

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

RESOLUTION NO. 08-12

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 January 2008 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 January 2008, attached hereto as Attachment "A."

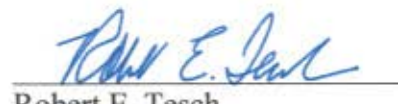
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 27th day of February, 2008.

Submitted and reviewed by:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:



Robert E. Tesch
Chairman, Board of Directors
Resolution Number 08-12
Date Passed 2/27/08

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 1/31/2008	Of Budget	To Date 1/31/2007
Toll Revenue-Cash-183A	1,800,000.00	1,047,885.26	58.22%	0.00
Toll Revenue-TxTag-183A	6,500,000.00	7,771,427.63	119.56%	0.00
Interest Income	1,369,790.00	2,972,343.86	216.99%	284,557.04
Reimbursed Expenditures	20,060.00	36,858.91	183.74%	30,287.79
Gain/Loss on Sale of Asset	0.00	4,182.44		0.00
Total Revenue	9,689,850.00	11,832,698.10	122.11%	314,844.83

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 1/31/2008	Of Budget	To Date 1/31/2007
Regular	1,431,950.00	675,946.06	47.20%	531,406.70
Part Time	20,000.00	2,524.51	12.62%	2,268.76
Overtime	7,000.00	157.41	2.25%	764.58
Contractual Employees	30,000.00	60,809.84	202.70%	93,915.47
TCDRS	181,533.00	86,101.79	47.43%	70,826.70
FICA	74,339.00	26,809.71	36.06%	21,638.36
FICA MED	21,591.00	9,784.37	45.32%	7,556.80
Health Insurance	134,542.00	66,715.22	49.59%	49,097.79
Life Insurance	1,697.00	1,697.62	100.04%	703.75
Auto Allowance	16,000.00	4,550.00	28.44%	3,900.00
Other Benefits	117,697.00	25,938.16	22.04%	17,987.23
Unemployment Taxes	855.00	635.94	74.38%	2,320.15
Total Salaries & Wages	2,037,204.00	961,670.63	47.21%	802,386.29

Contractual Services	Budget	Actual Year	Percent	Actual Year
	FY 2008	To Date 1/31/2008	Of Budget	To Date 1/31/2007
Professional Services				
Accounting	9,000.00	4,914.13	54.60%	3,012.71
Auditing	50,000.00	22,560.00	45.12%	11,747.50
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	666,816.00	35.49%	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	27,174.19	15.44%	0.00
Facility management	63,017.00	25,331.02	40.20%	0.00
Toll perform plan	35,106.00	0.00		0.00
Human Resources	30,000.00	8,167.70	27.23%	2,891.20
Legal	150,000.00	57,223.69	38.15%	38,320.50
Photography	15,000.00	13,985.00	93.23%	11,274.89
Traffic & Revenue Consultants	50,000.00	45,000.00	90.00%	0.00
Communications and Marketing	150,000.00	23,476.73	15.65%	83,042.03
Transcripts	1,000.00	0.00		0.00
Total Professional Services	3,693,785.00	894,648.46	24.22%	150,288.83

	Budget FY 2008	Actual Year To Date 1/31/2008	Percent Of Budget	Actual Year To Date 1/31/2007
Other Contractual Services				
IT Services	683,240.00	16,981.77	2.49%	2,193.00
Graphic Design Services	20,000.00	0.00		750.00
Website Maintenance	20,000.00	2,910.25	14.55%	8,690.41
Research Services	45,000.00	5,565.00	12.37%	0.00
Copy Machine	13,000.00	5,245.75	40.35%	4,816.72
Software licenses	24,000.00	7,258.80	30.25%	7,259.80
ETC system Maintenance	1,177,800.00	0.00		0.00
Advertising	56,000.00	7,021.96	12.54%	8,265.89
Direct Mail	20,000.00	0.00		0.00
Video Production	10,000.00	0.00		77,744.48
Television	20,000.00	0.00		133,560.68
Radio	50,000.00	4,685.00	9.37%	7,500.00
Other Public Relations	0.00	1,032.73		13,933.75
Security Contracts	350,000.00	104,661.53	29.90%	134.40
Cell Phones	6,800.00	3,917.92	57.62%	2,724.66
Local	55,252.00	7,950.27	14.39%	3,689.15
Long Distance	2,000.00	313.78	15.69%	550.06
Internet	8,472.00	2,858.37	33.74%	2,142.00
Other Communication Expense	1,000.00	393.15	39.32%	60.26
Dues & Subscriptions	1,850.00	26.00	1.41%	1,501.90
Memberships	14,295.00	4,712.50	32.97%	3,484.85
Continuing Education	6,000.00	575.00	9.58%	2,083.95
Professional Development	22,000.00	238.00	1.08%	950.00
Seminars and Conferences	26,450.00	10,847.00	41.01%	15,495.00
Total Travel	70,500.00	27,653.53	39.22%	13,351.83
Other Contractual Svcs	0.00	1,277.90		3,240.50
Roadway maintenance contract	1,157,000.00	133,921.08	11.57%	0.00
Contractual Contingencies	141,000.00	2,898.43	2.06%	18601.00%
Total Other Contractual Services	4,001,659.00	352,945.72	8.82%	314,309.30
Total Contractual Expenses	7,695,444.00	1,247,594.18	16.21%	464,598.13

	Budget FY 2008	Actual Year To Date 1/31/2008	Percent Of Budget	Actual Year To Date 1/31/2007
Materials and Supplies				
Books & Publications	10,400.00	3,911.06	37.61%	1,613.24
Office Supplies	15,500.00	3,201.44	20.65%	6,573.22
Computer Supplies	15,500.00	1,251.31	8.07%	2,276.79
Copy Supplies	3,000.00	0.00		0.00
Annual Report	20,000.00	0.00		4,250.00
Other Reports	50,500.00	25,528.63	50.55%	1,006.00
Direct Mail	0.00	431.02		0.00
Office Supplies	3,500.00	1,607.29	45.92%	2,777.71
Maintenance Supplies	100.00	0.00		0.00
Promotional Items	10,000.00	199.34	1.99%	7,926.37
Displays	5,000.00	468.93	9.38%	12,703.42
Tools & Equipment	2,700.00	864.95	32.04%	1,188.67
Misc Materials & Supplies	3,500.00	6,331.00	180.89%	387.37
Total Materials & Supplies Exp	139,700.00	43,794.97	31.35%	40,702.79

	Budget FY 2008	Actual Year To Date 1/31/2008	Percent Of Budget	Actual Year To Date 1/31/2007
Operating Expenses				
Gasoline	10,000.00	1,534.92	15.35%	0.00
Mileage Reimbursement	7,850.00	3,290.64	41.92%	2,587.04
Parking	26,950.00	13,765.18	51.08%	10,881.59
Meeting Facilities	2,600.00	50.00	1.92%	0.00
Community Events	20,000.00	0.00		250.00
Meeting Expense	6,325.00	2,817.48	44.55%	1,604.24
Public Notices	2,300.00	2,915.21	126.75%	9.00
Postage	8,900.00	870.99	9.79%	687.51
Overnight Services	1,250.00	712.86	57.03%	81.49
Delivery Services	2,400.00	733.08	30.55%	1,017.20
Insurance	175,000.00	57,164.47	32.67%	18,140.73
Repair & Maintenance-Vehicles	2,000.00	65.88	3.29%	0.00
Rent	181,973.00	106,919.24	58.76%	97,409.38
Water	7,400.00	0.00		0.00
Electricity	56,000.00	39,556.86	70.64%	2,010.36
Amortization Expense	34,808.00	559,306.85	1606.83%	20,374.12
Dep Exp- Furniture & Fixtures	4,000.00	10,053.61	251.34%	5,921.01
Dep Expense - Equipment	1,200.00	11,004.42	917.04%	5,474.42
Dep Expense - Autos & Trucks	8,000.00	2,376.36	29.70%	0.00
Dep Expense-Buildng & Toll Fac	147,898.00	100,590.28	68.01%	0.00
Dep Expense-Highways & Bridges	5,429,806.00	2,812,694.15	51.80%	0.00
Dep Expense-Communic Equip	5,995.00	114,805.08	1915.01%	3,494.30
Dep Expense-Toll Equipment	918,771.00	264,529.10	28.79%	0.00
Dep Expense - Signs	120,436.00	76,698.77	63.68%	0.00
Dep Expense-Land Improvemts	733,880.00	23,900.17	3.26%	0.00
Depreciation Expense-Computers	33,000.00	207,875.65	629.93%	21,492.19
Recruitment	1,000.00	0.00		0.00
Community Initiative Grants	102,500.00	15,000.00	14.63%	63,929.20
Total Operating Expense	8,052,242.00	4,429,231.25	55.01%	255,363.78
Financing Expenses				
Arbitrage Rebate	3,500.00	0.00		0.00
Bond Issuance Expense	0.00	746,501.73		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		2,216.69
Bank Fees	2,500.00	14,668.67	586.75%	359.82
Interest Expense	11,443,524.00	6,714,336.38	58.67%	0.00
Contingency	20,000.00	0.00		0.00
Total Financing Expense	11,508,524.00	7,486,506.78	65.05%	13,576.51
Total Expenses	29,433,114.00	14,168,797.81	48.14%	1,576,627.50
Net Income	-19,743,264.00	-2,336,099.71		-1,261,782.67

Central Texas Regional Mobility Authority
Balance Sheet
As of January 31, 2008

January 31, 2007

Assets				
Current Assets				
Cash in Operating Fund		27,900.75		6,923.93
Chase-Regions Trustee Account		5,068.00		0.00
Regions Trustee cash account		3,684.33		0.00
Cash In TexSTAR	4,400,378.31		8,714,109.14	
Money Market Payroll Account	52,176.39		39,401.67	
Fidelity Government MMA	6,561,916.75		77,056.65	
Restricted Cash-TexStar	54,149,459.14		28,985,085.53	
Total Cash Equivalents		65,163,930.59		37,815,652.99
Due From TTA	541,049.20		0.00	
Due From NTTA	34,994.70		0.00	
Due From HCTRA	59,027.85		0.00	
Interest Receivable	8,559.03		126,556.39	
Total Receivables		643,630.78		126,556.39
Agencies		998,169.40		9,427,234.43
Prepaid Insurance	105,345.08		33,546.93	
Prepaid Expenses	0.00		633.30	
Total Prepaid Expenses		105,345.08		34,180.23
Total Current Assets		66,947,728.93		47,410,547.97
Construction Work In Process				
Utility Relocation Expense	7,296.44		61,411.19	
Consulting-Admin Services	28,559.43		680,522.33	
Consulting-Reimbursed Expenses	5,137.68		503.31	
Environmental Fees	0.00		398,750.00	
Funding Costs	39,204.26		30,000.00	
Legal Fees-Construction	652,921.54		2,174,971.27	
Traffic & Revenue Analysis	1,656,309.09		2,449,353.50	
Unsuccessful Proposers	0.00		356,625.82	
Engineering	2,291,049.21		2,795,228.50	
Right of Way	68,947.30		146,473.83	
Total Preliminary Costs		4,749,424.95		9,093,839.75
Public Involvement	142,610.38		225,166.21	
CDA Oversight	0.00		6,133,263.98	
Engineering	0.00		14,082,913.49	
Total Construction Engineering		142,610.38		20,441,343.68
Design	0.00		29,909,245.49	
Construction-CDA	0.00		122,891,747.87	
Other Construction Costs	0.00		286,063.45	
Total Construction		0.00		153,087,056.81
Toll Collection System		27,220.00		6,687,854.24
Accrued Interest Income	0.00		(12,809,822.73)	
Accrued Interest Expense	0.00		22,724,789.29	
Amortization of Bond Premium	0.00		(3,035,512.09)	
Amortization Bond Disc Invest	0.00		(298,538.04)	
Total Accrued Interest		0.00		6,580,916.43
Amortization Bond Issue Costs		0.00		2,757,685.47
Total Construction WIP		4,919,255.33		198,648,696.38

Fixed Assets				
Computers	1,196,453.52		115,571.52	
Accum Deprec-Computers	<u>(334,527.12)</u>	861,926.40	<u>(84,096.41)</u>	31,475.11
Computer Software	5,332,004.88		95,156.88	
Accumulated Amortization-Software	<u>(666,636.66)</u>	4,665,368.22	<u>(28,588.47)</u>	66,568.41
Furniture and Fixtures	91,134.66		69,172.16	
Accum Deprec-Furn & Fixtures	<u>(25,236.51)</u>	65,898.15	<u>(10,107.63)</u>	59,064.53
Equipment	76,177.93		28,777.93	
Accum Deprec-Equipment	<u>(25,308.48)</u>	50,869.45	<u>(9,636.16)</u>	19,141.77
Autos and Trucks	16,295.00		0.00	
Accum Deprec-Autos and Trucks	<u>(2,376.36)</u>	13,918.64	<u>0.00</u>	0.00
Buildings and Toll Facilities	7,062,332.11		0.00	
Accum Deprec-Buildings & Toll	<u>(114,960.32)</u>	6,947,371.79	<u>0.00</u>	0.00
Highways and Bridges	195,521,355.24		0.00	
Accum Deprec-Highways & Bridge	<u>(3,209,173.75)</u>	192,312,181.49	<u>0.00</u>	0.00
Communication Equipment	1,938,955.13		30,256.02	
Accum Deprec-Comm Equip	<u>(139,640.52)</u>	1,799,314.61	<u>(6,429.38)</u>	23,826.64
Toll Equipment	4,587,114.80		0.00	
Accum Deprec-Toll Equip	<u>(302,195.70)</u>	4,284,919.10	<u>0.00</u>	0.00
Signs	5,260,262.00		0.00	
Accum Deprec-Signs	<u>(87,654.31)</u>	5,172,607.69	<u>0.00</u>	0.00
Land Improvements	820,385.00		0.00	
Accum Deprec-Land Improv	<u>(27,314.48)</u>	793,070.52	<u>0.00</u>	0.00
Right of Way		22,795,124.38		
Leasehold Improvements		43,104.49		48,956.05
Total Fixed Assets		239,805,674.93		249,032.51
Other Assets				
Security Deposits		8,643.30		8,643.30
Long Term Investments				
GIC		0.00		54,819,268.82
Other Assets				
Intangible Assets		650.00		650.00
2005 Bond Issuance Costs		8,823,023.51		10,172,683.69
Total Assets		320,504,976.00		311,309,522.67
Liabilities				
Current Liabilities				
Accounts Payable		264,116.88		(1,085,709.08)
Interest Payable		687,887.44		924,568.84
TCDRS Payable		20,981.30		14,962.28
Due to State of Texas		446.80		2,047.77
Total Due to other Entities		446.80		0.00
Total Current Liabilities		973,432.42		(144,130.19)
Long Term Liabilities				
Accrued Vac & Sick Leave Paybl		150,835.00		0.00
Retainage Payable		1,928,833.03		7,959,732.95
BANS 2005		0.00		66,000,000.00
Senior Lien Revenue Bonds 2005		170,114,368.18		169,325,456.18
Sn Lien Rev Bnd Prem/Disc 2005		5,345,466.20		6,822,694.46
TIFIA note 2008		66,257,950.00		0.00
Total Long Term Liabilities		243,797,452.41		250,107,883.59
Total Liabilities		244,770,884.83		249,963,753.40

Net Assets Section

Contributed Capital

18,430,634.57

Net Assets beginning

59,639,556.31

62,604,167.57

Current Year Operations

(2,336,099.71)

(1,258,398.30)

Total Liabilities and Net Assets

320,504,976.00

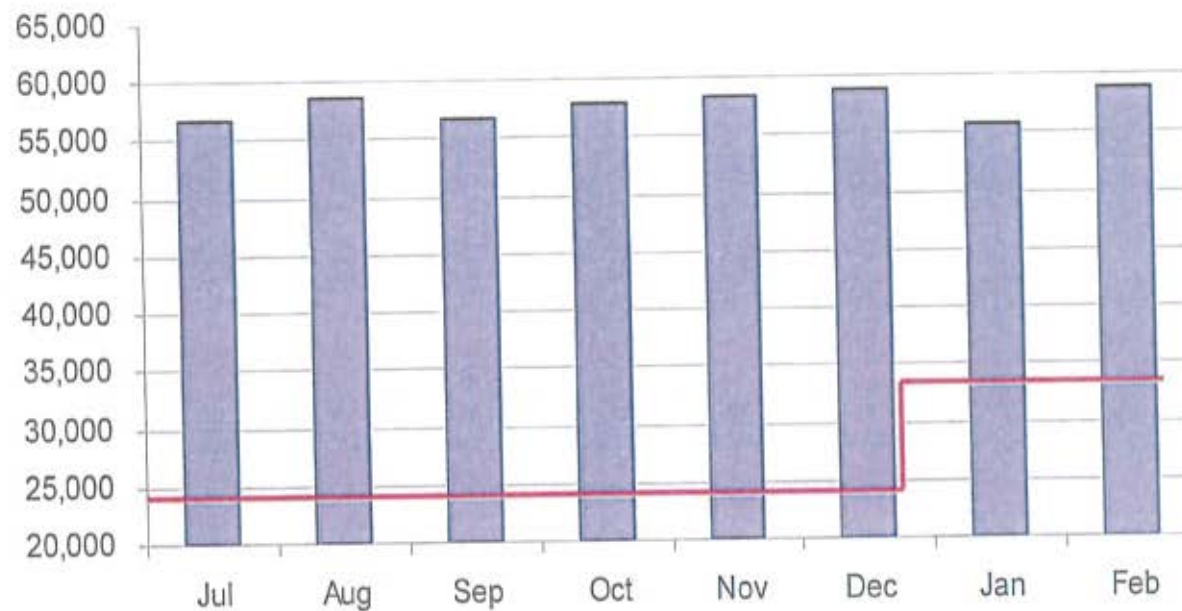
311,309,522.67

Average Weekday Transactions

Red Line is Traffic & Revenue Projection from Investment Grade Study

Full tolling started 7/1/07
Data is through Feb 19, 2008

Avg Weekday Transactions
Excluding Holidays



Actual Revenue FY 2008

	Cash	Toll Tags
July	\$ 183,581.23	\$1,063,354.35
August	\$ 171,031.80	\$1,166,888.45
September	\$ 138,018.82	\$1,076,981.07
October	\$ 155,456.38	\$1,181,582.74
November	\$ 140,272.68	\$1,099,217.90
December	\$ 133,306.11	\$1,080,607.67
January	\$ 126,218.14	\$1,102,795.45

Traffic & Revenue Study

Calendar Year	Average Weekday Transactions	Annual Revenue
2007	24,660	\$3,060,000
2008	33,696	\$10,336,000
2009	45,879	\$13,937,000
2010	58,435	\$19,595,000
2011	70,414	\$23,446,000

FY 08 Projection
\$15,500,000

Includes
scheduled toll
increase

Traffic & Revenue Study

Calendar Year	Average Weekday Transactions
2007	24,660
2008	33,696
2009	45,879
2010	58,435
2011	70,414

Dots represent Monthly Avg. Transactions July 07 through February 19, 2008

CTRMA INVESTMENT REPORT

Month Ending 1/31/2008						Current	Maturity
Balance 12/31/2007	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 1/31/2008	Rate as of 1/31/2008	
Amount in repo							
Debt Service Fund	5,180,482.87			5,180,482.87	0.00	3.35%	Jan 1, 08
totals	5,180,482.87	0.00	0.00	5,180,482.87	0.00		
Amount in Trustee TexStar							
Additional Projects Fund	9,401,255.78		33,547.34	9,007.79	9,425,795.33	3.433%	
Construction Fund	13,493,455.62		47,504.53	274,919.55	13,266,040.60	3.433%	
Trustee Operating Fund	834,599.45		2,979.48		837,578.93	3.433%	
Renewal & Replacement Fund	100,039.27		357.14		100,396.41	3.433%	
TxDOT Grant Fund	10,960,376.54		39,128.04		10,999,504.58	3.433%	
Revenue Fund	5,969,557.32		21,311.05		5,990,868.37	3.433%	
Subordinate Lien DS Fund	66,097,713.59		8,512.00	66,106,225.59	0.00	3.433%	
Debt Service Reserve Fund	13,481,147.84		48,127.08		13,529,274.92	3.433%	
	120,338,145.41	0.00	0.00	201,466.66	66,390,152.93		
Amount in TexStar Operating Fund	4,883,169.33		16,708.98	499,500.00	4,400,378.31	3.433%	
Fidelity Money Market Fund							
-Operating Fund	5,649.35	721,104.68		20.39	726,774.42	4.260%	
-Additional Projects Fund	0.00	2,500,000.00		19,719.91	2,519,719.91	4.260%	
-Construction Fund	-258,137.88	274,919.55		521.58	0.00	4.260%	
-Debt Service Fund	51,785.92	4,399,952.96		186.87	3,719,750.00	4.260%	
-Subordinate Lien DS Fund	1,656.32	67,648,471.83		7,573.21	67,650,000.00	4.260%	
-TxDOT Grant Fund	1,068,727.35			4,336.37	1,073,063.72	4.260%	
-Renewal and Replavement	29,379.74	495,000.00		5,936.02	530,315.76	4.260%	
- Revenue Fund	1,144,866.76	1,300,022.59		1,123.21	2,161,636.70	4.260%	
-General Fund	0.00	678,474.64			678,474.64	4.260%	
-Debt Service Reserve Fund	9,281.84			33.49	9,315.33	4.260%	
	2,053,209.40	78,017,946.25	0.00	39,451.05	73,548,689.95		
Money Market Fund-payroll	1,268.55	150,000.00		21.38	133,259.52	3.100%	
Amount in Fed Agencies							
Amortized Principal	3,985,885.36		3,102.10		2,990,797.53		
Accrued Interest				7,733.33			
	3,985,885.36	0.00	3,102.10		2,990,797.53		
Total in Repo's	5,180,482.87	0.00	0.00	0.00	5,180,482.87		
Total in Pools	125,221,314.74	0.00	0.00	218,175.64	66,889,652.93		
Total in Money Market	2,054,477.95	78,167,946.25	0.00	39,472.43	73,881,949.47		
Total in Fed Agencies	3,985,885.36	0.00	3,102.10	0.00	2,990,797.53		
Total Investor¹	136,442,160.92	78,167,946.25	3,102.10	257,648.07	148,742,882.80		

Amount in Fed Agencies As of January 31, 2008

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Federal Home Loan Bank	3133X6DE3	997,142.00	998,189.93	1,000,000.00	4.310%	12/5/2007	5/5/2008	TxDOT Grant Fund
	Totals	997,142.00	998,189.93	1,000,000.00				
Matured								
Federal Home Loan Bank	3133X1GR2	487,831.06	490,797.53	495,000.00	5.250%	7/31/2007	10/15/2008	Renewal and Replacement
Federal Home Loan Bank	3133X5DV7	2,466,550.00	2,500,000.00	2,500,000.00	5.310%	5/24/2007	1/14/2008	Additional Projects Fund
		2,954,381.06	2,990,797.53	2,995,000.00				

Agency	CUSIP #	COST	Cummulative Amortization	1/31/08 Book Value	Maturity Value	Interest Income January 2008		
						Accrued Interest	Amortization	Interest Earned
Federal Home Loan Bank	3133X6DE3	997,142.00	1,047.93	998,189.93	1,000,000.00	3,020.83	571.60	3,592.43
		997,142.00	1,047.93	998,189.93	1,000,000.00	3,020.83	571.60	3,592.43
Matured								
Federal Home Loan Bank	3133X5DV7	2,466,550.00	33,450.00	2,500,000.00	2,500,000.00	3,062.50	2,036.09	5,098.59
Federal Home Loan Bank	3133X1GR2	487,831.06	2,966.47	490,797.53	495,000.00	1,650.00	494.41	2,144.41
		2,954,381.06	36,416.47	2,990,797.53	2,995,000.00	4,712.50	2,530.50	7,243.00
						7,733.33	3,102.10	10,835.43



Monthly Newsletter - January 2008

Performance

As of January 31, 2008

Current Invested Balance	\$5,919,661,192.90
Weighted Average Maturity (1)	20 Days
Weighted Average Maturity (2)	84 Days
Net Asset Value	1.000714
Total Number of Participants	603
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$20,439,913.95
Management Fee Collected	\$241,194.93
% of Portfolio Invested Beyond 1 Year	11.78%
Standard & Poor's Current Rating	AAAm

January Averages

Average Invested Balance	\$5,667,039,740.61
Average Monthly Yield, on a simple basis	4.2033%
Average Weighted Average Maturity (1)*	22 Days
Average Weighted Average Maturity (2)*	80 Days

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

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

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

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

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

New Participants

We would like to welcome the following entities who joined the TexSTAR program in January 2008:

- | | | |
|--|--|--------------------------|
| ★ City of Palmer | ★ Highland ISD | ★ Carlisle ISD |
| ★ Kleinwood MUD | ★ Brazoria County MUD 26 | ★ City of Shavano Park |
| ★ Collingsworth County Hospital District | ★ Jarrell Schwertner Water Supply Corp | ★ Brazoria County MUD 16 |

Holiday Reminder

Please note that in observance of the Presidents Day holiday, **TexSTAR will be closed on Monday, February 18, 2008.** Notification of any early transaction deadlines on the day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants.

Economic Commentary

As the first quarter began, it was apparent the economy had lost some momentum. Concerns of an imminent recession grew as the equity markets suffered, residential investment and home sales continued to deteriorate and manufacturing activity moderated. Nonetheless, the labor market showed only limited signs of weakening as the trend in initial jobless claims declined and the unemployment rate edged down to 4.9% from 5.0% in January. The four-week average of initial jobless claims remains at a healthy 325,750. Meanwhile, housing starts plunged 14.2% in December, following a 7.9% drop during the previous month. On a positive note, while still elevated, inventories for both new and existing homes continued to decline in January.

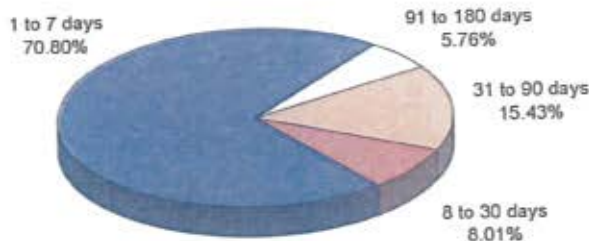
In the markets' continued flight to quality, Treasury yields plummeted further and the curve steepened by 28 bps as the spread between two- and five-year Treasury notes ended January at 67 bps. Two-year yields ended the month down 96 bps at 2.09% and five-year yields ended down 68 bps at 2.76%. Meanwhile LIBOR rates also declined significantly as the Fed eased, with one-month and twelve-month rates sharply lower by 210 bps and 161 bps at 3.14% and 2.85%, respectively.

The Fed is expected to cut rates again at the March 18 FOMC meeting. GDP growth should be around 2.0% in the first quarter, with solid support from trade and government spending offsetting weakness elsewhere. Looking forward, the drag on growth from residential construction should dissipate by the second half of the year. This, combined with monetary and fiscal stimulus in the pipeline, is expected to boost growth significantly in the second half of 2008.

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

Information at a Glance

Portfolio by Type of Investment As of January 31, 2008

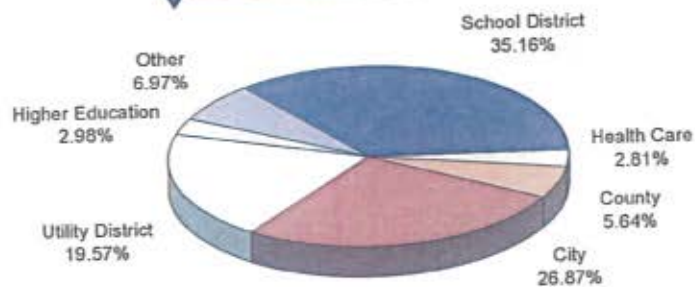


Repurchase Agreements
61.47%



Agencies
38.53%

Portfolio by Maturity As of January 31, 2008



Distribution of Participants by Type As of January 31, 2008

Performance

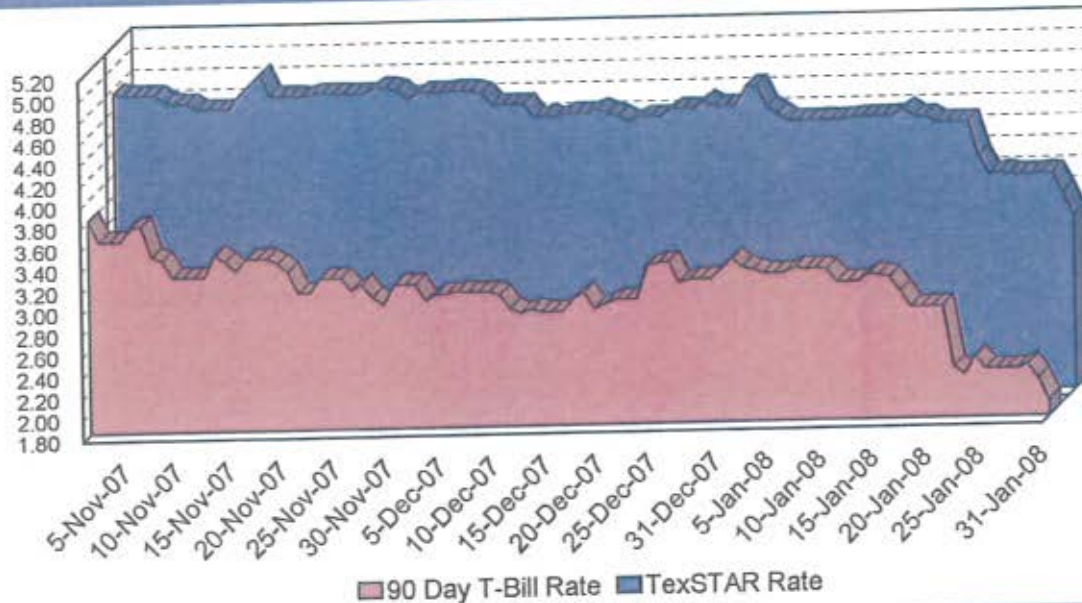
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jan 08	4.2033%	\$ 5,919,661,192.90	\$ 5,923,891,294.00	1.000714	22	80	603
Dec 07	4.5430%	5,180,414,831.71	5,181,584,153.60	1.000202	21	79	594
Nov 07	4.6975%	4,999,671,312.52	5,000,767,637.47	1.000190	18	79	591
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

Portfolio Asset Summary as of January 31, 2008

	Book Value	Market Value
Uninvested Balance	\$ 28,782.85	\$ 28,782.85
Accrual of Interest Income	7,316,998.20	7,316,998.20
Interest and Management Fees Payable	(20,469,428.67)	(20,469,428.67)
Payable for Investment Purchased	(49,996,000.00)	(49,996,000.00)
Repurchase Agreements	3,681,270,000.00	3,681,270,000.00
Government Securities	2,301,510,840.52	2,305,740,941.62
Total	\$ 5,919,661,192.90	\$ 5,923,891,294.00

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 January 2008

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Jan-08	4.7004%	0.000128779	5,180,414,831.71	1.000202	20	75
2-Jan-08	4.5042%	0.000123403	5,221,201,152.48	1.000196	20	74
3-Jan-08	4.4357%	0.000121526	5,326,558,467.49	1.000205	19	72
4-Jan-08	4.3710%	0.000119754	5,469,799,305.28	1.000238	24	76
5-Jan-08	4.3710%	0.000119754	5,469,799,305.28	1.000238	24	76
6-Jan-08	4.3710%	0.000119754	5,469,799,305.28	1.000238	24	76
7-Jan-08	4.3757%	0.000119881	5,526,664,157.96	1.000234	23	74
8-Jan-08	4.3697%	0.000119719	5,541,725,007.52	1.000238	23	74
9-Jan-08	4.3779%	0.000119943	5,506,790,568.60	1.000271	23	74
10-Jan-08	4.3903%	0.000120281	5,561,175,825.59	1.000272	24	80
11-Jan-08	4.3953%	0.000120420	5,665,187,842.23	1.000374	25	81
12-Jan-08	4.3953%	0.000120420	5,665,187,842.23	1.000374	25	81
13-Jan-08	4.3953%	0.000120420	5,665,187,842.23	1.000374	25	81
14-Jan-08	4.3965%	0.000120451	5,687,193,381.12	1.000393	24	81
15-Jan-08	4.3965%	0.000120451	5,687,193,381.12	1.000393	24	81
16-Jan-08	4.4562%	0.000122089	5,757,511,234.85	1.000415	24	79
17-Jan-08	4.4562%	0.000122089	5,757,511,234.85	1.000415	24	79
18-Jan-08	4.3897%	0.000120265	5,769,011,016.63	1.000415	23	83
19-Jan-08	4.3897%	0.000120265	5,769,011,016.63	1.000415	23	83
20-Jan-08	4.3855%	0.000120152	5,834,247,633.25	1.000422	23	81
21-Jan-08	4.3855%	0.000120152	5,834,247,633.25	1.000422	23	81
22-Jan-08	4.3315%	0.000118671	5,792,847,997.70	1.000441	22	80
23-Jan-08	4.3315%	0.000118671	5,792,847,997.70	1.000441	22	80
24-Jan-08	4.3315%	0.000118671	5,792,847,997.70	1.000441	22	80
25-Jan-08	4.3315%	0.000118671	5,792,847,997.70	1.000441	22	80
26-Jan-08	4.3315%	0.000118671	5,792,847,997.70	1.000441	22	80
27-Jan-08	4.0019%	0.000109642	5,787,315,351.01	1.000685	22	83
28-Jan-08	4.0019%	0.000109642	5,787,315,351.01	1.000685	22	83
29-Jan-08	3.8262%	0.000104827	5,779,133,031.75	1.000744	22	85
30-Jan-08	3.8262%	0.000104827	5,779,133,031.75	1.000744	22	85
31-Jan-08	3.8509%	0.000105503	5,775,012,923.59	1.000744	22	84
	3.8509%	0.000105503	5,775,012,923.59	1.000744	22	84
	3.8257%	0.000104815	5,799,573,665.42	1.000706	21	83
	3.8257%	0.000104815	5,799,573,665.42	1.000706	21	83
	3.8257%	0.000104815	5,799,573,665.42	1.000706	21	83
	3.8257%	0.000104815	5,799,573,665.42	1.000706	21	83
	3.8379%	0.000105148	5,845,037,622.87	1.000673	21	82
	3.8379%	0.000105148	5,845,037,622.87	1.000673	21	82
	3.8296%	0.000104920	5,870,596,901.40	1.000671	20	81
	3.8296%	0.000104920	5,870,596,901.40	1.000671	20	81
	3.6401%	0.000099728	5,813,907,228.70	1.000686	20	82
	3.6401%	0.000099728	5,813,907,228.70	1.000686	20	82
	3.4327%	0.000094047	5,919,661,192.90	1.000714	20	84
	3.4327%	0.000094047	5,919,661,192.90	1.000714	20	84
Average	4.2033%	0.000115160	5,667,039,740.61		22	80

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



TexSTAR Board Members

*William Chapman
Neil Lange
Melinda Garrett
Michael Bartolotta
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For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

 **First Southwest Asset Management**

 **JPMorganChase**