

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

**RESOLUTION NO. 07-76**

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") 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 CTRMA expenditures for goods and services, including those related to project development, as well as close scrutiny of CTRMA's financial condition and records is the responsibility of the Board of Directors and its designees through procedures the Board may implement from time to time; and

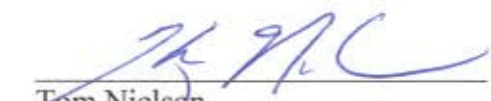
WHEREAS, the Board of Directors has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the CTRMA's Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of October 2007 and has caused a Financial Report to be prepared which is attached hereto as Attachment "A."


NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for October 2007, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 7th day of December, 2007.

Submitted and reviewed by:

  
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Tom Nielson  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:

  
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Robert E. Tesch  
Chairman, Board of Directors  
Resolution Number 07-76  
Date Passed 12/7/07

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

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 10/31/2007	Of Budget	To Date 10/31/2006
Toll Revenue-Cash-183A	1,800,000.00	648,088.33	36.00%	0.00
Toll Revenue-TxTag-183A	6,500,000.00	4,488,806.61	69.06%	0.00
Interest Income	1,369,790.00	1,833,194.29	133.83%	160,102.41
Reimbursed Expenditures	20,060.00	21,813.88	108.74%	16,850.52
<b>Total Revenue</b>	<b>9,689,850.00</b>	<b>6,991,903.11</b>	<b>72.16%</b>	<b>176,952.93</b>

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 10/31/2007	Of Budget	To Date 10/31/2006
Regular	1,431,950.00	364,020.04	25.42%	302,043.36
Part Time	20,000.00	2,392.51	11.96%	420.75
Overtime	7,000.00	157.41	2.25%	622.23
Contractual Employees	30,000.00	33,880.50	112.94%	55,400.00
TCDRS	181,533.00	47,464.04	26.15%	40,808.16
FICA	74,339.00	15,057.38	20.26%	13,491.25
FICA MED	21,591.00	5,384.88	24.94%	4,303.21
Health Insurance	134,542.00	32,925.65	24.47%	28,378.28
Life Insurance	1,697.00	735.74	43.36%	401.00
Auto Allowance	16,000.00	2,450.00	15.31%	2,450.00
Other Benefits	117,697.00	18,604.31	15.81%	12,129.81
Unemployment Taxes	855.00	149.77	17.52%	201.20
<b>Total Salaries &amp; Wages</b>	<b>2,037,204.00</b>	<b>523,222.23</b>	<b>25.68%</b>	<b>460,649.25</b>

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 10/31/2007	Of Budget	To Date 10/31/2006
<b>Professional Services</b>				
Accounting	9,000.00	2,833.72	31.49%	1,811.77
Auditing	50,000.00	22,560.00	45.12%	11,000.00
General Engineering Consultant	445,000.00	0.00		0.00
General System Consultant	425,000.00	0.00		0.00
Toll Collection contract	1,879,111.00	269,104.65	14.32%	0.00
Toll collection mgt admi	131,460.00	0.00		0.00
CSC mgt admin	84,074.00	0.00		0.00
Facility management	176,017.00	14,878.27	8.45%	0.00
Facility management	63,017.00	10,346.10	16.42%	0.00
Toll perform plan	35,106.00	0.00		0.00
Human Resources	30,000.00	8,011.10	26.70%	195.60
Legal	150,000.00	7,617.20	5.08%	16,968.69
Photography	15,000.00	259.00	1.73%	0.00
Traffic & Revenue Consultants	50,000.00	22,500.00	45.00%	0.00
Communications and Marketing	150,000.00	0.00		44,479.50
Transcripts	1,000.00	0.00		0.00
<b>Total Professional Services</b>	<b>3,693,785.00</b>	<b>358,110.04</b>	<b>9.69%</b>	<b>74,455.56</b>

	Budget FY 2008	Actual Year To Date 10/31/2007	Percent Of Budget	Actual Year To Date 10/31/2006
<b>Other Contractual Services</b>				
IT Services	683,240.00	11,213.73	1.64%	1,665.25
Graphic Design Services	20,000.00	0.00		0.00
Website Maintenance	20,000.00	95.00	0.48%	4,041.25
Research Services	45,000.00	0.00		0.00
Copy Machine	13,000.00	2,652.60	20.40%	2,593.66
Software licenses	24,000.00	7,258.80	30.25%	7,259.80
Advertising	56,000.00	1,380.00	2.46%	7,665.89
Direct Mail	20,000.00	0.00		0.00
Video Production	10,000.00	0.00		77,064.48
Television	20,000.00	0.00		138,545.75
Radio	50,000.00	600.00	1.20%	0.00
Other Public Relations	0.00	1,032.73		13,933.75
Security Contracts	350,000.00	51,918.00	14.83%	134.40
Cell Phones	6,800.00	2,023.81	29.76%	1,492.82
Local	55,252.00	3,677.94	6.66%	2,058.76
Long Distance	2,000.00	130.97	6.55%	272.42
Internet	8,472.00	1,384.52	16.34%	1,224.00
Other Communication Expense	1,000.00	284.77	28.48%	42.28
Dues & Subscriptions	1,850.00	26.00	1.41%	1,265.00
Memberships	14,295.00	1,307.50	9.15%	115.00
Continuing Education	6,000.00	575.00	9.58%	1,928.95
Professional Development	22,000.00	238.00	1.08%	1,000.00
Seminars and Conferences	26,450.00	8,639.00	32.66%	12,620.00
Total Travel	70,500.00	15,828.63	22.45%	11,408.12
Other Contractual Svcs	0.00	1,277.90		735.00
Roadway maintenance contract	1,157,000.00	8,325.00	0.72%	0.00
Contractual Contingencies	141,000.00	988.00	0.70%	14850.00%
<b>Total Other Contractual Services</b>	<b>2,823,859.00</b>	<b>120,857.90</b>	<b>4.28%</b>	<b>287,215.08</b>

<b>Total Contractual Expenses</b>	<b>6,517,644.00</b>	<b>478,967.94</b>	<b>7.35%</b>	<b>361,670.64</b>
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	Budget FY 2008	Actual Year To Date 10/31/2007	Percent Of Budget	Actual Year To Date 10/31/2006
<b>Materials and Supplies</b>				
Books & Publications	10,400.00	992.70	9.55%	1,508.87
Office Supplies	15,500.00	2,327.80	15.02%	4,069.65
Computer Supplies	15,500.00	717.61	4.63%	1,244.26
Copy Supplies	3,000.00	0.00		0.00
Annual Report	20,000.00	0.00		0.00
Other Reports	50,500.00	14,870.06	29.45%	1,006.00
Direct Mail	0.00	431.02		0.00
Office Supplies	3,500.00	567.13	16.20%	0.00
Maintenance Supplies	100.00	0.00		0.00
Promotional Items	10,000.00	0.00		0.00
Displays	5,000.00	0.00		11,368.00
Tools & Equipment	2,700.00	835.00	30.93%	163.28
Misc Materials & Supplies	3,500.00	6,073.00	173.51%	0.00
<b>Total Materials &amp; Supplies Exp</b>	<b>139,700.00</b>	<b>26,814.32</b>	<b>19.19%</b>	<b>19,360.06</b>

	<u>Budget FY 2008</u>	<u>Actual Year To Date 10/31/2007</u>	<u>Percent Of Budget</u>	<u>Actual Year To Date 10/31/2006</u>
<b>Operating Expenses</b>				
Gasoline	10,000.00	937.07	9.37%	0.00
Mileage Reimbursement	7,850.00	1,896.84	24.16%	1,165.89
Parking	26,950.00	7,128.94	26.45%	7,175.42
Meeting Facilities	2,600.00	50.00	1.92%	0.00
Community Events	20,000.00	0.00		0.00
Meeting Expense	6,325.00	1,950.73	30.84%	824.79
Public Notices	2,300.00	129.82	5.64%	9.00
Postage	8,900.00	870.99	9.79%	507.92
Overnight Services	1,250.00	236.92	18.95%	37.12
Delivery Services	2,400.00	327.11	13.63%	475.25
Insurance	175,000.00	20,072.41	11.47%	9,040.64
Repair & Maintenance-Vehicles	2,000.00	32.94	1.65%	0.00
Rent	181,973.00	60,657.76	33.33%	53,620.40
Water	7,400.00	0.00		0.00
Electricity	56,000.00	23,126.68	41.30%	1,041.74
Amortization Expense	34,808.00	296,641.52	852.22%	11,775.16
Dep Exp- Furniture & Fixtures	4,000.00	5,539.44	138.49%	3,182.60
Dep Expense - Equipment	1,200.00	6,158.64	513.22%	3,128.24
Dep Expense - Autos & Trucks	8,000.00	1,357.92	16.97%	0.00
Dep Expense-Building & Toll Fac	147,898.00	57,480.16	38.86%	0.00
Dep Expense-Highways & Bridges	5,429,806.00	1,592,952.74	29.34%	0.00
Dep Expense-Communic Equip	5,995.00	65,610.52	1094.42%	1,991.73
Dep Expense-Toll Equipment	918,771.00	150,666.40	16.40%	0.00
Dep Expense - Signs	120,436.00	43,822.16	36.39%	0.00
Dep Expense-Land Improvmts	733,880.00	13,657.24	1.86%	0.00
Depreciation Expense-Computers	33,000.00	116,767.54	353.84%	14,169.42
Recruitment	1,000.00	0.00		0.00
Community Initiative Grants	102,500.00	0.00		23,311.20
<b>Total Operating Expense</b>	<b>8,052,242.00</b>	<b>2,468,072.49</b>	<b>30.65%</b>	<b>131,456.52</b>
<b>Financing Expenses</b>				
Arbitrage Rebate	3,500.00	0.00		0.00
Bond Issuance Expense	0.00	482,526.76		0.00
Loan Fees	12,000.00	11,000.00	91.67%	11,000.00
Bond Issuance Cost	25,000.00	0.00		0.00
Trustee Fees	2,000.00	0.00		1,266.68
Bank Fees	2,500.00	8,515.25	340.61%	331.93
Interest Expense	11,443,524.00	3,839,942.04	33.56%	0.00
Contingency	20,000.00	0.00		0.00
<b>Total Financing Expense</b>	<b>11,508,524.00</b>	<b>4,341,984.05</b>	<b>37.73%</b>	<b>12,598.61</b>
<b>Total Expenses</b>	<b>28,255,314.00</b>	<b>7,839,061.03</b>	<b>27.74%</b>	<b>985,735.08</b>
<b>Net Income</b>	<b>-18,565,464.00</b>	<b>-847,157.92</b>		<b>-808,782.15</b>

**Central Texas Regional Mobility Authority  
Balance Sheet**

As of

October 31, 2007

October 31, 2006

**Assets**

**Current Assets**

Cash in Operating Fund		(22,110.09)		1,723.66
Chase-Regions Trustee Account		4,103.96		0.00
Regions Trustee cash account		6,000.47		0.00
Cash In TexSTAR	5,749,658.07		7,257,127.74	
Cash in Chase Money Mkt Funds	0.00		3,457,286.66	
Money Market Payroll Account	48,591.93		2,378.71	
Fidelity Government MMA	2,606,352.52		0.00	
Restricted Cash-TexStar	57,759,573.78		21,848,194.55	
Total Cash Equivalents		66,164,176.30		32,564,987.66
Accounts Receivable	0.00		1,938.10	
Due From TTA	766,208.19		0.00	
Due From NTTA	76,179.10		0.00	
Due From HCTRA	62,843.40		0.00	
Interest Receivable	4,325.01		131,192.73	
Total Receivables		909,555.70		133,130.83
Agencies		2,978,551.63		16,362,012.51
Prepaid Insurance	107,750.51		2,096.74	
Prepaid Expenses	0.00		1,583.31	
Total Prepaid Expenses		107,750.51		3,680.05
<b>Total Current Assets</b>		<b>70,148,028.48</b>		<b>49,065,534.71</b>

**Construction Work In Process**

Utility Relocation Expense	7,296.44		60,531.19	
Consulting-Admin Services	28,559.43		680,417.12	
Consulting-Reimbursed Expenses	5,137.68		121.82	
Environmental Fees	0.00		398,750.00	
Funding Costs	0.00		30,000.00	
Legal Fees-Construction	521,170.73		1,877,804.20	
Traffic & Revenue Analysis	1,647,301.30		2,142,239.03	
Unsuccessful Proposers	0.00		356,625.82	
Engineering	2,172,260.04		2,461,918.43	
Right of Way	60,358.07		138,740.83	
Total Preliminary Costs		4,442,083.69		8,147,148.44
Public Involvement	138,787.88		179,917.85	
CDA Oversight	0.00		5,424,410.91	
Engineering	0.00		14,082,913.49	
Total Construction Engineering		138,787.88		19,687,242.25
Design	0.00		27,424,668.85	
Construction-CDA	0.00		105,214,023.18	
Other Construction Costs	0.00		158,118.08	
Total Construction		0.00		132,796,810.11
Toll Collection System		27,220.00		4,289,555.61
Accrued Interest Income	0.00		(11,738,242.23)	
Accrued Interest Expense	0.00		19,817,646.92	
Amortization of Bond Premium	0.00		(2,641,905.32)	
Amortization Bond Disc Invest	0.00		(233,316.12)	
Total Accrued Interest		0.00		5,204,183.25
Amortization Bond Issue Costs		0.00		2,400,878.76
<b>Total Construction WIP</b>		<b>4,608,091.57</b>		<b>172,525,818.42</b>

**Fixed Assets**

Computers	1,196,453.52		115,571.52	
Accum Deprec-Computers	<u>(243,419.01)</u>	953,034.51	<u>(76,773.64)</u>	38,797.88
Computer Software	4,893,155.21		95,156.88	
Accumulated Amortization-Software	<u>(405,434.22)</u>	4,487,720.99	<u>(21,452.40)</u>	73,704.48
Furniture and Fixtures	92,046.66		52,907.09	
Accum Deprec-Furn & Fixtures	<u>(20,722.34)</u>	71,324.32	<u>(7,369.22)</u>	45,537.87
Equipment	76,177.93		28,777.93	
Accum Depec-Equipment	<u>(20,462.70)</u>	55,715.23	<u>(7,289.98)</u>	21,487.95
Autos and Trucks	16,295.00		0.00	
Accum Deprec-Autos and Trucks	<u>(1,357.92)</u>	14,937.08	<u>0.00</u>	
Buildings and Toll Facilities	6,897,618.00		0.00	
Accum Deprec-Buildings & Toll	<u>(71,850.20)</u>	6,825,767.80	<u>0.00</u>	
Highways and Bridges	192,665,145.77		0.00	
Accum Deprec-Highways & Bridge	<u>(1,989,432.34)</u>	190,675,713.43	<u>0.00</u>	
Communication Equipment	1,938,955.13		30,256.02	
Accum Deprec-Comm Equip	<u>(90,445.96)</u>	1,848,509.17	<u>(4,926.81)</u>	25,329.21
Toll Equipment	4,519,992.00		0.00	
Accum Deprec-Toll Equip	<u>(188,333.00)</u>	4,331,659.00	<u>0.00</u>	
Signs	5,260,262.00		0.00	
Accum Deprec-Signs	<u>(54,777.70)</u>	5,205,484.30	<u>0.00</u>	
Land Improvements	819,435.00		0.00	
Accum Deprec-Land Improv	<u>(17,071.55)</u>	802,363.45	<u>0.00</u>	
Right of Way		22,767,758.41		0.00
Leasehold Improvements		44,567.38		45,943.94
<b>Total Fixed Assets</b>		<b>238,084,555.07</b>		<b>250,801.33</b>
<b>Other Assets</b>				
Security Deposits		8,643.30		8,643.30
<b>Long Term Investments</b>				
GIC		5,187,641.87		90,178,142.76
<b>Other Assets</b>				
Intangible Assets		650.00		650.00
2005 Bond Issuance Costs		9,086,998.48		10,529,490.40
<b>Total Assets</b>		<b>327,124,608.77</b>		<b>322,558,430.92</b>

**Liabilities****Current Liabilities**

Accounts Payable	30,632.73	7,983,247.59
Interest Payable	3,839,942.04	3,768,897.28
TCDRS Payable	20,397.35	15,435.37
Due to State of Texas	28.52	(11.03)
<b>Total Current Liabilities</b>	<b><u>3,891,000.64</u></b>	<b><u>11,767,569.21</u></b>

**Long Term Liabilities**

Accrued Vac & Sick Leave Paybl	150,835.00	0.00
Retainage Payable	4,574,726.92	6,832,705.32
BANS 2005	66,000,000.00	66,000,000.00
Senior Lien Revenue Bonds 2005	169,715,619.24	168,943,735.37
Sn Lien Rev Bnd Prem/Disc 2005	5,623,996.97	7,216,301.23
<b>Total Long Term Liabilities</b>	<b><u>246,065,178.13</u></b>	<b><u>248,992,741.92</u></b>

**Total Liabilities****249,956,178.77****260,760,311.13****Net Assets Section**

Contributed Capital	18,430,634.57	
Net Assets beginning	78,015,587.92	62,604,167.57
Current Year Operations	<u>(847,157.92)</u>	<u>(805,397.78)</u>
<b>Total Liabilities and Net Assets</b>	<b><u>327,124,608.77</u></b>	<b><u>322,559,080.92</u></b>

CTRMA INVESTMENT REPORT

	Month Ending 10/31/2007					Current Rate as of 10/31/2007	Maturity
	Balance 9/30/2007	Additions	Discount Amortization	Accrued Interest	Withdrawals		
<b>Amount in repo</b>							
Debt Service Fund	5,136,998.72			13,547.26	558,589.91	4,591,956.07	3.35% Jan 1, 08
<b>totals</b>	<b>5,136,998.72</b>	<b>0.00</b>	<b>0.00</b>	<b>13,547.26</b>	<b>558,589.91</b>	<b>4,591,956.07</b>	
<b>Amount in Trustee TexStar</b>							
Additional Projects Fund	9,371,556.65			39,006.57		9,410,563.22	4.987%
Construction Fund	19,645,910.60			80,226.57	613,139.85	19,112,997.32	4.987%
Trustee Operating Fund	824,761.11			3,432.85		828,193.96	4.987%
Renewal & Replacement Fund	98,860.00			411.48		99,271.48	4.987%
TxDOT Grant Fund	10,831,174.54			45,081.84		10,876,256.38	4.987%
Revenue Fund	2,012,130.96	2,028,092.85		14,386.68		4,054,610.49	4.987%
Debt Service Reserve Fund	13,322,230.74			55,450.19		13,377,680.93	4.987%
	<b>56,106,624.60</b>	<b>2,028,092.85</b>	<b>0.00</b>	<b>237,996.18</b>	<b>613,139.85</b>	<b>57,759,573.78</b>	
<b>Amount in TexStar Operating Fund</b>	<b>6,219,922.52</b>			<b>25,095.92</b>	<b>495,360.37</b>	<b>5,749,658.07</b>	<b>4.987%</b>
<b>Fidelity Money Market Fund</b>							
-Operating Fund	5,585.29			21.84		5,607.13	4.630%
-Additional Projects Fund	0.00	107,956.42		39,375.00		147,331.42	4.630%
-Construction Fund	0.00	708,776.23		0.10	708,776.33	0.00	4.630%
-Debt Service Fund	51,198.75			200.22		51,398.97	4.630%
-Subordinate Lien DS Fund	1,637.54			6.40		1,643.94	4.630%
-TxDOT Grant Fund	2,048,994.31			4,436.64		2,053,430.95	4.630%
-Renewal and Replavement	19,202.50			9,975.09		29,177.59	4.630%
- Revenue Fund	815,775.04	1,573,172.35		1,674.70	2,028,092.82	362,529.27	4.630%
-Debt Service Reserve Fund	9,176.59			35.89		9,212.48	4.630%
	<b>2,951,570.02</b>	<b>2,389,905.00</b>	<b>0.00</b>	<b>55,725.88</b>	<b>2,736,869.15</b>	<b>2,660,331.75</b>	
<b>Money Market Fund-payroll</b>	<b>5,392.75</b>	<b>133,000.00</b>		<b>34.98</b>	<b>89,835.80</b>	<b>48,591.93</b>	<b>4.000%</b>
<b>Amount in Fed Agencies</b>							
Amortized Principal	2,973,694.65	0.00	4,857.46		0.00	2,978,552.11	
Accrued Interest				8,157.50			
	<b>2,973,694.65</b>	<b>0.00</b>	<b>4,857.46</b>		<b>0.00</b>	<b>2,978,552.11</b>	
<b>Total in Repo's</b>	<b>5,136,998.72</b>	<b>0.00</b>	<b>0.00</b>	<b>13,547.26</b>	<b>558,589.91</b>	<b>4,591,956.07</b>	
<b>Total in Pools</b>	<b>62,326,547.12</b>	<b>2,028,092.85</b>	<b>0.00</b>	<b>263,092.10</b>	<b>1,108,500.22</b>	<b>63,509,231.85</b>	
<b>Total in Money Market</b>	<b>2,956,962.77</b>	<b>2,522,905.00</b>	<b>0.00</b>	<b>55,760.86</b>	<b>2,826,704.95</b>	<b>2,708,923.68</b>	
<b>Total in Fed Agencies</b>	<b>2,973,694.65</b>	<b>0.00</b>	<b>4,857.46</b>	<b>0.00</b>	<b>0.00</b>	<b>2,978,552.11</b>	
<b>Total Invested</b>	<b>73,394,203.26</b>	<b>4,550,997.85</b>	<b>4,857.46</b>	<b>332,400.22</b>	<b>4,493,795.08</b>	<b>73,788,663.71</b>	



Amount in Fed Agencies As of October 31, 2007

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	3133X5DV7	2,466,550.00	2,489,237.83	2,492,200.00	5.310%	5/24/2007	1/14/2008	Additional Projects Fund
Federal Home Loan Bank	3133X1GR2	487,831.06	489,314.30	492,525.00	5.250%	7/31/2007	10/15/2008	Renewal and Replacement
Totals		<u>2,954,381.06</u>	<u>2,978,552.13</u>	<u>2,984,725.00</u>				

Agency	CUSIP #	COST	Cummulative Amortization	10/31/07 Book Value	Maturity Value	Interest income October 2007		
						Accrued Interest	Amortizatuion	Interest Earned
Federal Home Loan Bank	3133X5DV7	2,466,550.00	22,687.83	2,489,237.83	2,500,000.00	6,562.50	4,363.05	10,925.55
Federal Home Loan Bank	3133X1GR2	487,831.06	1,483.24	489,314.30	495,000.00	1,595.00	494.41	2,089.41
		<u>2,954,381.06</u>	<u>24,171.07</u>	<u>2,978,552.13</u>	<u>2,995,000.00</u>	<u>8,157.50</u>	<u>4,857.46</u>	<u>13,014.96</u>



## Monthly Newsletter - October 2007

### Performance

#### As of October 31, 2007

Current Invested Balance	\$4,793,406,663.48
Weighted Average Maturity (1)	18 Days
Weighted Average Maturity (2)	83 Days
Net Asset Value	1.000272
Total Number of Participants	584
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$20,767,691.03
Management Fee Collected	\$209,749.25
Standard & Poor's Current Rating	AAAm

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

#### October Averages

Average Invested Balance	\$4,939,485,416.84
Average Monthly Yield, on a simple basis	4.9007%
Average Weighted Average Maturity (1)*	19 Days
Average Weighted Average Maturity (2)*	84 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 entities who joined the TexSTAR program in October 2007:

- |                               |   |                            |
|-------------------------------|---|----------------------------|
| ★ DeSoto ISD                  | ★ IDEA Academy, Inc                     | ★ Bullard ISD              |
| ★ Travis County               | ★ Harris County MUD 188                 | ★ Brazoria County MUD 23   |
| ★ Wylie Northeast SUD         | ★ Goldenwood West Water Supply Corp     | ★ Parker Water Supply Corp |
| ★ Seis Lagos Utility District | ★ East Downtown Redevelopment Authority |                            |

### Holiday Reminder

In observance of the Thanksgiving Day holiday, TexSTAR will be closed on Thursday, November 22, 2007. All ACH transactions initiated on Wednesday, November 21st, will settle on Friday, November 23rd. Any early transaction deadline notification on the business day preceding the holiday will be sent by email to the primary contact on file for all TexSTAR participants.

### Economic Commentary

Economic data released at the beginning of the fourth quarter supported the prospect of softer but still solid growth through the quarter despite recent financial market turbulence. Labor market conditions remained tight with payrolls up a solid 110,000 in September. Housing data continued to point to further weakness in that sector. Housing starts plunged 10.2% and existing home sales fell for a seventh consecutive month, dropping a cumulative 12.9% in the third quarter. Consumer confidence also deteriorated in October, likely the result of negative news related to financial market turmoil and record high oil prices. Inflation data released during the month remained tame, with the core CPI rising another 0.2% for the month, and the year-on-year increase holding steady at 2.1%. The U.S. Treasury yield curve inverted slightly over the month, as the spread between two- and five-year Treasury notes ended October at +22 basis points (bps), lower by 4 bps at September end.

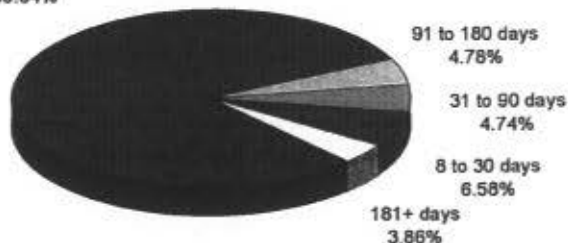
After growing at a solid pace of 3.9% in the third quarter, the economy looks poised to grow at a 2.0% annualized pace in the fourth quarter. As demonstrated by consumer confidence measures, a steady rise in gasoline prices is expected to have an impact on consumer spending in the fourth quarter, with consumption growth slowing to a still-respectable 2.2% pace. Residential investment is anticipated to decline an additional 20.0%, subtracting 1.0% from growth. However, net exports should partly offset the drag from housing. With regard to monetary policy, the Federal Reserve is expected to stay on the sidelines through the end of the year. Economic data released through the December FOMC meeting would have to deteriorate significantly in order to trigger another Fed ease.

*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 October 31, 2007

1 to 7 days  
80.04%

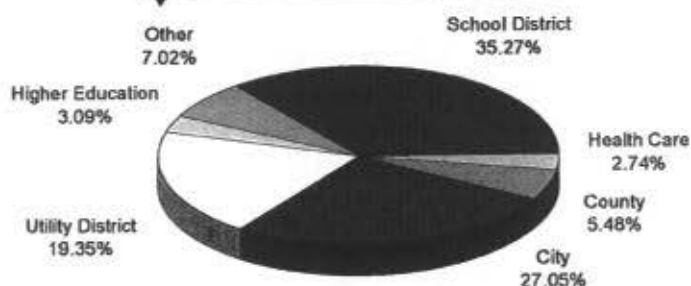


### Distribution of Participants by Type As of October 31, 2007

Repurchase Agreements  
73.44%



### Portfolio by Maturity As of October 31, 2007



## Performance

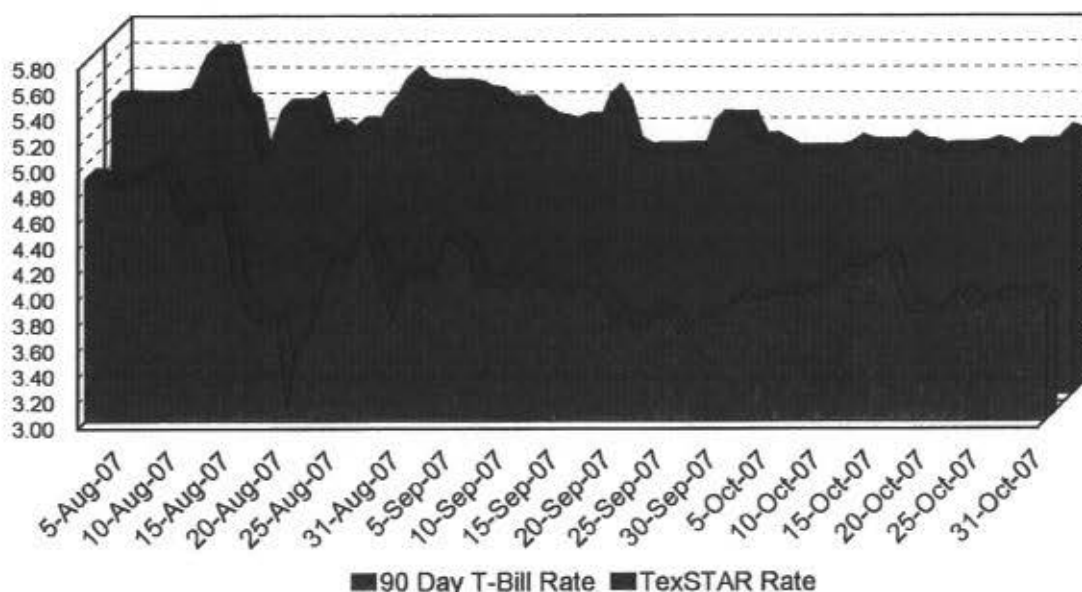
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Oct 07	4.9007%	\$ 4,793,406,663.48	\$ 4,794,712,410.18	1.000272	19	84	584
Sep 07	5.1175%	5,101,146,389.66	5,102,374,857.54	1.000240	20	78	573
Aug 07	5.2540%	5,117,776,256.51	5,118,532,127.32	1.000118	16	42	567
Jul 07	5.2829%	5,037,425,646.08	5,037,616,062.72	1.000037	18	22	554
Jun 07	5.2883%	4,850,271,396.79	4,850,377,392.01	1.000014	18	25	543
May 07	5.2613%	4,809,313,042.18	4,809,314,578.92	1.000000	11	20	531
Apr 07	5.2803%	5,032,146,136.61	5,031,747,141.26	0.999920	13	23	523
Mar 07	5.2999%	5,200,629,725.85	5,200,442,100.26	0.999957	11	26	513
Feb 07	5.2903%	5,608,621,555.72	5,608,663,678.19	1.000007	12	31	505
Jan 07	5.2920%	4,939,413,083.56	4,939,578,732.47	1.000033	17	40	501
Dec 06	5.2991%	4,277,003,031.52	4,276,711,759.92	0.999923	15	49	493
Nov 06	5.2785%	3,929,299,527.54	3,928,963,502.14	0.999914	22	63	488
Oct 06	5.2903%	3,782,690,698.30	3,782,682,727.03	0.999997	30	75	484

## Portfolio Asset Summary as of October 31, 2007

	Book Value	Market Value
Uninvested Balance	\$ 2,322.99	\$ 2,322.99
Accrual of Interest Income	8,668,313.46	8,668,313.46
Interest and Management Fees Payable	(20,766,807.08)	(20,766,807.08)
Payable for Investment Purchased	(39,542,555.56)	(39,542,555.56)
Repurchase Agreements	3,563,470,000.00	3,563,470,000.00
Government Securities	1,281,575,389.67	1,282,881,136.37
<b>Total</b>	<b>\$ 4,793,406,663.48</b>	<b>\$ 4,794,712,410.18</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



## Daily Summary for October 2007

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Oct-07	4.9450%	0.000135479	5,148,042,567.65	0.000241	20	79
2-Oct-07	4.9476%	0.000135552	5,090,968,696.95	0.000230	20	80
3-Oct-07	4.9070%	0.000134438	5,131,168,946.40	0.000219	20	80
4-Oct-07	4.8567%	0.000133061	5,117,947,831.58	1.000175	21	85
5-Oct-07	4.8567%	0.000133061	5,138,412,799.07	1.000175	20	83
6-Oct-07	4.8567%	0.000133061	5,138,412,799.07	1.000175	20	83
7-Oct-07	4.8567%	0.000133061	5,138,412,799.07	1.000175	20	83
8-Oct-07	4.8567%	0.000133061	5,138,412,799.07	1.000175	20	83
9-Oct-07	4.8772%	0.000133623	4,980,257,663.66	1.000178	20	86
10-Oct-07	4.9321%	0.000135126	4,935,979,007.80	1.000169	20	87
11-Oct-07	4.9059%	0.000134409	4,936,528,423.64	1.000170	20	86
12-Oct-07	4.8984%	0.000134204	4,927,645,566.18	1.000159	20	86
13-Oct-07	4.8984%	0.000134204	4,927,645,566.18	1.000159	20	86
14-Oct-07	4.8984%	0.000134204	4,927,645,566.18	1.000159	20	86
15-Oct-07	4.9568%	0.000135803	4,887,936,289.11	1.000166	20	86
16-Oct-07	4.9116%	0.000134564	4,897,057,042.81	1.000174	19	86
17-Oct-07	4.8966%	0.000134154	4,878,491,846.25	1.000190	19	86
18-Oct-07	4.8690%	0.000133397	4,868,971,793.14	1.000220	19	86
19-Oct-07	4.8757%	0.000133580	4,852,495,366.87	1.000254	19	85
20-Oct-07	4.8757%	0.000133580	4,852,495,366.87	1.000254	19	85
21-Oct-07	4.8757%	0.000133580	4,852,495,366.87	1.000254	19	85
22-Oct-07	4.8879%	0.000133914	4,799,675,730.58	1.000262	19	86
23-Oct-07	4.9120%	0.000134575	4,784,126,400.03	1.000251	18	86
24-Oct-07	4.8910%	0.000134001	4,758,625,437.63	1.000280	18	86
25-Oct-07	4.8504%	0.000132889	4,952,987,695.52	1.000275	18	82
26-Oct-07	4.9057%	0.000134402	4,869,894,364.82	1.000273	18	83
27-Oct-07	4.9057%	0.000134402	4,869,894,364.82	1.000273	18	83
28-Oct-07	4.9057%	0.000134402	4,869,894,364.82	1.000273	18	83
29-Oct-07	4.9097%	0.000134513	4,849,459,318.62	1.000269	18	83
30-Oct-07	5.0117%	0.000137307	4,808,659,477.42	1.000270	18	83
31-Oct-07	4.9867%	0.000136623	4,793,406,663.48	1.000272	18	83
<b>Average</b>	<b>4.9007%</b>	<b>0.000134265</b>	<b>4,939,485,416.84</b>		<b>19</b>	<b>84</b>

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



### **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Will Williams</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Scott Christensen</i>	<i>Reid Road MUD No. 1</i>	<i>Advisory Board</i>
<i>Ramiro Flores</i>	<i>Harlingen CISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs &amp; Santow</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>

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

