



**CENTRAL TEXAS
Regional Mobility Authority**

September 28, 2016
AGENDA ITEM #11

Accept the financial statements for
August 2016

Department: Finance
Contact: Bill Chapman, Chief Financial Officer
Action Requested: Consider and act on draft resolution

Summary:

Presentation and acceptance of the monthly financial statements for August 2016.

Backup provided: Draft Financial Statements for August 2016.
Draft Resolution

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

RESOLUTION NO. 16-0XX

ACCEPT THE FINANCIAL STATEMENTS FOR AUGUST 2016

WHEREAS, the Central Texas Regional Mobility Authority (“Mobility Authority”) is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

WHEREAS, close scrutiny of the Mobility Authority’s expenditures for goods and services, including those related to project development, as well as close scrutiny of the Mobility Authority’s financial condition and records is the responsibility of the Board and its designees through procedures the Board may implement from time to time; and

WHEREAS, the Board has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the Mobility Authority’s Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records and reports; and

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of August 2016, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Statements for August 2016, attached as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 28th day of September 2016.

Submitted and reviewed by:

Approved:

Geoffrey Petrov, General Counsel

Ray A. Wilkerson
Chairman, Board of Directors

Exhibit A

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|--------------------------------|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Revenue | | | | |
| Operating Revenue | | | | |
| Toll Revenue-TxTag-183A | 26,352,946 | 4,951,627 | 18.79% | 4,598,756 |
| Toll Revenue-HCTRA-183A | 2,306,626 | 477,485 | 20.70% | 402,968 |
| Toll Revenue-NTTA-183A | 3,869,188 | 789,601 | 20.41% | 598,725 |
| Toll Revenue-TxTag-MoPac ML | 1,724,750 | - | - | - |
| Toll Revenue-TxTag-Manor | 9,013,151 | 1,636,161 | 18.15% | 1,503,880 |
| Toll Revenue-HCTRA Manor | 1,685,258 | 360,022 | 21.36% | 313,190 |
| Toll Revenue-NTTA-Manor | 599,367 | 116,622 | 19.46% | 91,174 |
| Toll Revenue-TxTag-71E | 1,003,750 | - | - | - |
| Video Tolls 183A | 11,476,562 | 1,696,394 | 14.78% | 1,269,167 |
| Video Tolls Manor Expressway | 4,553,481 | 594,482 | 13.06% | 490,158 |
| Fee Revenue 183A | 4,581,141 | 635,076 | 13.86% | 465,056 |
| Fee Revenue Manor Expressway | 2,295,839 | 295,232 | 12.86% | 224,485 |
| Total Operating Revenue | 69,462,060 | 11,552,703 | 16.63% | 9,957,559 |
| | | | | |
| Other Revenue | | | | |
| Interest Income | 250,000 | 97,233 | 38.89% | 58,985 |
| Grant Revenue | 700,000 | 3,014,788 | 430.68% | 746,003 |
| Reimbursed Expenditures | 1,555,396 | 50,553 | 3.25% | 2,849 |
| Total Other Revenue | 2,505,396 | 3,162,573 | 126.23% | 807,838 |
| | | | | |
| Total Revenue | \$ 71,967,456 | \$ 14,715,276 | 20.45% | 10,765,396 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|---------------------------------|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Expenses | | | | |
| Salaries and Wages | | | | |
| Salary Expense-Regular | 2,967,036 | 466,773 | 15.73% | 382,168 |
| Salary Reserve | 80,000 | - | - | - |
| TCDRS | 415,385 | 66,097 | 15.91% | 54,118 |
| FICA | 128,873 | 21,336 | 16.56% | 18,457 |
| FICA MED | 45,627 | 6,764 | 14.82% | 5,561 |
| Health Insurance Expense | 332,091 | 72,050 | 21.70% | 43,820 |
| Life Insurance Expense | 14,167 | 692 | 4.89% | 640 |
| Auto Allowance Expense | 10,200 | 1,700 | 16.67% | 1,700 |
| Other Benefits | 269,785 | 15,077 | 5.59% | 16,557 |
| Unemployment Taxes | 15,463 | - | - | 6 |
| Total Salaries and Wages | 4,278,627 | 650,490 | 15.20% | 523,028 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|---|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Administrative | | | | |
| Administrative and Office Expenses | | | | |
| Accounting | 20,000 | 1,275 | 6.37% | 2,036 |
| Auditing | 74,000 | - | - | - |
| Human Resources | 30,000 | 1,656 | 5.52% | 387 |
| IT Services | 88,000 | 10,782 | 12.25% | 1,926 |
| Internet | 1,700 | 365 | 21.46% | 312 |
| Software Licenses | 55,725 | 14,636 | 26.26% | 2,276 |
| Cell Phones | 14,542 | 1,597 | 10.98% | 1,182 |
| Local Telephone Service | 12,000 | 2,542 | 21.18% | 1,213 |
| Overnight Delivery Services | 850 | 5 | 0.62% | 71 |
| Local Delivery Services | 1,050 | - | - | - |
| Copy Machine | 12,000 | 2,643 | 22.03% | 2,944 |
| Repair & Maintenance-General | 1,000 | - | - | - |
| Meeting Facilities | 1,000 | - | - | - |
| CommunityMeeting/ Events | 2,000 | - | - | - |
| Meeting Expense | 15,250 | 1,256 | 8.24% | 451 |
| Public Notices | 2,000 | - | - | - |
| Toll Tag Expense | 1,900 | 210 | 11.05% | 45 |
| Parking | 3,600 | 173 | 4.80% | 550 |
| Mileage Reimbursement | 11,200 | 329 | 2.94% | 839 |
| Insurance Expense | 150,000 | 23,843 | 15.90% | 15,420 |
| Rent Expense | 558,000 | 65,524 | 11.74% | 63,013 |
| Legal Services | 525,000 | 25 | - | 32,109 |
| Total Administrative and Office Expenses | 1,580,817 | 126,861 | 8.03% | 124,773 |
| Office Supplies | | | | |
| Books & Publications | 6,150 | - | - | 114 |
| Office Supplies | 21,000 | 3,699 | 17.62% | 838 |
| Computer Supplies | 17,000 | 2,146 | 12.62% | 4,352 |
| Copy Supplies | 2,500 | 62 | 2.47% | 423 |
| Other Reports-Printing | 10,000 | 430 | 4.30% | - |
| Office Supplies-Printed | 2,700 | - | - | - |
| Misc Materials & Supplies | 3,750 | 982 | 26.17% | 25 |
| Postage Expense | 5,850 | 93 | 1.60% | 66 |
| Total Office Supplies | 68,950 | 7,412 | 10.75% | 5,818 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|--|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Communications and Public Relations | | | | |
| Graphic Design Services | 75,000 | - | - | - |
| Website Maintenance | 140,000 | 280 | 0.20% | - |
| Research Services | 105,000 | - | - | - |
| Communications and Marketing | 469,900 | - | - | - |
| Advertising Expense | 336,500 | 6,900 | 2.05% | 2,464 |
| Direct Mail | 10,000 | - | - | - |
| Video Production | 35,000 | 8,820 | 25.20% | - |
| Photography | 10,000 | - | - | - |
| Radio | 10,000 | - | - | - |
| Other Public Relations | 125,000 | - | - | - |
| Promotional Items | 10,000 | - | - | - |
| Displays | 5,000 | - | - | - |
| Annual Report printing | 5,000 | - | - | - |
| Direct Mail Printing | 11,300 | - | - | - |
| Other Communication Expenses | 1,000 | 513 | 51.28% | 215 |
| Total Communications and Public Relations | 1,348,700 | 16,513 | 1.22% | 2,679 |
| Employee Development | | | | |
| Subscriptions | 3,300 | 275 | 8.35% | - |
| Memberships | 50,750 | 2,724 | 5.37% | 3,384 |
| Continuing Education | 11,750 | - | - | - |
| Professional Development | 6,700 | - | - | 123 |
| Other Licenses | 1,250 | - | - | 390 |
| Seminars and Conferences | 44,000 | 5,329 | 12.11% | 1,375 |
| Travel | 88,000 | 13,476 | 15.31% | 13,529 |
| Total Employee Development | 205,750 | 21,804 | 10.60% | 18,801 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|--|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Financing and Banking Fees | | | | |
| Trustee Fees | 15,000 | - | - | - |
| Bank Fee Expense | 8,000 | 999 | 12.49% | 1,049 |
| Continuing Disclosure | 10,000 | - | - | - |
| Arbitrage Rebate Calculation | 8,000 | - | - | - |
| Rating Agency Expense | 30,000 | 15,000 | 50.00% | 14,000 |
| Total Financing and Banking Fees | 71,000 | 15,999 | 22.53% | 15,049 |
| Total Administrative | 3,275,217 | 188,589 | 5.76% | 167,119 |
| Operations and Maintenance | | | | |
| Operations and Maintenance Consulting | | | | |
| GEC-Trust Indenture Support | 165,000 | - | - | - |
| GEC-Financial Planning Support | 10,500 | - | - | - |
| GEC-Toll Ops Support | 45,000 | - | - | - |
| GEC-Roadway Ops Support | 331,667 | - | - | - |
| GEC-Technology Support | 40,000 | - | - | - |
| GEC-Public Information Support | 30,000 | - | - | - |
| GEC-General Support | 1,176,000 | - | - | - |
| General System Consultant | 70,000 | 190 | 0.27% | 24,864 |
| Traffic and Revenue Consultant | 80,000 | 19,807 | 24.76% | 22,452 |
| Total Ops and Mtce Consulting | 1,948,167 | 19,997 | 1.03% | 47,316 |
| Road Operations and Maintenance | | | | |
| Roadway Maintenance | 4,871,600 | 279,869 | 5.74% | 818 |
| Landscape Maintenance | 5,000 | - | - | - |
| Signal & Illumination Maint | 20,000 | - | - | - |
| Maintenance Supplies-Roadway | 45,000 | 367 | 0.81% | 31,570 |
| Tools & Equipment Expense | 750 | - | - | - |
| Gasoline | 6,000 | 947 | 15.78% | 125 |
| Repair & Maintenance-Vehicles | 1,500 | 266 | 17.75% | 20 |
| Electricity - Roadways | 180,000 | 19,379 | 10.77% | 12,784 |
| Total Road Operations and Maintenance | 5,129,850 | 300,828 | 5.86% | 45,317 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|---|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Toll Processing and Collection Expense | | | | |
| Image Processing | 2,300,000 | 216,350 | 9.41% | 305,749 |
| Tag Collection Fees | 3,240,000 | 355,779 | 10.98% | 277,517 |
| Court Enforcement Costs | 40,000 | 3,300 | 8.25% | 2,300 |
| DMV Lookup Fees | 5,000 | 36 | 0.73% | 423 |
| Total Toll Processing and Collections | 5,585,000 | 575,465 | 10.30% | 585,988 |
| Toll Operations Expense | | | | |
| Generator Maintenance | - | - | - | 1,850 |
| Generator Fuel | 6,000 | 19 | 0.32% | - |
| Fire and Burglar Alarm | 500 | - | - | - |
| Elevator Maintenance | 3,000 | - | - | - |
| Refuse | 1,200 | 229 | 19.06% | 70 |
| Pest Control | 1,600 | - | - | - |
| Custodial | 2,500 | - | - | 250 |
| Telecommunications | 90,000 | 13,267 | 14.74% | 14,594 |
| Water | 10,500 | 3,023 | 28.79% | - |
| Electricity | 1,200 | 70 | 5.83% | - |
| ETC spare parts expense | 1,600 | - | - | - |
| Repair & Maintenance Toll Equip | 275,000 | - | - | - |
| Law Enforcement | 273,182 | 22,857 | 8.37% | 21,316 |
| ETC Maintenance Contract | 1,755,098 | - | - | 113,775 |
| ETC Toll Management Center System Operation | 49,098 | - | - | - |
| ETC Testing | 10,000 | - | - | - |
| Total Toll Operations | 2,480,478 | 39,465 | 1.59% | 151,855 |
| Total Operations and Maintenance | 15,143,495 | 935,755 | 6.18% | 830,477 |
| Other Expenses | | | | |
| Special Projects and Contingencies | | | | |
| HERO | 700,000 | 198 | 0.03% | - |
| Special Projects | 125,000 | 12,027 | 9.62% | 118,833 |
| Other Contractual Svcs | 105,000 | 4,000 | 3.81% | 4,000 |
| Contingency | 300,000 | - | - | 2,059 |
| Total Special Projects and Contingencies | 1,230,000 | 16,225 | 1.32% | 124,892 |

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

| Account Name | Budget Amount FY 2017 | Actual Year to Date 8/31/2016 | Percent of Budget | Actual PY to Date 8/31/2015 |
|------------------------------------|-----------------------------|-------------------------------------|-------------------------|-----------------------------------|
| Non Cash Expenses | | | | |
| Amortization Expense | 383,230 | 63,872 | 16.67% | 63,872 |
| Amort Expense - Refund Savings | 1,027,860 | 171,753 | 16.71% | 171,310 |
| Dep Exp- Furniture & Fixtures | 2,207 | 368 | 16.67% | - |
| Dep Expense - Equipment | 9,692 | 2,143 | 22.12% | 842 |
| Dep Expense - Autos & Trucks | 6,406 | 1,068 | 16.67% | 575 |
| Dep Expense-Buildng & Toll Fac | 177,115 | 29,519 | 16.67% | 29,519 |
| Dep Expense-Highways & Bridges | 22,012,091 | 2,911,869 | 13.23% | 2,808,644 |
| Dep Expense-Communic Equip | 196,115 | 32,686 | 16.67% | 32,686 |
| Dep Expense-Toll Equipment | 2,756,238 | 459,373 | 16.67% | 458,798 |
| Dep Expense - Signs | 325,893 | 54,316 | 16.67% | 54,316 |
| Dep Expense-Land Improvemts | 884,934 | 147,489 | 16.67% | 147,489 |
| Depreciation Expense-Computers | 16,203 | 2,701 | 16.67% | 2,808 |
| Total Non Cash Expenses | 27,797,984 | 3,877,156 | 13.95% | 3,770,859 |
| Total Other Expenses | 29,027,984 | 3,893,381 | 13.41% | 3,895,751 |
| Non Operating Expenses | | | | |
| Non Operating Expense | | | | |
| Bond issuance expense | 200,000 | 970,621 | 485.31% | 35,585 |
| Interest Expense | 42,813,675 | 5,363,567 | 12.53% | 6,998,453 |
| Community Initiatives | 100,000 | 5,000 | 5.00% | - |
| Total Non Operating Expense | 43,113,675 | 6,339,189 | 14.70% | 7,034,038 |
| Total Expenses | \$ 94,838,998 | \$ 12,007,404 | 12.66% | \$ 12,450,412 |
| Net Income | \$ (22,871,542) | \$ 2,707,873 | | \$ (1,685,016) |

Central Texas Regional Mobility Authority

Balance Sheet

| | as of 8/31/2016 | as of 8/31/2015 |
|---|-------------------------|-------------------------|
| | Assets | |
| Current Assets | | |
| Cash | | |
| Regions Operating Account | \$ 753,203 | \$ 590,770 |
| Cash In TexSTAR | 683,155 | 681,269 |
| Regions Payroll Account | 171,124 | 132,612 |
| Restricted Cash | | |
| Fidelity Govt MMA | 248,556,922 | 236,347,174 |
| Restricted Cash-TexStar | 71,120,275 | 6,719,846 |
| Overpayments account | 140,376 | 102,371 |
| Total Cash and Cash Equivalents | 321,425,055 | 244,574,043 |
| Accounts Receivable | | |
| Accounts Receivable | 14,485 | 17,717 |
| Due From Other Agencies | 6,717,549 | - |
| Due From TTA | 836,931 | 692,042 |
| Due From NTTA | 427,015 | 320,618 |
| Due From HCTRA | 837,780 | 348,820 |
| Due From TxDOT | 82,995,791 | 8,447,078 |
| Interest Receivable | 619,195 | 107,566 |
| Total Receivables | 92,448,745 | 9,933,841 |
| Short Term Investments | | |
| Agencies | 204,826,635 | 31,229,784 |
| Total Short Term Investments | 204,826,635 | 31,229,784 |
| Total Current Assets | 618,700,435 | 285,737,668 |
| Total Construction In Progress | 343,692,867 | 141,597,096 |
| Fixed Assets (Net of Depreciation) | | |
| Computers | 37,571 | 53,773 |
| Computer Software | 1,084,076 | 1,449,205 |
| Furniture and Fixtures | 14,716 | - |
| Equipment | 10,836 | 2,530 |
| Autos and Trucks | 19,753 | - |
| Buildings and Toll Facilities | 5,438,134 | 5,626,142 |
| Highways and Bridges | 610,825,948 | 612,125,124 |
| Communication Equipment | 185,736 | 362,438 |
| Toll Equipment | 16,797,322 | 19,517,621 |
| Signs | 11,202,040 | 11,527,933 |
| Land Improvements | 11,361,384 | 12,246,318 |
| Right of Way | 86,849,829 | 86,838,919 |
| Leasehold Improvements | 158,774 | 176,876 |
| Total Fixed Assets | 743,986,119 | 749,926,879 |
| Other Assets | | |
| Intangible Assets-Net | 103,186,941 | 12,729,113 |
| 2005 Bond Insurance Costs | 4,679,389 | 4,892,897 |
| Prepaid Insurance | 11,340 | 7,710 |
| Deferred Outflows (pension related) | 780,064 | - |
| Pension Asset | 202,023 | - |
| Total Other Assets | 108,859,757 | 17,629,721 |
| Total Assets | \$ 1,815,239,178 | \$ 1,194,891,364 |

Central Texas Regional Mobility Authority

Balance Sheet

| | as of 8/31/2016 | | as of 8/31/2015 |
|--|--------------------|--|------------------|
| | Liabilities | | |
| Current Liabilities | | | |
| Accounts Payable | \$ 514,889 | | \$ 1,198,900 |
| Construction Payable-Maha Loop | 690,734 | | 3,723,457 |
| Overpayments | 142,690 | | 104,381 |
| Interest Payable | 8,864,683 | | 6,639,246 |
| Due to Other Funds | - | | - |
| TCDRS Payable | 50,414 | | 36,892 |
| Medical Reimbursement Payable | (2,060) | | - |
| Deferred Compensation Payable | (8,961) | | - |
| Due to Other Entities | 681,636 | | 706,517 |
| Total Current Liabilities | 10,934,026 | | 12,409,393 |
| Long Term Liabilities | | | |
| Compensated Absences | 138,927 | | 189,089 |
| Deferred Inflows (pension related) | 172,017 | | - |
| Total Long Term Payables | 310,944 | | 189,089 |
| Bonds Payable | | | |
| Senior Lien Revenue Bonds: | | | |
| Senior Lien Revenue Bonds 2010 | 65,263,877 | | 112,379,320 |
| Senior Lien Revenue Bonds 2011 | 13,708,203 | | 308,820,341 |
| Senior Refunding Bonds 2013 | 147,880,000 | | 182,555,000 |
| Senior Lien Revenue Bonds 2015 | 298,790,000 | | - |
| Senior Lien Put Bnd 2015 | 68,785,000 | | - |
| Senior Lien Refunding Revenue Bonds 2016 | 358,030,000 | | - |
| Sn Lien Rev Bnd Prem/Disc 2010 | - | | 46,403 |
| Sn Lien Rev Bnd Prem/Disc 2011 | - | | (3,384,308) |
| Sn Lien Rev Bnd Prem/Disc 2013 | 11,704,472 | | 13,817,843 |
| Sn Lien Revenue Bnd Prem 2015 | 22,970,941 | | - |
| Sn Lien Put Bnd Prem 2015 | 7,142,214 | | - |
| Senior lien premium 2016 revenue bonds | 59,618,091 | | - |
| Total Senior Lien Revenue Bonds | 1,053,892,798 | | 614,234,599 |
| Sub Lien Revenue Bonds: | | | |
| Subordinated Lien Bond 2011 | - | | 70,000,000 |
| Sub Refunding Bnds 2013 | 102,030,000 | | 102,530,000 |
| Sub Debt Refunding Bonds 2016 | 74,690,000 | | - |
| Sub Lien Bond 2011 Prem/Disc | - | | (1,772,711) |
| Sub Refunding 2013 Prem/Disc | 2,732,654 | | 3,220,002 |
| Sub Refunding 2016 Prem/Disc | 10,754,028 | | - |
| Tot Sub Lien Revenue Bonds | 190,206,681 | | 173,977,292 |
| Other Obligations | | | |
| TIFIA Note 2015 | 51,394 | | - |
| SIB Loan 2015 | 19,751,432 | | - |
| State Highway Fund Loan 2015 | 19,751,432 | | - |
| 2011 Regions Draw Down Note | - | | 1,221,439 |
| 2013 American Bank Loan | 5,300,000 | | 5,300,000 |
| Total Other Obligations | 44,854,257 | | 6,521,439 |
| Total Long Term Liabilities | 1,289,264,681 | | 794,922,419 |
| Total Liabilities | 1,300,198,707 | | 807,331,812 |
| | Net Assets | | |
| Contributed Capital | 35,847,060 | | 35,847,060 |
| Net Assets Beginning | 476,485,538 | | 353,268,910 |
| Current Year Operations | 2,707,873 | | (1,556,418) |
| Total Net Assets | 515,040,471 | | 387,559,553 |
| Total Liabilities and Net Assets | \$ 1,815,239,178 | | \$ 1,194,891,364 |

Central Texas Regional Mobility Authority
Statement of Cash Flows - FY 2016 - Unaudited
as of August 31, 2016

Cash flows from operating activities:

| | |
|---|------------------|
| Receipts from toll fees | \$ 10,610,137 |
| Receipts from other fees | 50,553 |
| Payments to vendors | (2,454,756) |
| Payments to employees | (661,935) |
| Net cash flows provided by (used in) operating activities | <u>7,543,999</u> |

Cash flows from capital and related financing activities:

| | |
|---|---------------------|
| Proceeds from notespayable | 28,100,170 |
| Refunding of Bonds | (9,204,694) |
| Receipts from Department of Transportation | 2,609,012 |
| Payments on interest | (17,076,379) |
| Acquisition of capital assets | (25,535) |
| Acquisitions of construction in progress | (32,587,410) |
| Net cash flows provided by (used in) capital and related financing activities | <u>(28,184,837)</u> |

Cash flows from investing activities:

| | |
|---|---------------------|
| Interest income | 222,218 |
| Purchase of investments | (67,192,717) |
| Proceeds from sale or maturity of investments | 14,082,409 |
| Net cash flows provided by (used in) investing activities | <u>(52,888,090)</u> |

Net increase (decrease) in cash and cash equivalents (73,528,929)

| | |
|--|-----------------------|
| Cash and cash equivalents at beginning of period | <u>323,150,553</u> |
| Cash and cash equivalents at end of June | <u>\$ 249,621,624</u> |

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

| | |
|---|---------------------|
| Operating income | <u>\$ 6,106,794</u> |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation and amortization | 3,705,403 |
| Changes in assets and liabilities: | |
| Decrease in accounts receivable | (942,566) |
| (Increase) decrease in prepaid expenses and other assets | 96,262 |
| (Increase) in non-cash revenue (due from other agencies) | |
| (Decrease) increase in accounts payable | (1,327,720) |
| Increase (decrease) in accrued expenses | (94,175) |
| Total adjustments | <u>1,437,205</u> |
| Net cash flows provided by (used in) operating activities | <u>\$ 7,543,999</u> |

Reconciliation of cash and cash equivalents:

| | |
|--|-----------------------|
| Unrestricted cash and cash equivalents | \$ 1,064,702 |
| Restricted cash and cash equivalents | 248,556,922 |
| Total | <u>\$ 249,621,624</u> |

INVESTMENTS by FUND

| | | Balance August 31, 2016 | | |
|---|----------------|----------------------------|---------------|----------------|
| Renewal & Replacement Fund | | | | |
| TexSTAR | 503,742.44 | | TexSTAR | 71,803,430.13 |
| Regions Sweep | 188,286.34 | | CD's | - |
| Agencies | | 692,028.78 | Regions Sweep | 248,172,277.71 |
| TxDOT Grant Fund | | | Agencies | 204,826,246.55 |
| TexSTAR | 4,083,482.13 | | | |
| Regions Sweep | 5,459,522.80 | | | |
| CD's | | | | |
| Agencies | | 9,543,004.93 | | |
| Senior Debt Service Reserve Fund | | | | |
| TexSTAR | 10,594,552.88 | | | |
| Regions Sweep | 17,589,492.84 | | | |
| Agencies | 51,467,913.84 | 79,651,959.56 | | |
| Senior Debt Service Reserve 2015 | | | | |
| Regions Sweep | - | - | | |
| 2010 Senior Lien DSF | | | | |
| Regions Sweep | 634,696.94 | | | |
| TexSTAR | - | 634,696.94 | | |
| 2011 Debt Service Acct | | | | |
| Regions Sweep | 749,924.90 | 749,924.90 | | |
| 2013 Sr Debt Service Acct | | | | |
| Regions Sweep | 6,474,059.74 | 6,474,059.74 | | |
| 2013 Sub Debt Service Account | | | | |
| Regions Sweep | 1,100,782.91 | 6,102,044.68 | | |
| TexSTAR | 5,001,261.77 | | | |
| 2015 Sr Capitalized Interest | | | | |
| Regions Sweep | 68,030,187.92 | 68,030,187.92 | | |
| 2015A Debt Service Account | | | | |
| Regions Sweep | 3.30 | 3.30 | | |
| 2015B Debt Service Account | | | | |
| Regions Sweep | 573,511.53 | 573,511.53 | | |
| 2016 Sr Lien Rev Refunding Cost of Issuance | | | | |
| Regions Sweep | 52,609.62 | 52,609.62 | | |
| 2016 Sr Lien Rev Refunding Debt Service Account | | | | |
| Regions Sweep | 8,723,497.76 | 8,723,497.76 | | |
| 2016 Sub Lien Rev Refunding Cost of Issuance | | | | |
| Regions Sweep | 78,934.22 | 78,934.22 | | |
| 2016 Sub Lien Rev Refunding Bond Proceeds Clearing Fund | | | | |
| Regions Sweep | - | - | | |
| 2016 Sub Lien Rev Refunding Debt Service Account | | | | |
| Regions Sweep | 1,331,727.13 | 1,331,727.13 | | |
| 2016 Sub Lien Rev Refunding DSR | | | | |
| Regions Sweep | 6,626,388.72 | 6,626,388.72 | | |
| 2011 Sub Debt DSRF | | | | |
| Regions Sweep | - | - | | |
| CD's | | - | | |
| 2011 Sub DSF | | | | |
| Regions Sweep | - | - | | |
| Operating Fund | | | | |
| TexSTAR | 683,155.23 | | | |
| TexSTAR-Trustee | 1,459,705.03 | | | |
| Regions Sweep | - | 2,142,860.26 | | |
| Revenue Fund | | | | |
| Regions Sweep | 1,764,162.66 | 1,764,162.66 | | |
| General Fund | | | | |
| TexSTAR | 25,007,228.07 | | | |
| Regions Sweep | 9,632,804.22 | | | |
| Agencies | 4,413,860.00 | 39,053,892.29 | | |
| 2013 Sub Debt Service Reserve Fund | | | | |
| Regions Sweep | 3,467,492.74 | | | |
| Agencies | | 3,467,492.74 | | |
| MoPac Construction Fund | | | | |
| Regions Sweep | 52,038,029.00 | 52,038,029.00 | | |
| 2011 Sub Debt Project fund | | | | |
| TexSTAR | 4,185,038.54 | | | |
| Agencies | | | | |
| Regions Sweep | 4,079,319.07 | 8,264,357.61 | | |
| 2015B Project Account | | | | |
| Regions Sweep | 19,733,803.86 | | | |
| Agencies | 20,256,014.43 | 39,989,818.29 | | |
| 2015A Project Account | | | | |
| TexSTAR | 5,281,478.84 | | | |
| Regions Sweep | 26,250.00 | | | |
| Agencies | 128,688,458.28 | 133,996,187.12 | | |
| 2015 TIFIA Project Account | | | | |
| Regions Sweep | 50,198.27 | 50,198.27 | | |
| 2015 State Highway Fund Project Account | | | | |
| Regions Sweep | 17,873,265.56 | 17,873,265.56 | | |
| 2015 SIB Project Account | | | | |
| Regions Sweep | 3,788,477.29 | 3,788,477.29 | | |
| 2011 Sr Financial Assistance Fund | | | | |
| Regions Sweep | 11,928,708.25 | 26,932,493.45 | | |
| TexSTAR | 15,003,785.20 | | | |
| 2011 Senior Lien Project Fund | | | | |
| Regions Sweep | 27.39 | | | |
| Agencies | | 27.39 | | |
| Developer Deposits | | | | |
| Regions Sweep | 280,056.32 | 280,056.32 | | |
| 45SW Trust Account Hays County | | | | |
| Regions Sweep | 76,725.32 | 76,725.32 | | |
| 45SW Trust Account Travis County | | | | |
| Regions Sweep | 5,819,331.09 | 5,819,331.09 | | |
| | | <u>\$ 524,801,954.39</u> | | |

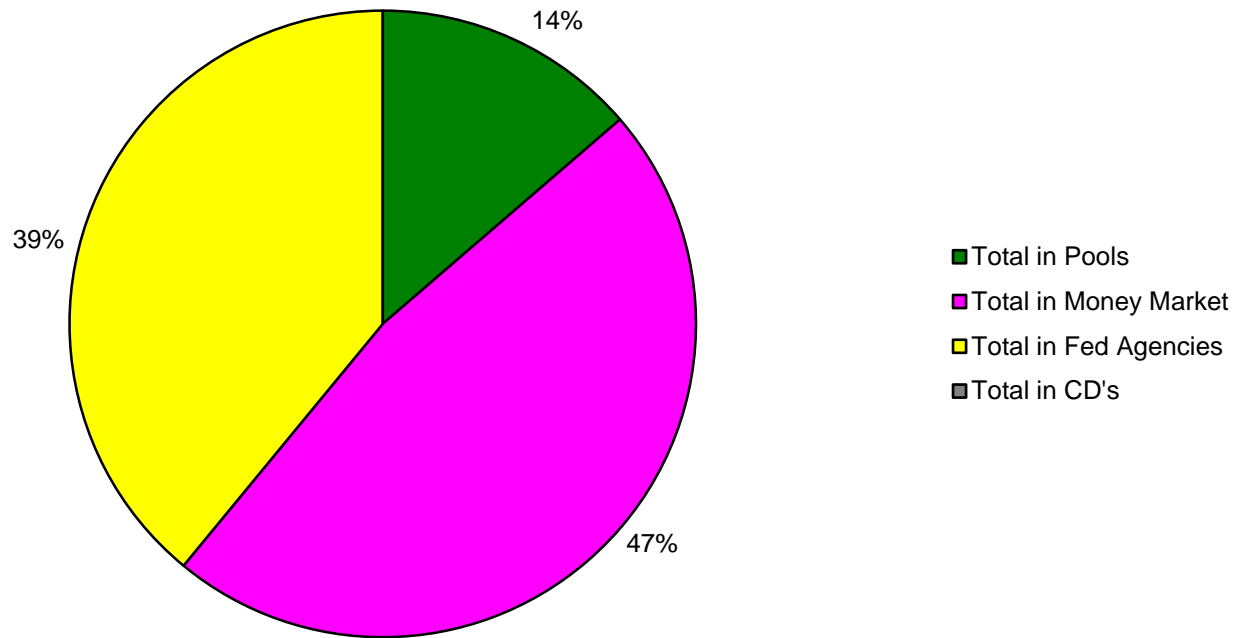
CTRMA INVESTMENT REPORT

| | Month Ending 8/31/16 | | | | | Rate August | |
|---|-----------------------|-----------------------|--------------------------|------------------|-----------------------|-----------------------|----------------------|
| | Balance 6/1/2016 | Additions | Discount Amortization | Accrued Interest | Withdrawals | | Balance 8/31/2016 |
| Amount in Trustee TexStar | | | | | | | |
| 2011 Sub Lien Construction Fund | 4,183,620.67 | | | 1,417.87 | | 4,185,038.54 | 0.399% |
| 2011 Sr Lien Financial Assist Fund | 0.00 | 15,000,000.00 | | 3,785.20 | | 15,003,785.20 | 0.399% |
| 2013 Sub Lien Debt Service Reserve General Fund | 0.00 | 5,000,000.00 | | 1,261.77 | | 5,001,261.77 | 0.399% |
| Trustee Operating Fund | 53.78 | 25,000,000.00 | | 7,174.29 | | 25,007,228.07 | 0.399% |
| Renewal and Replacement | 1,809,649.03 | 1,649,501.66 | | 554.34 | 2,000,000.00 | 1,459,705.03 | 0.399% |
| TxDOT Grant Fund | 503,571.79 | | | 170.65 | | 503,742.44 | 0.399% |
| Senior Lien Debt Service Reserve Fund | 82,444.82 | 4,000,000.00 | | 1,037.31 | | 4,083,482.13 | 0.399% |
| 2015A Sr Ln Project Subaccount | 591,828.87 | 10,000,000.00 | | 2,724.01 | | 10,594,552.88 | 0.399% |
| | 10,258,465.52 | | | 3,148.55 | 4,980,135.23 | 5,281,478.84 | |
| | 17,429,634.48 | 60,649,501.66 | | 21,273.99 | 6,980,135.23 | 71,120,274.90 | |
| Amount in TexStar Operating Fund | 682,918.42 | 2,000,000.00 | | 236.81 | 2,000,000.00 | 683,155.23 | 0.399% |
| Regions Sweep Money Market Fund | | | | | | | |
| Operating Fund | 0.00 | 1,649,500.00 | | 1.66 | 1,649,501.66 | 0.00 | 0.110% |
| 45SW Trust Account Travis County | 6,092,435.78 | | | 600.50 | 273,705.19 | 5,819,331.09 | 0.110% |
| 45SW Trust Account Hays County | 76,717.86 | | | 7.46 | | 76,725.32 | 0.110% |
| 2015A Project Account | 4,856,534.26 | 5,091,385.23 | | 525.86 | 9,922,195.35 | 26,250.00 | 0.110% |
| 2015B Project Account | 19,731,884.73 | | | 1,919.13 | | 19,733,803.86 | 0.110% |
| 2015D State Highway Fund Project Acct | 10,655,287.13 | 7,276,500.00 | | 1,039.69 | 59,561.26 | 17,873,265.56 | 0.110% |
| 2015C TIFIA Project Account | 50,193.39 | | | 4.88 | | 50,198.27 | 0.110% |
| 2015E SIB Project Account | 6,810,362.51 | 7,276,500.00 | | 662.38 | 10,299,047.60 | 3,788,477.29 | 0.110% |
| 2011 Sub Lien Project Acct | 6,455,457.67 | | | 628.78 | 2,376,767.38 | 4,079,319.07 | 0.110% |
| 2011 Senior Lien Project Acct | 27.39 | | | | | 27.39 | 0.110% |
| Developer Deposits | 100,046.59 | 180,000.00 | | 9.73 | | 280,056.32 | 0.110% |
| 2011 Sr Financial Assistance Fund | 26,926,089.41 | | | 2,618.84 | 15,000,000.00 | 11,928,708.25 | 0.110% |
| 2010 Senior DSF | 634,635.22 | | | 61.72 | | 634,696.94 | 0.110% |
| 2011 Senior Lien Debt Service Acct | 749,851.97 | | | 72.93 | | 749,924.90 | 0.110% |
| 2011 Sub Debt Service Fund | 1,328,057.68 | | | 119.64 | 1,328,177.32 | 0.00 | 0.110% |
| 2013 Senior Lien Debt Service Acct | 5,769,107.19 | 709,470.24 | | 560.87 | 5,078.56 | 6,474,059.74 | 0.110% |
| 2013 Subordinate Debt Service Acct | 675,733.44 | 425,003.31 | | 46.16 | | 1,100,782.91 | 0.110% |
| 2015 Sr Capitalized Interest | 68,023,571.93 | | | 6,615.99 | | 68,030,187.92 | 0.110% |
| 2015A Debt Service Acct | 3.30 | | | | | 3.30 | 0.110% |
| 2015B Debt Service Acct | 286,964.76 | 286,532.05 | | 14.72 | | 573,511.53 | 0.110% |
| 2016 Sr Lien Rev Refunding Cost of Issuance | 66,121.46 | | | 6.43 | 13,518.27 | 52,609.62 | 0.110% |
| 2016 Sr Lien Rev Refunding Debt Service Account | 8,722,649.39 | | | 848.37 | | 8,723,497.76 | 0.110% |
| 2016 Sub Lien Rev Refunding Cost of Issuance | 0.00 | 680,045.49 | | | 601,111.27 | 78,934.22 | 0.110% |
| 2016 Sub Lien Rev Refunding Bond Proceeds Clearing Fund | 0.00 | 85,116,518.13 | | | 85,116,518.13 | 0.00 | 0.110% |
| 2016 Sub Lien Rev Refunding Debt Service Account | 0.00 | 1,331,727.13 | | | | 1,331,727.13 | 0.110% |
| 2016 Sub Lein Rev Refunding DSR | 0.00 | 6,626,388.72 | | | | 6,626,388.72 | 0.110% |
| TxDOT Grant Fund | 9,458,602.85 | | | 919.95 | 4,000,000.00 | 5,459,522.80 | 0.110% |
| Renewal and Replacement | 188,268.03 | | | 18.31 | | 188,286.34 | 0.110% |
| Revenue Fund | 2,515,964.50 | 9,562,218.37 | | 273.86 | 10,314,294.07 | 1,764,162.66 | 0.110% |
| General Fund | 31,410,414.02 | 8,191,267.48 | | 2,860.93 | 29,971,738.21 | 9,632,804.22 | 0.110% |
| 2011 Sub Debt Service Reserve Fund | 7,072,173.75 | | | 687.84 | 7,072,861.59 | 0.00 | 0.110% |
| Senior Lien Debt Service Reserve Fund | 25,052,062.04 | 2,535,000.00 | | 2,430.80 | 10,000,000.00 | 17,589,492.84 | 0.110% |
| 2013 Sub Debt Service Reserve Fund | 8,466,669.27 | | | 823.47 | 5,000,000.00 | 3,467,492.74 | 0.110% |
| MoPac Managed Lane Construction Fund | 54,372,103.94 | | | 5,765.60 | 2,339,840.54 | 52,038,029.00 | 0.110% |
| | 306,547,991.46 | 136,938,056.15 | 0.00 | 30,146.50 | 195,343,916.40 | 248,172,277.71 | |
| Amount in Fed Agencies and Treasuries | | | | | | | |
| Amortized Principal | 207,373,834.51 | | (47,587.96) | | | 204,826,246.55 | |
| | 207,373,834.51 | 0.00 | (47,587.96) | 0.00 | 2,500,000.00 | 204,826,246.55 | |
| Certificates of Deposit | | | | | | 0.00 | |
| Total in Pools | 18,112,552.90 | 62,649,501.66 | | 21,510.80 | 8,980,135.23 | 71,803,430.13 | |
| Total in Money Market | 306,547,991.46 | 136,938,056.15 | | 30,146.50 | 195,343,916.40 | 248,172,277.71 | |
| Total in Fed Agencies | 207,373,834.51 | | (47,587.96) | | 2,500,000.00 | 204,826,246.55 | |
| Total Invested | 532,034,378.87 | 199,587,557.81 | (47,587.96) | 51,657.30 | 206,824,051.63 | 524,801,954.39 | |

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

William Chapman, CFO

Allocation of Funds



Amount of investments As of August 31, 2016

| Agency | CUSIP # | COST | Book Value | Market Value | Yield to Maturity | Purchased | Matures | FUND |
|------------------------|-----------|----------------|----------------|----------------|-------------------|-----------|------------|------------------|
| Farmer Mac | 31315PV55 | 2,501,200.00 | 2,500,300.00 | 2,502,025.00 | 0.7751% | 3/11/2015 | 2/23/2017 | Senior DSRF |
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | 4,978,493.06 | 4,996,050.00 | 1.2155% | 3/11/2015 | 3/19/2018 | Senior DSRF |
| Northeast Texas ISD | 659155HX6 | 2,534,600.00 | MATURED | MATURED | 0.6010% | 8/3/2015 | 8/1/2016 | Senior DSRF |
| Federal Farm Credit | 3133EE4K3 | 24,928,346.00 | 24,957,623.98 | 24,993,500.00 | 0.7200% | 1/13/2016 | 7/21/2017 | Senior DSRF |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 10,043,311.88 | 10,033,400.00 | 0.8421% | 2/8/2016 | 3/14/2018 | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 10,212,702.55 | 10,212,900.00 | 1.0369% | 2/8/2016 | 3/8/2019 | 2015B Sr Project |
| Federal Home loan Bank | 3030A3J70 | 5,001,836.28 | 5,000,581.92 | 17,009,690.00 | 0.5781% | 2/9/2016 | 11/23/2016 | 2015A Sr Project |
| Federal Home loan Bank | 3030A3J70 | 12,005,994.72 | 12,001,498.68 | | 0.5580% | 2/23/2016 | 11/23/2016 | 2015A Sr Project |
| Freddie Mac | 3137EADF3 | 16,124,658.17 | 16,068,271.21 | 16,075,520.00 | 0.6259% | 2/9/2016 | 11/23/2016 | 2015A Sr Project |
| Freddie Mac | 3134G4Z84 | 9,850,343.91 | 9,833,994.30 | 9,835,770.00 | 0.8097% | 2/18/2016 | 10/10/2017 | 2015A Sr Project |
| Federal Farm Credit | 3133ECKC7 | 8,000,866.72 | 8,000,459.62 | 8,001,120.00 | 0.6400% | 2/23/2016 | 3/28/2017 | 2015A Sr Project |
| Federal Home loan Bank | 3130A2T97 | 8,270,315.03 | 8,270,052.55 | 8,271,157.80 | 0.4922% | 3/30/2016 | 9/28/2016 | 2015A Sr Project |
| Federal Home loan Bank | 3030A62S5 | 6,984,310.89 | 6,989,221.22 | 7,004,060.00 | 0.9053% | 3/14/2016 | 8/28/2017 | 2015A Sr Project |
| Fannie MAE | 3035G0GY3 | 8,037,563.20 | 8,017,830.63 | 8,025,120.00 | 0.7122% | 3/14/2016 | 1/30/2017 | 2015A Sr Project |
| Fannie MAE | 3135G0JA2 | 8,031,624.00 | 8,018,833.15 | 8,027,360.00 | 0.9023% | 3/14/2016 | 4/27/2017 | 2015A Sr Project |
| Federal Home loan Bank | 303370S22 | 14,536,023.18 | 14,440,682.12 | 14,472,870.00 | 0.9023% | 3/7/2016 | 9/8/2017 | 2015A Sr Project |
| Federal Home loan Bank | 3030A5QL6 | 8,000,900.56 | 8,000,562.85 | 8,010,000.00 | 0.7913% | 3/4/2016 | 6/30/2017 | 2015A Sr Project |
| Freddie Mac | 3137EADT3 | 8,013,462.84 | 8,006,810.61 | 8,013,440.00 | 0.6999% | 3/4/2016 | 2/22/2017 | 2015A Sr Project |
| Federal Home loan Bank | 313379FW4 | 8,027,415.64 | 8,017,294.91 | 8,020,400.00 | 0.7098% | 3/30/2016 | 6/9/2017 | 2015A Sr Project |
| Federal Home loan Bank | 3030A6SW8 | 10,039,900.00 | 10,031,500.00 | 10,027,300.00 | 0.7616% | 4/11/2016 | 12/19/2016 | Senior DSRF |
| Federal Home loan Bank | 3030A6SW8 | 4,417,556.00 | 4,413,860.00 | 4,412,012.00 | 0.7616% | 4/11/2016 | 12/19/2016 | General |
| Federal Home loan Bank | 313371PV2 | 8,058,893.21 | 8,022,364.51 | 8,026,400.00 | 0.4985% | 4/12/2016 | 12/9/2016 | 2015A Sr Project |
| Federal Home loan Bank | 3130A7T62 | 8,999,994.24 | 8,999,996.80 | 9,000,000.00 | 0.5501% | 4/18/2016 | 1/18/2017 | Senior DSRF |
| | | 207,636,445.89 | 204,826,246.55 | 204,970,094.80 | | | | |

| Agency | CUSIP # | COST | Cumulative | | | Interest Income | | |
|------------------------|-----------|----------------|--------------|----------------------|----------------|------------------|--------------|---------------------------------|
| | | | Amortization | 8/31/2016 Book Value | Maturity Value | Accrued Interest | Amortization | August 31, 2016 Interest Earned |
| Farmer Mac | 31315PV55 | 2,501,200.00 | 900.00 | 2,500,300.00 | 2,500,000.00 | 1,666.67 | (50.00) | 1,616.67 |
| Federal Farm Credit | 3133ECA79 | 4,959,250.00 | (19,243.06) | 4,978,493.06 | 5,000,000.00 | 3,916.67 | 1,131.94 | 5,048.61 |
| Northeast Texas ISD | 659155HX6 | 2,534,600.00 | 34,600.00 | MATURED | 2,500,000.00 | | MATURED | |
| Federal Farm Credit | 3133EE4K3 | 24,928,346.00 | (29,277.98) | 24,957,623.98 | 25,000,000.00 | 15,000.00 | 3,852.37 | 18,852.37 |
| Federal Farm Credit | 3133EFSG3 | 10,057,749.23 | 14,437.35 | 10,043,311.88 | 10,000,000.00 | 9,166.67 | (2,279.58) | 6,887.09 |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 40,939.52 | 10,212,702.55 | 10,000,000.00 | 15,625.00 | (6,861.37) | 8,763.63 |
| Federal Home loan Bank | 3030A3J70 | 5,001,836.28 | 1,254.36 | 5,000,581.92 | 5,000,000.00 | 2,604.17 | (193.97) | 2,410.20 |
| Federal Home loan Bank | 3030A3J70 | 12,005,994.72 | 4,496.04 | 12,001,498.68 | 12,000,000.00 | 6,250.00 | (499.56) | 5,750.44 |
| Freddie Mac | 3137EADF3 | 16,124,658.17 | 56,386.96 | 16,068,271.21 | 16,000,000.00 | 16,666.67 | (7,585.69) | 9,080.98 |
| Freddie Mac | 3134G4Z84 | 9,850,343.91 | 16,349.61 | 9,833,994.30 | 9,800,000.00 | 9,187.50 | (2,428.16) | 6,759.34 |
| Federal Farm Credit | 3133ECKC7 | 8,000,866.72 | 407.10 | 8,000,459.62 | 8,000,000.00 | 4,333.33 | (65.66) | 4,267.67 |
| Federal Home loan Bank | 3130A2T97 | 8,270,315.03 | 262.48 | 8,270,052.55 | 8,270,000.00 | 3,445.83 | (52.50) | 3,393.33 |
| Federal Home loan Bank | 3030A62S5 | 6,984,310.89 | (4,910.33) | 6,989,221.22 | 7,000,000.00 | 4,375.00 | 818.39 | 5,193.39 |
| Fannie MAE | 3035G0GY3 | 8,037,563.20 | 19,732.57 | 8,017,830.63 | 8,000,000.00 | 8,333.33 | (3,566.13) | 4,767.20 |
| Fannie MAE | 3135G0JA2 | 8,031,624.00 | 12,790.85 | 8,018,833.15 | 8,000,000.00 | 7,500.00 | (2,354.14) | 5,145.86 |
| Federal Home loan Bank | 303370S22 | 14,536,023.18 | 95,341.06 | 14,440,682.12 | 14,250,000.00 | 26,718.75 | (15,890.18) | 10,828.57 |
| Federal Home loan Bank | 3030A5QL6 | 8,000,900.56 | 337.71 | 8,000,562.85 | 8,000,000.00 | 5,333.33 | (56.28) | 5,277.05 |
| Freddie Mac | 3137EADT3 | 8,013,462.84 | 6,652.23 | 8,006,810.61 | 8,000,000.00 | 5,833.33 | (1,160.27) | 4,673.06 |
| Federal Home loan Bank | 313379FW4 | 8,027,415.64 | 10,120.73 | 8,017,294.91 | 8,000,000.00 | 6,666.67 | (1,921.66) | 4,745.01 |
| Federal Home loan Bank | 3030A6SW8 | 10,039,900.00 | 8,400.00 | 10,031,500.00 | 10,000,000.00 | 8,333.33 | (1,968.75) | 6,364.58 |
| Federal Home loan Bank | 3030A6SW8 | 4,417,556.00 | 3,696.00 | 4,413,860.00 | 4,400,000.00 | 3,666.67 | (866.25) | 2,800.42 |
| Federal Home loan Bank | 313371PV2 | 8,058,893.21 | 36,528.70 | 8,022,364.51 | 8,000,000.00 | 10,833.33 | (5,591.13) | 5,242.20 |
| Federal Home loan Bank | 3130A7T62 | 8,999,994.24 | (2.56) | 8,999,996.80 | 9,000,000.00 | 4,125.00 | 0.64 | 4,125.64 |
| | | 207,636,445.89 | 310,199.34 | 204,826,246.55 | 206,720,000.00 | 179,581.25 | (47,587.96) | 131,993.31 |

August 31, 2016

Certificates of Deposit Outstanding

| Bank | CUSIP # | COST | Yield to Maturity | Purchased | Matures | August 31, 2016 Interest | FUND |
|------|---------|----------------------------------|----------------------|-----------|---------|-------------------------------------|------|
| | | - <u> </u> | | | | \$ - <u> </u> | |

Travis County Escrow account

| Balance | | Accrued | | Balance |
|---------------|-----------|----------|--------------|---------------|
| 6/1/2016 | Additions | Interest | Withdrawals | 8/31/2016 |
| \$ 403,253.95 | | \$ 39.70 | \$ 18,649.04 | \$ 384,644.61 |



Monthly Newsletter - August 2016

Performance

As of August 31, 2016

| | |
|---------------------------------------|--------------------|
| Current Invested Balance | \$5,436,604,745.94 |
| Weighted Average Maturity (1) | 38 Days |
| Weighted Average Maturity (2) | 113 Days |
| Net Asset Value | 1.000263 |
| Total Number of Participants | 817 |
| Management Fee on Invested Balance | 0.05%* |
| Interest Distributed | \$2,097,709.21 |
| Management Fee Collected | \$233,032.59 |
| % of Portfolio Invested Beyond 1 Year | 9.76% |
| Standard & Poor's Current Rating | AAAm |

August Averages

| | |
|--|--------------------|
| Average Invested Balance | \$5,502,659,385.24 |
| Average Monthly Yield, on a simple basis | 0.3990% |
| Average Weighted Average Maturity (1)* | 39 Days |
| Average Weighted Average Maturity (2)* | 114 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 August:

- ★ Agua Special Utility District
- ★ Normangee ISD
- ★ City of Hudson Oaks
- ★ Somerville ISD

Holiday Reminder

In observance of **Columbus Day**, TexSTAR will be closed on **Monday, October 10, 2016**. All ACH transactions initiated on Friday, October 7th, will settle on Tuesday October 11th. Please plan accordingly for your liquidity needs.

Audit Confirmations

Please provide our new address to your auditors for any audit confirmations they may send to TexSTAR regarding your account.
TexSTAR Participant Services, 1201 Elm Street, Suite 3500, Dallas, Texas 75270

Economic Commentary

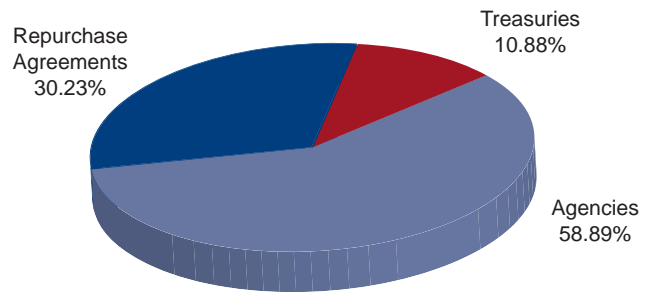
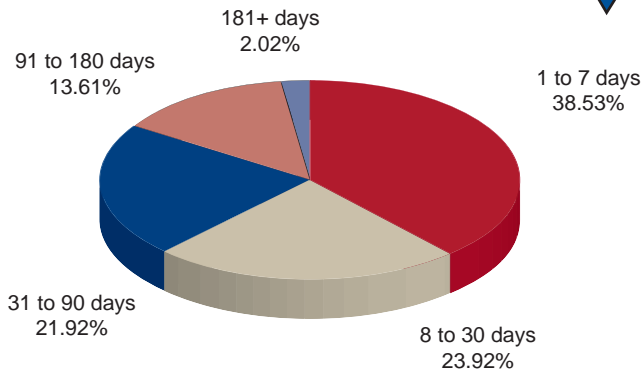
In August, global equity markets generally outperformed government bonds and credit spreads continued to tighten. The Fed attempted to adjust market expectations about a rate hike this year by noting that the case for raising rates has "strengthened" in recent months at the annual Jackson Hole symposium. The fed funds probability of a hike in September rose from 20% before the speech to 36% at month end. LIBOR rates have been steadily rising for the last several months, with three-month LIBOR rising 8 bps in August to 0.84% and 19 bps since the end of June. While historically such a rapid rise would signal credit stress, today's higher LIBOR reflect a change in the investment strategy of prime money market funds due to the new SEC Rule 2a-7 effective October 14th. Managers of prime funds have shortened the maturity of credits they purchase to prepare for flows out of their funds as a result of the new rules, taking away the largest investor in credit money market securities, and forcing issuers to issue at higher yields to entice new buyers. In terms of the timing for the next federal funds rate increase, the Fed has signaled a cautious approach to tightening which is focused more heavily on risk management. The Fed will wait for a clear path to raise rates in which the US economic data as well as financial markets conditions allow them to make a move. With US economic data more mixed in August, the Fed will need to see a steady string of positive US economic data accompanied by financial conditions which are not too restrictive to confirm even the possibility of an additional rate hike. The most anticipated forecast is for one rate hike during 2016 at the December FOMC.

This information is an excerpt from an economic report dated August 2016 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

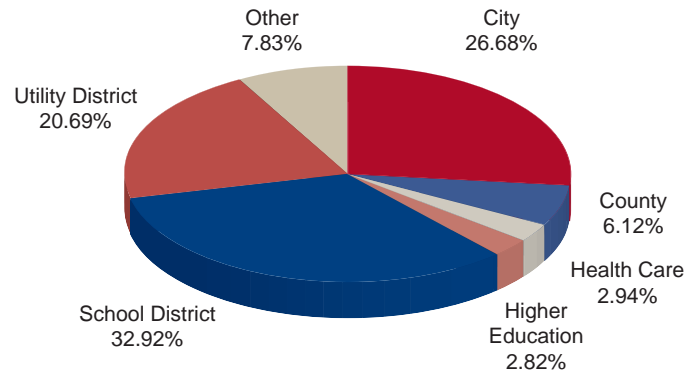
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of August 31, 2016



Portfolio by Maturity As of August 31, 2016



Distribution of Participants by Type As of August 31, 2016

Historical Program Information

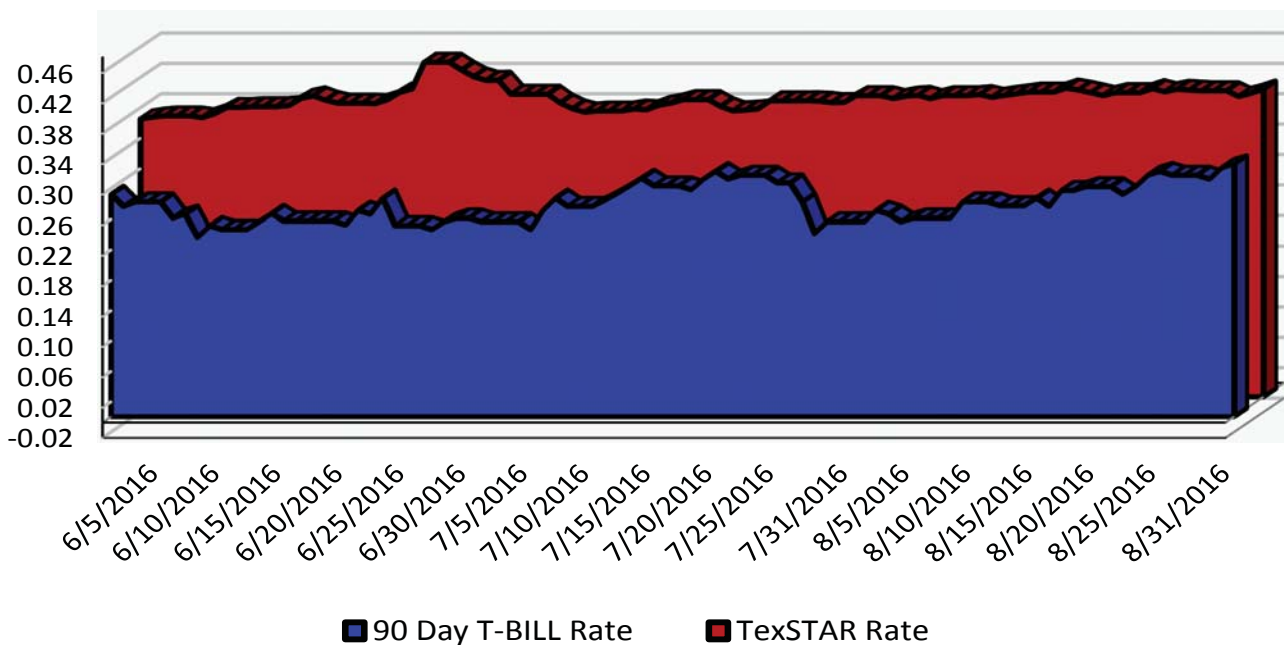
| Month | Average Rate | Book Value | Market Value | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Aug 16 | 0.3990% | \$5,436,604,745.94 | \$5,438,039,955.56 | 1.000263 | 39 | 114 | 817 |
| Jul 16 | 0.3861% | 5,602,432,939.56 | 5,603,475,110.87 | 1.000186 | 46 | 113 | 813 |
| Jun 16 | 0.3927% | 5,286,667,625.92 | 5,287,554,140.45 | 1.000167 | 47 | 111 | 810 |
| May 16 | 0.3664% | 5,716,887,504.32 | 5,717,379,585.85 | 1.000086 | 48 | 111 | 807 |
| Apr 16 | 0.3696% | 5,540,251,067.80 | 5,541,072,494.98 | 1.000144 | 46 | 106 | 805 |
| Mar 16 | 0.3450% | 5,594,793,523.15 | 5,595,290,113.49 | 1.000088 | 45 | 86 | 803 |
| Feb 16 | 0.3147% | 6,329,887,983.78 | 6,330,019,653.99 | 1.000020 | 46 | 85 | 797 |
| Jan 16 | 0.2713% | 5,856,455,946.61 | 5,856,245,669.97 | 0.999964 | 41 | 79 | 797 |
| Dec 15 | 0.1868% | 5,077,006,074.74 | 5,076,619,261.50 | 0.999915 | 45 | 75 | 797 |
| Nov 15 | 0.1155% | 4,985,405,721.88 | 4,985,138,368.79 | 0.999946 | 48 | 80 | 797 |
| Oct 15 | 0.1099% | 5,137,746,592.55 | 5,138,104,083.30 | 1.000066 | 45 | 72 | 796 |
| Sep 15 | 0.0994% | 5,171,964,839.33 | 5,172,390,234.79 | 1.000082 | 46 | 62 | 796 |

Portfolio Asset Summary as of August 31, 2016

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$ (432.77) | \$ (432.77) |
| Accrual of Interest Income | 2,931,626.71 | 2,931,626.71 |
| Interest and Management Fees Payable | (2,133,051.15) | (2,133,051.15) |
| Payable for Investment Purchased | 0.00 | 0.00 |
| Repurchase Agreement | 1,643,074,999.70 | 1,643,074,999.70 |
| Government Securities | 3,792,731,603.45 | 3,794,166,813.07 |
| Total | \$ 5,436,604,745.94 | \$ 5,438,039,955.56 |

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 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 August 2016

| Date | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|----------------|--------------------------------|-------------------------|---------------------------|------------------------|---------------|---------------|
| 8/1/2016 | 0.3919% | 0.000010736 | \$5,666,870,706.37 | 1.000188 | 40 | 114 |
| 8/2/2016 | 0.3951% | 0.000010824 | \$5,663,618,740.75 | 1.000178 | 41 | 114 |
| 8/3/2016 | 0.3962% | 0.000010856 | \$5,692,203,282.80 | 1.000204 | 41 | 114 |
| 8/4/2016 | 0.3918% | 0.000010733 | \$5,658,718,211.41 | 1.000208 | 40 | 114 |
| 8/5/2016 | 0.3958% | 0.000010845 | \$5,593,358,976.16 | 1.000244 | 39 | 113 |
| 8/6/2016 | 0.3958% | 0.000010845 | \$5,593,358,976.16 | 1.000244 | 39 | 113 |
| 8/7/2016 | 0.3958% | 0.000010845 | \$5,593,358,976.16 | 1.000244 | 39 | 113 |
| 8/8/2016 | 0.3972% | 0.000010882 | \$5,540,249,462.66 | 1.000258 | 39 | 113 |
| 8/9/2016 | 0.3935% | 0.000010781 | \$5,623,152,348.73 | 1.000259 | 39 | 112 |
| 8/10/2016 | 0.3961% | 0.000010851 | \$5,569,118,514.66 | 1.000283 | 39 | 115 |
| 8/11/2016 | 0.3982% | 0.000010910 | \$5,558,869,288.08 | 1.000275 | 38 | 112 |
| 8/12/2016 | 0.4004% | 0.000010971 | \$5,558,924,460.98 | 1.000270 | 38 | 113 |
| 8/13/2016 | 0.4004% | 0.000010971 | \$5,558,924,460.98 | 1.000270 | 38 | 113 |
| 8/14/2016 | 0.4004% | 0.000010971 | \$5,558,924,460.98 | 1.000270 | 38 | 113 |
| 8/15/2016 | 0.4057% | 0.000011114 | \$5,511,607,484.79 | 1.000267 | 38 | 113 |
| 8/16/2016 | 0.4031% | 0.000011044 | \$5,526,858,814.17 | 1.000265 | 37 | 112 |
| 8/17/2016 | 0.3996% | 0.000010947 | \$5,487,497,001.50 | 1.000266 | 37 | 112 |
| 8/18/2016 | 0.3959% | 0.000010846 | \$5,505,503,451.48 | 1.000271 | 39 | 113 |
| 8/19/2016 | 0.3997% | 0.000010950 | \$5,433,173,011.53 | 1.000268 | 41 | 118 |
| 8/20/2016 | 0.3997% | 0.000010950 | \$5,433,173,011.53 | 1.000268 | 41 | 118 |
| 8/21/2016 | 0.3997% | 0.000010950 | \$5,433,173,011.53 | 1.000268 | 41 | 118 |
| 8/22/2016 | 0.4050% | 0.000011097 | \$5,382,822,631.14 | 1.000263 | 41 | 118 |
| 8/23/2016 | 0.4009% | 0.000010984 | \$5,293,086,926.56 | 1.000269 | 41 | 119 |
| 8/24/2016 | 0.4042% | 0.000011075 | \$5,325,056,924.09 | 1.000260 | 40 | 118 |
| 8/25/2016 | 0.4031% | 0.000011045 | \$5,373,159,531.37 | 1.000251 | 39 | 116 |
| 8/26/2016 | 0.4022% | 0.000011019 | \$5,429,389,659.06 | 1.000243 | 39 | 115 |
| 8/27/2016 | 0.4022% | 0.000011019 | \$5,429,389,659.06 | 1.000243 | 39 | 115 |
| 8/28/2016 | 0.4022% | 0.000011019 | \$5,429,389,659.06 | 1.000243 | 39 | 115 |
| 8/29/2016 | 0.3948% | 0.000010817 | \$5,407,386,694.49 | 1.000245 | 39 | 114 |
| 8/30/2016 | 0.3990% | 0.000010931 | \$5,315,517,858.17 | 1.000252 | 40 | 116 |
| 8/31/2016 | 0.4045% | 0.000011082 | \$5,436,604,745.94 | 1.000263 | 38 | 113 |
| Average | 0.3990% | 0.000010933 | \$5,502,659,385.24 | | 39 | 114 |

TexSTAR Participant Services
FirstSouthwest, A Division of Hilltop Securities
1201 Elm Street, Suite 3500
Dallas, Texas 75270



TexSTAR Board Members

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

