4,351		2,983
Restricted cash/cash equivalents			
Fidelity Government MMA	33,506,456		13,917,454
Restricted Cash-TexStar	65,784,979		80,060,959
Regions SIB account	0		15,620,839
Overpayment accounts	24,464		13,840
Total Cash and Cash Equivalents	99,427,071		109,809,274
Accounts Receivable	25,891		95,154
Due From TTA	406,363		448,858
Due From NTTA	83,336		33,745
Due From HCTRA	74,893		54,486
Due From TxDOT	825,050		2,248,335
Due From Federal Government	0		929,886
Interest Receivable	184,657		113,187
Total Receivables	1,600,191		3,923,651
Short Term Investments			
Short Term Investments	4,317,135		13,571,253
Other Current Assets			
Prepaid Expenses	1,655		
Prepaid Insurance	46,405		71,295
Total Current Assets	105,446,508		127,375,472

Construction Work In Process

280,737,340

117,330,104

Fixed Assets

Computers(net)	27,186		38,280
Computer Software(net)	675,732		1,881,246
Furniture and Fixtures(net)	15,385		22,490
Equipment(net)	49,397		52,775
Autos and Trucks(net)	24,719		1,967
Buildings and Toll Facilities(net)	6,255,852		6,432,410
Highways and Bridges(net)	175,235,918		180,203,125
Communication Equipment(net)	1,046,853		1,225,690
Toll Equipment(net)	2,314,464		2,776,245
Signs(net)	5,022,459		5,155,727
Land Improvements(net)	1,145,452		920,929
Right of Way	24,683,553		23,683,553
Leasehold Improvements	62,921		62,482
Total Fixed Assets	216,559,891		222,456,918

Long Term Investments

GIC (Restricted)	214,929,774		79,570,062
Agencies-LT	44,308,040		0

Other Assets

Security Deposits	8,644		9,483
Intangible Assets	650		650
Total Bond Issuance Costs	15,781,439		10,754,070

Total Assets

877,772,285

557,496,760

Liabilities

Current Liabilities

Accounts Payable	141,784	21,199
Overpayments	25,216	14,298
Interest Payable	20,645,219	8,939,991
TCDRS Payable	59,450	41,764
Due to other Entities	19,669	0
Due to State of Texas	2,298	605
Total Current Liabilities	20,893,635	9,017,857

Long Term Liabilities

Accrued Vac & Sick Leave Paybl	413,815	365,641
Retainage Payable	1,655	115,808
Senior Lien Revenue Bonds 2005	172,698,781	172,244,198
Senior Lien Revenue Bonds 2010	99,921,757	97,046,003
Senior Lien Revenue Bonds 2011	306,247,521	0
Sn Lien Rev Bnd Prem/Disc 2005	4,705,454	4,875,179
Sn Lien Rev Bnd Prem/Disc 2010	186,438	220,272
Tot Sr Lien Rev Bond Pay Pre/D	2,744,876	5,095,451
Subordinated Lien Bond 2010	45,000,000	45,000,000
Subordinated Lien Bond 2011	70,000,000	0
Sub Lien Bond 2011 Prem/Disc	(2,123,809)	
TIFIA note 2008	77,626,562	75,847,928
2010 Regions BAB's Payable	0	59,865,000
2011 Regions Draw Down Note	200,000	
2009 State Infrastructure loan	0	32,627,504
Total Long Term Liabilities	772,731,157	488,207,532
Total Liabilities	793,624,792	497,225,389

Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	61,930,780	37,183,660
Current Year Operations	3,881,868	4,752,865
Total Net Assets	65,812,647	41,936,525

Total Liabilities and Net Assets

877,772,285	557,496,760
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Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 12/31/2011	Percent of Budget	Actual Prior Year to Date 12/31/10
Revenue				
Operating Revenue				
Toll Revenue-TxTag-183A	21,395,350	7,838,796	36.64%	7,897,714
Toll Revenue-HCTRA-183A	656,250	352,420	53.70%	332,585
Toll Revenue-NTTA-183A	411,600	229,593	55.78%	200,009
Video Tolls	3,004,800	1,745,792	58.10%	1,582,316
Fee revenue	1,252,000	631,710	50.46%	613,650
Total Operating Revenue	26,720,000	10,798,311	40.41%	10,626,274
Other Revenue				
Interest Income	180,000	106,489	59.16%	134,906
Grant Revenue	800,000	6,344,211	793.03%	7,867,611
Misc Revenue	2,200	918,227	41738%	1,283
Gain/Loss on Redemption Bonds	-	-	0.00%	1,000
Gain/Loss on Sale of Asset	-	12,342		-
Total Other Revenue	982,200	7,381,269	751.50%	8,004,800
Total Revenue	\$ 27,702,200	\$ 18,179,581	65.63%	\$ 18,631,074
Expenses				
Salaries and Wages				
Salary Expense-Regular	2,010,301	960,937	47.80%	821,427
Part Time Salry Expense	12,000	7,927	66.06%	5,934
Overtime Salary Expense	4,000	-	0.00%	-
Contractual Employees Expense	105,000	7,623	7.26%	28,500
TCDRS	304,235	134,743	44.29%	117,708
FICA	97,856	30,083	30.74%	26,453
FICA MED	30,715	13,773	44.84%	11,553
Health Insurance Expense	204,527	82,624	40.40%	68,750
Life Insurance Expense	5,374	2,534	47.15%	2,955
Auto Allowance Expense	9,000	4,462	49.58%	4,548
Other Benefits	171,305	87,676	51.18%	28,475
Unemployment Taxes	13,059	215	1.65%	-
Salary Reserve	91,871	-	0.00%	-
Total Salaries and Wages	3,059,243	1,332,598	43.56%	1,116,303

Contractual Services

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 12/31/2011	Percent of Budget	Actual Prior Year to Date 12/31/10
<u>Professional Services</u>				
Accounting	9,500	13,403	141.08%	4,454
Auditing	55,000	44,771	81.40%	42,650
General Engineering Consultant	1,250,000	411,696	32.94%	295,452
General System Consultant	175,000	26,996	15.43%	4,013
Image Processing	600,000	442,109	73.68%	383,857
Facility maintenance	20,000	5,999	30.00%	36,965
HERO	820,000	322,100	39.28%	452,165
Human Resources	80,000	3,221	4.03%	14,378
Legal	250,000	76,676	30.67%	65,584
Photography	15,000	11,850	79.00%	9,000
Communications and Marketing	-	36,757		-
Total Professional Services	3,274,500	1,395,578	42.62%	1,308,517
<u>Other Contractual Services</u>				
IT Services	45,000	23,808	52.91%	17,250
Graphic Design Services	10,000	400	4.00%	803
Website Maintenance	25,000	5,783	23.13%	13,051
Research Services	25,000	3,100	12.40%	26,089
Copy Machine	9,000	2,980	33.11%	3,912
Software Licenses	26,000	805	3.09%	7,387
ETC Maintenance Contract	840,000	276,979	32.97%	294,719
ETC Development	125,000	-	0.00%	6,747
ETC Testing	30,000	16,620	55.40%	-
Communications and Marketing	170,000	-	0.00%	59,856
Advertising Expense	40,000	1,281	3.20%	17,618
Direct Mail	5,000	-	0.00%	-
Video Production	5,000	1,946	38.91%	-
Radio	15,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	117,219	46.89%	36,672
Special assignments	5,000	-	0.00%	-
Traffic Management	84,000	34,396	40.95%	25,685
Emergency Maintenance	10,000	-	0.00%	-
Security Contracts	600	-	0.00%	-
Roadway Maintenance Contract	300,000	53,182	17.73%	38,420
Landscape Maintenance	280,000	74,222	26.51%	54,426

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 12/31/2011	Percent of Budget	Actual Prior Year to Date 12/31/10
Signal & Illumination Maint	175,000	42,069	24.04%	82,034
Mowing and litter control	40,000	40,603	101.51%	49,051
Hazardous Material Cleanup	10,000	-	0.00%	-
Striping	75,000	19,600	26.13%	-
Graffiti removal	10,000	-	0.00%	1,900
Cell Phones	10,700	3,592	33.57%	4,281
Local Telephone Service	16,000	6,457	40.35%	4,288
Long Distance	600	-	0.00%	113
Internet	6,000	435	7.25%	1,380
Fiber Optic System	63,000	28,261	44.86%	20,295
Other Communication Expenses	1,500	273	18.22%	1,040
Subscriptions	1,850	120	6.48%	-
Memberships	29,100	6,890	23.68%	5,390
Continuing Education	2,000	962	48.11%	150
Professional Development	5,000	3,020	60.40%	-
Seminars and Conferences	32,500	6,990	21.51%	7,650
Staff-Travel	76,500	23,718	31.00%	22,053
Other Contractual Svcs	125,200	177	0.14%	153
Roadway maintenance contract	-	-	0.00%	14,955
TxTag Collection Fees	1,347,791	540,713	40.12%	668,017
Contractual Contingencies	140,500	32,640	23.23%	1,039
Total Other Contractual Services	4,470,341	1,369,242	30.63%	1,486,424
Total Contractual Services	7,744,841	2,764,820	35.70%	2,794,941
Materials and Supplies				
Books & Publications	16,000	4,056	25.35%	4,488
Office Supplies	10,000	2,573	25.73%	2,851
Computer Supplies	13,000	6,891	53.01%	2,086
Copy Supplies	2,200	18	0.81%	506
Annual Report printing	10,000	-	0.00%	-
Other Reports-Printing	20,000	-	0.00%	381
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	3,000	688	22.92%	1,246
Ice Control Materials	25,000	-	0.00%	-
Maintenance Supplies-Roadway	100,000	9,175	9.17%	-
Promotional Items	10,000	-	0.00%	2,163

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 12/31/2011	Percent of Budget	Actual Prior Year to Date 12/31/10
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	31	3.10%	14
Misc Materials & Supplies	2,000	592	29.61%	6
Total Materials and Supplies	252,200	24,024	9.53%	13,741
Operating Expenses				
Gasoline Expense	5,000	2,163	43.27%	1,552
Mileage Reimbursement	7,500	1,920	25.60%	1,432
Toll Tag Expense	4,100	1,424	34.72%	1,181
Parking	38,595	20,123	52.14%	19,075
Meeting Facilities	450	-	0.00%	100
Community Meeting/ Events	5,000	-	0.00%	500
Meeting Expense	6,750	2,118	31.37%	1,242
Public Notices	2,400	-	0.00%	-
Postage Expense	5,950	72	1.20%	310
Overnight Delivery Services	1,600	193	12.06%	56
Local Delivery Services	1,950	6	0.29%	691
Insurance Expense	90,000	38,964	43.29%	40,935
Repair & Maintenance-General	500	263	52.50%	-
Repair & Maintenance-Vehicles	100	358	358.28%	529
Repair & Maintenance Toll Equip	5,000	-	0.00%	-
Rent Expense	190,000	101,449	53.39%	93,816
Water	7,500	4,386	58.48%	2,293
Electricity	83,500	30,416	36.43%	29,335
Other Licenses	250	275	110.00%	235
Community Initiative Grants	65,000	35,000	53.85%	50,750
Non Cash Operating Expenses				
Amortization Expense	1,230,000	614,808	49.98%	614,808
Dep Exp- Furniture & Fixtures	16,500	4,460	27.03%	9,363
Dep Expense - Equipment	14,500	7,189	49.58%	7,189
Dep Expense - Autos & Trucks	5,000	2,874	57.49%	1,967
Dep Expense-Buildng & Toll Fac	177,000	88,279	49.88%	88,279
Dep Expense-Highways & Bridges	5,000,000	2,483,603	49.67%	2,483,603
Dep Expense-Communic Equip	195,000	95,422	48.93%	98,224
Dep Expense-Toll Equipment	465,000	230,891	49.65%	230,891

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2012	Actual Year to Date 12/31/2011	Percent of Budget	Actual Prior Year to Date 12/31/10
Dep Expense - Signs	135,000	66,634	49.36%	66,634
Dep Expense-Land Improvemts	52,000	32,902	63.27%	25,792
Depreciation Expense-Computers	6,500	4,905	75.47%	5,194
Total Operating Expenses	7,817,645	3,871,095	49.52%	3,875,977
Financing Expenses				
Arbitrage Rebate Calculation	2,500	5,455	218.20%	-
Loan Fee Expense	12,500	12,000	96.00%	11,500
Rating Agency Expense	33,000	5,300	16.06%	5,000
Trustee Fees	2,000	-	0.00%	-
Bank Fee Expense	7,500	14,318	190.91%	3,583
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	12,038,096	6,014,974	49.97%	5,909,259
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	385,707	253,130	65.63%	147,904
Total Financing Expenses	12,500,303	6,305,177	50.44%	6,077,246
Other Gains or Losses				
Total Other Gains or Losses	-	-	0.00%	-
Total Expenses	\$ 31,374,232	\$ 14,297,713	45.57%	\$ 13,878,209
Net Income	\$ (3,672,032)	\$ 3,881,868		\$ 4,752,865

CTRMA INVESTMENT REPORT

Month Ending 12/31/11						Rate
Balance 11/30/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 12/31/11	Nov 11
Amount in Trustee TexStar						
2011 Senior Lien Construction Fund	10.46				10.46	0.067%
2010 Senior Lien Construction Fund	1.19				1.19	0.067%
2010-1 Sub Lien Projects	1,004,319.62		69.53		1,004,389.15	0.067%
General Fund	7,164,686.16		474.14	576,266.63	6,588,893.67	0.067%
Trustee Operating Fund	248,586.15	546,341.75	11.95	695,000.00	99,939.85	0.067%
Renewal and Replacement	659,931.49		45.69		659,977.18	0.067%
TxDOT Grant Fund	4,413,372.76		305.54		4,413,678.30	0.067%
Revenue Fund	34.96				34.96	0.067%
Senior Lien Debt Service Reserve Fund	43,040,874.98		2,979.72		43,043,854.70	0.067%
2010 Senior Lien DSF	0.15				0.15	0.067%
2010 Senior Lien Debt Service Reserve Fund	6,756,733.96		467.77		6,757,201.73	0.067%
2010-2Sub Lien Debt Service Reserve Fund	710,972.19		49.22		711,021.41	0.067%
2010-1Sub Lien Debt Service Reserve Fund	2,504,413.64		173.38		2,504,587.02	0.067%
2010 Senior Lien Capitalized Interest	842.37		0.06		842.43	0.067%
2010-1 Sub Lien Capitalized Interest	420.06		0.03		420.09	0.067%
2010-2 Sub Lien Capitalized Interest	126.78		0.01		126.79	0.067%
66,505,326.92	546,341.75	0.00	4,577.04	1,271,266.63	65,784,979.08	
Amount in TexStar Operating Fund						
41,814.90	695,000.00		6.12	630,000.00	106,821.02	0.067%

CTRMA INVESTMENT REPORT

Month Ending 12/31/11						Rate
Balance 11/30/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 12/31/11	Nov 11
Fidelity Money Market Fund						
Operating Fund	546,341.75		0.90	546,341.75	0.90	0.001%
2010-1 Sub Lien Project Acct	19,607.18		0.16		19,607.34	0.001%
2010 Senior Lien Project Acct	0.31	5,404,760.31		5,403,284.27	1,476.35	0.001%
2011 Senior Lien Project Acct	0.00	4,595,789.33	0.12	4,595,789.33	0.12	0.001%
2005 Debt Service Fund	4,470,208.67	744,515.00	27.19		5,214,750.86	0.001%
2011 Senior Lien Debt Service Acct	2,630.96		0.02		2,630.98	0.001%
Subordinate Lien TIFIA DS Fund	1,616,523.68	316,808.00	12.09		1,933,343.77	0.001%
2010-2 BABs Supplemental Security	213,140.17	164,722.84	1.75		377,864.76	0.001%
2010-2 Cap I Fund	2,817.84		0.02		2,817.86	0.001%
2010 CAP Interest Senior lien	2,081.76		0.02		2,081.78	0.001%
2010-1 CAP Interest	0.55				0.55	0.001%
2011 Sr Cap I Fund	256,283.12	8,421,000.00	181,100.86		8,858,383.98	0.001%
2011 Sub Debt CAP I	105,377.95	2,132,000.00	47,822.75		2,285,200.70	0.001%
2010-1 Sub lien supplemental Security	13.66	712,031.25			712,044.91	0.001%
2011 Subordinate Lien Project	0.10				0.10	0.001%
TxDOT Grant Fund	0.90	2,000,000.00	3,680.56		2,003,681.46	0.001%
Renewal and Replacement	0.66				0.66	0.001%
Revenue Fund	726,619.53	1,971,356.44	6.56	1,827,976.15	870,006.38	0.001%
General Fund	28,752.99	2,342,769.43	4.93	2,362,342.27	9,185.08	0.001%
2010 Senior Debt Service Reserve Fund	2,765,333.20		22.73		2,765,355.93	0.001%
2010-1 Debt Service Reserve Fund	1,382,404.04	18,938.78	11.29		1,401,354.11	0.001%
2010-2 Debt Service Reserve Fund	41,951.39	4,417.17	0.31		46,368.87	0.001%
2011 Sub Debt Debt Service Reserve Fund	7,000,239.76		57.54		7,000,297.30	0.001%
2005 Senior Lien Debt Service Reserve Fund	1.65				1.65	0.001%
18,633,990.07	77,310,902.84	0.00	232,749.80	62,671,186.31	33,506,456.40	

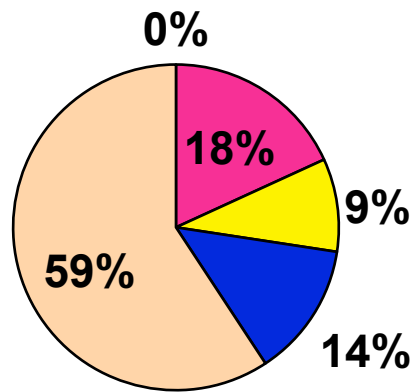
CTRMA INVESTMENT REPORT

	Month Ending 12/31/11					Rate Nov 11	
	Balance 11/30/11	Additions	Discount Amortization	Accrued Interest	Withdrawals		Balance 12/31/11
Amount in Bayerische Landesbank GIC							
Subordinate Lien Cap-I 2010-1	1,318,263.52			549.28		1,318,812.80	0.500%
Subordinate Lien Cap-I 2010-2	340,059.33			141.69		340,201.02	0.500%
Senior Lien Cap-I 2010	5,129,848.04			3,761.89		5,133,609.93	0.880%
Senior Lien Project Fund 2010	24,257,064.63			18,858.64	5,402,809.27	18,873,114.00	0.850%
Senior Lien Project Fund 2011	145,828,393.17			36,011.83	4,595,789.33	141,268,615.67	0.295%
Subordinate Lien Project Fund 2011	47,983,571.42			11,849.38		47,995,420.80	0.295%
	224,857,200.11	0.00	0.00	71,172.71	9,998,598.60	214,929,774.22	
Amount in Fed Agencies and Treasuries							
Amortized Principal	61,005,611.90		(14,087.23)		12,617,707.07	48,373,817.60	
Accrued Interest				100,395.28			
	61,005,611.90	0.00	(14,087.23)		12,617,707.07	48,373,817.60	
Certificates of Deposit	3,000,000.00				3,000,000.00	0.00	
Total in Pools	66,547,141.82	1,241,341.75		4,583.16	1,901,266.63	65,891,800.10	
Total in Money Market	18,633,990.07	77,310,902.84		232,749.80	62,671,186.31	33,506,456.40	
Total in Fed Agencies	61,005,611.90	0.00	(14,087.23)		12,617,707.07	48,373,817.60	
Bayerische Landesbank GIC	224,857,200.11	0.00		71,172.71	9,998,598.60	214,929,774.22	
Total Invested	374,043,943.90	78,552,244.59	(14,087.23)	308,505.67	90,188,758.61	362,701,848.32	

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

William Chapman, CFO

Allocation of Funds



- | | |
|-----------------------------|-------------------------|
| ■ Certificates of Deposit | ■ Total in Pools |
| ■ Total in Money Market | ■ Total in Fed Agencies |
| ■ Bayerische Landesbank GIC | |

Amount of investments As of December 31, 2011

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Farm Credit	31331J2B8	Called	Called	Called	1.000280%	11/22/10	2/15/13	TxDOT Grant Fund
San Antonio Water Utilities	79642BLM3	200,000.00	200,000.00	200,128.00	1.1090%	11/23/10	5/15/12	2010-2 DSRF
San Antonio Water Utilities	79642BLN1	190,000.00	190,000.00	191,119.10	1.4570%	11/23/10	5/15/13	2010-2 DSRF
Federal Home loan Bank	3137EABY4	3,064,452.00	3,012,890.40	3,013,410.00	0.4005%	12/23/10	3/23/12	TxDOT Grant Fund
Fannie Mae	31398A6F4	2,319,702.34	2,318,134.89	2,319,907.80	0.2391%	6/29/11	12/28/12	2011 Sub Debt CAP I
Federal Home loan Bank	3137EABM0	2,473,720.78	2,435,040.59	2,437,941.51	0.3930%	6/29/11	6/28/13	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	2,326,924.30	2,335,693.23	2,325,011.08	0.6300%	6/29/11	11/15/13	2011 Sub Debt CAP I
Treasury	912828GC8	Matured	Matured	Matured	0.0240%	6/29/30	12/31/11	2011 Sub Debt CAP I
Treasury	912828GW4	2,367,714.38	2,313,357.19	2,312,289.81	0.0730%	6/29/11	6/30/12	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	8,794,454.76	8,832,841.07	8,805,905.64	0.7190%	6/29/11	11/15/13	2011 Sr Debt CAP I
Federal Home loan Bank	3137EABM0	9,351,457.81	9,209,093.35	9,232,428.78	0.4830%	6/29/11	6/28/13	2011 Sr Debt CAP I
Treasury	912828NS5	8,776,228.75	8,757,114.38	8,762,204.26	0.1880%	6/29/11	6/30/12	2011 Sr Debt CAP I
Treasury	912828GC8	Matured	Matured	Matured	0.0550%	6/29/11	12/31/11	2011 Sr Debt CAP I
Fannie Mae	31398A6F4	8,771,478.75	8,769,652.50	8,784,583.92	0.3331%	6/29/11	12/28/12	2011 Sr Debt CAP I
		<u>48,636,133.87</u>	<u>48,373,817.60</u>	<u>48,384,929.90</u>				

Agency	CUSIP #	COST	Cumulative Amortization	12/31/11 Book Value	Maturity Value	Interest Income December 2011		
						Accrued Interest	Amortization	Interest Earned
Federal Farm Credit	31331J2B8	Called	Called	Called	2,000,000.00	2,112.56		2,112.56
San Antonio Water Utilities	79642BLM3	200,000.00	0.00	200,000.00	200,000.00	184.83		184.83
San Antonio Water Utilities	79642BLN1	190,000.00	0.00	190,000.00	190,000.00	230.69		230.69
Federal Home loan Bank	3137EABY4	3,064,452.00	51,561.60	3,012,890.40	3,000,000.00	5,312.50	(4,296.80)	1,015.70
Fannie Mae	31398A6F4	2,319,702.34	1,567.45	2,318,134.89	2,315,000.00	723.44	(261.24)	462.20
Federal Home loan Bank	3137EABM0	2,473,720.78	38,680.19	2,435,040.59	2,319,000.00	7,246.88	(6,446.70)	800.18
Federal Home loan Bank	3134A4UL6	2,326,924.30	8,768.93	2,335,693.23	2,362,000.00		1,461.49	1,461.49
Treasury	912828GC8	Matured	Matured	Matured	2,132,000.00	8,217.08	(8,217.08)	0.00
Treasury	912828GW4	2,367,714.38	54,357.19	2,313,357.19	2,259,000.00	9,177.19	(9,059.53)	117.66
Federal Home loan Bank	3134A4UL6	8,794,454.76	38,386.31	8,832,841.07	8,946,000.00		6,397.72	6,397.72
Federal Home loan Bank	3137EABM0	9,351,457.81	142,364.45	9,209,093.36	8,782,000.00	27,443.75	(23,727.41)	3,716.34
Treasury	912828NS5	8,776,228.75	19,114.37	8,757,114.38	8,738,000.00	4,551.04	(3,185.73)	1,365.31
Treasury	912828GC8	Matured	Matured	Matured	8,421,000.00	32,455.94	33,552.43	(1,096.49)
Fannie Mae	31398A6F4	8,771,478.75	1,826.25	8,769,652.50	8,766,000.00	2,739.38	(304.38)	2,435.00
		<u>48,636,133.87</u>	<u>356,626.74</u>	<u>48,373,817.61</u>	<u>60,430,000.00</u>	<u>100,395.28</u>	<u>(14,087.23)</u>	<u>19,203.19</u>

INVESTMENTS by FUND

		Balance		
			December 31, 2011	
Renewal & Replacement Fund				
TexSTAR	659,977.18			65,891,800.10
Fidelity	0.66			-
Agencies		659,977.84		33,506,456.40
TxDOT Grant Fund				
TexSTAR	4,413,678.30			-
Fidelity	2,003,681.46			-
Agencies	3,012,890.40	9,430,250.16		48,373,817.62
Subordinate Lien DS Fund 05				
Fidelity	1,933,343.77	1,933,343.77		
Debt Service Reserve Fund 05				
TexSTAR	43,043,854.70			
Fidelity	1.65			
CD's	0.00			
Agencies		43,043,856.35		
Debt Service Fund 05				
Fidelity	5,214,750.86	5,214,750.86		
2011 Debt Service Acct				
Fidelity	2,630.98	2,630.98		
2010 Senior Lien DSF				
TexSTAR	0.15			
Fidelity	0.00	0.15		
2011 Sub Debt DSRF				
Fidelity	7,000,297.30	7,000,297.30		
Operating Fund				
TexSTAR	106,821.02			
TexSTAR-Trustee	99,939.85			
Fidelity	0.90			
Region's SIB Loan MMA	0.00	206,761.77		
Revenue Fund				
TexSTAR	34.96			
Fidelity	870,006.38	870,041.34		
General Fund				
TexSTAR	6,588,893.67			
Fidelity	9,185.08	6,598,078.75		
2010 Senior Lien Capitalized Interest				
Fidelity	2,081.78			
TexSTAR	842.43			
Bayerische GIC	5,133,609.93	5,136,534.14		
2010-1 Sub Lien Capitalized Interest				
Fidelity	0.55			
TexSTAR	420.09			
Bayerische GIC	1,318,812.80	1,319,233.44		
2010-2 Sub Lien Capitalized Interest				
TexSTAR	126.79			
Fidelity	2,817.86			
Bayerische GIC	340,201.02	343,145.67		
2011 Sr Capitalized Interest Fund				
Fidelity	8,858,383.98			
Agencies	35,568,701.32	44,427,085.30		
2011 Sub Capitalized Interest Fund				
Fidelity	2,285,200.70			
Agencies	9,402,225.90	11,687,426.60		
2010-1 Sub BABs subsidy				
Fidelity	712,044.91	712,044.91		
2010-2 Sub BABs subsidy				
Fidelity	377,864.76	377,864.76		
2010 Senior Lien Debt Service Reserve Fund				
TexSTAR	6,757,201.73			
Fidelity	2,765,355.93			
Agencies		9,522,557.66		
2010-2Sub Lien Debt Service Reserve Fund				
TexSTAR	711,021.41			
Fidelity	46,368.87			
Agencies	390,000.00	1,147,390.28		
2010-1Sub Lien Debt Service Reserve Fund				
TexSTAR	2,504,587.02			
Fidelity	1,401,354.11			
Agencies		3,905,941.13		
2010-1 Sub Lien Projects Fund				
TexSTAR	1,004,389.15			
Fidelity	19,607.34	1,023,996.49		
2010 Senior Lien Construction Fund				
TexSTAR	1.19			
Fidelity	1,476.35			
Bayerische GIC	18,873,114.00	18,874,591.54		
2011 Sub Debt Project fund				
Bayerische GIC	47,995,420.80			
Fidelity	0.10	47,995,420.90		
2011 Senior Lien Project Fund				
TexSTAR	10.46			
Fidelity	0.12			
Bayerische GIC	141,268,615.67	141,268,626.25		
		\$ 362,701,848.34		



Monthly Newsletter - December 2011

Performance

As of December 31, 2011

Current Invested Balance	\$5,164,291,074.36
Weighted Average Maturity (1)	42 Days
Weighted Average Maturity (2)	74 Days
Net Asset Value	1.000107
Total Number of Participants	749
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$555,790.91
Management Fee Collected	\$211,442.87
% of Portfolio Invested Beyond 1 Year	4.16%
Standard & Poor's Current Rating	AAAm

December Averages

Average Invested Balance	\$4,979,477,393.78
Average Monthly Yield, on a simple basis	0.0815%
Average Weighted Average Maturity (1)*	48 Days
Average Weighted Average Maturity (2)*	79 Days

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

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

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

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

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

New Participants

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

★ Colmesneil ISD

★ Community ISD

Holiday Reminder

In observance of **Martin Luther King Jr. holiday**, TexSTAR will be closed **Monday, January 16, 2012**. All ACH transactions initiated on Friday, January 13th will settle on Tuesday, January 17th.

In observance of **Presidents' Day**, TexSTAR will be closed **Monday, February 20, 2012**. All ACH transactions initiated on Friday, February 17th will settle on Tuesday, February 21st.

Economic Commentary

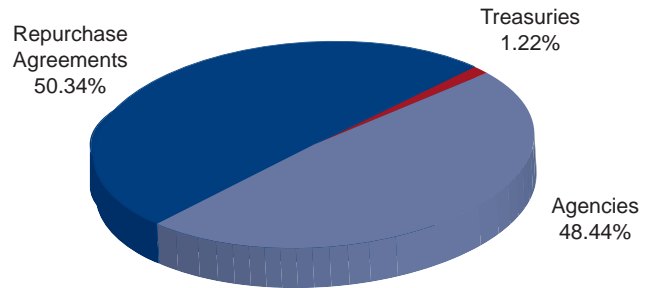
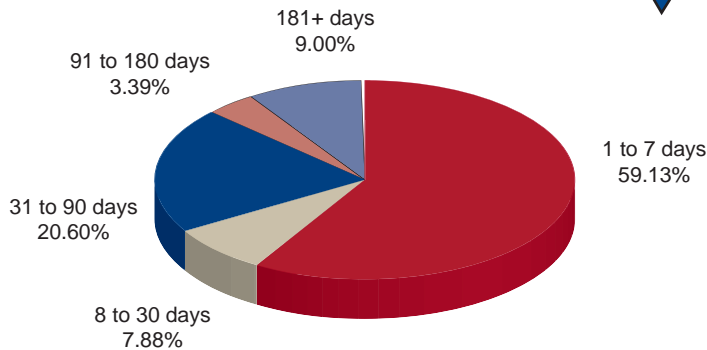
While markets' worst fears of a disorderly credit event in Europe or double-dip recession in U.S. were not realized in the fourth quarter, policy actions and the continued risks to the global economy did not reassure. European summits in October and December attempted to bring needed focus to the growing financial crisis. Proposed resolutions included tighter fiscal integration and discipline in the euro area through budget deficit targets and authority for the European Court of Justice to intervene in issues of budget oversight for individual countries. However, skepticism remains whether these steps will adequately address Europe's issues. U.S. economic data began to improve during the quarter, albeit gradually. However, the impact of a recession in Europe will likely limit domestic growth to a continued sluggish pace at best. Furthermore, the inability of the political parties to reach a consensus on the federal budget in the fourth quarter will likely lead to persistent budgetary battles and gridlock in the new year, creating an environment of continued economic uncertainty. The economy dodged a bullet at the end of 2011 when Congress approved a two-month extension of the payroll tax cut and unemployment benefits. Negotiations in January and February will likely lead to a full-year application of these measures. Nonetheless, it may still have negative implications for consumer spending, which had a positive impact on growth in the second half of 2011. Given the decline in the savings rate, and stagnant growth in real disposable income, a failure of policy makers to extend the programs coupled with a decline in confidence would likely damage momentum in consumption over the first half of 2012. Further unconventional policy from the FOMC is expected, following the release of the December 13th meeting minutes. The enhancement in the FOMC's communications (to include projections of the fed funds rate following the January 24-25 meeting) was likely a first step to another eventual round of asset purchases, which may include agency mortgage backed securities. Given relative weakness in measures of inflation, an uncertain fiscal situation, and a still high unemployment rate, risks are for further policy intervention from the Federal Reserve.

This information is an excerpt from an economic report dated December 2011 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

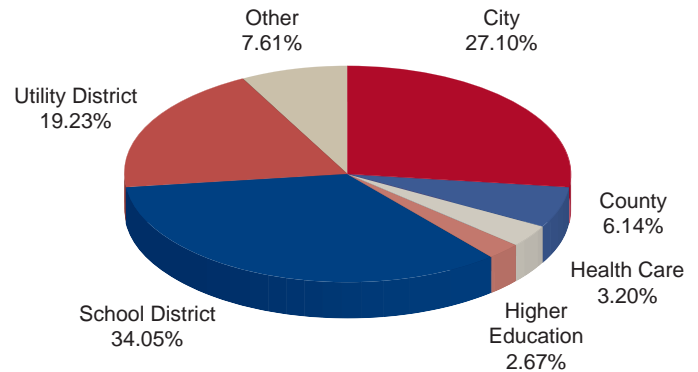
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of December 31, 2011



Portfolio by Maturity As of December 31, 2011



Distribution of Participants by Type As of December 31, 2011

Historical Program Information

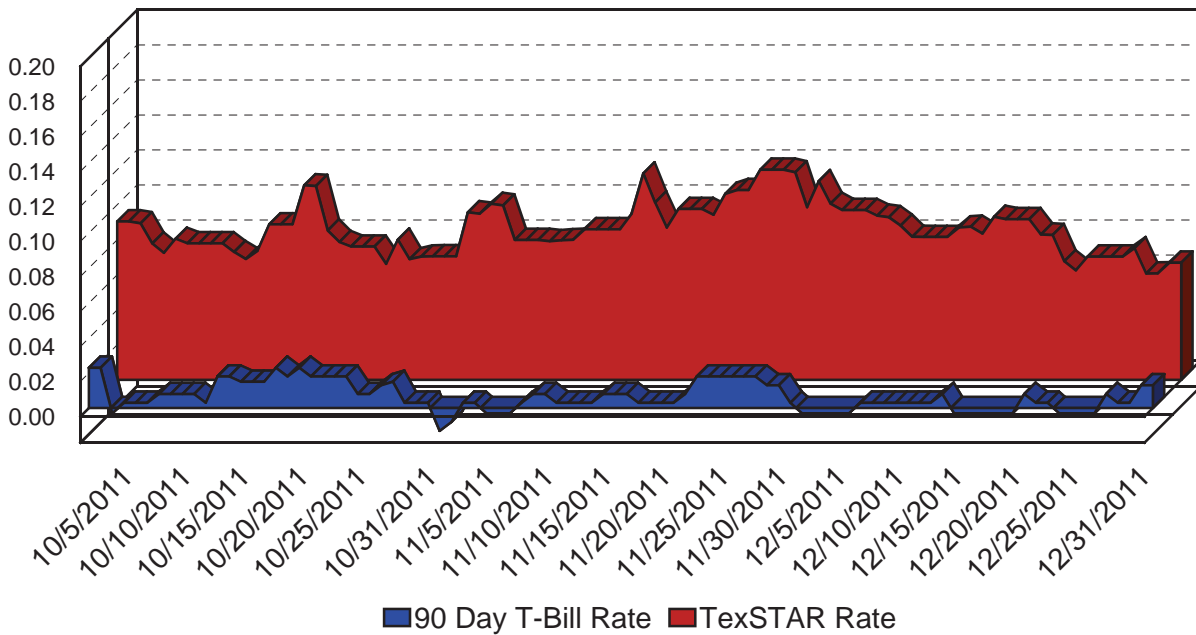
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Dec 11	0.0815%	\$5,164,291,074.36	\$5,164,844,831.26	1.000107	48	79	749
Nov 11	0.0973%	4,964,174,535.92	4,964,899,185.74	1.000145	48	80	747
Oct 11	0.0807%	5,191,742,744.46	5,192,081,793.52	1.000065	47	74	745
Sep 11	0.0906%	5,218,150,511.94	5,218,680,416.17	1.000100	46	76	741
Aug 11	0.0940%	4,773,149,074.88	4,773,628,030.81	1.000100	45	69	735
Jul 11	0.0746%	4,990,872,181.48	4,991,025,373.13	1.000030	38	55	735
Jun 11	0.0889%	5,280,726,280.87	5,281,501,501.41	1.000146	50	69	733
May 11	0.0863%	5,566,580,016.75	5,567,478,247.07	1.000161	46	66	732
Apr 11	0.1108%	5,661,130,480.00	5,662,108,871.87	1.000172	50	72	731
Mar 11	0.1408%	5,949,037,975.79	5,949,804,553.22	1.000128	50	73	730
Feb 11	0.1476%	6,548,224,886.40	6,548,880,605.37	1.000100	48	71	729
Jan 11	0.1637%	6,541,049,111.05	6,541,464,771.26	1.000063	39	66	726

Portfolio Asset Summary as of December 31, 2011

	Book Value	Market Value
Uninvested Balance	\$ 297.61	\$ 297.61
Accrual of Interest Income	714,497.50	714,497.50
Interest and Management Fees Payable	(605,409.03)	(605,409.03)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,599,653,000.00	2,599,653,000.00
Government Securities	2,564,528,688.28	2,565,082,445.18
Total	\$ 5,164,291,074.36	\$ 5,164,844,831.26

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 December be subject to change. The TexSTAR management fee December 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 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 at \$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 consist 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.

Daily Summary for December 2011

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
12/1/2011	0.1006%	0.000002755	\$4,949,029,006.88	1.000131	50	81
12/2/2011	0.0970%	0.000002657	\$4,926,366,285.20	1.000106	51	82
12/3/2011	0.0970%	0.000002657	\$4,926,366,285.20	1.000106	51	82
12/4/2011	0.0970%	0.000002657	\$4,926,366,285.20	1.000106	51	82
12/5/2011	0.0938%	0.000002569	\$4,890,220,431.99	1.000106	51	82
12/6/2011	0.0929%	0.000002546	\$4,868,158,081.53	1.000138	52	83
12/7/2011	0.0881%	0.000002413	\$4,795,432,406.00	1.000143	52	83
12/8/2011	0.0817%	0.000002238	\$4,877,642,466.03	1.000014	51	81
12/9/2011	0.0816%	0.000002236	\$5,011,164,600.21	1.000132	47	77
12/10/2011	0.0816%	0.000002236	\$5,011,164,600.21	1.000132	47	77
12/11/2011	0.0816%	0.000002236	\$5,011,164,600.21	1.000132	47	77
12/12/2011	0.0870%	0.000002384	\$5,032,592,451.46	1.000143	50	80
12/13/2011	0.0875%	0.000002396	\$5,015,452,114.20	1.000138	51	80
12/14/2011	0.0835%	0.000002287	\$5,022,101,298.32	1.000126	50	80
12/15/2011	0.0931%	0.000002552	\$5,011,072,829.62	1.000127	50	79
12/16/2011	0.0918%	0.000002516	\$4,982,213,041.71	1.000125	48	77
12/17/2011	0.0918%	0.000002516	\$4,982,213,041.71	1.000125	48	77
12/18/2011	0.0918%	0.000002516	\$4,982,213,041.71	1.000125	48	77
12/19/2011	0.0830%	0.000002273	\$4,958,107,257.81	1.000122	48	77
12/20/2011	0.0827%	0.000002267	\$4,947,324,306.99	1.000119	48	77
12/21/2011	0.0677%	0.000001856	\$4,967,501,239.02	1.000114	47	81
12/22/2011	0.0625%	0.000001711	\$4,952,441,884.56	1.000125	48	81
12/23/2011	0.0704%	0.000001928	\$4,972,436,427.16	1.000129	45	78
12/24/2011	0.0704%	0.000001928	\$4,972,436,427.16	1.000129	45	78
12/25/2011	0.0704%	0.000001928	\$4,972,436,427.16	1.000129	45	78
12/26/2011	0.0704%	0.000001928	\$4,972,436,427.16	1.000129	45	78
12/27/2011	0.0752%	0.000002059	\$4,962,438,107.92	1.000129	45	78
12/28/2011	0.0607%	0.000001663	\$5,027,265,232.20	1.000130	44	77
12/29/2011	0.0608%	0.000001666	\$5,109,460,453.79	1.000118	43	75
12/30/2011	0.0669%	0.000001833	\$5,164,291,074.36	1.000107	42	74
12/31/2011	0.0669%	0.000001833	\$5,164,291,074.36	1.000107	42	74
Average	0.0815%	0.000002233	\$4,979,477,393.78		48	79

TexSTAR Participant Services
First Southwest Asset Management, Inc.
325 North St. Paul Street, Suite 800
Dallas, Texas 75201



TexSTAR Board Members

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Will Williams</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs & Santow</i>	<i>Advisory Board</i>

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



J.P.Morgan
Asset Management