



**CENTRAL TEXAS  
Regional Mobility Authority**

## Regular Meeting of the Board of Directors

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**9:00 a.m**

Wednesday, March 25, 2015

Lowell H. Lebermann, Jr., Board Room  
3300 N. IH-35, Suite 300  
Austin, Texas 78705

## AGENDA

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### ***No action on the following:***

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1. Welcome and opening remarks by the Chairman and members of the Board of Directors.
2. Opportunity for public comment – See **Notes** at the end of this agenda.

### ***Recess the Board Meeting and Convene the Audit Committee Meeting***

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- A. Audit Committee meeting called to order by Committee Chairman Bennett
- B. Award a contract for independent auditing services.
- C. Adjourn Audit Committee.

### ***Reconvene Board Meeting***

### ***Regular Items***

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*Items to discuss, consider, and take appropriate action.*

3. Approve the minutes for the February 25, 2015, Regular Board Meeting.
4. Accept the financial statements for February 2015.

## **Briefings and Reports**

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*Items for briefing and discussion. No action will be taken by the Board.*

5. Update on the MoPac Improvement Project.
6. Update on CAMPO activities and programs.
7. Executive Director's Report.
  - A. Project Updates
  - B. Briefing on data used for Mobility Authority traffic and revenue studies
  - C. Briefing on indirect and cumulative effects of proposed roadways in an environmental review of a transportation project
  - D. Status report on efforts to provide live-streaming of Mobility Authority Board meetings
  - E. MoPac Improvement Project Tree Giveaway

## **Executive Session**

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*Under Chapter 551 of the Texas Government Code, the Board may recess into a closed meeting (an executive session) to deliberate any item on this agenda if the Chairman announces the item will be deliberated in executive session and identifies the section or sections of Chapter 551 that authorize meeting in executive session. A final action, decision, or vote on a matter deliberated in executive session will be made only after the Board reconvenes in an open meeting.*

*The Board may deliberate the following items in executive session if announced by the Chairman:*

8. Discuss acquisition of one or more parcels or interests in real property needed for the Bergstrom Expressway (183 South) Project and related legal issues, as authorized by §551.072 (Deliberation Regarding Real Property; Closed Meeting) and by §551.071 (Consultation With Attorney).
9. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).
10. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).

11. Discuss legal issues related to legislation proposed to the 84<sup>th</sup> Texas Legislature that could affect the Mobility Authority or its operations, as authorized by §551.071 (Consultation With Attorney).

### ***Reconvene in Open Session.***

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12. Authorize execution of a contract to acquire for the Bergstrom Expressway (183 South) Project a 0.0479 acre parcel of real estate owned by the City of Austin, located at the intersection of Darby Street and Wilcab Road in Travis County, for \$1,460, the appraised value of the parcel.
13. Report on legislative issues and possible action to revise the Mobility Authority legislative program for the 84<sup>th</sup> Texas Legislature.
14. Adjourn Meeting.

### ***Notes***

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***Opportunity for Public Comment.*** At the beginning and at the end of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to the Mobility Authority's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the public comment period. If a speaker's topic is not listed on this agenda, the Board may not deliberate the speaker's topic or question the speaker during the open comment period, but may direct staff to investigate the matter or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not deliberate or act on an item that is not listed on this agenda.

***Consent Agenda.*** The Consent Agenda includes routine or recurring items for Board action with a single vote. The Chairman or any Board Member may defer action on a Consent Agenda item for discussion and consideration by the Board with the other Regular Items.

***Public Comment on Agenda Items.*** A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board takes up consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

***Meeting Procedures.*** The order and numbering of agenda items is for ease of reference only. After the meeting is convened, the Chairman may rearrange the order in which agenda items are considered, and the Board may consider items on the agenda in any order or at any time during the meeting.

***Persons with disabilities.*** If you plan to attend this meeting and may need auxiliary aids or services, such as an interpreter for those who are deaf or hearing impaired, or if you are a reader of large print or Braille, please contact Jennifer Guernica at (512) 996-9778 at least two days before the meeting so that appropriate arrangements can be made.

***Español.*** Si desea recibir asistencia gratuita para traducir esta información, llame al (512) 996-9778.



**CENTRAL TEXAS**  
**Regional Mobility Authority**

## AGENDA ITEM #1 SUMMARY

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Welcome, Opening Remarks and Board Member Comments.

Welcome, Opening Remarks and Board Member Comments

Board Action Required: No



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #2 SUMMARY

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Open Comment Period for Public Comment.  
Public Comment on Agenda Items.

**Open Comment Period for Public Comment** - At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to CTRMA's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the open comment period. If the speaker's topic is not listed on this agenda, the Board may not deliberate the topic or question the speaker during the open comment period, but may direct staff to investigate the subject further or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not act on an item that is not listed on this agenda.

**Public Comment on Agenda Items** - A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board's consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Board Action:                      No



**CENTRAL TEXAS  
Regional Mobility Authority**

## AUDIT COMMITTEE AGENDA ITEM B SUMMARY

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Award a contract for  
independent auditing services.

Department: Finance  
Associated Costs: To be negotiated  
Funding Source: General Fund  
Committee Action Required: Yes

Description of Matter:

At the January 2015 meeting, the Board authorized procurement of independent auditing services for the Mobility Authority. Staff issued a request for qualifications on February 27, 2015, and received responses to the RFQ from four firms. Those responses are attached for your information and reference. The RFQ responses have been reviewed and analyzed by Finance Department staff, and the Executive Director will make a recommendation to the Audit Committee for the selection of an independent auditor.

This item requests authorization for the Executive Director to negotiate and execute a contract (a letter of engagement) with the respondent approved by the Audit Committee to provide independent auditing services to the Mobility Authority.

Reference: Draft Resolution  
Contact: Bill Chapman, Chief Financial Officer  
Cindy Demers, Controller

**MEETING OF THE AUDIT COMMITTEE  
OF THE  
CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

**RESOLUTION NO. 15-\_\_\_**

**AWARDING A CONTRACT FOR INDEPENDENT AUDITING SERVICES.**

WHEREAS, by Resolution No. 15-010, dated January 28, 2015, the Board of Directors authorized the Executive Director to procure auditing services for the Mobility Authority in accordance with the procurement policies established by Chapter 4 of the Mobility Authority Policy Code; and

WHEREAS, Mobility Authority staff issued a request for qualifications (“RFQ”) on February 27, 2015, soliciting statements of qualifications and interest from firms interested in providing auditing services to the Mobility Authority; and

WHEREAS, based on a review and analysis of the responses to the RFQ, the Executive Director recommends awarding a contract to \_\_\_\_\_ to provide independent auditing services to the Mobility Authority; and

**NOW THEREFORE, BE IT RESOLVED**, that the Executive Director is authorized to negotiate and execute contract (letter of engagement) with \_\_\_\_\_ to provide independent auditing services to the Mobility Authority.

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 25<sup>th</sup> day of March, 2015.

Submitted and reviewed by:

Approved:

\_\_\_\_\_  
Andrew Martin, General Counsel

\_\_\_\_\_  
Robert Bennett  
Chairman, Audit Committee



**PS&Co.**

**Padgett Stratemann**

**ORIGINAL**

## Central Texas Regional Mobility Authority

Response to Request for Qualifications For  
Independent Audit Services

Submitted by: Mike O'Brien, Partner  
811 Barton Springs Road, Suite 550  
Austin, Texas 78704  
512-476-0717

March 13, 2015



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March 13, 2015

To the Board of Directors  
Attn: Ms. Cindy Demers, Controller  
Central Texas Regional Mobility Authority  
3300 North IH-35, Suite 300  
Austin, Texas 78705

Dear Members of the Board of Directors:

Thank you for the opportunity to present our statement of qualifications to provide audit services to Central Texas Regional Mobility Authority (the "Mobility Authority") for the years ending June 30, 2015, 2016, 2017, and two option periods. We strive to provide our clients with "**Service. . . More than Expected**" and will elaborate more on this mission throughout this proposal.

#### **Team Experience**

We have assembled your PS&Co. team with an emphasis on technical and interpersonal skills that are a good fit for the Mobility Authority and its management team. Our public sector niche currently provides audit services for over 50 San Antonio and Austin area government agencies. Our dedicated public sector professionals also have extensive experience with issuance of bonds and the related comfort letters or other bond examination reports generally required by underwriters. Our goal is to become your trusted advisor on accounting and financial reporting matters. The team we have selected to serve the Mobility Authority is resident in our Austin office.

#### **Team Leader Involvement**

I will serve as the engagement partner for all services to the Mobility Authority. I have over 35 years of public accounting experience, including 26 years with KPMG, primarily servicing public sector entities. I will be heavily involved in the audit process. I have extensive experience with audits of other autonomous or semi-autonomous government agencies. A listing of my experience is included in my resume attached at Appendix 1. Santos Fraga will serve as your concurring review partner. Santos also has over 31 years of experience, including 20 years with KPMG. He also currently serves the Alamo Regional Mobility Authority. Tino Robledo will be your audit senior manager. Tino has over 17 years of experience and will oversee and coordinate the daily audit effort and will review all work by team members on site. We have enclosed a service team overview as a part of our qualifications statement.

#### **Size and Strength of Firm**

PS&Co. is the fourth largest non-national accounting firm in Texas and the Southwest United States, as reported in *Accounting Today*, and as such has the professional and technical resources that will be required to adequately serve the Mobility Authority.

#### **AUSTIN**

811 BARTON SPRINGS ROAD, SUITE 550  
AUSTIN, TEXAS 78704  
512 476 0717

#### **HOUSTON**

1980 POST OAK BOULEVARD, SUITE 1500  
HOUSTON, TEXAS 77056  
800 879 4966

#### **SAN ANTONIO**

100 N.E. LOOP 410, SUITE 1100  
SAN ANTONIO, TEXAS 78216  
210 828 6281

TOLL FREE: 800 879 4966  
WEB: PADGETT-CPA.COM

To the Board of Directors  
Attn: Ms. Cindy Demers, Controller  
Central Texas Regional Mobility Authority  
Austin, Texas

March 13, 2015 – page 2

**Firm Reputation**

PS&Co. is licensed by the Texas State Board of Public Accountancy and undergoes peer reviews every three years. Our latest peer review rating of *Pass* is the highest rating available under the AICPA professional standards. Many of our governmental audits are subject to review by federal and state agencies. The results of all federal and state desk reviews and on-site quality control reviews in the past have been positive. There have been no changes, restatements or corrections required from any reviews. There are no disciplinary actions taken and none are pending against any member of the engagement team.

**National Firm Strength with a Local Firm Service Philosophy**

As a member of the McGladrey Alliance we are able to offer our clients the resources and access to technical expertise of a national firm while maintaining the benefits of being an independently owned local firm. McGladrey Alliance is a business of McGladrey LLP which operates under the McGladrey brand as the fifth largest U.S. provider of assurance, tax, and consulting services with nearly 8,000 professionals and associates in more than 80 cities nationwide. McGladrey is a licensed CPA firm and a member of RSM International, the seventh largest global network of independent accounting, tax, and consulting firms. RSM International serves clients from more than 732 offices in 112 countries around the world. Our alliance membership provides us the opportunity to learn best practices from other governmental agencies throughout our nation, in addition to having access to RSM McGladrey's national resources in consulting, information technology, auditing, continuing education, and industry-specific training.

**Firm Information**

Our firm is headquartered at 100 NE Loop 410, Suite 1100, San Antonio, Texas 78216. All the services you have requested will be managed from our Austin office at 811 Barton Springs Road, Suite 550, Austin, Texas 78704. If you have any questions regarding this proposal or the services offered by PS&Co., please feel free to contact us at 512-476-0717 or by email at [mike.obrien@padgett-cpa.com](mailto:mike.obrien@padgett-cpa.com).

Our proposal is contingent upon the satisfactory completion of our routine due diligence procedures for all new engagements including review of prior auditor's working papers.

Sincerely,



Mike O'Brien, CPA  
Partner



# Section 1 – General Information

## A. Firm's Name

Padgett, Stratemann & Co., L.L.P. ("PS&Co.")

## B. Firm's Corporate Headquarters Address

100 N.E. Loop 410, Suite 1100

San Antonio, TX 78216

## C. Address of Personnel

All services requested by the Mobility Authority will be managed from our Austin office located at:

811 Barton Springs Road, Suite 550

Austin, TX 78704

## D. Firm Profile

### *Size and Structure*

PS&Co., a regional accounting firm with offices in San Antonio, Austin, and Houston, began serving clients in Central and South Texas in 1945, and has grown from a sole practitioner to 31 partners and approximately 185 additional full-time professionals and administrative team members. The firm has enjoyed significant growth in size, as well as in scope of services offered to its clients and is now the fourth largest non-national accounting firm in Texas and the Southwest United States, as reported in *Accounting Today*, and as such has the professional and technical resources that will be required to adequately serve the Mobility Authority.

# Section 1 – General Information

## D. Firm Profile – continued

### *Licensure and Independence*

PS&Co. is properly licensed in the state of Texas for public practice. Our professionals are licensed to practice as certified public accountants in the state of Texas. PS&Co. does not have a history of sub-standard practice and has never received a public or private reprimand from the Texas State Board of Public Accountancy or other organizations. The team members included as the proposed engagement team are independent of the Mobility Authority as defined by the American Institute of Certified Public Accountants (“AICPA”) auditing standards generally accepted in the United States of America, and Government Auditing Standards issued by the Comptroller General of the United States.

### *Depth by Industry Niche*

In order to provide superior financial and business advice to all its clients, PS&Co. is comprised of industry-specific niches. This approach allows us to form cross-functional teams to understand our clients’ businesses, their challenges, and their industry in the best way possible.

The industry-specific niches in which we specialize are as follow:

- Public Sector (Government, not-for-profit organizations, and special purpose entities such as mobility authorities, utilities, river authorities, and emergency services districts)
- Manufacturing, Retail, and Distribution
- Construction
- Healthcare and Life Sciences
- Professional Services
- Banking and Financial Services
- Real Estate
- Private Client Services
- Government Contractors
- Energy
- Entertainment
- Technology and Communications

Team members in each industry-specific niche are representative of various departments within PS&Co. Our goal is to keep abreast of each unique industry so the unique needs of our clients’ industries are considered in each of our services.

# Section 1 – General Information

## D. Firm Profile – continued

### *Depth by Client Services*

PS&Co. is a full service CPA firm that offers a comprehensive array of attestation, tax, accounting, and advisory services. A general description of our service offerings follows.

### Attestation Services

#### *Independent Audit Services*

The performance of independent audits of financial statements is the largest practice segment within the firm. Our audit department is organized into three main areas of expertise, which allow us to develop and maintain the expertise and critical mass needed to serve our varied client base.

Our three functional audit areas are as follows:

- Public Sector – Governmental and non-profit organizations, including federal and state single audits
- SEC – public company audits
- Private sector and regulated industries

#### *Other Attestation Services*

In addition to audit services, our firm offers other attestation services including, but not limited to, those listed below:

- Review and compilation services under Statement of Standards for Accounting and Review Services
- Agreed-upon procedure engagements
- Statement on Standards for Attestation Engagements (SSAE) No. 16 (“SOC-1”)

# Section 1 – General Information

## D. Firm Profile – continued

### *Depth by Client Services– continued*

#### Tax Services

Our tax department offers a broad spectrum of services covering all types of entities. We consult with and provide services to individuals, partnerships, estates, trusts, corporations, governments, and non-profit entities in the areas of payroll, sales, franchise, estate (including gift and generation-skipping transfer), and income taxation. PS&Co. has a full service team of tax professionals focusing on tax-exempt organizations and state and local taxation.

#### Advisory Services

Advisory services vary widely in size, complexity, and scope, as well as in technical subject matter. Our firm has expertise and experience in a wide variety of advisory service engagements for our clients such as litigation support, business valuations, due-diligence and quality of earnings reports, human resources compliance and investigations, insurance receiverships, internal control evaluations and forensic accounting and fraud investigations.

## E. Disclosure of Claims or Judgments

Padgett, Stratemann & Co., L.L.P. is currently a party to one case in litigation which is covered by insurance and which does not impair our ability to serve the Mobility Authority. Due to the constraints of the judicial process, we are unable to provide detailed information at this time other than the fact that we are vigorously defending against this suit. There have been no judgments entered against the firm or any of the engagement team members since January 1, 2010.

## Section 2 – Financial Audit Expertise

### A. Governmental References

We provide services to many governmental entities. We believe our industry specialization, combined with our service philosophy, allows us to stay ahead of changes that may impact the Mobility Authority, and we can discuss these potential developments with you. Below is the contact information of our governmental sector references. None of these audits were conducted as part of a joint venture.

Name of Client and Contact	Phone Number and Email Address of Contact	Fiscal Year(s) For Which Services Were Provided	Type of Service
<b>Brazos River Authority</b> John Hawes, CFO Matt Wheelis, Accounting Manager	(254) 761-3229 / jhawes@brazos.org (254) 761-3241 / mwheelis@brazos.org	2009 - present	Financial and Federal Compliance Audits
<b>City of Austin</b> Sylvia Holt-Rabb, Assistant Director, Economic Development	(512) 974-3131 / sylvia.holt-rabb@austintexas.gov	2005 - present	Agreed-Upon Procedures
<b>Austin Independent School District</b> Leo Lopez, Director of Financial Services	(512) 414-9919 / leo.lopez@austinisd.org	2005 - present	Financial and Federal Compliance Audits
<b>Texas Treasury Safekeeping Trust Company</b> Paul Ballard, CEO	(512) 463-3405 / paul.ballard@cpa.state.tx.us	2007 - present	Financial Audit
<b>Texas Prepaid Higher Education Tuition Board</b> Linda Fernandez, Director, Educational Opportunities and Investment Ben Navarro, CFO	(512) 463-4863 / linda.fernandez@cpa.state.tx.us (512) 463-2072 / benito.navarro@cpa.state.tx.us	2013 - present	Financial Audit



## Section 2 – Financial Audit Expertise

### B. Primary Account Representative

Mike O'Brien, CPA  
*Partner*  
Padgett, Stratemann & Co., L.L.P.  
811 Barton Springs Road, Suite 550, Austin, Texas 78704  
512-476-0717  
mike.obrien@padgett-cpa.com

### C. Proposed Service Team

We have assembled a service team with an emphasis not only on technical and interpersonal skills, but also with specialization in governmental accounting and auditing. This benefits the Mobility Authority by minimizing disruption to daily staff work and translates into time savings and an effective audit process. The resumes of the proposed primary service team are attached as Appendix 1.

#### ***Overall Engagement Partner – Mike O'Brien, CPA***

As the engagement partner, Mike will have overall responsibility for all services performed for the Mobility Authority. Mike brings experience serving many other large and complex governments. Mike will be available to members of the management of the Mobility Authority for technical consultation and information on the status of the engagement, special services required, and general business matters. Mike is generally available for meetings and phone calls within a very short time period. He works full time in the IH-35 corridor from Waco to San Antonio and spends over 85% of his time in Austin. Mike will be available to meet with you at your office on any issue as the need arises.

#### ***Concurring Review Partner – Santos Fraga, CPA***

As part of PS&Co.'s quality control policies and procedures, the proposed engagement team includes the services and assistance of a second independent partner. Santos will serve in the role of quality control partner and will be responsible for a second technical review of the financial statements. Santos has over 31 years of public accounting experience including KPMG for 20 years. Santos currently serves the Alamo Regional Mobility Authority. He also participates as a Special Reviewer in GFOA's Certificate of Achievement Program.

## Section 2 – Financial Audit Expertise

### C. Proposed Service Team – continued

#### *Audit Senior Manager – Tino Robledo, CPA*

Tino will serve as senior manager on this engagement and is resident in our Austin office. As the senior manager, he will coordinate the activities of the professional team members assigned to the engagement, participate in planning and developing the overall audit approach, and monitor all phases of the audit to ensure timely completion. Tino will direct the day-to-day performance and conduct of the audit of the Mobility Authority. He has been with PS&Co for approximately 3 years and was previously a senior manager with KPMG for 12 years.

### D. Breadth and Depth of Governmental Auditing Experience

PS&Co. and its assurance team have served the public sector for decades with a host of financial and consulting services designed to ensure clarity in financial reporting. With many governmental entities focused on an enterprise-style financial management strategy, it is important to have a team with real-world experience in the complex and regulated public sector.

The key to completing a timely and effective audit is the leadership of the key audit team members who are assigned to the audit. Mike O'Brien and Tino Robledo have a combined total of 50 years of auditing experience. Both of these professionals work full-time in the government sector performing a variety of audit engagements. They have experience in serving very large organizations like the City of San Antonio, City of Austin and Texas Treasury Safekeeping Trust Company, and small organizations like the Travis County ESD #2. Mike and Tino are able to scale the audit process to fit the size and risk profile of each client. We have extensive experience working with a variety of law firms and financial advisors related to bond issuance transactions. We also perform federal and state financial compliance (OMB Circular A-133 and Texas Single Audit Circular) audits for governments and non-profits of all sizes in Texas.

## Section 2 – Financial Audit Expertise

### D. Breadth and Depth of Governmental Auditing Experience – continued

A partial list of experience of the firm in the auditing of comparable governmental entities is as follows:

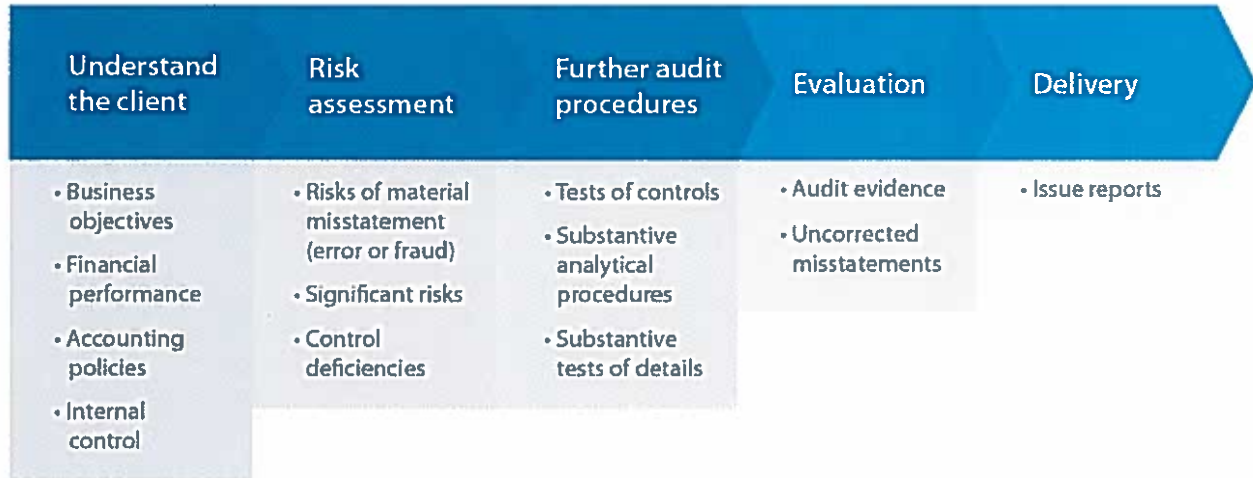
Entity	GAAP Financial Statements	OMB Circular A-133 Report	Comprehensive Annual Financial Report *	Enterprise Fund Reporting
Alamo Regional Mobility Authority	X			X
VIA Metropolitan Transit	X	X	X	X
City of San Antonio	X	X	X	X
San Antonio Water System	X	X	X	X
Texas Local Government Investment Pool	X			
Texas Treasury Safekeeping Trust Company	X			X
Austin Independent School District	X	X	X	
City of Austin Convention Center	X			
City of McAllen	X	X	X	X
City of Boerne	X	X	X	X
City of Kyle	X		X	X
Port Authority of San Antonio	X	X		X
San Antonio Housing Authority	X	X		X
Texas Prepaid Higher Education Tuition Board	X			X
Tobacco Settlement Permanent Trust Fund	X			
Travis County Emergency Services District #2	X			
State Bar of Texas	X			X
Brazos River Authority	X	X	X	X
San Antonio River Authority	X	X	X	X
Kerrville Public Utility Board	X		X	X
Brooks Development Authority	X	X		X

\*Awarded the Certificate of Achievement as part of the Government Finance Officers Association (“GFOA”) for achieving established GFOA reporting standards.

# Section 2 – Financial Audit Expertise

## E. Audit Approach

Our audit methodology allows your engagement team to use professional judgment in planning an overall audit strategy. A high-level overview of how the process works is shown below.



### ***Understand the Client***

We learn as much as possible about your business up front in order to properly understand the account balances, classes of transactions, and disclosures relevant to your activities. We develop an audit timeline showing all critical dates and milestones during our planning process. We review this schedule with our clients in advance of the audit and use this critical milestones and dates schedule to ensure our accountability to meeting deadlines and communicating audit progress. This also provides the Mobility Authority the opportunity to express its expectations with respect to the timing and services we will provide.

### ***Risk Assessment***

We assess the risk that errors or fraud may cause a material misstatement of financial statements. We next decide whether the identified risks relate to specific relevant assertions related to significant account balances, classes of transactions, or disclosures, or whether they relate to the financial statements taken as a whole and potentially affect many relevant assertions. We then determine which of the identified risks of material misstatement are significant risks that require special audit consideration. We also identify internal control deficiencies as part of our risk assessment process.

## Section 2 – Financial Audit Expertise

### *Further Audit Procedures*

We next determine the nature, timing and extent of tests of controls and substantive procedures necessary to address the risks identified. We select transactions for testing using various approaches, which may include specific identification of transactions or may involve sampling. When audit evidence obtained from the audit procedures results in identification of previously unidentified risks of material misstatement or contradicts planned risk assessment procedures, we revise the assessment and plan and perform additional audit procedures to reduce risk of material misstatement related to those assertions to an acceptably low level. As a first year audit, a thorough understanding of the Mobility Authority's revenue stream, current projects and current debt used to fund such projects (its operating environment) is essential for the execution of an efficient, cost effective audit process with minimal disruptions to management. During this phase, we will not only meet with appropriate personnel to document our understanding of the operations, but also use the Padgett Secure Client Portal to upload and download sensitive documents needed during the planning phase of the audit. All of the requested information during the planning phase and throughout the audit can be loaded to the portal by management based on mutually agreed upon dates. The request for information for the audit will be made in advance to allow management to sufficient time to address its operational concerns or needs throughout the audit period.

### *Evaluation*

At the conclusion of the audit, we evaluate the sufficiency and appropriateness of the audit evidence obtained and whether the assessments of the risks of material misstatement at the relevant assertion level remain appropriate. We may redesign planned audit procedures based on our evaluation. We also evaluate the effects, both individually and in the aggregate, of factual, judgmental, and projected misstatements that are not corrected by the organization. We communicate all misstatements identified during the audit, other than those we believe to be trivial, to management and the Board of Directors on a timely basis.

## Section 2 – Financial Audit Expertise

### *Delivery*

Our audit culminates with the issuance of a report on the financial statements, report on internal control over financial reporting, report to the Board of Directors and, if applicable, communications of material weaknesses and significant deficiencies.

### *No Surprises*

In serving the Mobility Authority, we will communicate with you frequently throughout the audit process and throughout the year to address and resolve issues, new accounting standards, and changes in your organization.

### *Smooth Transition to Working With Us*

When we become your service provider, you will want the transition from your prior firm to be smooth and orderly—resulting in as little distraction as possible. Any change of this nature will result in some disruption; however, with our extensive experience in succeeding other accounting firms, the disruption is minimized. Our process for transitioning clients from their prior auditors to our services emphasizes early planning, with heavy involvement of partners and managers. We also encourage clients to call us to discuss new transactions as they arise. We find that year-round communication and a proactive approach to accounting issues helps clients avoid surprises at the end of the audit process. Most accounting issues arise from a misunderstanding of facts, circumstances, and complexities unique to each organization and its industry. Because we take a business advisory approach to auditing and have a commitment to year-round communications, we believe we are better equipped to understand the issues surrounding management’s position on accounting and reporting matters.

**We are confident our experience and expertise allow us the ability to meet and exceed your service expectations.**

## Section 2 – Financial Audit Expertise

### F. Audit Process Major Task/Activity Plan

Task/Activity	Team Member	Date*
Engagement letter to the Board of Directors	Partner	May 2015
Planning meeting with management	Partner/Manager	May 2015
Identify single audit major programs and document internal control systems, including risk and fraud analysis and information technology	Audit Senior	May/June 2015
Perform "walk throughs" on major systems and major single audit programs	Audit Senior	May/June 2015
Design detailed audit plan	Partner/Manager	May/June 2015
Perform and review interim fieldwork <u>Including</u> - test of controls and compliance on major programs (Single Audit) - test of controls and substantive testing of CIP - substantive approach to beginning balances including debt and PPE/CIP - Texas County and Retirement System - additional audit procedures for GASB No. 68 implementation (TCDRS SOC 1 report assessment, Management's Controls for Processing)	Manager/Senior/Staff	June 2015
Update to single audit testing and perform and review final fieldwork on the financial statement audit	Partner/Manager/ Senior/Staff	July/August 2015
Perform internal quality review process	Partner	August 2015
Hold exit conference and discuss issues and management letter findings	Partner/Manager	September 2015
Review draft auditor's report and management letter with members of management	Partner/Manager	September 2015
Present auditor's report and management letter to the Board of Directors	Partner/Manager	October/ November 2015
* The dates will be updated and agreed to during our planning process and meetings with management		

## Section 2 – Financial Audit Expertise

### G. In-House Technical Capabilities

Our proposed engagement team was developed with the Mobility Authority's needs in mind. Our engagement team has specific experience serving governmental entities similar to the Mobility Authority. Both the partners and the engagement senior manager work 100% in our public sector niche. They have worked with other entities that have large ongoing capital projects and with entities issuing new debt and refunding existing debt obligations. We also have experience with state and federal compliance audits required by grant agreements or other contractual arrangements. We have significant experience working with bond issuances requiring issuing debt service coverage letters, bond issuance comfort letters and other bond examination reports. Our in-house team regularly assists clients in implementing new GASB pronouncements.

PS&Co. has national technical resources through our alliance with McGladrey, the nation's 5<sup>th</sup> largest accounting firm. This gives PS&Co. access to all of McGladrey's technical resources. We have successfully used these resources with other large governments in the area, such as the City of San Antonio, Texas Local Government Investment Pool, Texas Treasury Safekeeping Trust Company, San Antonio Water System, and the Housing Authority of San Antonio, on high end technical issues such as actuarial related matters and new GASB standards.



**APPENDIX 1 –RESUMES OF SERVICE TEAM**

---

**Mike O'Brien, CPA**

*Partner*

mike.obrien@padgett-cpa.com

Mike has more than 35 years of experience overseeing a wide variety of financial and compliance audit engagements for commercial, governmental, nonprofit, and regulated entities. Since 2007, Mike has served as the practice leader in the firm's public sector niche. His primary specialty is with state and local governments, nonprofit organizations, schools, public sector investing entities, and utilities. He provides financial statement reporting, accounting practices and procedures, as well as internal control structure design and implementation consulting.

Single audit experience includes: State of Texas, Southwest Research Institute, Southwest Educational Development Lab, City of Austin, City of San Antonio, Austin Independent School District, Texas Guaranteed Student Loan Corp., Brazos River Authority, and San Antonio Water System.

Utility audit experience includes: City Public Service (CPS Energy), San Antonio Water System, Austin Energy, Guadalupe Valley Electric Cooperative, Kerrville Public Utility Board, Pedernales Electric Cooperative, Brownsville Public Utility Board, and Chisholm Trail Special Utility District.

Governmental audit experience includes: City of Austin, City of San Antonio, City of Buda, City of Kyle, Austin Independent School District, Dripping Springs Independent School District, Brazos River Authority, Guadalupe-Blanco River Authority, Texas Guaranteed Student Loan Corp., Texas Prepaid Higher Education Tuition Board, and Texas Treasury Safekeeping Trust Company.

Nonprofit experience includes: St. David's Foundation; Texas Association of School Boards; Southwest Educational Development Lab; Life Support Counseling and Research, Inc.; and Center for the Commercialization of Electric Technologies.

Investing entity experience includes: Texas Local Government Investment Pool, Texas Local Government Investment Pool Prime, Texas Treasury Safekeeping Trust Company, Tobacco Settlement Permanent Trust Fund, Texas County and District Retirement System, Texas Municipal Retirement System, Texas Prepaid Higher Education Tuition Board, Lower Colorado River Authority Retirement Plan, and City of Austin Employees' Retirement System.

**EXPERIENCE**

- Financial and compliance auditing for state and local governments
- Financial and compliance auditing for nonprofit organizations
- Financial statement auditing and reporting for commercial entities
- Financial statement auditing and reporting for regulated entities and utilities
- Accounting practices and procedures consulting
- Internal control structure design and implementation consulting

**AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- Austin Chapter of TSCPA
- Austin Area Boy Scout Troop 513 – Committee member (1999 – Present)
- Capitol Area Council of the Boy Scouts of America – former Board member (2001 – 2003)
- Texas State Board of Public Accountancy – former Technical Standards Committee member (1999 – 2000)
- Northwest Travis County Municipal Utility District No. 1 – former Board member (1986 – 1997)

**EDUCATION AND CERTIFICATION**

- BBA in Accounting – The University of Texas at Austin, Austin, Texas
- Certified Public Accountant

**NOTEWORTHY ACCOMPLISHMENTS**

- Capital Area Council Boy Scouts of America – Whitney M. Young Award Recipient (2005)
- Capital Area Council Boy Scouts of America – Silver Beaver Award Recipient (2008)
- Speaker at Texas Association of School Boards Annual Convention (2010-2012)
- Speaker at Texas Association of Appraisal Districts Convention (2012)

**Santos Fraga, Jr., CPA**

*Partner*

santos.fraga@padgett-cpa.com

Santos is a partner in the public sector practice, which includes both governmental and not-for-profit teams. He has more than 31 years of experience in public accounting.

Government entities served include HQ Air Force Services Agency, North East Independent School District, Southside Independent School District, the City of San Antonio, the City of McAllen, San Antonio Water System, VIA Metropolitan Transit, San Antonio River Authority, Alamo Community College District, and Bexar Appraisal District.

Not-for-profit entities served include San Antonio Symphony; Saint Mary's Hall; Archdiocese of San Antonio; San Antonio Academy; Crosspoint, Inc. (formerly Halfway House of San Antonio); Alamo Workforce Development, Inc.; Army Residence Community; St. Mary's University; and University of the Incarnate Word.

**EXPERIENCE**

- Governmental and not-for-profit auditing, accounting, reporting, and consulting
- Performance reviews and special audits
- OMB circular A-133 audits
- Internal control structure design and implementation
- Instructor for national and local CPA continuing education programs
- Presenter of technical seminars for various trade associations

**AFFILIATIONS**

- Government Finance Officers Association (GFOA)
- GFOA of Texas
- GFOA Certificate of Achievement Program – Special Review Committee member
- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- San Antonio Chapter TSCPA
- Leadership San Antonio, Class of XXI
- Leadership San Antonio, Class of XXVII – Steering Committee member
- The Greater San Antonio Chamber of Commerce – Finance Committee member
- San Antonio Hispanic Chamber of Commerce – former Finance Committee member
- Communities in Schools, Inc. of San Antonio – former Board member, Treasurer
- Catholic Television of San Antonio – former Board member, Treasurer

**EDUCATION AND CERTIFICATION**

- BBA in Accounting – The University of Texas at Austin, Austin, Texas
- Certified Public Accountant

**NOTEWORTHY ACCOMPLISHMENTS**

- Speaker at the Texas School District Accounting and Auditing by TSCPA
- Three years in Caracas, Venezuela working for U.S.A. and European-based multinational companies
- Fluent in Spanish

**Tino Robledo, CPA**

*Senior Manager*

tino.robledo@padgett-cpa.com

Tino has more than 17 years of experience in public accounting, with a focus on state and local governments and non-profit organizations. He has served public sector and non-profit clients in audit, compliance, and other attest services.

Government entity experience includes City of Houston, City of Galveston, City of Austin, Houston Independent School District, Manor Independent School District, Austin Independent School District, Houston METRO Transit Authority of Harris County, Capital Metropolitan Transportation Authority, and Texas Municipal Retirement System.

Single audit experience includes the state of Texas, Austin Community College, Alvin Community College, City of Houston, City of Galveston, City of Austin, Houston Independent School District, Austin Independent School District, Houston METRO Transit Authority of Harris County, Capital Metropolitan Transportation Authority, Houston Housing Finance Corporation, Communities in Schools Houston, and Project GRAD Houston.

Utility experience includes City Public Service (CPS Energy), Austin Energy, and the City of Houston Water and Wastewater.

Non-profit experience includes Clayton Foundation for Research, Nelda C. and H.J. Lutchter Stark Foundation, the Estate of Nelda C. Stark, Houston Housing Finance Corporation, Communities in Schools Houston, Make-a-Wish Foundation – Houston Chapter, Haven for Hope, the Greater Texas Foundation, and the Hispanic Association of Colleges and Universities.

**EXPERIENCE**

- Financial and compliance auditing for state and local governments
- Financial statement auditing and reporting for commercial entities
- Agreed upon procedures and special audits
- Participation in internal quality review process for state and local governments
- Participation in internal quality review process for federal agency audits

**AFFILIATIONS**

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TSCPA)
- Government Finance Officers Association of Texas

**EDUCATION AND CERTIFICATION**

- BBA in Accounting – The University of Texas at Austin, Austin, Texas
- Certified Public Accountant

## APPENDIX 2 – SUMMARY OF AFFIRMATIVE ACTION POLICY

PS&Co. strongly supports the principles of equal employment opportunity and affirmative action in all its employment policies and practices, including recruiting, hiring, compensation, benefits, transfers, training, promotions, layoff and recall, and other terms and conditions of employment. The Firm requires that all these practices be administered without regard to race, color, creed, religion, ancestry, national origin, age, disability, sex, or marital status. It has been, and shall continue to be, the Firm's policy to comply with the letter and spirit of applicable federal, state, and local statutes concerning equal employment opportunity. The Firm pledges that it will make a determined and sustained effort to prevent and eliminate any discrimination within the organization, in part by implementing affirmative action measures outlined above. This commitment also extends to giving full consideration to the employment of persons with disabilities for work they are qualified to do.

PS&Co. is a regional accounting, audit, and tax firm headquartered in San Antonio, Texas with an offices in Austin and Houston, Texas. PS&Co. is not considered a disadvantaged business enterprise ("DBE"). PS&Co. has read, understands, and will comply with the Mobility Authority DBE policy. PS&Co. has a dedicated workforce and high standards of excellence as well as a strong reputation of community involvement. Our talented staff includes people of all cultures, abilities, and genders – a powerful mix that makes PS&Co. strong and effectively diverse.

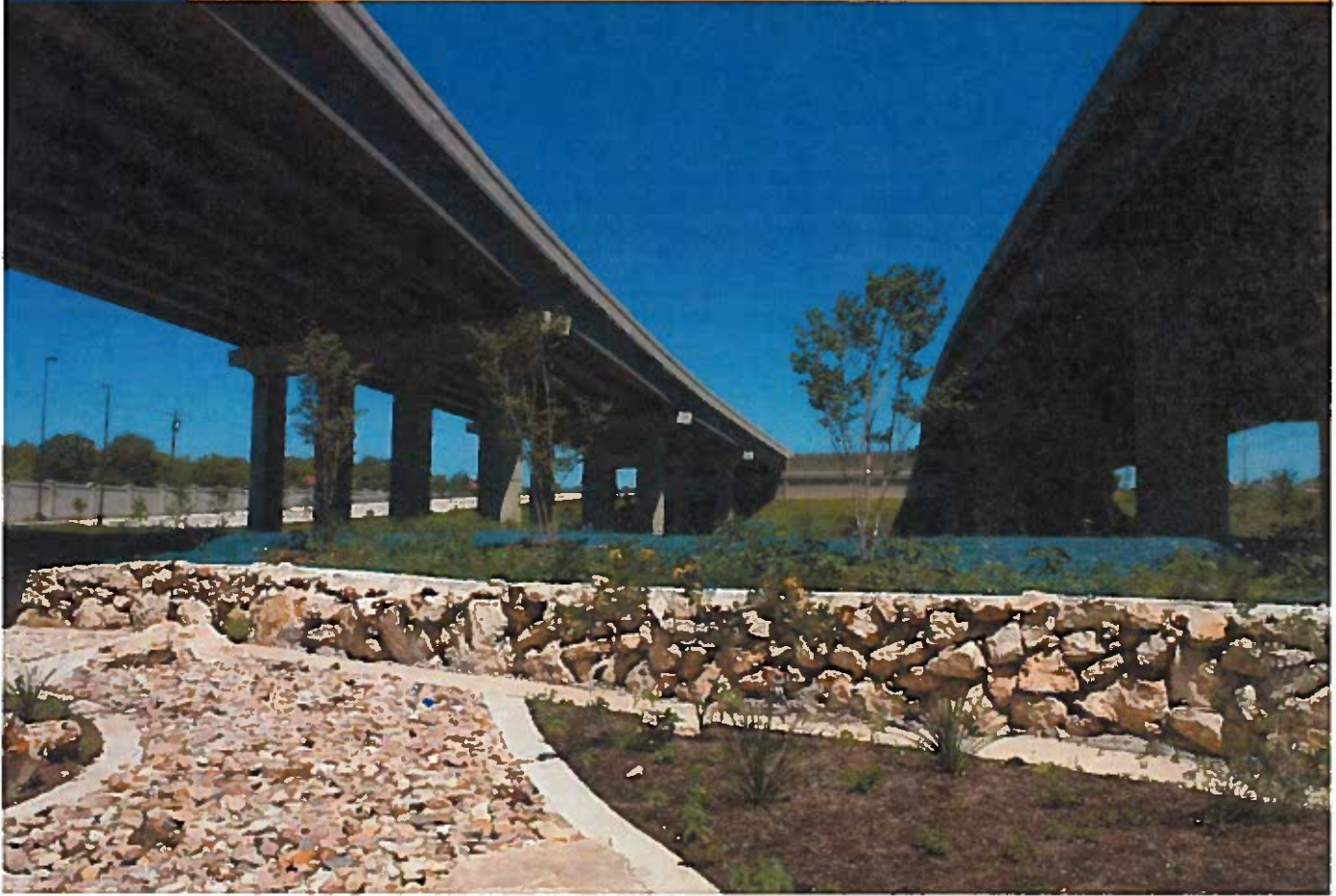
- Percentage of firm ownership/partners by minorities or women – 42%
- Percentage of management staff who are minorities or women – 69%
- Percentage of all staff who are minorities or women – 69%

PS&Co. has a history of working on large local governments utilizing subcontract firms that are DBE certified in order to comply with the local governments DEB goals. We have successfully utilized these joint venture arrangements at the following governmental ventures.

- Bexar County
- Brooks Development Authority
- Port San Antonio
- San Antonio Water System
- VIA Metropolitan District







# PRESENTING

QUALIFICATIONS FOR  
**PMB HELIN DONOVAN**



**CENTRAL TEXAS**  
**Regional Mobility Authority**

**MARCH 13, 2015**

PMBHD.COM  
512.258.9670

March 13, 2015

Cindy Demers, Controller  
Central Texas Regional Mobility Authority  
3300 North IH-35, Suite 300  
Austin, TX 78705

Thank you for the opportunity to propose on this work to continue our long-standing working relationships with CTRMA. It has been a privilege and pleasure to serve your organization for the past 10 years.

The words in this document aren't just words to us. We steadfastly believe in quality service and that you should expect it of us. We commit to not just excellent technical work, but to a rewarding relationship that gives you the level of attention and service you (and all our clients) deserve.

Please feel free to contact us if you have any questions related to the proposal. Or any questions at all. We are here to serve.

Sincerely,

*PMB Helin Donovan, LLP*

**PMB Helin Donovan**

Don McPhee  
Managing Partner

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# WORKING WITH CTRMA



The Central Texas Regional Mobility Authority is a Texas political subdivision with broad powers to study, design, construct, operate, expand, enlarge, and extend transportation projects in Travis County, Williamson County, and adjacent counties, as permitted by law.



The Mobility Authority operates and has conducted public information and outreach efforts for the 183A Expressway and the Manor Expressway; is currently constructing the MoPac Improvement Project and is developing additional transportation projects intended to address congestion and improve mobility in the Central Texas region.

Working cooperatively with the Texas Department of Transportation and the Capital Area Metropolitan Area Planning Organization, the authority identifies and implements necessary transportation projects in the Central Texas area.

Formed in 2002 as the state's first regional mobility authority, the Mobility Authority represents the Texas Legislature's vision to give local communities greater flexibility to develop and implement innovative transportation programs.

The Mobility Authority's first project, 183A, continues to exceed original traffic and revenue expectations. As a result, the Mobility Authority has invested an additional \$105 million to extend 183A seven years ahead of original plans. Since that time, the Mobility Authority has completed that extension, opened its second project on time and well within budget and began construction on the MoPac Improvement Project. Those 11 miles of express lanes are scheduled for completion later this year.

Ahead for the Mobility Authority is the Bergstrom Expressway, scheduled to begin work later this year. In partnership with TxDOT, three additional projects, SH 45SW, Oak Hill Parkway and US 71E, are in the environmental stages and will ultimately fall under the Mobility Authority's purview. The Mobility Authority is serving as the lead agency in the development of the MoPac South and 183 North projects with environmental clearance expected in 2015 and 2016, respectively.



It has been our pleasure to work with the Mobile Authority for the past 10 years as it moved from planning to productivity. Along the way, we have striven to become a

trusted resource on GAAP and accounting issues.

When we started working with you in 2005, the Mobile Authority had just \$322 million in assets, while PMBHD had 20 people. Today, assets are at \$1.1 billion and our firm has more than 125 professionals in seven offices.

Early in our relationship, we provided guidance on the format for financial statements and established a system for dealing with travel expenses that cut off potential issues there before they could happen. Over the years, we've been on call anytime issues arose and made numerous recommendations for increased compliance that were executed.

This long-standing relationship has meant a certain level of consistency, efficiency and familiarity that we believe benefits the Mobile Authority. We have established strong lines of communication and understand not only the business of the organization but also its people.

That said, we do understand that many businesses like to change their accounting relationships on a regular basis with the intent of bringing fresh eyes to view the books. After 10 years, we feel the same way and have made adjustments to the team to bring on a new engagement partner and audit manager.



## WHAT YOU NEED

The Mobility Authority is looking for an accounting firm to provide ongoing services related to the review and audit of the authority's financial statements.

## GENERAL INFORMATION

### PMB Helin Donovan

#### Corporate Headquarters

5918 West Courtyard Drive, Suite 500  
Austin, TX 78730

#### Office of Account Service

5918 West Courtyard Drive, Suite 500  
Austin, TX 78730

#### General Description

PMB is a full-service accounting firm based in Austin with offices in three states. Our core client base includes emerging to middle-market sized companies, government entities and not-for-profits.

#### Regulatory Actions, Litigation and Claims

- No state desk reviews or field reviews of our audits during the past three years. Federal (PCAOB) review of one client of a recently-departed Austin audit partner currently.
- No disciplinary actions against us or any of our partners or employees with federal or State of Texas regulatory bodies or professional organizations
- One recent minor lawsuit related to a compilation engagement. We are currently evaluating any potential merit.
- No outstanding claims against us or our partners

This involves auditing the balance sheet as prepared, and the related statements of revenues, expenses and changes in retained earnings and cash flow for the period then ending, for the purpose of expressing an opinion on them, in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. Additionally, the Mobility Authority needs an Audit Report as required by OMB Circular A-133.

Priorities for the Mobility Authority in choosing a firm include comparable experience of the firm and the engagement team, availability for support and consultation and technical ability as gauged by clients.

# ENGAGEMENT TEAM

Our chief goals in putting together a team to work with clients is exactly that phrase - work with you. This means having the right combination of experience and personalities to ensure the engagement goes smoothly. With this team, we have included some who have worked with you in the past 10 years, as well as others we believe to be the best current fit with your company's culture and values. All members of the team work out of the Austin office, with David based in Houston.



## DAVID FORREST

- Engagement Partner
- More than 20 years of experience
- Firm board member who spends considerable time in the Austin office
- Works with various not-for-profits, including Bay Area Turning Point and Museum of Health and Medical Science in Houston
- CPA, State of Texas
- BBA, accounting, UT-Austin



## TOM DONOVAN

- Concurring Review Partner
- 25 years experience
- Works with broker-dealer and technology audits, among other industries
- Concurring partner on Texas Health Insurance Pool, Seton Family, South Texas Higher Education Authority
- CPA, State of Texas
- BBA, UT-Austin



## JACQUE MALLON

- Audit Manager
- Six years experience
- Works on Central Texas Regional Mobility Authority, Texas Pregnancy Care Network, Texas Municipal Police Association and Seton Family audits
- CPA, State of Texas
- BBA, accounting, Texas State University



## TEAM MEMBERS

- Stephanie Prince, Audit Senior
  - » Four years experience, including three single audits
  - » BBA, accounting, Midwestern State University
- Sarah Israel, Audit Staff
  - » Worked on four single audits in past year, including Central Texas Regional Mobility Authority
  - » CPA license pending
  - » MPA, UT-Austin
  - » BBA, accounting, UT-Austin

# AUDIT APPROACH



## COMMUNICATIONS

We find open, candid dialogue essential to increase effectiveness and efficiency of an audit. We can't reach the finish line quickly if we aren't fixing problems immediately when they arise, and that requires teamwork between the engagement partner and your management. You should know what is happening at every stage of the audit and give input when required to complete a stage.

### With Cindy Demers, Controller

- Regular updates on progress from the audit manager
- As needed with all significant matters as they come up
- At the end of the process for feedback discussion

### With Bill Chapman, CFO, and Your Board of Directors

- Work directly with board's audit committee
- Be accessible to committee as needed, including taking an active role at meetings as requested
- Present results and answer questions about current audit

organization in the context of its environment, industry and objectives.

### Business-risk focus

- Move the focus of the audit from the balance sheet and place it on your objectives and strategies, significant risks that impact them, and key processes that manage them
- Analyze external industry forces that significantly affect your organization
- Identify, document and analyze key processes you have put in place to manage those strategic risks that are relevant to the audit
- Feedback by considering the risks inherent in those processes and the controls that should be in place to manage them

### Value-added advice

- Sound business advice based on best practices and industry-specific knowledge
- Look at areas that include your markets, products and services, alliances, business structure, philosophy and operating style, communications, computer information systems, and financial reporting environment as well as your objectives and strategies



## SPECIFIC APPROACH

We believe that your auditor should analyze the



- Feedback and guidance on best practices and industry trends as we perform our audit

balance sheet accounts

**Efficient, effective audit**

- Focuses on your processes and the potential risks that stand in the way
- Work directed to those processes that have strategic importance to you

We will also use analytical procedures in the compliance and internal control testing phases of our audit in relation to Government Auditing Standards. For example:

- Personnel expenditures – trend analysis of average annual salary by segment, trend analysis of fringe benefits as an overall percentage of annual salary
- Other than payroll expenditures – analysis of percentage of other than payroll expenditures of total expenditures to the budget
- Cash management – trend analysis of total available funds, dollar value of income producing investments
- Operational statistics – trend analysis and relationship of operating expenditures to revenue and certain

**ENGAGEMENT TEAM ROLES**

**Engagement Partner**

- Buck-stopper
- Establishes and maintains contact and coordinates all services
- Directs activities of the entire team
- Approves audit approach
- Reviews results and conclusions
- Determines form and content of all reports and documents
  - » Report on financial statements, compliance and internal control reports and management letter
- Responsible for assuring standards are followed throughout the engagement

**Concurring Review Partner**

- Independent quality control review
- Ensures compliance with firm and industry standards
- Provides additional consulting and advice as needed



### **Tax Partner**

- Oversees tax compliance services
- Consults on tax-related matters as needed

### **Audit Manager**

- Plans and executes the audit
- Reviews day-to-day fieldwork
- Supervises all staff assigned to the audit

### **Audit Senior**

- Oversees fieldwork
- Conducts detail testing of accounts
- Performs high-level analytics

### **Team Members**

- Assigned based upon prior experience with private company audits
- Primarily staffed from our Austin office
- Will assign staff from other offices as necessary to meet engagement specifics and deadlines
- Repeated from period to period as much as possible



We invest in technology to enhance our audit process and to make the process as efficient as possible.

- Work paperless
- All work papers are stored electronically, using the most widely used audit software on the market
- Laptops in the field

- Portable scanners to create electronic copies of your printed documents
- EDP Software
- Secure and convenient internet portal for transferring documents between us



### **Management**

- Basic financial statements, statement of functional expenses, and all accompanying information as well as all representations contained therein
- Identifying government award programs and understanding and complying with the compliance requirements
- Required to acknowledge in the representation letter our assistance with preparation of the financial statements

### **Staff**

- Prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing

### **PMBHD**

- Assists with preparation of your financial statements and related notes



## RESOLUTION OF TECHNICAL ISSUES

- Interactive process, generally starts with issues raised by client and evaluated by engagement partner
- Disagreements or requests for second opinions go to a technical issues committee
- FASB, AICPA or other regulatory groups are consulted when appropriate
- Final decision made by audit partner in charge at PMBHD
- Constant communication maintained with management about the process and to answer questions



## AUDIT WORKFLOW

Rather than being a rigid, linear process, our audit workflow serves as a guide to our approach, allowing our team the flexibility and creativity to use their professional judgment as to how best complete the audit.

### Strategic Analysis

- Gain a thorough understanding of your business and the external forces that affect the company
- Identify strategic business risks and assess their significance to your business
- Plan our analysis of the key processes that you have put in place to manage these risks as well as the key

processes surrounding the recording of significant classes of transactions

- Done during the interim phase of the audit, when possible

### Process Analysis

- Document and understand your key business processes by evaluating the risks embedded in these processes and the business, financial and compliance related controls in place to manage them, deciding on audit objectives associated with these process level risks and assessing the risk of significant misstatement in your financial statements for each audit objective
- Support this assessment through tests of controls over financial reporting throughout the period under audit to reduce the amount of period-end auditing combined with tests of controls over compliance, whenever possible, to improve overall audit efficiency

### Remaining audit procedures and reporting

- Perform remaining audit procedures as planned
- Identify and investigate audit differences and evaluate findings
- Form our audit opinions
- Report our findings



## AUDIT SAMPLING

In determining the tests to perform and associated sample sizes, we use professional judgment regarding the

appropriate level of detection risk minimum.

- Ensure that the sample is representative of the population sample's characteristics
- Determined using analytical procedures during planning
- Dual-purpose sampling allows the same sample items to be tested for internal control reliance and compliance testing
- Extent of a dual-purpose test is the greater of what otherwise would be chosen for the two separate purposes
- If used, the work papers will document the decision to use this approach and will include adequate evidence of the test work performed on internal control and on compliance



## ANALYTICAL PROCEDURES

These are an important part of our audit process, as they allow us to make informed evaluations of CTRMA's financial statements by studying relationships among financial and non-financial data acquired during our audit.

Analytical procedures are required in planning and overall review under generally accepted auditing standards.

### Planning

- Assist us in planning the nature, timing and extent of auditing procedures that will be used to obtain evidential matter for specific account balances or

classes of transactions

### Overall Review

- Assess the conclusions reached and in evaluation of the overall financial statement presentation

### Substantive Testing

- Obtain evidence, sometimes in combination with other substantive procedures, to identify misstatements in account balances and thus reduce the risk that misstatements will go undetected
- Different from those used in planning and overall review

Although the procedures used in performing each of these types of analytical procedures are similar, the rigor with which we apply each procedure, and the purpose for which we apply them differ significantly. We focus substantive analytical procedures on particular assertions about account balances, and focus our attention on the underlying factors that affect those account balances through the development of an expectation independent of the recorded balance.



## CONTINUOUS IMPROVEMENT

Throughout our audit process, we will reassess our procedures based upon audit evidence obtained, and revise our audit plan as considered necessary for effectiveness and efficiency. This will be accomplished by team work between management and our audit team and include, but not limited to implementing the following:

- Critically assessing past audit procedures and findings, and removing low-value testing on insignificant, low-risk balances
- Providing management with more robust schedules for preparation by the Mobility Authority's staff, to allow your team the ability to more fully complete these standard audit templates
- Potentially allowing the Mobility Authority team members to complete data population for documenting our sampling selections
- Challenging the need for detailed testing when analytic testing seems appropriate and provides adequate audit assurance
- Reducing hours in the reporting phase of the audit by

leveraging prior experiences to produce a high quality, well written set of financial statements



The graphic features a blue square icon with a white maze-like pattern on the left. To its right is a horizontal orange bar with the text "KEY AREAS OF AUDIT FOCUS" in blue, uppercase letters.

For the Mobility Authority, we have identified the following areas we would consider areas of risk that should be given extra attention.

- Revenue recognition/Accounts receivable
- Investments
- Fraud risks
- Internal controls and corporate governance
- Use of information technology



# ABOUT PMBHD



## CLIENTS FIRST

At our Firm, that's not just a quippy slogan or catchy tagline. Our roots are firmly planted in the philosophy of doing our best for and by our clients.

This means providing unmatched personal service often missing at bigger firms, while still meeting your needs with the highest quality skill and knowledge.

Our three-pronged service commitment calls for actively involved partners, strictly met deadlines and closely kept budgets. We believe our accounting experience is best deployed for you when engagements are consistent, timely and cost-effective.



## JUST THE FACTS

- Full-service accounting and consulting firm
- Based in **Austin, Texas**
- Seven offices across Texas, California and Washington
  - » Two offices headed by female partners
- 20 partners and more than 125 professional staff
- More than 45 CPAs
- Audit, tax and advisory support for governmental agencies, emerging to middle market organizations

and not-for-profits

- More than 1,000 corporate tax clients
- More than 300 corporate audit clients
- Affiliation with Russell Bedford International provides a global reach with a presence in over 90 countries with over 200 offices and 5,000+ professionals
- Diverse client base composed of **government agencies**, closely held businesses, publicly traded companies, non-profit organizations, hedge and investment fund entities, broker dealers and individuals
- Currently provide audit services to more than **100 governmental entities** and not-for-profit organizations, including community service, public charity and private organizations



## PUBLIC SECTOR SERVICES

- Single audit
- Financial statement audits and reviews
- Compliance attestation and audits
- Employee benefit plan audits
- Internal control assessment and attestation, including Service Organization Control engagements

- Tax compliance
- Unrelated business income tax consulting
- Advisory services
- IT Advisory, including technology and process assessments and system implementation assessments



## QUALITY CUSTOMER SERVICE

Our ability to deliver comprehensive quality service using our risk-based audit approach is directly related to the skills of the team members.

We understand the need to have an interdisciplinary team consisting of industry-oriented auditors. We work smarter by eliminating low-value work and focusing on areas with potentially greater risk and rewards. Your client service

team will bring capability, knowledge, insight and appropriate company expertise to the audit.

As a result, you get timely and active partner involvement. This is perhaps the most important factor for delivering top-quality services. Our partners and staff devote a significant portion of their time in the planning process of the engagement to ensure the audit approach and our execution of audit fieldwork will meet your objectives.

In addition to formal training courses, we recognize that familiarity and experience with a specific client is important in providing the highest level of professional performance.

We measure quality service through questionnaires, follow up meetings and conversations with client personnel.



# APPENDIX A: EXPERIENCE



## SINGLE AUDIT EXPERIENCE

### Representative Austin Clients

- TMF Health Quality Institute
- Central Texas Regional Mobility Authority
- South Texas Higher Education Authority
- Texas Municipal Police Association
- Seton Health Plan
- Texas Health Insurance Pool
- Starry
- Any Baby Can
- Texas Pregnancy Care Network
- Texas Municipal Police Association
- Easter Seals of Central Texas
- Any Baby Can of Austin
- Communities in Schools
- College Forward
- Asuragen
- Seton Family of Hospitals
- Texas Health Insurance Pool
- Council for South Texas Economic Progress

## CLIENT REFERENCES

### Texas Health Insurance Pool (Single Audit)

P.O. Box 17463, San Antonio, TX 78217

Steve Browning, Executive Director

512-441-4665

\$90 million in total assets, \$336 million in revenue

### TMF Health Quality Institute (Single Audit)

5918 West Courtyard Drive, Suite 300, Austin, TX

78730-5036

Pamela Hoernis, CFO

512-329-6610

\$45 million in assets, \$75 million in revenue

### South Texas Higher Education Authority (Single Audit)

200 South 10th Street, Suite 502, McAllen, TX 78501

Adam Gonzalez, Sr. Vice President

956-971-3304

\$587 million in total assets, \$28 million in revenue

### Lakeway Municipal Utility District (Financial Statement Audit)

1097 Lohmans Crossing Rd, Lakeway, TX 78734

Earl Foster, General Manager

512-261-6222, Ext 140

\$33 million in total assets, \$7.2 million in revenue

# APPENDIX B: BONA FIDES

## FIRM LICENSES AND MEMBERSHIP

- Texas State Board of Public Accountancy to practice public accounting in the State of Texas
- Licensed in several other states
- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants
- AICPA Government Audit Quality Center
- Audit Quality Center for Public Company Audit Firms
- AICPA Employee Benefit Plan Audit Quality Center
- Public Company Accounting Oversight Board as required by the Sarbanes-Oxley Act for firms providing audit services to SEC clients
- Russell Bedford International

## PEER REVIEWS

- American Institute of Certified Public Accountants
  - » 2011 - most recent of our system of quality control for our accounting and auditing practices applicable to non-SEC issuers
  - » Unqualified report
  - » Attached as Appendix C

- Public Company Accounting Oversight Board
  - Unqualified report
  - Available on request

## FIRM INDEPENDENCE

- Currently meet the appropriate criteria for independence for this engagement
- Not aware of any relationships with you or existing clients that would jeopardize our objectivity and independence in executing this engagement
- Committed to maintain independence as your auditors
- Constant monitoring of our policies and procedures
- Require all professionals to compare current and prospective investments to a list of clients to ensure personal investments do not impair independence

## INSURANCE IN FORCE

- \$1 million in general liability per occurrence
- \$1 million workers compensation coverage
- \$3 million in professional liability coverage.

## TECHNOLOGY RESOURCES

- Technical research information services that cover substantially
  - » All AICPA Technical Issues, including Trends & Techniques, Practice Aids and Industry Guides



- » All FASB and GASB literature, including Current Text, Original Pronouncements, Emerging Issues Task Force Issues, SEC and PCAOB regulations
- » Accessible electronically, which allows us to remain up-to-date with the technical accounting rules, promptly research auditing, accounting and financial reporting issues as they arise and provide our clients with prompt and accurate responses to complex technical issues
- Leading professional audit software
  - » Includes automated trial balances, lead schedules, audit programs and checklists and sampling applications to ensure an efficient audit
- Licenses with ProSystemsFX for use in providing tax compliance services

## AFFIRMATIVE ACTION POLICY

- Equal opportunity employer
- Employment decisions based on merit and without regard to an employee's age, race, sex (including pregnancy), gender, gender identity, color, creed, religion, national origin, citizenship, marital status, physical or mental disability, medical condition including genetic characteristics, sexual orientation, veteran status or any other consideration made unlawful by federal, state or local law
- Prohibits unlawful discrimination based on the perception that anyone has any of those

- characteristics, or is associated with a person who has or is perceived as having any of those characteristics
- Applies to all phases of the employment relationship and to all personnel, at every level of the Firm
- Prohibits unlawful discrimination by any employee towards customers, vendors, contractors and persons working or visiting on the Firm's premises
- Requires to make reasonable accommodations, as required by law, for the known physical or mental disability of an otherwise qualified employee or applicant, provided the accommodation does not impose an undue hardship or cause an undue risk to health or safety. Any applicant or employee who requires an accommodation in order to perform the essential functions of his or her job must contact our HR – Partner(s) and request such an accommodation.
- The Firm has implemented numerous policies that are designed to achieve important business objectives. We recognize, however, that an otherwise legitimate workplace policy can have unintended consequences to individuals in a particular group or class.
- Examples of “protected classes” include, but may not be limited to, race or color; national origin or ancestry; sex or gender; gender identity; sexual orientation; religion; age (for persons 40 and older); mental or physical disability; veteran status; and medical condition.

# APPENDIX C: PEER REVIEW LETTER



Tel: 210-342-8000  
Fax: 210-342-0866  
www.bdo.com

40 NE Loop 410  
Suite 200  
San Antonio, TX 78216

## System Review Report

November 30, 2011

To the Partners of PMB Helin Donovan, LLP  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of PMB Helin Donovan, LLP (the firm), applicable to non-SEC issuers, in effect for the year ended June 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards*; audits of employee benefit plans, and audits performed under FDICIA.

In our opinion, the system of quality control for the accounting and auditing practice of PMB Helin Donovan, LLP, applicable to non-SEC issuers, in effect for the year ended June 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies), or fail. PMB Helin Donovan, LLP has received a peer review rating of *pass*.

*BDO USA, LLP*



## Qualifications to Provide Financial Auditing Services

March 13, 2105

Presented to:

### **Central Texas Regional Mobility Authority**

Presented by:

Adam McCane, CPA | Partner, Assurance Services  
Direct: 512.609.1968 | adam.mccane@weaver.com



7601 S. MoPac Expressway, Suite D250  
Austin, Texas 78746  
www.weaver.com

**\*\*\*ORIGINAL\*\*\***

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## Executive Summary

Government agencies like the Central Texas Regional Mobility Authority face distinct challenges when it comes financial reporting. You must balance the need to meet regulatory and financial reporting requirements with the need to minimize impact on day-to-day operations—all within increasing operational and budgetary constraints.

With 65 years of assurance experience and deep knowledge of single audit requirements, Weaver understands the complex landscape entities like the Mobility Authority must navigate on a daily basis. Weaver focuses on providing high quality, insightful, value-added audit services tailored to your specific risks and challenges—never losing sight of your need to operate effectively and efficiently.



With more than 500 employees and seven offices across Texas, Weaver offers the Mobility Authority the best of both worlds: the depth of knowledge and experience you expect from the Big Four, with the hands-on, personal level of service you expect from a smaller, local firm.

### Why Weaver?

#### **Experience**

With a dedicated public sector practice comprised of more than 120 professionals — the largest industry practice within our firm — and more than 300 public sector clients, Weaver understands the nuance and intricacies of government operational structures, financials and reporting requirements. We know that government entities often operate with limited resources, but that doesn't mean you should miss out on best-in-class services. The level of specialized knowledge we have developed over the past six decades is second to none, and we will bring that full knowledge to bear in service of your goals. Leveraging best practices and lessons learned from a wide variety of industries and organizations, we work to help you manage your financial reporting requirements efficiently, so you can focus on continuing the more important task at hand: improving the transportation system in Williamson and Travis counties.

### **Collaboration & Relationship Building**

At Weaver, success isn't built on engagements, it's built on relationships. With a strong focus on continuity and communication, we work to cultivate a lasting, collaborative relationship with you. To that end, your partner provides much more than oversight and accountability during the audit — he remains available to you throughout the year. This collaborative, client-focused spirit truly sets Weaver apart from other firms.

### **Unparalleled Quality**

We are proud of our high standards and quality work product. Weaver has been a member of the AICPA Center for Audit Quality since the inception of the program, and undergoes an independent peer review every three years to ensure we're maintaining the highest standards possible. Weaver has received the highest possible rating on every peer review completed to date. No firm in Texas can match our experience and capabilities in providing audit services to Texas public sector entities.

### **Ability to Deliver Services Cost Effectively**

Weaver understands the importance of cost-effectiveness, especially for public sector agencies. That's why we focus on real value — providing the highest degree of client service and quality in the most cost-effective manner. By taking a function-specific approach — staffing the right resources at the right time, based on the tasks at hand — we are able to ensure cost-efficient services for the Mobility Authority without sacrificing the quality that has become our hallmark.



### **NATIONAL AND LOCAL RANKINGS**

**#7 Largest Austin Accounting Firms | *Austin Business Journal***

**#5 Largest San Antonio Accounting Firms | *San Antonio Business Journal***

**#6 Largest Accounting Firms in Texas | *Houston Business Journal***

**#10 Largest Houston-Area Public Accounting Firms | *Houston Business Journal***

**#4 Largest Tarrant County Accounting Firms | *Fort Worth Business Press***

**#8 Largest North Texas Accounting Firms | *Dallas Business Journal***

**2014 Top 50 Firms | *INSIDE Public Accounting***

**2014 BEST of the BEST Firms | *INSIDE Public Accounting***





## 1. General Information

### A. Firm Name

Weaver and Tidwell, L.L.P. is a firm with offices in seven major Texas cities: Austin, San Antonio, Houston, Fort Worth, Dallas, Midland and Odessa. We have approximately 500 employees, including 70 partners.

### B. Corporate Headquarters Address

Weaver's corporate headquarters is located at: 2821 W. 7<sup>th</sup> Street, Suite 700, Fort Worth, Texas 76107.

### C. Local Office

The financial compliance and audit services for the Mobility Authority will be managed and staffed from our Austin office, located at: 1601 S. MoPac Expressway, Suite D250, Austin, Texas 78746. However, all of Weaver's resources work collaboratively across locations to provide the full range of the firm's services. The professionals in our public sector group have a broad range of assurance, advisory and tax experience, nonprofit industry knowledge and various technical skills. As such, we are able to draw upon additional resources and key subject matter advisors at various stages of the engagement, as needed. With this leveraged model, Weaver is able to offer the Mobility Authority a fully customized team that can adjust dynamically and quickly to meet your needs throughout all stages of the engagement. It also enables us to provide a holistic, multidisciplinary approach with added innovation, thought-leadership and insight.

### D. Firm Accounting and Audit Capabilities

Weaver's dedicated public sector services group is one of the largest industry practices in the firm, with more than 120 professionals serving more than 300 public sector clients across the state. In fact, public sector clients currently account for more than 30 percent of the firm's audit revenue.

Our industry team performs more than 100 public sector audits annually, including federal and state compliance audits under OMB Circular A-133. Our experience also includes CAFR preparation for Government Finance Officers Association (GFOA) recognition, grant compliance and third-party grant compliance audits. Our substantial public sector client base includes:

- More than 75 entities that receive federal funding sufficient for a single audit
- Seven entities that receive more than \$100 million in federal financial assistance

In addition to assurance services, we also provide public sector clients with internal audits (both outsourced and co-sourced), risk assessments, enterprise risk management consulting, business process improvement, IT audits and forensic accounting.

The benefits of this diverse experience are clear: Weaver professionals are well informed about the issues our government clients face. Our broad and sustained experience enables us to take a particularly thoughtful, holistic approach, balancing your short-term reporting needs with your long-term objectives.

### **Peer Review**

The adequacy of our quality control system for our accounting and auditing practice and our compliance with that system are independently evaluated every three years through a peer review conducted under the auspices of the AICPA Center for Audit Quality and the AICPA Center for Public Company Audit Firms, as well as inspections through our registration with the Public Companies Accounting Oversight Board (PCAOB).

Weaver has received unmodified reports on every peer review to date. Our latest peer review was conducted in September 2013; Weaver received a pass rating, with no letters of comment — the highest grade possible. In fact, we have received no letters of comment on our last four consecutive peer reviews — an uncommon achievement that further underscores our commitment to quality.

## **E. Claims**

Although litigation sometimes occurs during the normal course of business, any such cases have been without merit. Our professional liability insurance covers any claims that have arisen, without financial impact to the firm. As such, we confirm that there is no past or pending litigation, nor any claims, that would affect our performance under a contract with the Mobility Authority.

## **2. Financial Audit Experience**

### **A. Government Auditing Experience**

As mentioned previously, Weaver serves approximately 300 public sector clients. To list all of them would be space prohibitive. On the following page, we have provided three references, per the RFQ, as well as an expanded list of representative public sector clients.



Client	Services Provided	Contact
Fort Worth Transportation Authority	Audit of financial statements and A-133 single audit	Rebecca Thornton Vice President, Director of Accounting 817.215.8741 Rthornto@the-t.com
Trinity River Authority	Audit of financial statements	J. Kevin Ward General Manager 817.467.4343 wardk@trinityra.org
Denton County Transportation Authority	Audit of financial statements and A-133 single audit	Anna Mosqueda CFO 972.221.4600 amosqueda@dcta.net

## REPRESENTATIVE PUBLIC SECTOR CLIENTS

### Local & Regional Entities

Bethany Special Utility District  
Bexar Metropolitan Water District\* /+  
Central Texas Council of Governments\* /+  
Dallas County# /<sup>^</sup>  
Denton County Transit Authority\* /+ /<sup>^</sup>  
East Texas Council of Governments\* /+  
Edwards Aquifer Authority\*  
Ellis County Rural Rail Transport  
Emergency Communication District of Ector Co.  
Fort Worth Transportation Authority\*  
Greenville Electric Utility<sup>^</sup>  
Houston Galveston Area Council# /<sup>^</sup>  
Lake Cities Municipal Utility Authority#  
Lancaster Housing Authority\*  
Lubbock Housing Authority\*  
McKinney Housing Authority\*  
MHMR of Tarrant County\*  
Monahans Housing Authority\*  
North Texas Tollway Authority<sup>^</sup>  
North Central Texas Council of Governments\* /# /+ /<sup>^</sup>  
North Texas Municipal Water District# /<sup>^</sup>  
Odessa Housing Authority\*  
Pecos County TJPC  
Reeves County TJPC  
Region XI Education Service Center#  
Region XIII Education Service Center<sup>^</sup>  
Stanton Housing Authority\*  
Tarrant County Tax Collectors Office#  
Tarrant Regional Water District#  
Trinity River Authority+ /<sup>^</sup>  
Williamson County \* /+

### State Entities

Employee Retirement System of Texas# /<sup>^</sup>  
Texas Adjutant General's Office  
Texas Department of Insurance#  
Texas Health Services Authority<sup>^</sup>  
Texas Lottery Commission  
Texas Military Department<sup>^</sup>  
Texas Municipal Power Agency+  
Texas Permanent School Fund  
Texas State Auditor's Office

### Municipalities

City of Arlington<sup>^</sup>  
City of Allen\* /+  
City of Benbrook\*  
City of Bryan\* /+ /# /<sup>^</sup>  
City of Cedar Hill\* /+  
City of Dallas<sup>^</sup>  
City of Denton\* /+ /#  
City of Euless, Texas\* /+  
City of Friendswood\* /+  
City of Galveston\* /+  
City of Grand Prairie\* /+  
City of Greenville\* /+ /# /<sup>^</sup>  
City of Houston# /<sup>^</sup>  
City of Killeen\* /+  
City of Lewisville<sup>^</sup>  
City of McKinney\* /+ /#  
City of Midlothian+  
City of Rowlett+  
City of Saginaw\*  
City of Sanger  
City of Southlake\* /# /+  
City of Springtown\*

City of Tomball \* /+  
City of University Park\* /+  
City of Wylie\* /+  
Town of Addison\* /# /+ /<sup>^</sup>  
Town of Little Elm\* /+  
Town of Highland Park\* /+  
Town of Trophy Club+

### Educational Entities

Burleson ISD\* /+  
Conroe ISD\* /+  
Dallas County Schools  
El Paso ISD<sup>^</sup>  
Fort Worth ISD\* /+ /# /<sup>^</sup>  
Frisco ISD# /<sup>^</sup>  
Garland ISD\* /+ /#  
Hurst-Euless-Bedford ISD\* /+  
Higher Education Servicing Corporation#  
Highland Park ISD\* /+  
Irving ISD\* /+ /# /<sup>^</sup>  
Keller ISD Education Foundation, Inc.  
Keller ISD\* /+  
La Porte ISD\* /+  
Laredo ISD \* /+  
Mesquite ISD\*  
McKinney ISD<sup>^</sup>  
Midland ISD\*  
Montgomery ISD \* /+  
North Texas Higher Education Authority  
Northside ISD  
Plano ISD\* /+  
Rockwall ISD\* /<sup>^</sup>  
Tarrant County College District\* /+ /#

Legend: \* A-133 Single Audit | + Recipients of GFOA Award | # IT Audit | <sup>^</sup> Risk Advisory

## B. Primary Contact

Adam McCane, who is relocating from Weaver's headquarters to Central Texas in order to better support our growing client base in the region, will serve as the engagement partner for the Mobility Authority, and will manage this engagement from Weaver's Austin office. In this role, he will serve as your primary point of contact, and provide overall guidance and coordination for the audit. He will also remain available to you throughout the year for routine questions and guidance. Adam's contact information is provided below:

Adam McCane, CPA | Partner, Assurance Services | Direct: 512.609.1968 | Email: adam.mccane@weaver.com

## C. Engagement Team

At Weaver, we continually strive to bring you our best and brightest. Weaver engagement teams are marked by continuity, cross-functional communication, leadership and stability—all important factors for any engagement team to be effective. Team members for every engagement are selected for their technical ability, experience, management skills and capacity to meet client deadlines.

One of the ways we ensure capacity to meet deadlines and schedules is through our function-specific approach to engagement staffing: we focus on leveraging the right resources at the right times, ensuring that teams are assigned based on the specific tasks required during each of the audit phases, as well as the timing of those tasks.

As mentioned previously, our public sector services group is made up of more than 120 professionals, and we are also able to draw upon any of our other professionals across the organization, as engagement needs dictate, to ensure that we meet timing and other engagement needs.

Brief profiles of the team leadership have been provided below; more detailed resumes have been provided in Appendix A.

### **Adam McCane, CPA | Engagement Partner**

Adam will serve as the engagement partner for the Mobility Authority. In this role, he will provide overall guidance and coordination, and will be instrumental in planning the engagement specifics and managing the plan. Adam has more than a decade of experience working in public accounting. He serves as the audit engagement partner for many public sector organizations, including numerous special-purpose entities and authorities, cities

and school districts, many of which require A-133 single audits and CAFR preparation. Authoring numerous articles for professional and business publications, he provides valuable technical and industry insights. Adam is licensed to practice as a Certified Public Accountant in Texas. He is a member of the Government Finance Officers Association Special Review Committee, is a former treasurer of the Presbyterian Night Shelter of Tarrant County, and is an active local member of the AICPA and the TSCPA. He earned a bachelor's degree in accounting and finance from Texas Christian University.

**Jerry Gailther, CPA, CGMA | Technical Review Partner**

Jerry has more than 37 years of experience leading engagement teams in financial audits for the most complex government entities. In addition, he is responsible for developing Weaver's audit methodologies for financial auditing of government entities including cities, regional governments and public school districts as well as single audits meeting the requirements of the U.S. Office of Management and Budget (OMB) A-133. He is an associate member of the Government Finance Officers Association and also serves on the Special Review Committee. Jerry is a Certified Government Finance Manager and a former member of the Technical Issues Committee of the American Institute of Certified Public Accountants as liaison to the Governmental Accounting Standards Board. He graduated with a bachelor's of business administration degree in accounting from Texas Christian University.

**Roger Tovar, CPA | Audit Manager**

Roger will serve as audit manager, supervising audit staff throughout the engagement and ensuring that work is progressing on schedule. He has more than eight years of public accounting experience, and has audited a wide variety of public sector clients. He is skilled in applying single audit, government auditing standards and AICPA auditing standards, federal single audits under OMB Circular A-133, and preparing financial reports that meet GFOA requirements. A member of the Texas Society of Certified Public Accountants and the American Institute of Certified Public Accountants, he earned a Bachelor of Business Administration in accounting from Angelo State University.

**Marlon Williams, CPA, ACDA | Data Analytics Subject Matter Advisor**

Marlon has more than 17 years of experience in public accounting, with a practice concentration on providing accounting and auditing services for companies in the manufacturing, wholesale, financial services and professional service industries, as well as for government and nonprofit entities. As one of few ACL Certified Data

Analysts in the state of Texas, Marlon specializes in using technology to increase the efficiency and accuracy of Weaver's engagements.

### **Brittany George, CISA | Information Technology Subject Matter Advisor**

Brittany has more than 10 years of IT advisory experience, including more than two years of experience in KPMG's Information Technology Advisory practice, and more than two years with TXU/Capgemini Energy. Her practice emphasis includes IT audit, security and consulting services; she is also highly experienced with SOX attestations, SOC reporting and compliance audits. She has helped plan and execute some of Weaver's most significant IT controls engagements, with a heavy focus on information security. A Certified Information Systems Auditor (CISA), Brittany also serves on the North Texas board of the ISACA, and is a member of IIA, AFCOM, and the Metroplex Technology Business Council (MTBC), where she is involved in MTBC's Cloud Computing Special Interest Group.

## **D. Nature of Services Performed for Government Entities**

Having provided services to public sector entities for more than six decades, and with more than 300 recent public sector clients, it would be prohibitive to list all of the services provided for each. We have included a summary of services provided for each reference provided on page 5, and would be happy to provide additional details regarding services provided for additional similar clients. For a full listing of the services provided by the firm, please refer to Item H.

## **E. Engagement Approach**

### Overview of Our Approach

Weaver's audit methodology is designed to be collaborative, comprehensive and efficient, with guidance from your engagement partner throughout. We focus on identifying potential risks that could lead to material misstatement of the basic financial statements, and tailor our audit accordingly.

When we evaluate your risks, we focus not only on understanding your operations and accounting processes, but also on examining your internal control systems and the capabilities of its personnel. We also take time to properly identify major programs for single audit purposes, so that the audit meets requirements without wasting our time or your money.



## **The Transition to Weaver: Making it Easy on Your Personnel**

Weaver's goal is to make the transition process seamless and efficient. Current auditing standards require us to get certain information from the previous auditor before accepting a new engagement. Once those inquiries are finished, we will coordinate the work paper review as quickly as possible and begin the planning stages of the audit, with the goal of a timely understanding of your controls and processes. This understanding enables us to tailor our request list accordingly, and ensures that we are only requesting information that has a direct impact on your financial processes. This makes the transition easier not only on you, but also on your third-party vendors and investment managers. Our objective is to allocate only those tasks to you that will result in the greatest cost-efficiency overall. Whenever possible, we attempt to minimize the audit's impact on your staff by using the information your management already prepares and uses regularly. Weaver can accept electronic data from virtually every accounting system on the market, which reduces the time required by your personnel to send us necessary information.

Weaver will not bill you for the time spent during the first year enhancing our understanding your operations, developing programs and documenting internal controls. We see this time as an investment in continuing our long-term relationship with you.

## **Use of Technology during the Audit**

Weaver uses cutting-edge electronic technology to further improve our efficiency throughout the audit process. We were one of the first CPA firms to adopt the paperless environment. Now, over years of practice, we have organized our system to create the most efficient workflow. Our audit file software is used to store, share, review and track all items related to the engagement. As our client, you will have access to a portal system to exchange files—no matter how large—in a secure environment. Our portal allows both our team and yours to store files for instant, secure access, creating a virtual network where the audit team can collaborate with you.

Weaver auditors also leverage instant messaging and screen-sharing tools among the team, which enables team members to look at documents together or review findings no matter where they are physically working.

## **Communication Approach**

Adding value and ensuring quality starts with open and regular communication. For Weaver, that means hands-on partner involvement and team leaders who communicate with clients on a regular basis. This serves as the ever-valuable foundation in every Weaver engagement. Throughout the audit — and throughout our entire relationship with you — Weaver will remain in close communication with your management team.

Our philosophy is a “no-surprises” audit. Therefore, whenever there is a question or a potential issue, we will immediately bring it to your attention, seek your confirmation of the data, and ask about any relevant circumstances. Conferences held during the engagement will include entrance and exit conferences at the beginning and conclusion of interim work; entrance conferences at the beginning of fieldwork; weekly progress conferences with appropriate Mobility Authority management during fieldwork; and exit conferences at the end of fieldwork. We will also meet with you on a regular basis to facilitate a constructive exchange about work in progress and related issues; provide technical updates and discuss how they affect the organization; learn about changes in your forward-looking strategies as we look to the next season; and gain an understanding of your overall satisfaction to date.

## **Auditing Computer Systems**

Organizations are heavily dependent upon their internal computer systems. Whether utilizing “off the shelf” vendor-created software or custom-developed systems tailored to the organization’s needs, the information produced through these systems must be complete, accurate and reliable. Our experience with data analytics and assessing IT controls for a wide variety of organizations and systems allows us to comprehensively assess an organization’s internal control environment and provide insights on achieving efficiencies.

Using data-mining software that can analyze any size and number of records, Weaver can perform audit procedures over computer systems in support of the financial statement audit team in the fulfillment of their obligations under professional standards. We are able to perform analytical reviews, review general ledger information, import trial balances, review check registers, and examine various other data obtained during the audit efficiently and effectively using ACL.

## F. Procedures and Work Schedule

### **Phase 1: Planning**

***(Timing: May, 2015)***

During the planning phase, we will meet with you to learn more about your operations and processes, find out your preferences, ask for the reports and data we will need, and set milestones and deadlines. We will also review prior-year work papers and financial statements, identify potential risks, and calculate a preliminary estimate of materiality. As we flesh out our detailed audit approach, we will ensure that audit tests are efficient, not repetitive. We will also modify the audit program as needed to reflect changes in conditions or audit standards, unexpected results from tests of operating effectiveness of internal accounting controls, new information or unanticipated activities.

### **Phase 2: Control Documentation & Preliminary Field Work Activities**

***(Timing: June/July 2015)***

As an integral part of our audit planning, we complete questionnaires, narratives and walkthroughs relating to internal control, operations and accounting processes. A more in-depth understanding will enable us to perform a more thorough, efficient and effective audit. In addition, the better we understand your organization, the more helpful our management comments and recommendations will be.

During this phase, we will examine your internal controls to make sure they are properly designed and functioning as intended, particularly when those controls may affect grant expenditures (as required by OMB Circular A-133). We will test the internal control structure as part of our interim fieldwork. When we examine internal controls, we will also be looking at the laws and regulations that affect your grant reporting, from state rules to federal single audit requirements.

#### **Single Audit (OMB Circular A-133)**

We will test internal controls over compliance requirements for major federal and state programs that have a direct and material impact on each program. Following are the compliance requirements to be considered for all federal programs:

- Transactions are properly accounted for and recorded to:
  - Permit the preparation of reliable financial statements and Federal reports

- Maintain accountability over assets
- Demonstrate compliance with laws, regulations and other compliance requirements
- Transactions are executed in compliance with:
  - Laws, regulations and the provisions of contracts or grant agreements that could have a direct and material effect on a Federal program
  - Any other laws and regulations that are identified in the Compliance Supplement
- Funds, property and other assets are safeguarded against loss from unauthorized use or disposition
- Specific requirements for major federal financial assistance programs have been addressed, as applicable:
 

<ul style="list-style-type: none"> <li>○ Activities allowed or disallowed</li> <li>○ Allowable costs/cost principles</li> <li>○ Cash management</li> <li>○ Davis-Bacon Act</li> <li>○ Eligibility</li> <li>○ Equipment and real property management</li> <li>○ Matching, level of effort, earmarking</li> <li>○ Period of availability of federal funds</li> </ul>	<ul style="list-style-type: none"> <li>○ Procurement and suspension and debarment</li> <li>○ Program income</li> <li>○ Real property acquisition and relocation assistance</li> <li>○ Reporting</li> <li>○ Sub-recipient monitoring</li> <li>○ Special tests and provisions</li> </ul>
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**Phase 3: Final Fieldwork**

***(Timing: August 2015)***

After you complete the year-end closing of accounts, our team will begin final fieldwork. This is the time when we perform most of the substantive tests on your data and prepare our audit work papers. Weaver will be onsite for the majority of this time due the efficiency of working collaboratively with your finance department and accounting staff. During this time, the auditors will:

- Perform audit tests and complete preparation of audit work papers
- Complete audit programs, procedures and conclusions
- Audit conversion entries to government-wide financial statements
- Discuss audit findings and adjusting entries with your in-house auditor or management



- Obtain your representations and attorney letters

### **Substantive Procedures**

Weaver determines the audit approach and the specific procedures performed for various financial statement accounts and transactions (e.g., cash and investments, long-term debt, etc.) based on our experience with similar entities. We tailor these procedures to your specific accounting system and controls in order to perform the audit thoroughly and efficiently.

The financial objectives of these procedures are to provide reasonable assurance that you will be able to accurately process, summarize and report financial data consistent with management's assertions. Those assertions cover classes of transactions, year-end account balances, and presentation and disclosure of financial data.

Between our assurance and advisory groups, we currently have more than a dozen computer specialists experienced in evaluating computer controls. These specialists have the ability to review all computer control checklists completed by the Mobility Authority's staff and make additional inquiries and recommendations, when appropriate. Additionally, if so requested, the firm's computer specialists are available to meet with the Mobility Authority to discuss any matters of concern that the Mobility Authority may have related to its use of technology and computer systems.

### **Phase 4: Financial Review and Quality Control**

***(Timing: August/September 2015)***

Weaver has built multi-layered quality assurance processes into our audit methodology. These layers give us repeated opportunities to check each other's work; they also ensure that the engagement partner and technical review partner are closely involved with your audit.

After fieldwork is complete, the engagement partner will review the entire engagement, with particular attention to significant audit areas. In addition, the draft report and work papers will be reviewed by the technical review partner, to determine the completeness with which the engagement has been performed. The auditor's review will determine whether judgments made by others are reasonable in relation to the supporting data and to generally accepted accounting principles, auditing standards, government auditing standards and firm policy.

In addition to performing our internal quality review, we will also present the draft report to you, reviewing any management comments or recommendations. If there were questions or potential issues, of course, we would have brought them to your attention during the fieldwork. When discussing the draft report, we will seek your confirmation of our findings and answer any questions you have about the recommendations.

#### **Phase 5: Reporting**

***(Timing: Draft of financial statements, A-133 single audit and management letter – September 2015; Final report no later than second week of October)***

After our internal reviews have confirmed that the audit is accurate and complete, you have reviewed the draft reports, and we have incorporated your management responses and related information, Weaver will issue the final audit documents:

- A report on the fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles
- A report on internal control over financial reporting and on compliance and other matters based on an audit of the financial statements
- A report on compliance for each major program and on internal control over compliance, as applicable
- A management letter

Our final reports on compliance and internal controls will detail any “significant deficiencies” in internal control found during the audit. Significant deficiencies that are also material weaknesses will be identified as such in the report. Lesser deficiencies will be reported in a separate letter to management.

Weaver will present our findings to the parties designated by the Mobility Authority. At that time, we will explain our findings, present practical recommendations for improvement (if needed), and answer your questions. After the end of the engagement, your engagement partner and manager will remain accessible to answer your questions and help you prepare for the next audit.

## **G. Depth of Experience Performing Financial Audits**

As mentioned previously, Weaver has been providing assurance services to Texas entities for more than six decades. Our extensive knowledge of government auditing standards includes a commitment to membership in key standards-setting bodies, including:

- Membership in AICPA's Governmental Audit Quality Control Center (GAQC)
- Membership in the AICPA National Peer Review Committee
- Membership on the AICPA Auditing Standards Board
- Membership in the Government Finance Officers Association (GFOA), including nine members on the GFOA Special Review Committee
- Membership in the Government Finance Officers Association of Texas (GFOAT)

## H. In-house Technical Capabilities

Weaver is a full-service CPA firm. We have the in-house capabilities to provide a full range of assurance, advisory and tax services. In an effort to meet the page limit restriction, additional information regarding our services has been provided in Appendix B.

## HUB Status and Affirmative Action Policy

Weaver is not a HUB or DBE. However, we are accustomed to dealing with diversity objectives as appropriate for our public sector and Fortune 500 clients alike. When possible and appropriate, we subcontract to MWBEs to assist clients with meeting their diversity goals. Weaver is also strongly committed to diversity in the workplace and community. Recruiting, retaining, educating and advancing men and women of all backgrounds and cultures helps reflect the diversity of Weaver's clients, partners and our communities. Weaver is committed to providing equal employment and advancement opportunities regardless of age, race, creed, color, national origin, ancestry, marital status, gender, military status, sexual orientation, or disability that can be reasonably accommodated.

The firm takes pride in the different perspectives and experiences that make up our environment, embracing people from varied national and international cultural and community backgrounds. This diversity applies to Weaver's staff, selection of business partners and vendors, and the way in which business is generally conducted. Weaver believes that promoting such diversity among its staff helps position itself as a stronger, more competitive firm in the marketplace. Weaver's efforts in our communities reflect the ongoing commitment to build diverse partnerships and to promote and celebrate the unique experiences, beliefs and differences of individuals. Maintaining these core values provides our communities with the support and relationships that are necessary in order to work together in the fullest potential.

## Appendix A: Engagement Team Resumes

**Adam McCane, CPA**

*Partner, Assurance Services*

Professional Experience	<ul style="list-style-type: none"> <li>• More than 11 years of public accounting experience</li> <li>• Practice concentration includes audit and assurance engagements for local government entities such as cities, school districts and counties</li> <li>• Serves as audit engagement partner for government entities with revenues exceeding \$200 million</li> </ul>	
Representative Client Experience	<ul style="list-style-type: none"> <li>• Fort Worth Transportation Authority</li> <li>• Bethany Special Utility District</li> <li>• Texas Emergency Services Retirement System</li> <li>• MHMR of Tarrant County</li> <li>• City of Benbrook</li> <li>• City of the Colony</li> <li>• City of Euless</li> <li>• City of Grand Prairie</li> <li>• City of Lancaster</li> </ul>	<ul style="list-style-type: none"> <li>• City of Midlothian</li> <li>• City of Springtown</li> <li>• City of Weatherford</li> <li>• City of White Settlement</li> <li>• Town of Northlake</li> <li>• Arlington ISD</li> <li>• Birdville ISD</li> <li>• Crowley ISD</li> <li>• Grapevine-Colleyville ISD</li> <li>• Hurst-Euless-Bedford ISD</li> <li>• Dallas County Schools</li> </ul>
Professional Involvement and Recognition	<ul style="list-style-type: none"> <li>• Member, Texas Society of Certified Public Accountants (TSCPA), Fort Worth chapter</li> <li>• Member, American Institute of Certified Public Accountants (AICPA)</li> <li>• Member, Special Review Committee, Government Finance Officers Association (GFOA)</li> <li>• Past Treasurer, Presbyterian Night Shelter of Tarrant County</li> </ul>	
Recent Publications and Presentations	<ul style="list-style-type: none"> <li>• "More Credit Loss Disclosure Requirements – Are You Ready?," Bankers Digest, November 2011</li> <li>• "Meeting TEA Annual Financial Audit Requirements Effectively and Efficiently," TASBO Report, May 2010</li> <li>• "The Art of a Successful Audit," GFOAT Newsletter, September 2009</li> <li>• Instructor, various continuing professional education classes, such as "Computer Assisted Auditing Techniques Through the Use of ACL," "Auditing Investment Companies," and "Intermediate Governmental Accounting"</li> </ul>	
Education and Certifications	<ul style="list-style-type: none"> <li>• Certified Public Accountant, Texas</li> <li>• Bachelor of Business Administration, Accounting and Finance, Texas Christian University</li> <li>• Currently meets continuing professional education required by Generally Accepted Government Auditing Standards and the Texas State Board of Public Accountancy</li> </ul>	

**Jerry L. Gaither, CPA, CGFM**

*Partner-in-Charge, Public Sector Services  
Partner, Assurance Services*

Professional Experience	<ul style="list-style-type: none"> <li>• More than 37 years of public accounting experience</li> <li>• Extensive experience in the government and nonprofit industries providing financial audits, risk advisory services, forensic and litigation accounting support and consulting</li> <li>• Directs Weaver’s strategic plans for the public sector practice, including the development of staff training, audit methodology and market development</li> <li>• Develops Weaver’s audit methodologies for financial auditing of government entities including cities, regional governments and public school districts, providing single audits meeting the requirements of the U.S. Office of Management and Budget (OMB) A-133</li> <li>• Engagement partner for four of the 25 largest Texas cities and three of the 15 largest Texas school districts</li> <li>• Serves as audit engagement partner for school districts with total assets up to \$1.5 billion and total revenues up to \$825 million</li> <li>• Serves as audit engagement partner for governmental entities with government wide assets up to \$1.3 billion and government wide revenues up to \$350 million</li> </ul>
Representative Client Experience	<ul style="list-style-type: none"> <li>• More than 20 Texas municipalities</li> <li>• More than 10 Texas school districts</li> <li>• North Central Texas Council of Governments</li> <li>• Central Texas Council of Governments</li> <li>• Central Texas Workforce Development Board</li> <li>• Greenville Electric Utility</li> <li>• Texas Municipal Power Agency</li> </ul>
Professional Involvement and Recognition	<ul style="list-style-type: none"> <li>• Member, American Institute of Certified Public Accountants (AICPA)</li> <li>• Member, Texas Society of Certified Public Accountants (TSCPA), Dallas chapter</li> <li>• Member, Association of Government Accountants (AGA)</li> <li>• Member, AICPA Government Audit Quality Center (GAQC)</li> <li>• Member, Special Review Committee, Government Finance Officers Association of Texas (GFOAT) (More than 30 years)</li> <li>• Associate Member, Association of School Business Officials (ASBO), Former member, Panel of Review</li> <li>• Former Member, Technical Issues Committee to AICPA as a liaison to the Government Accounting Standards Board</li> <li>• Former member, Strategic Planning committee, Town of Addison</li> <li>• Former member, Charter Review committee, Town of Addison</li> </ul>
Education and Certifications	<ul style="list-style-type: none"> <li>• Certified Public Accountant, Texas</li> <li>• Certified Government Financial Manager, AGA</li> <li>• Bachelor of Business Administration, Accounting, Texas Christian University</li> <li>• Currently meets continuing professional education required by Generally Accepted Government Auditing Standards and Texas State Board of Public Accountancy</li> </ul>

**Roger Tovar, CPA**

*Manager, Assurance Services*

**Professional Experience**

- More than eight years of experience in public accounting
- Practice concentration in financial statement audits in accordance with governmental auditing standards and single audits meeting the requirements of the Texas Single Audit Act and Office of Management and Budget (OMB) Circular A-133
- Practice emphasis in the public sector
- Reviews financial statements for proper reporting and disclosures
- Plans and performs financial audits in accordance with generally accepted auditing standards, the Single Audit Act, OMB Circular A-133, and GAGAS
- Supervises and reviews the work of engagement team staff

**Representative Client Experience**

- Austin Travis County MHMR
- Metrocare MHMR
- Heart of Texas MHMR
- Town of Pecos City
- Hale County
- Williamson County
- City of New Braunfels Northside ISD
- DeLeon ISD
- Abilene ISD
- Stephenville ISD
- Hardin Simmons University
- Abilene Christian University
- University of Mary-Hardin Baylor
- Wayland Baptist University

**Professional Involvement and Recognition**

- Member, Texas Society of Certified Public Accountants (TSCPA)
- Member, American Institute of Certified Public Accountants (AICPA)

**Education and Certifications**

- Certified Public Accountant (CPA), Texas
- Bachelor of Business Administration with an Accounting major, Angelo State University, San Angelo, Texas
- Currently meets continuing professional education required by Texas State Board of Public Accountancy and generally accepted government auditing standards

**Marlon Williams, CPA, ACDA**

*Partner, Assurance Services*

Professional Experience	<ul style="list-style-type: none"> <li>• More than 17 years of experience in public accounting</li> <li>• Leads the Weaver Analytics practice group, developing sophisticated data-mining and automated tools that can identify anomalies and potential areas of concern in large volumes of electronic data</li> <li>• Directs Weaver’s use of ACL, a software tool used to analyze financial and other data during audits</li> <li>• Practice emphasis in auditing and consulting with numerous nonprofit organizations, municipalities and independent school districts</li> <li>• Significant experience in accounting and auditing of companies in the manufacturing, wholesale/distribution, financial services and service industries</li> <li>• Member of Weaver’s Technical Integration Task Force</li> </ul>
Representative Client Experience	<ul style="list-style-type: none"> <li>• Trinity River Authority</li> <li>• North Texas Regional Water District</li> <li>• Lake Cities Municipal Utility Authority</li> <li>• Garland ISD</li> <li>• Irving ISD</li> <li>• Allen ISD</li> <li>• City of Cedar Hill</li> <li>• City of Greenville</li> <li>• City of Lancaster</li> <li>• City of McKinney</li> <li>• Tarrant County College District</li> </ul>
Professional Involvement and Recognition	<ul style="list-style-type: none"> <li>• Member, Texas Society of Certified Public Accountants (TSCPA)</li> <li>• Member, American Institute of Certified Public Accountants (AICPA)</li> <li>• Member, Texas ACL User Group</li> </ul>
Education and Certifications	<ul style="list-style-type: none"> <li>• Certified Public Accountant, Texas</li> <li>• ACL Certified Data Analyst</li> <li>• Bachelor of Business Administration, Accounting, Abilene Christian University</li> <li>• Currently meets continuing professional education required by Generally Accepted Government Auditing Standards and Texas State Board of Public Accountancy</li> </ul>

**Brittany George, CISA**

*Senior Manager, Advisory Services*

**Professional Experience**

- Nearly 10 years of experiencing performing IT audit, security and consulting services, including more than six years of public accounting experience
- Experience in oversight of the planning and performance of many of Weaver’s most significant IT controls engagements, which have a heavy focus on information security
- Practice emphasis in internal and external IT audits including risk assessment, planning and execution
- More than two years of experience in KPMG’s Information Technology Advisory practice and two and a half years with TXU/Capgemini Energy
- Managed System, Integration and User Acceptance testing activities across multiple project teams for projects sponsored by ERCOT (Energy Regulatory Commission of Texas) involving market participants across Texas while at TXU/Capgemini Energy
- Responsible for the oversight and management of the development and maintenance of annual IT audit and security project plans for multiple Fortune 500 companies. Additional experience in leading compliance engagement sections/phases, including the documentation of controls design and testing of controls
- Documented and evaluated (SAP) internal general and application controls for compliance with security policies
- Professional IT experience includes security controls testing performed in SAP, JD Edwards, Oracle Database, UNIX / LINUX, and Microsoft (SQL Server, Windows Server and Active Directory) environments

**Representative Client Experience**

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• Trinity River Authority</li> <li>• Tarrant Regional Water District</li> <li>• City of Denton</li> <li>• City of Fort Worth</li> <li>• City of Garland</li> <li>• City of Greenville</li> <li>• Frisco Independent School District</li> </ul> | <ul style="list-style-type: none"> <li>• Garland Independent School District</li> <li>• Irving Independent School District</li> <li>• McKinney Independent School District</li> <li>• Tarrant County Community College</li> </ul> |
|---|---|

**Professional Involvement and Recognition**

- Board Member, Information Systems Audit and Control Association (ISACA)
- Member, Institute of Internal Auditors (IIA)
- Member, AFCOM
- Member, Metroplex Technology Business Council (MTBC)
- Steering Committee Member, Cloud Computing Special Interest Group of the MTBC
- Member, Cloud Security Alliance (CSA)

**Education and Certifications**

- Certified Information Systems Auditor
- SAP Certified Consultant
- Bachelor of Business Administration, Management Information Systems, University of Oklahoma



## Appendix B: Weaver's Services

ASSURANCE	ADVISORY	TAX
<p><b>145+ professionals, including 50+ partners, directors and senior managers, many with Big Four backgrounds.</b></p> <ul style="list-style-type: none"> <li>• Audit, Review &amp; Compilation Services</li> <li>• Employee Benefit Plan Audit Services</li> <li>• Agreed-Upon Procedures &amp; Attest Services</li> <li>• IFRS Assessment &amp; Conversion Services</li> <li>• Peer Review</li> <li>• Public Company Services</li> <li>• SSAE 16/SOC 1, 2 &amp; 3</li> </ul>	<p><b>85+ professionals, including 20+ partners, directors and senior managers with a wide array of Industry certifications.</b></p> <ul style="list-style-type: none"> <li>• Risk Advisory Services</li> <li>• IT Advisory Services</li> <li>• Transaction Advisory Services</li> <li>• Public Company Services</li> <li>• Financial Institutions Consulting</li> <li>• Energy Compliance &amp; Consulting</li> <li>• Forensics &amp; Litigation Services</li> </ul>	<p><b>170+ professionals, including 50+ partners, directors and senior managers, many with Big Four backgrounds.</b></p> <ul style="list-style-type: none"> <li>• Federal Tax Compliance &amp; Planning</li> <li>• International Tax Services</li> <li>• Public Company Services</li> <li>• State &amp; Local Tax Services</li> <li>• Wealth Strategies</li> </ul>

### KEY INDUSTRIES

Under the guidance of defined industry-specific group leadership, Weaver professionals understand the distinct issues and opportunities present in key industries. This depth of industry experience impacts our work every day. There are no one-size-fit-all solutions from Weaver—we customize our service approach to each client.

- Government Services
- Education
- Nonprofit Organizations
- Healthcare
- Construction
- Oil & Gas
- Oilfield Services
- Energy Compliance & Renewables
- Manufacturing, Distribution & Retail
- Financial Services
- Insurance
- Real Estate
- Technology

1. The first part of the document is a list of names and titles.

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**Original**

**Proposal to Provide  
Professional Services to:**

**Central Texas Regional  
Mobility Authority**



**CENTRAL TEXAS  
Regional Mobility Authority**

Maxwell Locke & Ritter LLP  
Scott Krchnak  
401 Congress Avenue, Suite 1100  
Austin, TX 78701  
(512) 370-3239  
[skrchnak@mlrpc.com](mailto:skrchnak@mlrpc.com)  
[www.mlrpc.com](http://www.mlrpc.com)





MAXWELL LOCKE & RITTER LLP

Accountants and Consultants  
An Affiliate of CPAmerica International  
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www.mlrpc.com

Austin: 401 Congress Avenue, Suite 1100  
Austin, TX 78701

Round Rock: 303 East Main Street  
Round Rock, TX 78664

March 12, 2015

Cindy Demers, Controller  
Central Texas Regional Mobility Authority  
3300 North IH-35  
Suite 300  
Austin, TX 78705

Dear Cindy:

Maxwell Locke & Ritter welcomes the opportunity to present our credentials to serve as independent auditors for Central Texas Regional Mobility Authority (the Mobility Authority). With roots extending back to the 1960's, Maxwell Locke & Ritter has become part of the fabric of Central Texas. Our vision is to be a place where people love their work, provide great service to clients and support the community. This vision, along with the distinguishing characteristics detailed in this proposal and summarized below, differentiate our firm:

- **Industry Focus** - Unique vertical industry experience of our firm and our staff. We understand your business.
- **Staffed for Efficiency** - Experienced engagement team with staff that average eight years and a minimum of three years of experience per person. You will not train our people on your nickel.
- **Trusted Business Advisors** - Key relationships in the community to help solve your issues as they arise throughout the year. We think broadly about your business and will help you achieve your goals.

You will be an important client to our firm and will receive the highest level of quality service from our team. We understand the scope of work includes an audit of the financial statements as of and for the year ending June 30, 2015.

Should you have any questions about our proposal or desire additional information, please contact me at (512) 370-3239 or [skrchnak@mlrpc.com](mailto:skrchnak@mlrpc.com). If you wish to see additional information on our firm, please feel free to visit our website at [www.mlrpc.com](http://www.mlrpc.com).

Sincerely,

Scott Krchnak  
Partner

Affiliated Company  
ML&R WEALTH MANAGEMENT LLC

"A Registered Investment Advisor"  
This firm is not a CPA firm

## GENERAL INFORMATION

- A. Our complete firm name is Maxwell Locke & Ritter LLP.
- B. Maxwell Locke & Ritter currently has two locations. Our corporate headquarters is located in Austin at 401 Congress Avenue, Suite 1100, Austin, Texas, 78701. Our second location is located in Round Rock at 303 East Main Street, Round Rock, Texas, 78664.
- C. The engagement team serving the Mobility Authority will be stationed out of our Austin, Texas location.
- D. Relationships with our clients go far beyond the traditional accounting, tax and auditing services. Our range of services includes:
- Audits, Reviews, Compilations & Agreed Upon Procedures
  - Tax Return Preparation & Planning
  - Mergers & Acquisitions/Due Diligence Consulting
  - Family Office Services

Our professionals are highly competent and are trained to deliver high quality professional services. Our firm provides several benefits that are described below:

- ***Experienced staff committed to meeting your deadlines.*** You will not train our service team. Our reputation is built on our proven ability to serve clients effectively, cost-wise and time-wise.
- ***Continuity of professional staff who serve clients.*** Our staffing decisions are made locally so that quality service is provided on a continuous basis by experienced people who already understand your business and needs.
- ***Partner involvement.*** The partners leading our service team are on the scene regularly, as often as makes sense. They remain informed and accessible. We communicate regularly - informally as well as through formal reports and letters. We will not waste your time, but we will not let problems escalate nor opportunities slip away.
- ***Orderly work approach.*** We are organized so our people are able to meet their scheduling commitments. If we say we will be somewhere on a particular day, you can count on it. We identify issues early. You will get no last minute surprises from your service team.

Our affiliate firm, ML&R Wealth Management LLC, is a Registered Investment Advisor dedicated to helping clients achieve their financial goals through a well thought out wealth management plan, providing services for high net worth individuals, trusts, nonprofits and retirement plans. ML&R Wealth Management's service offerings include:

- Wealth Management \*
- Retirement, Succession, Estate & Education Planning
- Customized Portfolio Design & Implementation
- Qualified Retirement Planning & 401(k) Management

\* Investment advice provided through ML&R Wealth Management LLC, a registered investment advisor

We have resources comparable to the national firms, yet we maintain the efficiency, flexibility and focus that comes with local autonomy. We are a member of CPAmerica International (CPAmerica), one of the world's largest associations of independent CPA and consulting firms. As a member, our firm has instant access to the expertise and resources of 2,500 professionals across America.

E. During the history of our firm that was established in 1991, Maxwell Locke & Ritter has not been the subject of disciplinary actions taken as a result of any Federal or State desk or field reviews, or any other regulatory bodies or professional organizations. We have the following internal and external quality control standards:

- **Internal Inspection** - Maxwell Locke & Ritter has an annual inspection program to review the quality of audit work and compliance with standards.
- **External** - Within the public accounting profession, members of our firm have taken a leading role in the quality control "peer review" program that was established by the AICPA in 1976. We have had a review of our auditing practice quality control system in accordance with the standards for peer reviews promulgated by the peer review committee of the AICPA Division for CPA Firms. Maxwell Locke & Ritter has never been under the terms of a public or private reprimand by the Texas State Board of Public Accountancy and/or licensing boards of other states. We have been a member of the AICPA Division for CPA Firms since 1991. As indicated by the report outlined in the Peer Review section of this proposal, our system of quality control was found to meet the objectives of quality control standards established by the AICPA. Our planned frequency of peer reviews is every three years.

## ***FINANCIAL AUDIT EXPERTISE***

A. Our industry experience adds value to our clients that goes beyond the expertise required to provide basic auditing, accounting and tax services. Our firm currently serves the following related clients, among others:

Client	Served Since
1. Bastrop County Water Control & Improvement District No.2	<b>2013</b>
2. Bastrop County Water Control & Improvement District No.3	<b>2012</b>
3. Brushy Creek Municipal Utility District	<b>2008</b>
4. Central Health f.k.a. Travis County Healthcare District	<b>2005</b>
5. Chisholm Trail Special Utility District	<b>2013</b>
6. Comal Independent School District	<b>2013</b>
7. Cypress Ranch Water Control & Improvement District No.1	<b>2006</b>
8. Del Valle Independent School District	<b>2002</b>
9. Eanes Independent School District	<b>1993</b>
10. Elgin Independent School District	<b>2013</b>
11. Georgetown Independent School District	<b>2011</b>
12. Greenhawe Water Control & Improvement District No. 2	<b>2008</b>
13. Hays County Municipal Utility District No. 4	<b>2008</b>
14. Hays County Water Control & Improvement District No. 1	<b>2003</b>
15. Hays County Water Control & Improvement District No. 2	<b>2005</b>
16. Johnson County Ranch Municipal Utility District	<b>2014</b>

17. Lake Travis Independent School District	2006
18. Lakeside Municipal Utility District No. 3	2008
19. Leander Independent School District	1991
20. Lone Star Investment Pool	2006
21. Manor Independent School District	2014
22. Meadows at Chandler Creek Municipal Utility District	2011
23. Moore's Crossing Municipal Utility District	2009
24. North Hays County Municipal Utility District No.1	2006
25. Northeast Travis County Utility District	2005
26. Presidential Glen Municipal Utility District	2014
27. Reunion Ranch Water Control & Improvement District	2013
28. River Place Municipal Utility District	2008
29. Round Rock Independent School District	2004
30. Shady Hollow Municipal Utility District	2009
31. Siena Municipal Utility District No. 1	2014
32. Siena Municipal Utility District No. 2	2014
33. South Buda Water Control & Improvement District No. 1	2006
34. State Bar of Texas	2006
35. Stonewall Ranch Municipal Utility District	2007
36. Taylor Independent School District	2010
37. Texas State Affordable Housing Corporation	2014
38. Travis County Emergency Services District No. 5	2014
39. Travis County Emergency Services District No. 6	2007
40. Travis County Emergency Services District No. 11	2013
41. Travis County Emergency Services District No. 14	2009
42. Travis County Municipal Utility District No. 3	2008
43. Travis County Municipal Utility District No. 14	2008
44. Travis County Municipal Utility District No. 17	2014
45. Travis County Municipal Utility District No. 18	2014
46. Travis County Water Control & Improvement District No. 10	1991
47. Travis County Water Control & Improvement District No. 20	1995
48. The University of Texas at Austin Department of Intercollegiate Athletics	1996
49. Upper Brushy Creek Water Control & Improvement District	2002
50. West Travis County Municipal Utility District No. 3	2008
51. West Travis County Municipal Utility District No. 5	2008
52. West Travis County Public Utility Agency	2012
53. West Williamson County Municipal Utility District No. 1	2014
54. Williamson County Municipal Utility District No. 12	2008
55. Williamson County Municipal Utility District No. 13	2006
56. Williamson County Municipal Utility District No. 19	2008
57. Williamson County Municipal Utility District No. 22	2014
58. Williamson County Water, Sewer, Irrigation and Drainage District No. 3	2002
59. Williamson-Travis Counties Municipal Utility District No. 1	2009

We also currently serve the following OMB Circular A-133 Single Audit clients:

	Client	Audit	Tax	Served Since
1.	AIDS Services of Austin, Inc.	X	X	2005
2.	American Youthworks	X	X	2014
3.	Austin Habitat for Humanity	X	X	2010
4.	Austin Presbyterian Theological Seminary	X	X	2005
5.	Austin Recovery, Inc.	X	X	2012
6.	Comal Independent School District	X		2013
7.	CommUnityCare	X	X	2009
8.	Del Valle Independent School District	X		2002
9.	Eanes Independent School District	X		1993
10.	Easter Seals Central Texas, Inc.	X	X	2014
11.	Elgin Independent School District	X		2013
12.	Foundation Communities, Inc.	X		2004
13.	Georgetown Independent School District	X		2011
14.	Lake Travis Independent School District	X		2006
15.	Leander Independent School District	X		1991
16.	Manor Independent School District	X		2014
17.	National Domestic Violence Hotline	X	X	2004
18.	Pecan Street, Inc.	X	X	2010
19.	Round Rock Independent School District	X		2004
20.	Skyonic Corporation	X		2011
21.	Taylor Independent School District	X		2010
22.	Texas CASA, Inc.	X	X	2012
23.	Texas Center for the Judiciary	X	X	2010
24.	Texas Health Institute	X	X	2010
25.	Texas Health Services Authority	X	X	2011
26.	Women's Health & Family Planning Association of Texas	X	X	2013

Maxwell Locke & Ritter is also a member of the American Institute of Certified Public Accountants (AICPA) Governmental Audit Quality Center (the Center). The Center is a voluntary membership center for CPA firms that perform governmental audits, including all audits and attestation engagements performed under Government Auditing Standards and OMB Circular A-133 of federal, state, or local governments; nonprofit organizations (NPO); and certain for-profit organizations that receive federal assistance. The AICPA established the Center to help CPAs perform quality audits by providing resources and guidance to help them navigate the increased complexity of the federal rules and regulations underlying governmental auditing.



As a member of the Center, we have made a commitment to adhere to Center membership requirements that are designed to introduce additional quality control features to our practice. As a Center member, we receive comprehensive resources to assist us in performing governmental audits. We receive up-to-date information on a variety of technical, legislative and regulatory subjects that we then apply to your audit to help ensure that you are in compliance with the appropriate standards and changes in regulation. These resources help us respond nimbly to new standards and requirements to ensure the efficiency of your audit engagement.



**References:** We believe the best indicator of services you can expect from us comes from those with whom we have previously worked. We urge you to contact the following references:

Lake Travis ISD  
Johnny Hill  
Assistant Superintendent for Business, Financial and Auxiliary Services  
Phone: 512-533-6016

Texas State Affordable Housing Association  
Melinda Smith  
Chief Financial Officer  
Phone: 512-904-1399

Central Health (f.k.a. Travis County Healthcare District)  
Jeff Knodel  
Chief Financial Officer  
Phone: 512-978-8000

**B. The Mobility Authority's primary account representative will be:**

Scott Krchnak, Partner  
Maxwell Locke & Ritter LLP  
401 Congress Avenue, Suite 1100  
Austin, TX 78701  
Phone: (512) 370-3239  
Email: [skrchnak@mlrpc.com](mailto:skrchnak@mlrpc.com)

**C. The engagement team we have committed to the Mobility Authority has extensive experience in providing personal attention to government entities. Team members, their role in serving you and years of experience follow:**

<u>Name</u>	<u>Role</u>	<u>Years of Experience</u>
Scott Krchnak	Audit Partner responsible for audit services	27
Dena Jansen	Concurring Partner on audit services	13
Ashlee Martin	Audit Associate managing audit fieldwork	14
Nancy Olson	Audit Associate performing audit fieldwork	11
Tara Hojnacki	Audit Associate performing audit fieldwork	4

Scott Krchnak is the audit partner who leads our governmental practice and will supervise all services provided to Mobility Authority. He will also be responsible for seeing that our professional services meet or exceed your expectations. Scott has a BBA from Southwest Texas State University and serves as partner on all of Maxwell Locke & Ritter's governmental clients. He is a licensed CPA in the State of Texas. During the past five years, Scott has exceeded the governmental related CPE requirements of the GAO and has taken courses on *Government Auditing Standards* (the Yellow Book); new and recently issued GASB Standards, including GASB Pension Standards; Single Audits; Governmental Accounting, Reporting & Auditing standards, among others. He is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

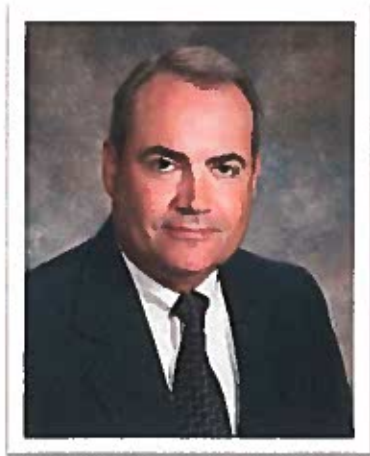
Dena Jansen is the audit partner who serves as the main partner on our nonprofit clients and as concurring partner on our governmental clients. Dena has a BBA and MPA from Texas Tech University and is a licensed CPA in the State of Texas. During the past five years, Dena has exceeded the governmental related CPE requirements of the GAO and has taken courses on *Government Auditing Standards* (the Yellow Book); new and recently issued GASB Standards, including GASB Pension Standards; Single Audits; Governmental Accounting, Reporting & Auditing standards, among others. She is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

Ashlee Martin is one of our audit managers who supervises our governmental practice and will oversee all associates performing audit services to Mobility Authority. Ashlee has a BS from Southwestern University and serves as manager on a number of Maxwell Locke & Ritter's governmental clients. She is a licensed CPA in the State of Texas. During the past five years, Ashlee has exceeded the governmental related CPE requirements of the GAO and has taken courses on *Government Auditing Standards* (the Yellow Book); new and recently issued GASB Standards, including GASB Pension Standards; Single Audits; Governmental Accounting, Reporting & Auditing standards, among others. She has also taught numerous courses on various governmental industry reporting and accounting updates and GASB & Yellow Book Updates. She is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

Nancy Olson is one of our audit associates who works in our governmental practice and will have responsibility of managing substantial portions of the audit fieldwork for Mobility Authority. She is a graduate of the University of Texas at Austin, where she received her BBA and MPA. She is a licensed CPA in the State of Texas and works on a number of Maxwell Locke & Ritter's governmental clients. During the past five years, Nancy has exceeded the governmental related CPE requirements of the GAO and has taken courses on *Government Auditing Standards* (the Yellow Book); new and recently issued GASB Standards, including GASB Pension Standards; Single Audits; Governmental Accounting, Reporting & Auditing standards, among others. She is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

Tara Hojnacki is one of our audit associates who works in our governmental practice and will have responsibility of performing substantial portions of the audit fieldwork for Mobility Authority. She is a graduate of the University of Texas at Austin, where she received her BBA and MPA. She is a licensed CPA in the State of Texas and works on a number of Maxwell Locke & Ritter's governmental clients. During the past five years, Tara has exceeded the governmental related CPE requirements of the GAO and has taken courses on *Government Auditing Standards* (the Yellow Book); new and recently issued GASB Standards, including GASB Pension Standards; Single Audits; Governmental Accounting, Reporting & Auditing standards, among others. She is a member of the American Institute of Certified Public Accountants and Texas Society of Certified Public Accountants.

Throughout the engagement there will be multiple professionals that understand your business and are available to assist you. One of the advantages of working with a locally owned firm is continuity of service. Members of your service team will not be transferred to another branch office. Because of the extensive training and experience of your service team, we do not anticipate any need to bring in outside specialists or consultants. Resumes of your engagement team are shown on the following pages.



## **Scott Krchnak, CPA Audit Partner**

**Email:** [skrchnak@mlrpc.com](mailto:skrchnak@mlrpc.com)

**Phone:** (512) 370-3239

### **Professional Experience**

After graduation, Scott moved to Houston to work at Arthur Andersen & Company. When Scott had the opportunity to transfer back to Austin in 1991, the decision was an easy one. Scott continued his public accounting career in Austin and joined Maxwell Locke & Ritter in 1994.

As a business consultant with a background in auditing, Scott helps clients such as Texas Methodist Foundation, Round Rock Independent School District, The Ex-Students Association of The University of Texas, and others with their overall financial reporting and financial statement presentations. He is the designated firm nonprofit and governmental expert, and has outstanding skills in auditing, and the implementation of recently issued accounting pronouncements and auditing standards. He also helps clients identify business opportunities by establishing on-going, two-way communication and has provided assistance to a number of nonprofit boards. Scott particularly enjoys the communication with clients and finds it rewarding to help them find positive business solutions. He tries to establish a relationship of trust so that clients feel comfortable calling him with any and all questions.

### **Industry Focuses**

- Government
- Nonprofit

### **Education**

Southwest Texas State University  
Bachelor of Business Administration in Accounting

### **Community**

**Current:** Lee County Chapter of Ducks Unlimited, Committee Member; St. Margaret's Catholic Church, Parish Council, Finance Committee and Building Committee

**Past:** Lee County Little League, Treasurer; Lee County Chapter of Ducks Unlimited, Treasurer

### **Affiliations**

American Institute of Certified Public Accountants (AICPA), Texas Society of Certified Public Accountants (TSCPA)



## **Dena Jansen, CPA Audit Partner**

**Email:** [djansen@mlrpc.com](mailto:djansen@mlrpc.com)

**Phone:** (512) 370-3247

### **Professional Experience**

After graduation, Dena joined a local public accounting firm in Lubbock for one year focusing her efforts on audits of local governmental entities.

Dena moved back to Austin in 2003 and joined Deloitte & Touche. During her time there she audited governmental and nonprofit entities, including state departments, local municipalities and institutions of higher education. She left the firm as a senior manager.

Dena joined Maxwell Locke & Ritter in 2011, where she devotes all of her time to the nonprofit niche clients. She leads the nonprofit niche with a focus on facilitating technical and nontechnical training to internal associates and clients, as well as external groups. She enjoys creating connections for her nonprofit clients to other resources in the Central Texas area and serving as a trusted business advisor.

### **Industry Focuses**

- Nonprofit
- Government

### **Education**

Texas Tech University  
Bachelor of Business Administration  
Masters of Science in Accounting

### **Community**

**Current:** Greenlights for Nonprofit Success, Board Member; Hays Consolidated Independent School District Education Foundation, Board Member; TSCPA Nonprofit Conference, Committee Member; TSCPA Governmental and Single Audit Conference, Committee Member; Seton Hays Council, Community Member; Greenlights for Nonprofit Success, Nonprofit Financial Management Course Instructor; Greenlights for Nonprofit Success, 501 Council Chair; United Way Campaign, Chair; Meals on Wheels, Volunteer; Hays County Livestock Show, Volunteer

**Past:** American Heart Association, Go Red for Women-Circle of Red Member

### **Affiliations**

American Institute of Certified Public Accountants (AICPA), Texas Society of Certified Public Accountants (TSCPA)



## Ashlee Martin, CPA Audit Associate

Email: [amartin@mlrpc.com](mailto:amartin@mlrpc.com)

Phone: (512) 370-3265

### Professional Experience

Ashlee started in the San Antonio office of Deloitte & Touche where she audited a variety of commercial clients in the healthcare, insurance, and manufacturing industries.

In 2003, Ashlee brought her Big-Four experience to Austin and joined Maxwell Locke & Ritter. She says Maxwell Locke and Ritter stood out because of their reputation in the Central Texas community and the family-oriented culture that supports personal as well as professional development. During her tenure at Maxwell Locke & Ritter, Ashlee has focused her professional development on attestation and consulting services. In serving her clients, she strives to establish a relationship beyond that of the basic audit and focuses on open communication and trust so that clients feel comfortable calling with any business related questions.

While at Maxwell Locke and Ritter, Ashlee has developed a diverse client base with a primary focus on governmental entities, nonprofit entities, healthcare entities, and a variety of closely-held companies. She provides services to area school districts, municipal utility districts/water control and improvement districts, governmental and not-for-profit healthcare entities, emergency services districts, food and beverage franchise entities, and closely-held service and retail companies. Her current client list includes Eanes Independent School District, Lake Travis Independent School District, Comal Independent School District, Brushy Creek Municipal Utility District, Central Health fka Travis County Healthcare District, Mr. Gatti's Pizza, and The Texas State Affordable Housing Corporation.

### Industry Focuses

- State and Local Governments
- Nonprofit
- Healthcare
- Middle-market

### Education

Southwestern University  
Bachelor of Science in Accounting

### Community

American Cancer Society, Board Member; Texas Hearing & Service Dogs, Board Treasurer; Southwestern University, Delta Delta Delta, House Corporation Treasurer and Athletic Hall of Fame Committee Member; Executive Women's Golf Association (EWGA), Board Treasurer; Texas Association of School Business Officials (TASBO) Audit & Finance Committee Member and Internal Audit Committee Member

### Affiliations

American Institute of Certified Public Accountants (AICPA), Texas Society of Certified Public Accountants (TSCPA)



## **Nancy Olson, CPA Audit Associate**

**Email:** [nolson@mlrpc.com](mailto:nolson@mlrpc.com)

**Phone:** (512) 370-3253

### **Professional Experience**

In 2003, Nancy joined Ernst & Young LLP in Austin where she spent four years in Assurance and Advisory Business Services. During her years with them, she gained experience in a variety of industries, including manufacturing and technology. Most of her audit work was focused on software revenue recognition and FAS 123R.

Nancy joined Maxwell Locke & Ritter LLP in December 2007. While at Maxwell Locke and Ritter, Nancy has developed experience in governmental industries, including school districts and municipal utility districts/water control and improvement districts. She has also continued to work with clients in the service and software industry. Her current client list includes Eanes Independent School District, Lake Travis Independent School District, Del Valle Independent School District, Brushy Creek Municipal Utility District, Innography, Inc. and Mr. Gatti's Pizza.

### **Industry Focuses**

- School Districts
- Municipal Utility Districts
- Middle Market Companies

### **Education**

The University of Texas at Austin  
Bachelor of Business Administration and Master in Professional Accounting

### **Community**

Girlstart, Volunteer; AnyBabyCan, Volunteer

### **Affiliations**

American Institute of Certified Public Accountants (AICPA), Texas Society of Certified Public Accountants (TSCPA)



## **Tara Hojnacki, CPA Audit Associate**

**Email:** [tcawthron@mlrpc.com](mailto:tcawthron@mlrpc.com)

**Phone:** (512) 275-2739

### **Professional Experience**

While in college, Tara interned with the audit department of the Grant Thornton Dallas office, which she joined immediately following graduation. Tara served with Grant Thornton as a senior auditor for privately-held companies operating in various industries, including not-for-profit, governmental, and higher education. Some of her clients included City of

Plano, City of Mesquite, Austin Community College District, Texas Christian University, and VHA Inc.

Tara joined Maxwell Locke & Ritter in 2013 and is excited to work for a firm with such an amazing culture and community involvement and looks forward to developing a diverse client base.

### **Industry Focuses**

- Manufacturing
  - Chemicals
  - Electronics
- Residential Real Estate
- Technology
- Wholesale & Retail

### **Education**

The University of Texas at Austin  
Bachelor of Business Administration  
Master in Professional Accounting

### **Community**

**Current:** Texas Exes; Meals on Wheels, Volunteer; Terry Scholar Alumni Association

**Past:** Foundation Communities, Volunteer; American Heart Association-Heart Walk, Team Captain

### **Affiliations**

American Institute of Certified Public Accountants (AICPA)

D. The first list of governmental clients outlined in Clause A are all audit only clients and we have listed the year we began serving the client in the right hand column. The second list of OMB Circular A-133 clients outlined in Clause A are designated as Audit and/or Tax clients, along with the year we began serving them in the right hand column. In addition to performing audit services for the clients outlined in Clause A, we have also performed agreed-upon procedures and other consulting services for many of our clients, including but not limited to bond issue and developer reimbursement related agreed-upon procedures engagements for a number of our water district clients and internal audit consulting work for the State Bar of Texas. We also prepare or assist with the preparation of Comprehensive Annual Financial Reports for three of our school district clients: Comal Independent School District, Leander Independent School District, and Round Rock Independent School District. All of these clients annually receive the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada.

E. **Our Audit Philosophy:** Our audit philosophy for serving the Mobility Authority is based on the premise that you deserve more from your independent auditors than just an audit opinion. Our audit philosophy is distinctly different, for a number of reasons, including:

- **Professional quality.** Our audit approach ensures professional quality that exceeds the highest auditing standards of our profession. Indeed, our audits have warranted the respect of our clients, the financial community and regulatory agencies.
- **Industry perspective.** In our audit of the Mobility Authority, we are assigning individuals with significant experience in serving other clients with similar attributes.
- **Tailored and individualized audit.** Our audit is tailored for each client. We employ an approach which is a conceptual framework, rather than a routine. Routine applications are easily done by computers and should not be the work of audit professionals. Our audits are people-driven and computer assisted. We teach our professionals concepts - systems evaluation, risk assessment, and business evaluation techniques - which are applied to the specific situation of a particular individual client. We utilize sampling techniques and current technology to provide an efficient and effective audit.
- **Usefulness to management.** The external audit process has traditionally been geared to produce the "opinion" of the external auditor as to the fairness of your financial statements and the adherence to generally accepted accounting principles. Our audits are also designed to identify areas that should be of concern to management and to recommend alternate approaches. Should we encounter significant audit issues or possible illegal acts, we immediately discuss them with the appropriate level of management and/or board and assist in the resolution of such matters.

If an auditor only completes an audit and signs the opinion, without providing information and recommendations directly relevant to improving the management function of an organization, that auditor has failed.



Our approach combines analytical and detail testing procedures. Analytical auditing focuses on the risk elements of your business and related systems of internal control and concentrates our detail testing into priority areas where you have higher levels of business risk. We believe four benefits will accrue through the use of our approach:

- **Effective management.** First, your client service team exercises a high degree of management control over the auditing process. Our management team is on-site during the course of our audit and readily available to you throughout the year.
- **Assurance.** Second, this approach maintains a high level of measurable assurance. This approach rests upon a quantitative diagnosis of areas which represent the greatest degree of risk and thus more efficiently directs audit resources.
- **Comprehensive perspective.** Third, our auditors are oriented toward understanding how your organization operates.
- **Efficiencies.** Fourth, this approach is productivity oriented, producing relevant auditing hours which are tailored to your operations.

The core business of Maxwell Locke & Ritter is providing professional, high quality auditing services to a wide variety of clients of differing sizes, complexities and natures. Our commitment to the most exacting standards and the highest quality of service remains the foundation of our philosophy and will certainly be the basis of our professional relationship with the Mobility Authority. We are confident our philosophy and the specific approach we adopt in the audit of the Mobility Authority are compatible with your operations, management style and needs. We are committed to providing you with the highest quality professional audit - and one which is useful and relevant to management - because it is more than an "opinion".

**Specific Audit Approach:** Our audit of the Mobility Authority will be conducted in accordance with U.S. generally accepted auditing standards; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. The proposed audit team has met the governmental accounting and auditing continuing professional education requirements of these standards for many years. As required by U.S. generally accepted auditing standards, we will plan our audit to focus on areas of risk and use the most efficient audit methods to test those areas. Those methods may include statistical or non-statistical sampling, or other procedures, depending on which will be most effective and efficient.

Our audit engagement files are paperless. We use ProSystem fx Engagement software, which is a secure system. This software includes a trial balance component that allows us to post our audit adjustments and link the adjusted balances directly to our final reports. Our audit will be designed and implemented at the Mobility Authority in three phases that emphasize the principal stages of evaluation and testing. They are:

- **Phase I** The first phase involves obtaining knowledge of your operations, identifying and evaluating key systems and controls, and setting audit objectives based on our risk analysis, our control evaluation and management/board concerns.
- **Phase II** This phase is devoted to compliance testing of systems and assessing the level of control to formulate an opinion on whether or not system controls have operated effectively.
- **Phase III** During the third phase we perform substantive tests of the account balances and formulate an opinion on the financial statements. Our substantive tests of account balances will include samples based on stratification of the populations. During this phase, we will also perform the compliance audit in accordance with *Government Auditing Standards* and OMB Circular A-133.

**Internal Control:** Your internal controls consist of your control environment, your accounting system, and your control procedures. We will gain an understanding of your internal controls to assist us in designing our audit plan. Should we identify weaknesses in your internal controls, we will communicate them to your Board of Directors. We understand the Mobility Authority's management emphasizes the importance of the control environment of the Mobility Authority, is conservative in its selection and application of accounting policies, and requires compliance with standard procedures.

Materiality is the criterion used to distinguish between trivial and important matters or, said another way, it is the acceptable limit of misstatement on the financial statements. Generally accepted auditing standards define audit risk as "the risk that the auditor may unknowingly fail to appropriately modify his opinion of financial statements that are materially misstated." Audit risk at the financial statement level is referred to as engagement risk. The factors that influence our consideration of engagement risk include the following:

- Management characteristics such as aggressive attitudes, emphasis on meeting goals, high turnover or poor reputations in the community.
- Operating and industry characteristics such as having profits below industry peers, sensitivity to economic factors, participation in a quickly changing or declining industry or poorly monitored operations.
- Engagement characteristics such as contentious or difficult accounting issues, difficult to audit transactions or balances, unusual related party transactions or a history of significant audit adjustments.

In planning our audit, we will be particularly sensitive in the areas of internal controls, conflicts of interest, cash management, adherence to investment policies, changes in the equity markets and significant transactions.

**Management Letter:** One product of our audit is the management letter, which is prepared for the Mobility Authority focusing on those areas that we observe during the performance of our procedures which may benefit from additional attention. These will relate to specific areas for internal control improvements and also address opportunities for general improvements in your business practices.

The management letter is a direct result of audit findings, e.g., review of internal controls and testing of account balances. Added input comes from routine client service conversations involving your audit engagement team and your personnel. Our management letter will go beyond technical issues to achieve a broader, balanced business view, one that is useful and directly relevant to the Mobility Authority.

**Communication:** Communication during an audit engagement is very important, for both the audit firm and the Mobility Authority. Periodically, we will schedule meetings with key management to stay abreast of your activities, philosophy and objectives, as well as to discuss overall audit progress and coordination. We will participate in the pre-audit meeting with the Mobility Authority's key staff and the Board (or its designated Audit Committee). During the course of the audit, we will contact the appropriate level of management if any issues arise that we feel management or the Board should be immediately aware of. If no such issues arise, our next meeting with the Board (or its designated Audit Committee) will be the post-audit conference where we will present the audit results including any control deficiencies or recommendations for improvement that are identified. We will also present these results at the Board meeting.

- F. We are committed to performing and completing our services within a pre-determined timeline that meets your business requirements. We anticipate the following timetable for audit services provided to the Mobility Authority:

Timing	Action Steps
Upon Acceptance of Proposal	Provide the Board with an engagement letter and provide management with a Prepared By Client (PBC) questionnaire.
June 2015	Meet with management to discuss audit planning and current audit and accounting issues. Perform interim audit work consisting of planning documentation and test internal control systems.
August – September 2015	Perform detailed testing of general ledger accounts and analytically review account balances. Perform compliance testing of the Mobility Authority's investments and investment policy in accordance with the Public Funds Investment Act. Perform compliance audit in accordance with <i>Government Auditing Standards</i> and OMB Circular A-133.
September 2015	Provide drafts of the financial statements, independent auditors' reports and management letter to management.
October 2015	Present final reports to management and the Board.

The above timetable is based on your timing requests included in the request for proposal. Our ability to meet these deadlines is contingent upon the Mobility Authority being able to provide the completed PBC questionnaire and respond to audit inquiries within the agreed upon fieldwork dates. Given the needs for our staffing during this timeframe, if any delays are experienced, our ability to meet these deadlines would be compromised and we would meet with management to agree upon updated deadlines.

- G. We believe the cumulative information that we have included in the proposal outlines Maxwell Locke & Ritter's depth and breadth of experience in performing financial audits. Please refer to our client listing and referral sources outlined in Clause A, along with the Engagement Team experience outlined in Clause C of this section.
- H. **Information Technology:** Our audit engagement files are paperless. We use ProSystem fx Engagement software, which is a secure system that allows us to gain efficiencies in reporting and in sharing information between the audit and tax engagement teams. This software includes a trial balance component that allows us to post our audit adjustments and link the adjusted balances directly to our final reports. While at the Mobility Authority, we will:
- Perform inquiries with your IT personnel to gain an understanding of your IT processes.
  - Perform control testing on key controls related to your IT general controls.
  - Perform a gap analysis to identify key IT controls not in operations for a typical nonprofit organization.

At the conclusion of our audit engagement, we will return to you any and all original records you supplied to us. Your records are the primary records for your operations and comprise the backup and support for your financial reports. Our records and files are our property and are not a substitute for your own records. Our firm destroys our client files and all pertinent work papers after a retention period of five years, after which time these items will no longer be available.

## ***HISTORICALLY UNDERUTILIZED BUSINESS***

Maxwell Locke & Ritter is not a Historically Underutilized Business (HUB), nor do we intend to use a HUB subcontractor in providing services to the Mobility Authority. It is the policy of Maxwell Locke & Ritter to ensure equal employment opportunity without discrimination on the basis of race, color, religion, sex, age, national origin, disability, military service, genetic information or any other characteristic protected by law. We prohibit and will not tolerate any such discrimination. This commitment applies to all aspects of the employment relationship, including hiring, transfers, promotions, training, terminations, working conditions, compensation, and benefits.

Overall, our firm consists of 88 total employees, 62 of which are females and 6 are partners of the firm. Our audit team specifically consists of 31 overall employees, 24 of which are female. We have also committed an engagement team to the Mobility Authority that is 5 total employees, 4 of which are female. We believe this goes a long way to show our firm's commitment to being an equal employment opportunity firm.

# PEER REVIEW



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400 Pine Street, Ste. 600, Abilene, TX 79601  
325.672.4000 / 800.588.2525 / f: 325.672.7049  
www.dkcpa.com

## System Review Report

September 11, 2013

To the Partners  
**Maxwell Locke & Ritter LLP**  
and the Peer Review Committee of the Texas Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Maxwell Locke & Ritter LLP** (the firm) in effect for the year ended May 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Maxwell Locke & Ritter LLP** in effect for the year ended May 31, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Maxwell Locke & Ritter LLP** has received a peer review rating of *pass*.

*Davis Kinard & Co, PC*  
Certified Public Accountants



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #3 SUMMARY

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Approve the minutes for the February 25, 2015, Regular Board Meeting.

Department: Law  
Funding Source: None  
Board Action Required: Yes (by Motion)  
Description of Matter:

Approve the Minutes for the February 25, 2015, Regular Board Meeting

Reference: Draft Minutes, February 25, 2015, Regular Board Meeting  
Contact: Andrew Martin, General Counsel

## MINUTES

### Regular Meeting of the Board of Directors of the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Wednesday, February 25, 2015  
9:00 A.M.

The meeting was held in the Mobility Authority's Lowell H. Lebermann, Jr. Board Room at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted February 20, 2015 at the respective County Courthouses of Williamson and Travis Counties; online on the website of the Secretary of State; online on the website of the Mobility Authority; and in the Mobility Authority's office lobby at 3300 N. Interstate 35, #300, Austin, Texas 78705-1849.

#### **1. Welcome and Opening Remarks by Chairman Ray Wilkerson.**

After noting that a quorum of the Board was present, Chairman Ray Wilkerson called the meeting to order at 9:09 a.m. Directors present at the time the meeting was called to order were Mr. Jim Mills, Ms. Nikelle Meade, Mr. David Singleton, and Mr. Charles Heimsath. Mr. David Armbrust arrived prior to agenda item 5. Mr. Bob Bennett was not present for the meeting.

Chairman Wilkerson congratulated Ms. Nikelle Meade and Mr. Jim Mills and their reappointment to the Mobility Authority Board. Chairman Wilkerson also delivered a personal statement concerning the Mobility Authority's activities, board member's background and dedication, and mission.

#### **2. Opportunity for Public Comment.**

Mr. Bill Bunch addressed the Board and stated that he was among those who were opposed to Ms. Nikelle Meade's reappointment, not on any personal basis but because the membership of the Mobility Authority Board is not as diverse as it could be because Board Members professional involvement with the real estate development industry. There needs to be different perspectives represented on the Board. He asked why the Board Meetings are not being live streamed on the internet and stated the Mobility Authority is not sufficiently transparent. He urged the Mobility Authority to provide a meaningful opportunity to provide an alternate to a tolled loop that includes SH 45 SW and MoPac.

#### **3. Approve the minutes for the January 28, 2015, Regular Board Meeting.**

Chairman Ray Wilkerson presented for Board consideration the minutes for the January 28, 2015 Regular Board Meeting. Mr. David Singleton moved to approve the minutes as drafted, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously 5-0, and the minutes were approved as drafted.

**4. Approve the financial statements for January 2015.**

Mr. Bill Chapman presented this item and provided an explanation of the cash flow chart included in the monthly financial statements. There was nothing unusual to report on the January 2015 financial statements.

Mr. Charles Heimsath moved for approval, and Mr. Jim Mills seconded the motion. The motion carried unanimously, 5-0, and the resolution was approved as drafted.

**5. Discuss concepts of proposed improvements and change orders for the MoPac Improvement Project.**

Mr. Paul Petrich, HNTB MoPac Project Manager, presented this item and discussed significant potential owner-directed changes on the MoPac Improvement Project. Changes include repairs to ramps due to settlement, movement and separation at 2222 and Westover Road, pavement repairs at Parmer Lane, widening of northbound exit ramps at 35<sup>th</sup> and 45<sup>th</sup> streets, 5<sup>th</sup> street exit ramp reconfiguration, pedestrian improvements at Enfield Road and Windsor Road, bicycle and pedestrian improvements at 2222, Far West Blvd., Capital of Texas Highway, and Anderson Lane, landscape and hardscape, and traffic barrier painting.

No action was taken on this item.

**6. Approve an amendment to the contract with CP&Y Inc. for preliminary engineering and environmental services on the 183 North Mobility project.**

Mr. Wes Burford presented this item. On August 2, 2013, the Mobility Authority entered into a contract with CP&Y Inc. for preliminary engineering and environmental services necessary to implement the 183 North Mobility Project. The amendment provides for extended and additional services to be delivered by the engineering firm that were not included in the original scope of work. The need for additional services is the result of the extension of the project study area and additional alternatives for analysis and evaluation, including two express lanes and additional general purpose lanes.

Mr. Charles Heimsath moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

**7. Approve issuing separate procurements for construction inspection services, on-site materials testing services, surveying services, and public involvement services for the Bergstrom Expressway Project.**

Mr. Wes Burford presented this item. The Bergstrom Expressway Project is the single largest transportation project the Mobility Authority has undertaken to date. The size of this project, diversity of oversight activities and strong desire by the Mobility Authority Board for wide participation in Mobility Authority activities compelled staff to undertake a process of increasing participation in the assignment of oversight team members.

Several areas under the umbrella oversight activities lend themselves to open procurements without compromising the integrity of the special institutional knowledge and molding of specific oversight culture of our Atkins GEC oversight management function. Specifically,



construction inspection (professional services), on-site materials testing (professional services), surveying (professional services) and public involvement (goods and services) are activities that comprise the greatest opportunity for expanded participation on this particular project.

Mr. Jim Mills moved for approval, and Mr. Charles Heimsath seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

**8. Approve issuing a best value procurement for maintenance services for Mobility Authority roadways and related facilities and for adjacent Texas Department of Transportation roadways.**

Mr. Wes Burford presented this item. Staff requests issuing a procurement and receiving proposals, consistent with Mobility Authority Procurement Policy, for a performance based maintenance contract for Mobility Authority roadways and related facilities as well as adjacent roadways and facilities owned by the Texas Department of Transportation. The Mobility Authority highway corridors maintained under this contract will be 183A, Manor Expressway, MoPac Improvement Project, 71 Express Project, and SH 45 SW.

After completing an evaluation of the responses to the request for proposals, the Executive Director will bring a recommendation to the Board for its consideration and action to award a contract to the proposer that provides the best value to the Mobility Authority, based on the criteria and weighting established in the procurement documents.

Mr. Jim Mills moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 5-0, and the resolution was approved as drafted. Mr. David Singleton was temporarily away from the dais during the vote.

**9. Approve an agreement with the Texas Department of Transportation relating to maintenance of state highway assets adjacent to Mobility Authority toll lanes.**

Mr. Wes Burford presented this item. In connection with procurement of a performance based maintenance contract as described under Agenda Item No. 8, staff recommends entering into an agreement with the Texas Department of Transportation (TxDOT) under which the Mobility Authority will provide various maintenance and operational services for TxDOT roadways and facilities adjacent to Mobility Authority facilities in the 183A, Manor Expressway, MoPac Improvement Project, and 71 Express corridors. The proposed agreement would be for a 5-year term scheduled to begin on September 1, 2015, and would provide for TxDOT's payment to the Mobility Authority for its proportionate share of maintenance services. Services under this Interlocal Agreement would include routine maintenance activities such as asphalt and concrete pavement repairs, cleaning and sweeping roadway facilities, mowing and roadside vegetation maintenance, and the repair of signing, striping, lighting, guardrail, and safety appurtenances.

The proposed resolution authorizes and directs the Executive Director to negotiate an agreement with TxDOT. A proposed final agreement will be brought back to the Board for its consideration and action.

Mr. Charles Heimsath moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 5-0, and the resolution was approved as drafted. Mr. David Singleton was temporarily away from the dais during the vote.

**Briefing and discussion on the following:**

**10. Update on the MoPac Improvement Project.**

Mr. Paul Petrich, Project Manager for Oversight with HNTB Corporation, presented this item and provided an update on the MoPac Improvement Project. Segment 4 has been moved onto the critical path due to the undercrossing connections to downtown. Candidates have been approved for the management staff for CH2M Hill. There will be about a 20% increase in project staffing over the next month, and a significant increase in construction.

**11. Executive Director's report.**

Mr. Tim Reilly provided an update on electronic tolling and customer service.

Deputy Executive Director Mario Espinoza and Mr. Rick L'Amie provided an update on public communication and ongoing research for adding live streaming video to Board Meetings.

Ms. Melissa Hurst and Mr. Sean Beal provided an update on the MoPac South project.

Mr. Rick L'Amie provided an update on the expansion of the Carma Carpooling Program.

Ms. Mia Zmud of Metropia provided an update on Metropia.

**14. Report on legislative issues and possible action to revise the Mobility Authority legislative program for the 84<sup>th</sup> Texas Legislature.**

Mr. Brian Cassidy presented this item and provided an update on the 84<sup>th</sup> Texas Legislature.

The Board took no action on this item.

Chairman Ray Wilkerson declared the meeting adjourned at 11:55 a.m. with unanimous consent.



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #4 SUMMARY

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Accept the financial statements for February 2015.

Department: Finance

Funding Source: None

Board Action Required: Yes

Description of Matter:

Presentation and acceptance of the monthly financial statements for February 2015

Reference: Draft Resolution

Draft Financial Statements for February 2015 will be distributed at the meeting.

Contact: Bill Chapman, Chief Financial Officer

Cindy Demers, Controller

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

**RESOLUTION NO. 15-\_\_\_**

**ACCEPT THE FINANCIAL STATEMENTS FOR FEBRUARY 2015.**

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 February 2015, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit 1.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors accepts the Financial Statements for February 2015, attached as Exhibit 1.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25<sup>th</sup> day of March, 2015.

Submitted and reviewed by:

Approved:

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Andrew Martin, General Counsel

\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit 1**

**Financial Statements for February 2015**

# Central Texas Regional Mobility Authority

## Balance Sheet

	as of 02/28/2015	as of 02/28/2014	
<b>Assets</b>			
<b>Current Assets</b>			
<b>Cash</b>			
Regions Operating Account	\$ 600,126	\$ 4,556,737	
Cash In TexSTAR	681,021	59,798	
Regions Payroll Account	74,913	88,322	
<b>Restricted Cash</b>			
Fidelity Govt MMA	235,682,245	115,478,257	
Restricted Cash-TexStar	8,967,933	8,768,154	
Overpayments account	71,316	28,487	
<b>Total Cash and Cash Equivalents</b>	246,077,554	128,979,755	
<b>Accounts Receivable</b>			
Accounts Receivable	85,880	20,967	
Due From TTA	370,332	229,871	
Due From NTTA	292,501	159,681	
Due From HCTRA	516,024	129,512	
Due From TxDOT	27,061,036	44,342,915	
Interest Receivable	73,250	196,740	
<b>Total Receivables</b>	28,399,023	45,079,686	
<b>Short Term Investments</b>			
Certificates of Deposit	-		
Agencies	19,785,711	64,047,717	
<b>Total Short Term Investments</b>	19,785,711	64,047,717	
<b>Total Current Assets</b>	294,262,289	238,107,158	
<b>Total Construction In Progress</b>	115,673,702	386,039,484	
<b>Fixed Assets (Net of Depreciation)</b>			
Computers	63,295	90,640	
Computer Software	1,010,019	407,272	
Equipment	5,057	16,769	
Autos and Trucks	2,874	9,773	
Buildings and Toll Facilities	5,714,699	5,891,814	
Highways and Bridges	610,920,188	321,234,138	
Communication Equipment	441,259	637,374	
Toll Equipment	20,791,206	11,271,331	
Signs	11,548,833	8,667,181	
Land Improvements	12,486,484	6,968,675	
Right of Way	85,152,004	46,642,851	
Leasehold Improvements	185,927	174,225	
<b>Total Fixed Assets</b>	748,321,845	402,012,043	
<b>Other Assets</b>			
Intangible Assets	13,243,043	15,032,417	
2005 Bond Insurance Costs	4,999,651	5,337,706	
Prepaid Insurance	52,890	53,297	
<b>Total Other Assets</b>	18,295,585	20,423,420	
<b>Total Assets</b>	<b>\$ 1,176,553,420</b>	<b>\$ 1,046,582,105</b>	

as of 02/28/2015

as of 02/28/2014

**Liabilities****Current Liabilities**

Accounts Payable	957,923	557,002
Construction Payable-Maha Loop	6,536,651	1,534,298
Overpayments	73,117	29,954
Interest Payable	6,639,246	5,311,370
TCDRS Payable	41,166	45,535
Due to Other Entities	954,175	8,963

<b>Total Current Liabilities</b>	<u>15,202,278</u>	<u>7,487,122</u>
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**Long Term Liabilities**

Accrued Vac & Sick Leave Payable	<u>189,089</u>	<u>189,089</u>
<b>Total Long Term Payables</b>	<u>189,089</u>	<u>189,089</u>

**Bonds Payable**

Senior Lien Revenue Bonds		
Senior Lien Revenue Bonds 2010	110,453,485	106,950,320
Senior Lien Revenue Bonds 2011	308,426,101	307,736,403
Senior Refunding Bonds 2013	182,555,000	185,810,000
Sn Lien Rev Bnd Prem/Disc 2010	66,339	106,300
Sn Lien Rev Bnd Prem/Disc 2011	(3,482,996)	(3,624,371)
Sn Lien Rev Bnd Prem/Disc 2013	15,067,877	17,734,801
<b>Total Senior Lien Revenue Bonds</b>	<u>613,085,807</u>	<u>614,713,453</u>

Sub Lien Revenue Bonds		
Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Refunding Bnds 2013	102,530,000	103,960,000
Sub Lien Bond 2011 Prem/Disc	(1,821,701)	(1,919,681)
Sub Refunding 2013 Prem/Disc	3,462,424	3,958,835
<b>Tot Sub Lien Revenue Bonds</b>	<u>174,170,723</u>	<u>175,999,154</u>

**Other Obligations**

2011 Regions Draw Down Note	1,730,258	3,049,820
2013 American Bank Loan	<u>5,300,000</u>	<u>5,300,000</u>
<b>Total Other Obligations</b>	<u>7,030,258</u>	<u>8,349,820</u>

<b>Total Long Term Liabilities</b>	<u>794,475,877</u>	<u>799,251,516</u>
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<b>Total Liabilities</b>	<u><u>809,678,155</u></u>	<u><u>806,738,638</u></u>
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**Net Assets**

Contributed Capital	35,847,060	18,734,896
Net Assets Beginning	263,492,791	153,684,260
Current Year Operations	<u>67,535,414</u>	<u>67,424,311</u>
<b>Total Net Assets</b>	<u><u>366,875,265</u></u>	<u><u>239,843,467</u></u>

<b>Total Liabilities and Net Assets</b>	<u><u>\$ 1,176,553,420</u></u>	<u><u>\$ 1,046,582,105</u></u>
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**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	22,080,350	17,116,288	77.52%	15,673,122
Toll Revenue-HCTRA-183A	1,089,491	1,056,342	96.96%	805,488
Toll Revenue-NTTA-183A	1,041,069	626,198	60.15%	620,628
Toll Revenue-TxTag-Manor	8,341,268	5,073,682	60.83%	1,432,426
Toll Revenue-HCTRA Manor	1,542,774	1,111,395	72.04%	205,236
Toll Revenue-NTTA-Manor	401,121	229,413	57.19%	63,056
Video Tolls 183A	8,414,300	4,592,606	54.58%	3,838,246
Video Tolls Manor Expressway	4,548,325	1,603,535	35.26%	494,001
Fee revenue 183A	2,660,832	1,357,114	51.00%	1,509,731
Fee revenue Manor Expressway	1,520,242	606,592	39.90%	346,984
<b>Total Operating Revenue</b>	<b>51,639,772</b>	<b>33,373,163</b>	<b>64.63%</b>	<b>24,988,918</b>
<b>Other Revenue</b>				
Interest Income	180,000	214,463	119.15%	99,413
Grant Revenue	2,399,600	85,646,817	3569%	65,174,632
Misc Revenue	-	15,959		3,187,763
<b>Total Other Revenue</b>	<b>2,579,600</b>	<b>85,877,239</b>	<b>3329%</b>	<b>68,461,808</b>
<b>Total Revenue</b>	<b>\$ 54,219,372</b>	<b>\$ 119,250,402</b>	<b>219.94%</b>	<b>\$ 93,450,726</b>
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,286,142	1,556,262	68.07%	1,485,389
Part Time Salary Expense	51,000	-	0.00%	-
Overtime Salary Expense	3,000	-	0.00%	-
Salary Reserve	40,000	-	0.00%	-
TCDRS	334,167	208,925	62.52%	206,606
FICA	104,780	58,761	56.08%	57,709
FICA MED	33,417	22,684	67.88%	21,694
Health Insurance Expense	223,733	131,295	58.68%	122,363
Life Insurance Expense	5,903	2,806	47.53%	1,851
Auto Allowance Expense	10,200	425	4.17%	5,100
Other Benefits	190,809	112,223	58.81%	70,347
Unemployment Taxes	12,960	4,016	30.99%	187
<b>Total Salaries and Wages</b>	<b>3,296,111</b>	<b>2,097,397</b>	<b>63.63%</b>	<b>1,971,246</b>



**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	5,000	5,125	102.49%	7,759
Auditing	70,000	51,888	74.13%	51,480
Human Resources	50,000	81,365	162.73%	5,934
IT Services	63,000	37,167	59.00%	25,993
Internet	6,700	961	14.35%	686
Software Licenses	20,200	18,880	93.46%	7,387
Cell Phones	12,100	7,624	63.01%	7,330
Local Telephone Service	25,000	9,677	38.71%	8,989
Overnight Delivery Services	1,700	128	7.54%	239
Local Delivery Services	1,150	-	0.00%	-
Copy Machine	8,000	7,296	91.20%	4,818
Repair & Maintenance-General	500	965	192.97%	921
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	5,000	-	0.00%	-
Meeting Expense	17,700	5,743	32.45%	3,389
Public Notices	2,000	-	0.00%	-
Toll Tag Expense	1,550	863	55.71%	171
Parking	3,400	2,182	64.17%	1,897
Mileage Reimbursement	9,750	3,603	36.96%	3,280
Insurance Expense	180,000	61,258	34.03%	66,195
Rent Expense	490,000	252,810	51.59%	200,972
Legal Services	320,000	89,614	28.00%	94,618
<b>Total Admin. and Office Expenses</b>	<b>1,293,000</b>	<b>637,147</b>	<b>49.28%</b>	<b>492,058</b>
<b>Office Supplies</b>				
Books & Publications	6,650	1,755	26.39%	1,395
Office Supplies	12,000	6,275	52.29%	7,483
Computer Supplies	12,500	8,466	67.73%	7,846
Copy Supplies	2,200	939	42.67%	187
Other Reports-Printing	13,000	553	4.26%	13
Office Supplies-Printed	2,700	1,073	39.73%	840
Misc Materials & Supplies	3,500	538	15.36%	1,158
Postage Expense	5,600	440	7.86%	411
<b>Total Office Supplies</b>	<b>58,150</b>	<b>20,039</b>	<b>34.46%</b>	<b>19,333</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
<b>Communications and Public Relations</b>				
Graphic Design Services	50,000	5,546	11.09%	11,819
Website Maintenance	65,000	4,385	6.75%	17,847
Research Services	50,000	3,577	7.15%	5,033
Communications and Marketing	150,000	122,838	81.89%	94,254
Advertising Expense	260,000	52,823	20.32%	51,427
Direct Mail	5,000	420	8.40%	-
Video Production	30,000	-	0.00%	5,050
Photography	10,000	-	0.00%	1,125
Radio	10,000	-	0.00%	-
Other Public Relations	27,500	-	0.00%	-
Promotional Items	10,000	6,979	69.79%	370
Displays	5,000	159	3.18%	-
Annual Report printing	10,000	-	0.00%	1,944
Direct Mail Printing	5,000	-	0.00%	-
Other Communication Expenses	1,000	5,422	542.21%	482
<b>Total Communications and Public Relations</b>	<b>688,500</b>	<b>202,148</b>	<b>29.36%</b>	<b>189,351</b>
<b>Employee Development</b>				
Subscriptions	1,850	1,051	56.82%	1,197
Memberships	37,100	30,723	82.81%	28,793
Continuing Education	5,550	3,520	63.42%	596
Professional Development	12,200	3,000	24.59%	501
Other Licenses	700	457	65.28%	470
Seminars and Conferences	39,000	23,531	60.34%	20,782
Travel	91,000	23,435	25.75%	49,271
<b>Total Employee Development</b>	<b>187,400</b>	<b>85,717</b>	<b>45.74%</b>	<b>101,610</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	16,000	-	0.00%	5,913
Bank Fee Expense	10,000	3,559	35.59%	3,791
Continuing Disclosure	8,500	15,647	184.08%	3,500
Arbitrage Rebate Calculation	7,000	7,970	113.86%	6,630
Loan Fee Expense	5,000	-	0.00%	-
Rating Agency Expense	50,000	13,500	27.00%	6,000
<b>Total Financing and Banking Fees</b>	<b>96,500</b>	<b>40,676</b>	<b>42.15%</b>	<b>25,834</b>
<b>Total Administrative</b>	<b>2,323,550</b>	<b>985,727</b>	<b>42.42%</b>	<b>828,186</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
General Engineering Consultant	520,500	-	0.00%	4,600
GEC-Trust Indenture Support	69,500	82,681	118.96%	44,627
GEC-Financial Planning Support	47,000	5,436	11.57%	43,376
GEC-Toll Ops Support	60,000	7,522	12.54%	879
GEC-Roadway Ops Support	187,000	206,183	110.26%	143,829
GEC-Technology Support	150,000	-	0.00%	96,284
GEC-Public Information Support	1,000	738	73.76%	461
GEC-General Support	225,000	227,033	100.90%	152,007
General System Consultant	175,000	85,719	48.98%	36,692
Traffic and Revenue Consultant	60,000	28,015	46.69%	26,650
<b>Total Operations and Mtce. Consulting</b>	<b>1,495,000</b>	<b>643,327</b>	<b>43.03%</b>	<b>549,405</b>
<b>Road Operations and Maintenance</b>				
Roadway Maintenance	700,000	413,452	59.06%	314,071
Landscape Maintenance	250,000	121,908	48.76%	65,292
Signal & Illumination Maint	-	54,313		25,568
Maintenance Supplies-Roadway	-	251		-
Tools & Equipment Expense	500	227	45.36%	43
Gasoline	6,000	1,646	27.44%	2,018
Repair & Maintenance-Vehicles	1,000	1,902	190.18%	812
Roadway Operations	50,000	-	0.00%	-
Electricity - Roadways	150,000	71,976	47.98%	-
<b>Total Road Operations and Maintenance</b>	<b>1,157,500</b>	<b>665,675</b>	<b>57.51%</b>	<b>407,804</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	3,000,791	1,463,725	48.78%	919,667
Tag Collection Fees	2,318,079	1,379,956	59.53%	1,052,132
Court Enforcement Costs	45,000	13,955	31.01%	-
DMV Lookup Fees	7,000	1,702	24.32%	-
<b>Total Toll Processing and Collections</b>	<b>5,370,870</b>	<b>2,859,338</b>	<b>53.24%</b>	<b>1,971,799</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
<b>Toll Operations Expense</b>				
Facility maintenance	-	67		5,827
Emergency Maintenance	10,000	-	0.00%	-
Generator Maintenance	27,700	6,300	22.74%	-
Generator Fuel	6,000	749	12.48%	1,573
Fire and Burglar Alarm	-	247		-
Elevator Maintenance	2,800	-	0.00%	-
Refuse	800	465	58.17%	319
Pest Control	1,600	896	56.00%	640
Custodial	5,440	2,081	38.25%	860
Fiber Optic System	40,000	52,890	132.23%	48,858
Water	7,500	2,995	39.93%	3,943
Electricity	30,000	10,166	33.89%	66,682
ETC spare parts expense	130,000	-	0.00%	-
Repair & Maintenance Toll Equip	5,000	-	0.00%	170
Law Enforcement	257,500	124,940	48.52%	198,108
ETC Maintenance Contract	1,368,000	682,808	49.91%	426,585
ETC Development	125,000	-	0.00%	-
ETC Testing	60,000	-	0.00%	-
<b>Total Toll Operations</b>	<b>2,077,340</b>	<b>884,604</b>	<b>42.58%</b>	<b>753,565</b>
<b>Total Operations and Maintenance</b>	<b>10,100,710</b>	<b>5,052,944</b>	<b>50.03%</b>	<b>3,682,573</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	1,400,000	725,745	51.84%	791,055
Special Projects	1,190,000	312,861	26.29%	111,710
Other Contractual Svcs	130,200	35,104	26.96%	-
Contingency	170,500	-	0.00%	8,000
<b>Total Special Projects and Contingencies</b>	<b>2,890,700</b>	<b>1,073,710</b>	<b>37.14%</b>	<b>910,765</b>
<b>Non Cash Expenses</b>				
Amortization Expense	120,000	177,768	148.14%	67,537
Amort Expense - Refund Savings	1,300,000	685,240	52.71%	685,240
Dep Exp- Furniture & Fixtures	14,000	-	0.00%	-
Dep Expense - Equipment	15,000	5,814	38.76%	14,415

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2015	Actual Year to Date 2/28/2015	Percent of Budget	Actual Prior Yr to Date 2/28/2014
Dep Expense - Autos & Trucks	7,000	4,599	65.70%	4,599
Dep Expense-Buildng & Toll Fac	200,000	118,077	59.04%	118,077
Dep Expense-Highways & Bridges	19,000,000	11,075,389	58.29%	6,004,151
Dep Expense-Communic Equip	200,000	130,743	65.37%	130,743
Dep Expense-Toll Equipment	1,860,000	1,828,559	98.31%	1,030,984
Dep Expense - Signs	350,000	214,914	61.40%	161,845
Dep Expense-Land Improvemts	600,000	583,323	97.22%	345,194
Depreciation Expense-Computers	28,000	18,231	65.11%	17,141
<b>Total Non Cash Expenses</b>	<b>23,694,000</b>	<b>14,842,657</b>	<b>62.64%</b>	<b>8,579,926</b>
<b>Total Other Expenses</b>	<b>26,584,700</b>	<b>15,916,367</b>	<b>59.87%</b>	<b>9,490,691</b>
<b>Non Operating Expenses</b>				
<b>Non Operating Expense</b>				
Bond issuance expense	50,000	142,339	284.68%	22,123
Interest Expense	44,384,714	27,474,214	61.90%	9,981,596
Community Initiatives	65,000	46,000	70.77%	50,000
<b>Total Non Operating Expense</b>	<b>44,499,714</b>	<b>27,662,553</b>	<b>62.16%</b>	<b>10,053,719</b>
<b>Total Expenses</b>	<b>\$ 86,804,785</b>	<b>\$ 51,714,988</b>	<b>59.58%</b>	<b>\$ 26,026,415</b>
<b>Net Income</b>	<b>\$ (32,585,413)</b>	<b>\$ 67,535,414</b>		<b>\$ 67,424,311</b>

**Central Texas Regional Mobility Authority**  
**Statement of Cash Flows - FY 2015**  
**as of February 28, 2015**

**Cash flows from operating activities:**

Receipts from Department of Transportation	\$ 59,017,745
Receipts from toll fees	33,876,583
Receipts from other fees	-
Receipts from interest income	285,705
Receipts from other sources	14,291,779
Payments to vendors	(7,873,380)
Payments to employees and benefits	(2,105,612)
Net cash flows used in operating activities	<u>97,492,819</u>

**Cash flows from capital and related financing activities:**

Payments on interest	(39,955,171)
Payment on Bonds/Notes	(4,794,562)
Acquisitions of property and equipment	(21,677)
Acquisitions of construction in progress	(54,816,934)
Reduction of Construction Payable (Maha Loop)	(7,314,807)
Proceeds from Loans and Notes	-
Net cash flows used in capital and related financing activities	<u>(106,903,150)</u>

**Cash flows from investing activities:**

Purchase of investments	-
Proceeds from sale or maturity of investments	34,135,088
Net cash flows provided by investing activities	<u>34,135,088</u>

Net increase in cash and cash equivalents	24,724,758
Cash and cash equivalents at beginning of July 2014	221,352,797
Cash and cash equivalents at end of February 2015	<u>\$ 246,077,554</u>

**INVESTMENTS by FUND**

		<b>Balance</b>		
			<b>February 28, 2015</b>	
<b>Renewal &amp; Replacement Fund</b>				<b>TexSTAR 9,648,954.16</b>
	TexSTAR	3,107.09		CD's -
	Regions Sweep	973,580.84		Regions Sweep 229,315,105.38
	Agencies		976,687.93	Agencies 19,785,711.02
<b>TxDOT Grant Fund</b>				
	TexSTAR	82,212.62		
	Regions Sweep	4,717,755.12		
	CD's			
	Agencies	4,709,192.24	9,509,159.98	\$ 258,749,770.56
<b>Senior Debt Service Reserve Fund</b>				
	TexSTAR	590,161.49		
	Regions Sweep	42,745,761.77		
	Agencies	5,001,750.00	48,337,673.26	
<b>2010 Senior Lien DSF</b>				
	Regions Sweep	572,802.87		
	TexSTAR	-	572,802.87	
<b>2011 Debt Service Acct</b>				
	Regions Sweep	6,891,644.52	6,891,644.52	
<b>2013 Sr Debt Service Acct</b>				
	Regions Sweep	2,201,616.80	2,201,616.80	
<b>2013 Sub Debt Service Account</b>				
	Regions Sweep	938,412.84	938,412.84	
<b>2011 Sub Debt DSRF</b>				
	Regions Sweep	7,062,575.31		
	CD's		7,062,575.31	
<b>2011 Sub DSF</b>				
	Regions Sweep	788,941.73	788,941.73	
<b>Operating Fund</b>				
	TexSTAR	681,020.79		
	TexSTAR-Trustee	3,569,975.82		
	Regions Sweep	-	4,250,996.61	
<b>Revenue Fund</b>				
	TexSTAR	1.00		
	Regions Sweep	2,442,818.74	2,442,819.74	
<b>General Fund</b>				
	TexSTAR	53.78		
	Regions Sweep	17,553,567.82		
	Agencies	5,002,436.67	22,556,058.27	
<b>2013 Sub Debt Service Reserve Fund</b>				
	Regions Sweep	3,331,475.94		
	Agencies	5,072,332.11	8,403,808.05	
<b>MoPac Construction Fund</b>				
	Regions Sweep	84,315,709.83	84,315,709.83	
<b>2010-1 Sub Lien Projects Fund</b>				
	TexSTAR	550,466.32		
	Regions Sweep	-	550,466.32	
<b>2010 Senior Lien Construction Fund</b>				
	TexSTAR	1.19		
	Regions Sweep	80,072.58	80,073.77	
<b>2011 Sub Debt Project fund</b>				
	TexSTAR	4,171,834.40		
	Agencies			
	Regions Sweep	21,770,928.34	25,942,762.74	
<b>2011 Sr Financial Assistance Fund</b>				
	Regions Sweep	18,296,932.04	18,296,932.04	
<b>2011 Senior Lien Project Fund</b>				
	TexSTAR	119.66		
	Regions Sweep	298,772.20		
	Agencies		298,891.86	
<b>45SW Trust Account Hays County</b>				
	Regions Sweep	500,237.59	500,237.59	
<b>45SW Trust Account Travis County</b>				
	Regions Sweep	13,831,498.50	13,831,498.50	
			<u>\$ 258,749,770.56</u>	

**CTRMA INVESTMENT REPORT**

Month Ending 2/28/2015							
Balance 2/1/2015	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 2/28/2015	Rate Feb 15	
<b>Amount in Trustee TexStar</b>							
2011 Sub Lien Construction Fund	4,171,659.10		175.30		4,171,834.40	0.054%	
2011 Senior Lien Construction Fund	119.66				119.66	0.054%	
2010 Senior Lien Construction Fund	1.19				1.19	0.054%	
2010-1 Sub Lien Projects General Fund	785,724.00 53.78		24.94	235,282.62	550,466.32 53.78	0.054%	
Trustee Operating Fund	2,469,853.40	1,100,000.00	122.42		3,569,975.82	0.054%	
Renewal and Replacement	3,107.03		0.06		3,107.09	0.054%	
TxDOT Grant Fund	82,209.16		3.46		82,212.62	0.054%	
Revenue Fund	1.00				1.00	0.054%	
Senior Lien Debt Service Reserve Fund	590,136.71		24.78		590,161.49	0.054%	
	<b>8,102,865.03</b>	<b>1,100,000.00</b>		<b>350.96</b>	<b>235,282.62</b>	<b>8,967,933.37</b>	
<b>Amount in TexStar Operating Fund</b>							
	<b>680,992.17</b>		<b>28.62</b>		<b>681,020.79</b>	<b>0.054%</b>	
<b>Regions Sweep Money Market Fund</b>							
Operating Fund	0.00	1,100,000.00		1,100,000.00	0.00	0.100%	
45SW Trust Account Travis County	14,025,875.47		972.57	195,349.54	13,831,498.50	0.100%	
45SW Trust Account Hays County	500,203.60		33.99		500,237.59	0.100%	
2010 Senior Lien Project Acct	99,190.34		6.89	19,124.65	80,072.58	0.100%	
2010-1 Sub Lien Projects Fund	0.00	235,282.62		235,282.62	0.00	0.100%	
2011 Sub Lien Project Acct	22,294,975.11		1,528.34	525,575.11	21,770,928.34	0.100%	
2011 Senior Lien Project Acct	298,751.90		20.30		298,772.20	0.100%	
2011 Sr Financial Assistance Fund	18,295,676.10		1,255.94		18,296,932.04	0.100%	
2010 Senior DSF	286,603.88	286,184.22	14.77		572,802.87	0.100%	
2011 Senior Lien Debt Service Acct	6,377,373.70	513,846.51	424.31		6,891,644.52	0.100%	
2011 Sub Debt Service Fund	395,527.18	393,394.57	19.98		788,941.73	0.100%	
2013 Senior Lien Debt Service Acct	1,101,608.17	1,099,953.37	55.26		2,201,616.80	0.100%	
2013 Subordinate Debt Service Acct	469,671.33	468,715.73	25.78		938,412.84	0.100%	
TxDOT Grant Fund	3,702,503.55	1,000,000.00	15,251.57		4,717,755.12	0.100%	
Renewal and Replacement	450,508.60	1,000,000.00	30.61	476,958.37	973,580.84	0.100%	
Revenue Fund	2,646,053.08	4,694,883.45	171.23	4,898,289.02	2,442,818.74	0.100%	
General Fund	18,835,430.96	379,362.36	1,265.62	1,662,491.12	17,553,567.82	0.100%	
2011 Sub Debt Service Reserve Fund	2,026,349.37	5,000,000.00	36,225.94		7,062,575.31	0.100%	
Senior Lien Debt Service Reserve Fund	42,742,857.60		2,904.17		42,745,761.77	0.100%	
2013 Sub Debt Service Reserve Fund	3,331,249.60		226.34		3,331,475.94	0.100%	
MoPac Managed Lane Construction Fund	91,247,222.60		6,213.03	6,937,725.80	84,315,709.83	0.100%	
	<b>229,127,632.14</b>	<b>16,171,622.83</b>	<b>0.00</b>	<b>66,646.64</b>	<b>16,050,796.23</b>	<b>229,315,105.38</b>	
<b>Amount in Fed Agencies and Treasuries</b>							
Amortized Principal	20,796,759.18		(11,048.16)	1,000,000.00	19,785,711.02		
	<b>20,796,759.18</b>	<b>0.00</b>			<b>19,785,711.02</b>		
<b>Certificates of Deposit</b>							
Total in Pools	5,000,000.00			5,000,000.00	0.00		
Total in Money Market	8,783,857.20	1,100,000.00	379.58	235,282.62	9,648,954.16		
Total in Fed Agencies	229,127,632.14	16,171,622.83	66,646.64	16,050,796.23	229,315,105.38		
	20,796,759.18		(11,048.16)	1,000,000.00	19,785,711.02		
<b>Total Invested</b>	<b>263,708,248.52</b>	<b>17,271,622.83</b>	<b>(11,048.16)</b>	<b>67,026.22</b>	<b>22,286,078.85</b>	<b>258,749,770.56</b>	

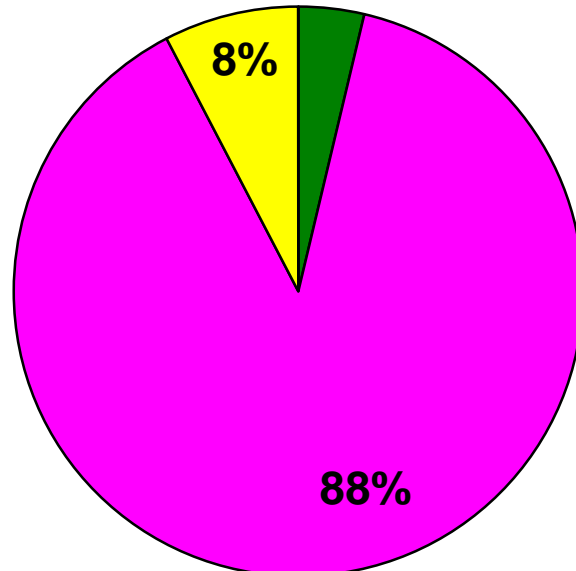
All Investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

Cindy Demers, Controller



# Allocation of Funds 4%



■ Total in Pools

■ Total in Money Market

■ Total in Fed Agencies

■ Total in CD's

Amount of investments As of February 28, 2015

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	313378LX7	4,013,754.20	4,001,719.28	4,002,680.00	0.0267%	1/9/2014	4/30/2015	General
Federal Home Loan Bank	313378M57	1,004,065.22	1,000,717.39	1,000,990.00	0.0028%	1/9/2014	5/29/2015	General
Freddie Mac	3137EADD8	1,004,940.00	1,000,329.33	999,850.00	0.2290%	12/3/2012	4/17/2015	TxDOT Grant Fund
Northside ISD	66702RAG7	<b>MATURED</b>	<b>MATURED</b>	<b>MATURED</b>	0.3580%	12/5/2012	2/15/2015	TxDOT Grant Fund
Federal Home Loan Bank	313371KG0	1,019,000.00	1,006,909.09	1,007,650.00	0.3912%	1/9/2014	10/28/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,001,990.00	1,000,723.64		0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0QB2	1,703,383.00	1,701,230.18	2,704,320.00	0.0381%	1/9/2014	10/22/2015	TxDOT Grant Fund
Fannie Mae	3135G0VA8	5,003,500.00	5,001,750.00	5,007,650.00	0.0468%	1/23/2014	3/1/3016	Senior DSRF
Federal Home Loan Bank	31398A3T7	5,164,996.34	5,072,332.11	5,076,461.04	0.3660%	1/9/2014	9/21/2015	2013 Sub DSRF
			19,785,711.02	19,799,601.04				

Agency	CUSIP #	COST	Cummulative Amortization	2/28/2015		Interest Income February 28, 2015		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Federal Home Loan Bank	313378LX7	4,013,754.20	12,034.92	4,001,719.28	4,000,000.00	1,766.67	(859.64)	907.03
Federal Home Loan Bank	313378M57	1,004,065.22	3,347.83	1,000,717.39	1,000,000.00	475.00	(239.13)	235.87
Freddie Mac	3137EADD8	1,004,940.00	4,610.67	1,000,329.33	1,000,000.00	416.67	(164.67)	252.00
Northside ISD	66702RAG7	<b>MATURED</b>	<b>MATURED</b>	<b>MATURED</b>	<b>MATURED</b>	2,500.00	(1,923.33)	576.67
Federal Home Loan Bank	313371KG0	1,019,000.00	12,090.91	1,006,909.09	1,000,000.00	1,208.33	(863.64)	344.69
Fannie Mae	3135G0QB2	1,001,990.00	1,266.36	1,000,723.64	1,000,000.00	416.67	(90.45)	326.22
Fannie Mae	3135G0QB2	1,703,383.00	2,152.82	1,701,230.18	1,700,000.00	708.33	(153.77)	554.56
Fannie Mae	3135G0VA8	5,003,500.00	1,750.00	5,001,750.00	5,000,000.00	2,083.33	(134.62)	1,948.71
Federal Home Loan Bank	31398A3T7	5,164,996.34	92,664.23	5,072,332.11	5,026,000.00	8,376.67	(6,618.87)	1,757.80
		19,915,628.76	129,917.74	19,785,711.02	19,726,000.00	17,951.67	(11,048.12)	6,903.55

February 28, 2015

Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	February 28, 2015 Interest	FUND
Compass Bank	CD 02636	5,000,000	0.35%	<b>MATURED</b>	2/5/2015	\$ 1,088.36	2011 Sub DSRF
		<u>5,000,000</u>				<u>\$ 1,088.36</u>	

**Travis County Escrow account**

Balance		Accrued		Balance
2/1/2015	Additions	Interest	Withdrawals	2/28/2015
\$ 8,380,159.08		\$ 1,138.79	\$ 2,014,158.26	\$ 6,367,139.61



## Monthly Newsletter - February 2015

### Performance

#### As of February 28, 2015

Current Invested Balance	\$6,025,452,923.84
Weighted Average Maturity (1)	47 Days
Weighted Average Maturity (2)	71 Days
Net Asset Value	1.000073
Total Number of Participants	792
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$497,652.80
Management Fee Collected	\$237,459.86
% of Portfolio Invested Beyond 1 Year	2.75%
Standard & Poor's Current Rating	AAAm

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

#### February Averages

Average Invested Balance	\$6,190,750,227.48
Average Monthly Yield, on a simple basis	0.0548%
Average Weighted Average Maturity (1)*	49 Days
Average Weighted Average Maturity (2)*	74 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.

### New Participants

We would like to welcome the following entity who joined the TexSTAR program in February:

★ City of Seagoville

### Holiday Reminder

In observance of Good Friday, **TexSTAR will be closed Friday, April 3, 2015**. All ACH transactions initiated on Thursday, April 2nd will settle on Monday, April 6th. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

### Economic Commentary

February brought a significant shift in the market narrative, as the disinflation theme that had dominated the previous few months gave way to a more bullish view. Two catalysts sparked the change. First, the price of oil stabilized, reducing downward pressure on inflation and alleviating fears that its earlier fall was signaling a collapse in global growth. Second, the euro area – the major source of economic weakness in recent quarters – generated a series of upside growth surprises alongside an easing in political tension. Against this backdrop, global equities, U.S. Treasury yields and commodity prices all rose in February, and credit spreads tightened. During the month, U.S. Federal Reserve (Fed) Chair Janet Yellen's semiannual Monetary Policy Report to Congress clarified the Fed's position on the word "patient" in its statements stressing that its removal does not necessarily mean they will raise rates in the next couple of meetings. Instead, this refinement of the central bank's language means it will have full flexibility to act if it believes the economic data support a rate hike.

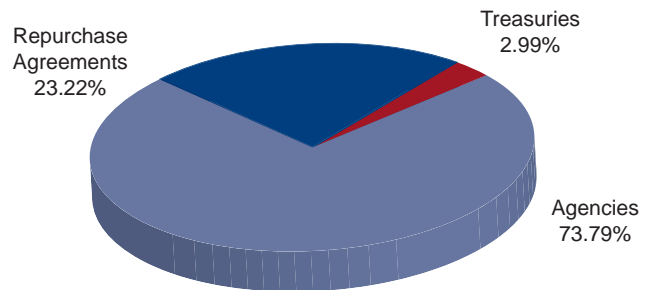
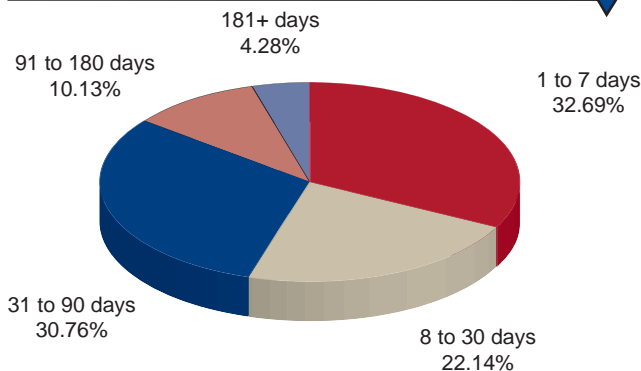
The momentum in the U.S. economy remains on track for another solid year of growth. The data in February softened due to unusually poor weather in the northeast and a strike at the largest West Coast shipping ports, placing downside risk to GDP in Q1. However, the labor markets are expected to continue strengthening and slack will be removed at an accelerating pace. Consumer confidence is rising; and future consumption will be funded from elevated current savings. Improved fiscal outlooks at the state and local levels should result in additional spending. Finally, recent moves by foreign central banks to stimulate growth and remove downside risk should result in a marginally lower economic headwind. Inflation is expected to slowly grind higher after its downward trajectory from lower energy prices abates. It is the expectation that the Fed will tighten policy in the middle of the year, the start date split evenly between June and September. The pace will be slow and gradual, but the Fed is anticipated to transition away from explicit forward rate guidance toward a data dependency framework. The adjustment to renormalization will be volatile, at least initially and result in higher term premiums and tighter financial conditions. The potential disruption should prove temporary and have a limited impact on the real economy.

This information is an excerpt from an economic report dated February 2015 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

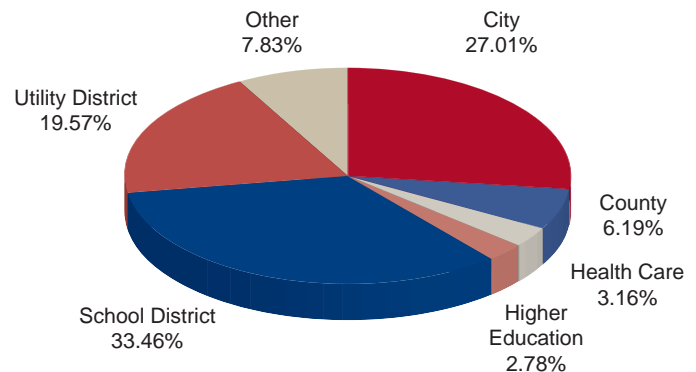
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of February 28, 2015



## Portfolio by Maturity As of February 28, 2015



## Distribution of Participants by Type As of February 28, 2015

# Historical Program Information

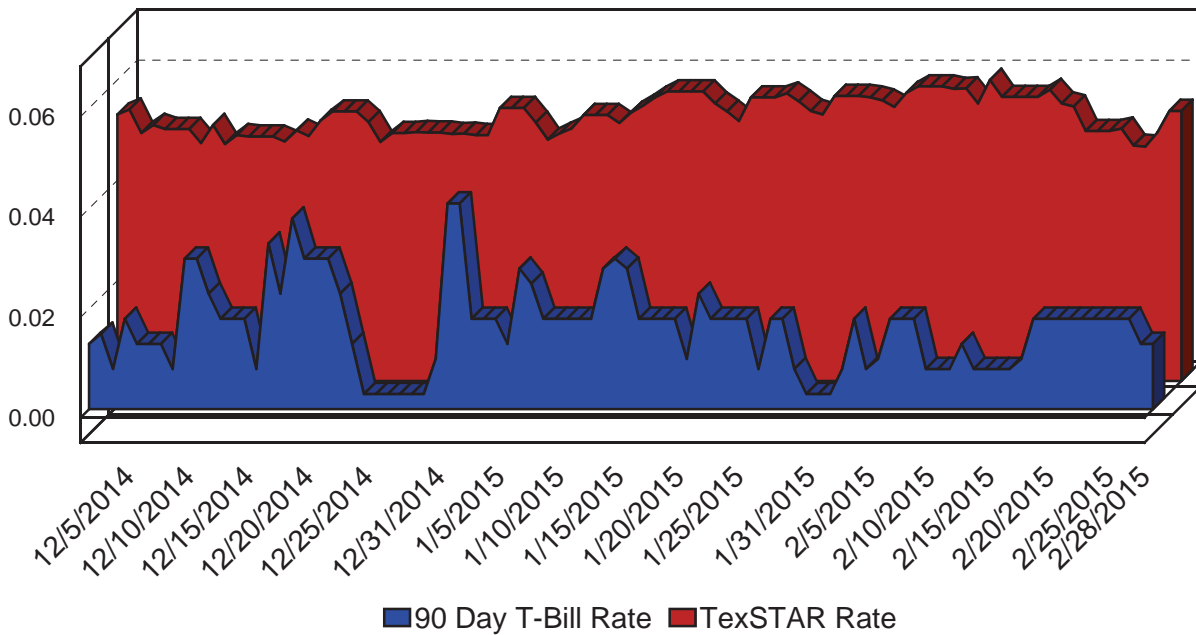
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Feb 15	0.0548%	\$6,025,452,923.84	\$6,025,900,171.82	1.000073	49	74	792
Jan 15	0.0542%	5,795,866,262.14	5,796,287,813.37	1.000076	50	77	791
Dec 14	0.0501%	5,158,234,676.14	5,158,405,384.45	1.000037	51	80	790
Nov 14	0.0387%	4,453,961,626.26	4,454,149,924.27	1.000042	52	84	790
Oct 14	0.0385%	4,433,918,584.81	4,434,061,738.75	1.000043	50	82	788
Sep 14	0.0317%	4,479,282,436.21	4,479,598,265.68	1.000070	50	80	788
Aug 14	0.0350%	4,815,579,162.38	4,815,792,254.70	1.000043	52	83	788
Jul 14	0.0323%	4,816,487,266.54	4,816,599,027.29	1.000023	52	81	788
Jun 14	0.0322%	4,682,201,994.16	4,682,381,855.14	1.000038	50	76	788
May 14	0.0273%	5,188,136,060.86	5,188,307,944.39	1.000034	52	74	786
Apr 14	0.0379%	5,297,751,521.64	5,298,035,810.85	1.000053	51	71	784
Mar 14	0.0400%	5,447,221,784.71	5,447,546,676.56	1.000059	51	66	784

# Portfolio Asset Summary as of February 28, 2015

	Book Value	Market Value
Uninvested Balance	\$ 100,193.71	\$ 100,193.71
Accrual of Interest Income	365,458.69	365,458.69
Interest and Management Fees Payable	(585,340.83)	(585,340.83)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	1,399,021,000.00	1,399,021,000.00
Government Securities	4,626,551,612.27	4,626,998,860.25
<b>Total</b>	<b>\$ 6,025,452,923.84</b>	<b>\$ 6,025,900,171.82</b>

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 February 2015

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
2/1/2015	0.0568%	0.000001556	\$5,795,866,262.14	1.000076	49	77
2/2/2015	0.0565%	0.000001549	\$5,816,992,755.51	1.000073	51	79
2/3/2015	0.0559%	0.000001532	\$6,000,632,131.47	1.000076	51	77
2/4/2015	0.0546%	0.000001495	\$6,184,575,384.56	1.000075	51	77
2/5/2015	0.0574%	0.000001573	\$6,251,068,960.34	1.000072	52	77
2/6/2015	0.0587%	0.000001609	\$6,289,935,352.33	1.000060	50	75
2/7/2015	0.0587%	0.000001609	\$6,289,935,352.33	1.000060	50	75
2/8/2015	0.0587%	0.000001609	\$6,289,935,352.33	1.000060	50	75
2/9/2015	0.0582%	0.000001595	\$6,241,915,153.06	1.000073	50	75
2/10/2015	0.0583%	0.000001596	\$6,319,718,538.98	1.000071	51	76
2/11/2015	0.0553%	0.000001516	\$6,320,421,406.17	1.000073	51	75
2/12/2015	0.0600%	0.000001643	\$6,283,122,049.06	1.000075	50	75
2/13/2015	0.0566%	0.000001551	\$6,229,898,653.98	1.000072	49	74
2/14/2015	0.0566%	0.000001551	\$6,229,898,653.98	1.000072	49	74
2/15/2015	0.0566%	0.000001551	\$6,229,898,653.98	1.000072	49	74
2/16/2015	0.0566%	0.000001551	\$6,229,898,653.98	1.000072	49	74
2/17/2015	0.0580%	0.000001590	\$6,209,355,955.71	1.000073	49	73
2/18/2015	0.0553%	0.000001514	\$6,263,830,858.19	1.000078	49	74
2/19/2015	0.0547%	0.000001499	\$6,257,052,176.95	1.000068	49	74
2/20/2015	0.0498%	0.000001364	\$6,251,990,459.81	1.000062	48	72
2/21/2015	0.0498%	0.000001364	\$6,251,990,459.81	1.000062	48	72
2/22/2015	0.0498%	0.000001364	\$6,251,990,459.81	1.000062	48	72
2/23/2015	0.0503%	0.000001379	\$6,215,529,035.07	1.000064	47	71
2/24/2015	0.0469%	0.000001286	\$6,221,897,443.22	1.000070	46	68
2/25/2015	0.0467%	0.000001280	\$6,205,241,664.34	1.000075	49	73
2/26/2015	0.0495%	0.000001355	\$6,157,508,694.61	1.000083	49	73
2/27/2015	0.0538%	0.000001474	\$6,025,452,923.84	1.000073	47	71
2/28/2015	0.0538%	0.000001474	\$6,025,452,923.84	1.000073	47	71
Average	0.0548%	0.000001501	\$6,190,750,227.48		49	74

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>Kenneth Huewitt</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>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Eric Cannon</i>	<i>Town of Addison</i>	<i>Advisory Board</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>Pamela Moon</i>	<i>City of Lubbock</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>

**For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)**



**J.P.Morgan**  
Asset Management



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #5 SUMMARY

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Update on the MoPac Improvement Project.

Strategic Plan Relevance: Regional Mobility

Department: Engineering

Associated Costs: N/A Briefing Only

Funding Source: N/A

Board Action Required: No

Description of Matter:

The report is a construction status update of the MoPac Improvement Project.

Reference documentation: None

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering





**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #6 SUMMARY

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Update on CAMPO activities and programs.

Strategic Plan Relevance: Regional Mobility

Department: Engineering

Associated Costs: N/A Briefing Only

Funding Source: N/A

Board Action Required: No

Description of Matter:

Ashby Johnson, Executive Director of CAMPO will provide an overview on current CAMPO activities and programs.

Reference: None

Contact: Wesley M. Burford, P.E., Director of Engineering



## AGENDA ITEM #7 SUMMARY

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Executive Director's Report.

### CENTRAL TEXAS Regional Mobility Authority

Strategic Plan Relevance: Regional Mobility

Department: Executive

Associated Costs: N/A

Funding Source: N/A

Board Action Required: No

Description of Matter:

Executive Director's Monthly report

- A. Project Updates
- B. Briefing on data used for Mobility Authority traffic and revenue studies
- C. Briefing on indirect and cumulative effects of proposed roadways in an environmental review of a transportation project
- D. Status report on efforts to provide live-streaming of Mobility Authority Board meetings.

Reference documentation:

Executive Director's report

Contact for further information: Mike Heiligenstein, Executive Director



# PROJECT UPDATES

## MoPac Improvement Project

- The Oversight Team continues to work with the Contractor on a revised project schedule that reflects the impacts of the numerous Owner-Directed Change Orders.
- Contractor is working to accelerate productivity by bringing on additional resources.
- The permitting process with utilities and railroads, as well as coordination with other local agencies, continues. The execution of several rights-of-entry agreements with the UPRR will allow work to begin in those areas.
- Coordination with the City of Austin on relocation of the City's 42" waterline also continues as this part of the project moves from design to construction to prevent impacts to the overall Project schedule.
- Lane striping in the corridor is being evaluated on a weekly basis; public comments have decreased significantly over the past several months. Contractor is implementing a work plan for addressing re-marking of existing striping and enhancing temporary striping in areas where evaluations indicate deficiencies.



- Illumination of the corridor is being evaluated nightly; areas for repair have been identified and a repair schedule implemented. Lighting of the ramps is the priority - the Contractor has installed portable lights and generators until permanent repairs can be made. Maintenance of the lighting will be on-going.

- The installation of sound wall columns and panels continues on the wall near 10<sup>th</sup> Street. Construction of other sound walls will follow.



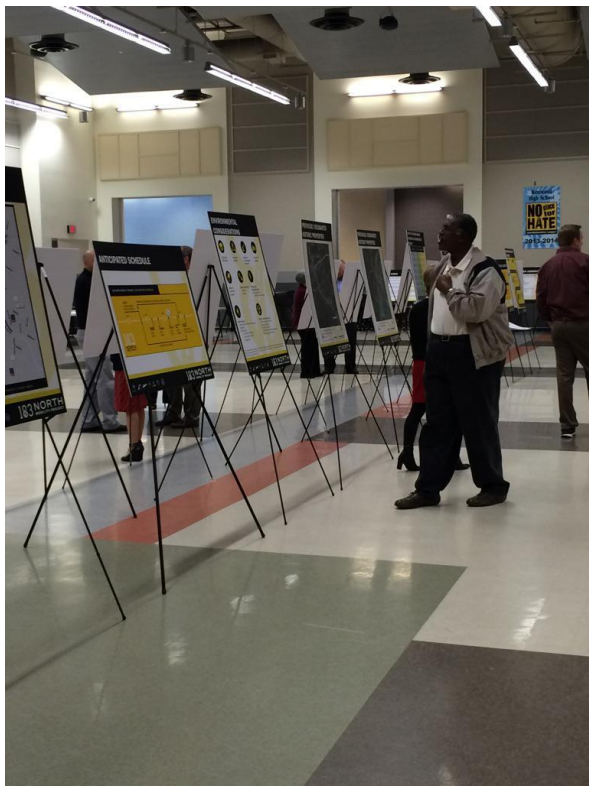
*Crews set the beams for the northbound MoPac bridge over 45th St. overnight (March 17, 2015)*

- Boring activities for three large tunnels associated with drainage pipes for the undercrossings near downtown are complete. Work on the fourth and final tunnel has started and the effort is more than 25% complete.
- Conduit construction for ITS wiring, which will service cameras and other detection equipment as well as the toll signage, continues.
- Installation of the overhead sign bridges and cantilevered sign structures for permanent signing and ITS/toll equipment continues.

## 183 North Mobility Project



- Technical Memoranda continues to be prepared for social, economic, and environmental impact evaluations.
- Technical Working Group meeting was held on Feb. 24.
- Open House #3 was held on March 10. Approximately 80 people. The preferred alternative (Express Lane) was presented along with the additional corridor improvements that includes a consistent 4-lane section from McNeil to MoPac to address bottle-neck conditions in the corridor, Bike/Pedestrian improvements identified, and Context Sensitive Solution alternatives were presented that allowed the public to convey their preference of landscaping, hardscape, water quality, bicycle/pedestrian connectivity and public art.



*Residents review preferred alternatives at the March 10 Open House at Westwood High School.*

- A virtual Open House will continue to be available on the [183north.com](http://183north.com) web site through March 20, 2015.
- Draft Design Exception package is being updated to address some modifications throughout the corridor for reduced lane and shoulder widths.
- Traffic analysis for operations and environmental evaluations continues.
- Initial draft EA submittal is planned for early 2015 with Public Hearing planned for late 2015.

### MoPac South Environmental Study

- Technical Memoranda continue to be prepared and reviewed for social, economic, and environmental impact evaluations.
- The schematic will continue to be refined as operations analysis is conducted and agency and public comment is received.
- Refinement of traffic models for traffic operational analysis and environmental evaluations continues and should be complete in Spring 2015.
- An Open House was held on Feb. 26. Approximately 115 people. The alternatives analysis process was explained and the preferred alternative (Express Lanes) was presented in schematic form.
- A virtual Open House will continue to be available on the [MoPacSouth.com](http://MoPacSouth.com) web site until April 2.
- A Context Sensitive Solutions web survey has been launched to collect preferences from the public on approach to several design considerations ranging from roadway elements to bike and pedestrian facilities.
- Initial draft EA submittal is planned for early 2015 with a Public Hearing planned for late 2015.

### MoPac Intersections Environmental Study

- The Schematic Design and the majority of the technical memoranda are substantially complete.
- The first draft of the environmental document was submitted to TxDOT in Feb. 2015 and review comments are being addressed.
- The document will be available for public review

in the spring with a Public Hearing anticipated to occur mid-2015.

- Stakeholder outreach and public communication is planned over the next several months including meetings with south Brodie Neighborhood Alliance and Circle C HOA.
- Once environmentally cleared, TxDOT will take over final design and construction of the project.

### SH 45SW Environmental Study



- A Record of Decision on the Environmental Impact Statement was issued on March 4 allowing the project to move forward with design and construction.
- The Mobility Authority's Design Team continues to collect survey data and geotechnical borings and is preparing to begin final design and development of construction plans.
- Stakeholder meetings and Context Sensitive Solutions efforts will be initiated as the project design progresses.
- The development of construction plans is anticipated to take approximately six to eight months.

### Bergstrom Expressway Project



- TxDOT Environmental Division gave an environmental 'Finding of no Significant Impact' for the Bergstrom Expressway Environmental Assessment on March 6. With this major milestone in place, the team can move forward into final design and construction.
- Atkins anticipates the Best Value Selection of a design/build contractor in spring 2015.

- The procurement efforts are underway to bring public involvement, construction inspection, survey, and materials testing teams on board for the Bergstrom Expressway construction.
- Community outreach efforts include holding stakeholder meetings, continuing construction communications strategy, launching a baseline public opinion survey, and working to redevelop the website for the construction phase.
- A traffic noise barrier workshop is anticipated to occur in April 2015.
- Project programming activities continue as the team works to finalize project funding agreements with TxDOT and FHWA. In addition, the team continues work on the Project Management Plan and the Initial Finance Plan in order to meet federal requirements.
- Financing activities continue as Atkins develops the updates to the TIFIA Application, continues the Investment Grade Traffic & Revenue Study and prepares an application for an SIB Loan request.
- ROW Acquisition and early utility coordination activities for items with long lead times continues.

### Maha Loop/Elroy Road, Phase I Project



*Maha Loop Construction*

- Ribbon Cutting has been scheduled for March 27 at 10:00 a.m. in coordination with Travis County Precinct Four Commissioner Margaret Gomez. The road will be dedicated by the county as Kellam Rd.

- Final grading of ponds is complete; placement of rock riprap and filtration material is ongoing.
- Final striping will begin after pavement cures.
- The remaining bridge rail and sidewalk for the project was completed in February.
- Placement of matting and seeding ongoing for east ditch.
- The change order to add turn lanes on SH 71 has been approved by Travis County; the change order to add signals is under negotiation.

### **290 Toll (Manor Expressway)**

- CTMC is finalizing the non-conflict utility relocations required by the project to obtain Final Acceptance.

### **Oak Hill Parkway Project**



- Efforts with TxDOT and the City of Austin continue for potential regional detention facilities.
- The design level schematics for both concepts moving forward into the alternatives analysis phase were completed and provided at the January Open House for public comment.
- The next Context Sensitive Solutions workshop will be held April 7.
- The Mobility Authority and TxDOT will participate in the Keep Austin Beautiful event on April 11 to help clean Williamson Creek in the project area.
- A Value Engineering Study is planned for the week of April 13.
- The team has begun to meet with stakeholders about concerns regarding regional water detention and right-of-way acquisition; this effort will continue for several months.

### **SH 71 Express**



- Construction commenced on Feb. 2, 2015
- Coordination meetings between McCarthy and the Toll Integrator continue.
- McCarthy continues to progress design activities.
- Atkins and Schneider Electric continue to review design submittals.
- Construction on the Onion Creek bridge substructure is progressing.
- Earthwork activities at the SH 130 interchange have commenced.
- The team has been assisting TxDOT's preparations for a "meet the contractor"-style open house which was held on March 24.

As part of our ongoing MoPac Improvement Project partnership with the non-profit group TreeFolks, the Mobility Authority sponsored a tree giveaway on Saturday, March 7<sup>th</sup>. The event took place in the Camp Hubbard DMV parking lot adjacent to Westminster Manor. When the event kicked off at 9:00 am there were already more than 50 people waiting in line.

500 one-gallon trees were available for adoption. Each family could take home up to two trees. The available species included Mexican buckeye, bald cypress, cedar elm, deciduous holly, Mexican white oak, Mexican plum, and Texas redbud. The Mexican plum trees were the most popular and were completely gone within the first hour of the event.





**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #8 SUMMARY

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### *EXECUTIVE SESSION*

*Executive Session:*

Discuss acquisition of one or more parcels or interests in real property needed for the Bergstrom Expressway (183 South) Project and related legal issues, as authorized by §551.072 (Deliberation Regarding Real Property; Closed Meeting) and by §551.071 (Consultation with Attorney).





**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #9 SUMMARY

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### *EXECUTIVE SESSION*

*Executive Session:*

Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation with Attorney).



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #10 SUMMARY

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### *EXECUTIVE SESSION*

*Executive Session:*

Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney).



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #11 SUMMARY

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### *EXECUTIVE SESSION*

*Executive Session:*

Discuss legal issues related to legislation proposed to the 84<sup>th</sup> Texas Legislature that could affect the Mobility Authority or its operations, as authorized by §551.071 (Consultation with Attorney).



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #12 SUMMARY

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### *RIGHT OF WAY*

Authorize execution of a contract to acquire for the Bergstrom Expressway (183 South) Project a 0.0479 acre parcel of real estate owned by the City of Austin, located at the intersection of Darby Street and Wilcab Road in Travis County, for \$1,460.00, the appraised value of the parcel.



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #13 SUMMARY

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Report on legislative issues and possible action to revise the Mobility Authority legislative program for the 84<sup>th</sup> Texas Legislature.

Strategic Plan Relevance: Regional Mobility; Economic Vitality; Sustainability; Innovation

Department: Law

Associated Costs: None

Funding Source: Operating Fund

Board Action Required: If desired to revise legislative program

Description of Matter:

The 84<sup>th</sup> Legislature is in session and is considering legislative proposals and issues that affect the Mobility Authority.

This agenda item is to receive reports on those legislative proposals and issues. If desired, the Board may act to revise the legislative program adopted October 29, 2014, a copy of which is attached for reference.

In previous legislative sessions, the Mobility Authority has worked with other regional mobility authorities and tolling entities to address issues of common concern to tolling entities.

Reference: Resolution 14-083 (Legislative Program)

Contact: Andrew Martin, General Counsel

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

**RESOLUTION NO. 14-083**

**APPROVING A LEGISLATIVE PROGRAM FOR ISSUES AND PROPOSALS  
AFFECTING THE MOBILITY AUTHORITY IN THE 84<sup>th</sup> TEXAS LEGISLATURE.**

WHEREAS, the Texas Legislature is scheduled to convene at noon, Tuesday, January 13, 2015, and to adjourn on Monday, June 1, 2015, in the 84<sup>th</sup> Regular Legislative Session; and

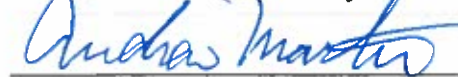
WHEREAS, action on legislation considered by the 84<sup>th</sup> Legislature can affect the powers, duties, and ability of the Mobility Authority to fulfill its statutory mission as a regional mobility authority existing and operating under Chapter 370 of the Texas Transportation Code; and

WHEREAS, the Board of Directors supports consideration and adoption by the 84<sup>th</sup> Legislature of legislation that addresses issues identified and supported by other regional mobility authorities throughout Texas, as well as issues that affect only the Mobility Authority, as set forth on the legislative program attached to this resolution as Exhibit 1.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors approves the legislative program set forth in Exhibit 1 to this Resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 29<sup>th</sup> day of October, 2014.

Submitted and reviewed by:



Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:



Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 14-083  
Date Passed: 10/29/14

## **Exhibit 1**

### **Mobility Authority Legislative Program**

#### **Legislative Priorities 84<sup>th</sup> Legislative Session**

The following is a list of priorities for the 84th Legislative Session:

1. **Increased Transportation Funding:** There is a continuing need for increased funding for the state's transportation system. The Mobility Authority will support viable options to increase funding at the state or local level, including enhancements to make county TRZs more effective; dedication of vehicle sales tax revenues to the state highway fund, ending diversions, and enhanced local options for transportation funding.
2. **Data Protections:** The Mobility Authority supports efforts to enhance protection of customer and trip data on Mobility Authority toll facilities from public disclosure, including efforts to clarify the definition of a "customer" under Chapter 370 of the Transportation Code in regard to the information that is subject to disclosure under Chapter 552, Government Code.

#### **Items specific to the Central Texas Regional Mobility Authority:**

3. **Project-Specific CDA Authority:** In the 83<sup>rd</sup> Legislative Session, SB 1730 authorized certain projects to be developed using a Comprehensive Development Agreement (a "CDA"). If supported by the local legislative delegation, the Mobility Authority will seek to extend that authority as necessary for previously authorized projects, and add projects to the list that are appropriate for development as a CDA.
4. **State Funding for Discounted or Free Tolls under Section 372.053(b), Transportation Code:** The Mobility Authority supports and will seek the appropriation of sufficient state funds to fully defray the cost of providing free or discounted tolls on Mobility Authority toll projects to customers eligible under a discount program established pursuant to Section 372.053 (Veteran Discount Program), Transportation Code.