

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

RESOLUTION NO. 06-65

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 September 2006 and has caused a Financial Report for September 2006 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 September 2006, attached hereto as Attachment "A."


Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of October, 2006.

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 06-65
Date Passed 10/25/06

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

Revenue	Budget FY 2007	Actual Year To Date 9/30/2006	Percent Of Budget	Actual Year To Date 9/30/2005
Toll Revenue-Cash-183A	510,000.00	0.00		0.00
Toll Revenue-TxTag-183A	510,000.00	0.00		0.00
Interest Income	503,050.00	122,522.79	24.36%	96,531.63
Reimbursed Expenditures	51,000.00	12,633.39	24.77%	0.00
Total Revenue	1,574,050.00	135,156.18	8.59%	96,531.63

Expenditures	Budget FY 2007	Actual Year To Date 9/30/2006	Percent Of Budget	Actual Year To Date 9/30/2005
Regular	1,210,148.00	227,130.13	18.77%	157,444.12
Part Time	17,000.00	0.00		0.00
Overtime	10,000.00	419.09	4.19%	0.00
Contractual Employees	130,000.00	43,250.00	33.27%	31,011.30
TCDRS	155,866.00	30,600.16	19.63%	21,963.50
FICA	64,527.00	10,962.16	16.99%	7,733.39
FICA MED	17,939.00	3,238.27	18.05%	2,233.03
Health Insurance	117,223.00	21,410.43	18.26%	7,027.50
Life Insurance	1,682.00	300.75	17.88%	0.00
Auto Allowance	9,000.00	1,750.00	19.44%	1,950.00
Other Benefits	88,471.00	9,868.05	11.15%	0.00
Unemployment Taxes	4,590.00	188.00	4.10%	0.00
Workers Compensation	5,324.00	0.00		0.00
Total Salaries & Wages	1,831,770.00	349,117.04	19.06%	229,362.84

	Budget FY 2007	Actual Year To Date 9/30/2006	Percent Of Budget	Actual Year To Date 9/30/2005
Contractual Services				
Professional Services				
Accounting	12,000.00	1,775.23	14.79%	9,466.25
Auditing	35,000.00	11,000.00	31.43%	8,500.00
Financial Advisors	4,000.00	0.00		0.00
General Engineering Consultant	450,000.00	0.00		5,568.75
General System Consultant	100,000.00	0.00		0.00
Geotechnical	1,200,000.00	0.00		0.00
Human Resources	22,000.00	130.40	0.59%	0.00
Legal	300,000.00	585.00	0.20%	81,532.19
Photography	15,000.00	0.00		3,195.00
Traffic & Revenue Consultants	40,000.00	0.00		0.00
Transcripts	2,000.00	0.00		1,900.00
Total Professional Services	2,180,000.00	13,490.63	0.62%	110,162.19
Other Contractual Services				
IT Services	25,000.00	1,665.25	6.66%	0.00
Graphic Design Services	50,000.00	0.00		18,804.02
Website Maintenance	20,000.00	4,041.25	20.21%	0.00
Research Services	45,000.00	0.00		42,628.07
Copy Machine	13,000.00	1,653.48	12.72%	0.00
Software licenses	21,675.00	7,259.80		0.00
Advertising	50,000.00	7,665.89	15.33%	0.00
Direct Mail	20,000.00	0.00		0.00
Video Production	50,000.00	34,487.98	68.98%	0.00
Television	150,000.00	116,845.25	77.90%	0.00
Radio	50,000.00	0.00		0.00
Other Public Relations	0.00	13,933.75		14,555.70
Security Contracts	60,000.00	134.40	0.22%	0.00
Cell Phones	10,170.00	1,317.50	12.95%	742.68
Local	18,240.00	1,545.75	8.47%	0.00
Long Distance	2,400.00	223.82	9.33%	0.00
Internet	4,000.00	918.00	22.95%	0.00
Other Communication Expense	1,000.00	20.26	2.03%	343.50
Dues & Subscriptions	7,200.00	600.00	8.33%	1,245.00
Memberships	18,950.00	115.00	0.61%	0.00
Continuing Education	9,000.00	1,303.00	14.48%	0.00
Professional Development	11,000.00	0.00		8,441.10
Seminars and Conferences	21,400.00	9,500.00	44.39%	3,028.39
Total Travel	70,500.00	7,174.11	10.18%	19,875.08
Other Contractual Svcs	9,000.00	735.00	8.17%	0.00
Contractual Contingencies	161,000.00	148.50	0.09%	
Total Other Contractual Services	826,860.00	211,287.99	25.55%	109,663.54
Total Contractual Expenses	3,006,860.00	224,778.62	7.48%	219,825.73

Materials and Supplies	Budget	Actual Year	Percent	Actual Year
	FY 2007	To Date 9/30/2006	Of Budget	To Date 9/30/2005
Books & Publications	3,600.00	489.87	13.61%	0.00
Office Supplies	18,750.00	2,361.98	12.60%	4,176.96
Computer Supplies	17,500.00	44.36	0.25%	0.00
Copy Supplies	6,000.00	0.00		0.00
Annual Report	20,000.00	0.00		0.00
Other Reports	60,500.00	0.00		0.00
Office Supplies	18,350.00	0.00		156.35
Maintenance Supplies	500.00	0.00		0.00
Promotional Items	12,500.00	0.00		0.00
Displays	10,000.00	1,750.00	17.50%	0.00
Tools & Equipment	2,250.00	0.00		135.69
Misc Materials & Supplies	6,000.00	0.00		0.00
Total Materials & Supplies Exp	175,950.00	4,646.21	2.64%	4,469.00
Operating Expenses				
Gasoline	10,000.00	0.00		18.92
Mileage Reimbursement	8,200.00	567.58	6.92%	1,731.98
Parking	22,100.00	3,201.28	14.49%	548.27
Meeting Facilities	3,000.00	0.00		0.00
Meeting Expense	4,900.00	569.18	11.62%	0.00
Public Notices	3,500.00	3.00	0.09%	189.30
Postage	11,500.00	341.93	2.97%	15.99
Overnight Services	2,200.00	37.12	1.69%	0.00
Delivery Services	3,200.00	333.14	10.41%	221.56
Insurance	26,200.00	6,753.64	25.78%	2,190.75
Reimbursements	1,150.00	0.00		28.36
Repair and Maintenance	3,600.00	0.00		144.78
Rent	162,290.00	40,160.30		0.00
Water	17,000.00	0.00		0.00
Electricity	7,400.00	608.10	8.22%	0.00
Natural Gas	500.00	0.00		0.00
Amortization Expense	30,000.00	8,869.73	29.57%	596.31
Dep Exp- Furniture & Fixtures	12,000.00	2,386.95	19.89%	0.00
Dep Expense - Equipment	12,000.00	2,346.18	19.55%	0.00
Dep Expense-Communic Equip	6,000.00	1,490.88	24.85%	0.00
Depreciation Expense-Computers	48,000.00	10,759.61	22.42%	-12,226.16
Recruitment	4,000.00	0.00		0.00
Community Initiative Grants	200,000.00	23,311.20	11.66%	0.00
Total Operating Expense	598,740.00	101,739.82	16.99%	-6,539.94
Financing Expenses				
Arbitrage Rebate	1,000.00	0.00		0.00
Loan Fees	10,500.00	0.00		0.00
Bond Issuance Cost	25,000.00	0.00		0.00
Trustee Fees	3,800.00	950.01	25.00%	949.98
Bank Fees	1,000.00	330.63	33.06%	25.00
Credit Card Fees	1,000.00	0.00		0.00
Contingency	20,000.00	0.00		0.00
Total Financing Expense	62,300.00	1,280.64	2.06%	974.98
Total Expenses	5,675,620.00	681,562.33	12.01%	448,092.61
Net Income	-4,101,570.00	-546,406.15		-351,560.98

Central Texas Regional Mobility Authority

Balance Sheet

As of

September 30, 2006

September 30, 2005

Assets

Current Assets

Cash in Operating Fund		710.80		8,738.58
Cash In TexSTAR	7,536,835.82		9,807,297.57	
Cash in Chase Money Mkt Funds	3,849,657.06		52,017.34	
Money Market Payroll Account	2,093.80		0.00	
Restricted Cash-TexStar	21,750,466.70		29,137,656.04	
Total Cash Equivalents		33,139,053.38		38,996,970.95
Accounts Receivable	111.30		0.00	
Interest Receivable	106,747.33		68,496.92	
Agencies		17,344,279.08		13,013,079.37
Prepaid Insurance	4,193.62		1,977.77	
Prepaid Expenses	1,899.98		1,583.38	
Total Prepaid Expenses		6,093.60		3,561.15
Total Current Assets		50,596,995.49		52,090,846.97

Construction Work In Process

Utility Relocation Expense	60,531.19		7,068.41	
Consulting-Admin Services	680,417.12		252,579.28	
Consulting-Reimbursed Expenses	121.82		184.14	
Environmental Fees	398,750.00		398,750.00	
Funding Costs	30,000.00		30,000.00	
Legal Fees-Construction	1,842,547.77		1,382,312.15	
Traffic & Revenue Analysis	2,013,050.97		928,018.17	
Unsuccessful Proposers	356,625.82		356,625.82	
Engineering	2,085,255.89		0.00	
Right of Way	125,017.00		0.00	
Total Preliminary Costs		7,592,317.58		3,355,537.97
Public Involvement	173,044.89		0.00	
CDA Oversight	4,945,983.07		497,481.81	
Engineering	14,082,913.49		12,669,930.21	
Total Construction Engineering		19,201,941.45		13,167,412.02
Design	26,412,385.62		6,119,068.25	
Construction-CDA	100,603,624.57		35,186,237.56	
Other Construction Costs	75,465.53		0.00	
Total Construction		127,091,475.72		41,305,305.81
Toll Collection System		3,585,969.14		151,656.00
Accrued Interest Income	(11,341,611.46)		(5,028,994.57)	
Accrued Interest Expense	18,889,068.45		7,296,280.11	
Amortization of Bond Premium	(2,511,696.24)		(983,945.61)	
Amortization Bond Disc Invest	(200,582.69)		(27,254.24)	
Total Accrued Interest		4,835,178.06		1,256,085.69
Amortization Bond Issue Costs		2,282,791.25		895,416.89
Total Construction WIP		164,589,673.20		60,131,414.38

Fixed Assets

Computers	115,571.52		104,243.81	
Accum Deprec-Computers	<u>(73,363.83)</u>	42,207.69	<u>(38,296.58)</u>	65,947.23
Computer Software	95,156.88		64,873.76	
Accumulated Amortization-Software	<u>(19,034.60)</u>	76,122.28	<u>(596.31)</u>	64,277.45
Furniture and Fixtures	52,907.09		0.00	
Accum Deprec-Furn & Fixtures	<u>(6,573.57)</u>	46,333.52	<u>0.00</u>	0.00
Equipment	28,777.93		0.00	
Accum Depec-Equipment	<u>(6,507.92)</u>	22,270.01	<u>0.00</u>	0.00
Communication Equipment	30,256.02		0.00	
Accum Deprec-Comm Equip	<u>(4,425.96)</u>	25,830.06	<u>0.00</u>	0.00
Leasehold Improvements		<u>38,490.18</u>		<u>0.00</u>
Total Fixed Assets		251,253.74		130,224.68

Other Assets

Security Deposits		8,643.30		8,643.30
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Long Term Investments

GIC		100,056,948.84		191,588,980.51
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Other Assets

Intangible Assets		650.00		0.00
2005 Bond Issuance Costs		<u>10,647,577.91</u>		<u>12,038,723.39</u>

Total Assets

	326,151,092.48		315,988,833.23	
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Liabilities**Current Liabilities**

Accounts Payable	12,463,806.44		(233,709.65)	
Vouchers Payable	0.00		5,484,521.18	
Interest Payable	2,875,735.48		3,069,405.15	
Deferred Compensation Payable	0.00		0.00	
TCDRS Payable	23,119.14		0.00	
Due to State of Texas	287.39		0.00	
Total Current Liabilities	15,362,948.45		8,320,216.68	

Long Term Liabilities

Retainage Payable	6,472,599.23		781,932.37	
BANS 2005	66,000,000.00		66,000,000.00	
Senior Lien Revenue Bonds 2005	168,943,735.37		167,967,610.70	
Sn Lien Rev Bnd Prem/Disc 2005	7,346,510.31		8,874,260.94	
Total Long Term Liabilities	248,762,844.91		243,623,804.01	

Total Liabilities

	264,125,793.36		251,944,020.69	
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Net Assets Section

Net Assets beginning	62,572,355.27		64,467,206.86	
Current Year Operations	<u>(546,406.15)</u>		<u>(422,394.32)</u>	
Total Liabilities and Net Assets	326,151,742.48		315,988,833.23	

CTRMA INVESTMENT REPORT

Quarter Ending 9/30/2006						Current Rate as of 9/30/2006	Maturity
Balance 6/30/2006	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 9/30/2006		
Amount in repo							
Construction Fund			757,297.16	13,315,591.77	84,898,590.28	3.35%	April 1, 2007
Debt Service Fund			125,916.38	330,903.25	15,157,909.25	3.35%	April 1, 2007
totals	0.00	0.00	883,213.54	13,646,495.02	100,056,499.53		
Amount in Trustee TexStar							
Additional Projects Fund			124,518.64	2,137,729.82	8,630,075.63	5.369%	
Renewal & Replacement Fund	77,000.00		289.34		83,106.47	5.369%	
TxDOT Grant Fund	146,000.00		79,419.62		6,153,517.54	5.369%	
Debt Service Reserve Fund	1,450,000.00		79,962.15		6,883,767.06	5.369%	
	1,673,000.00	0.00	284,189.75	2,137,729.82	21,750,466.70		
Amount in TexStar Operating Fund	1,050,000.00	0.00	97,313.33	857,230.00	7,536,835.82	5.369%	
Chase Money Market Fund							
-Proceeds Fund			42.84		3,478.98	5.050%	
-Operating Fund	1,014,000.00		19,397.67	1,050,000.00	1,039,883.01	5.050%	
-Additional Projects Fund	2,010,728.04		46,977.80	2,010,728.04	73,285.36	5.050%	
-Construction Fund	13,315,591.77		2,776.72	12,014,502.22	1,309,209.26	5.050%	
-Debt Service Fund	330,903.26		4,130.94	3,719,750.00	235,677.49	5.050%	
-Subordinate Lien DS Fund			919.64	1,650,000.00	1,974.87	5.050%	
-TxDOT Grant Fund	1,000,000.00		58,066.28	146,000.00	1,035,005.46	5.050%	
-Renewal and Replavement			1,383.63	77,000.00	730.86	5.050%	
-Debt Service Reserve Fund			30,647.50	1,450,000.00	23,409.99	5.050%	
	17,671,223.07	0.00	164,343.02	22,117,980.26	3,722,655.28		
Money Market Fund-payroll	243,400.00		68.94	241,632.47	2,093.80	5.050%	
Amount in Fed Agencies							
Amortized Principal	1,000,000.00	105,615.83		2,014,000.00	17,344,279.62		
Accrued Interest			123,882.91				
	1,000,000.00	105,615.83		2,014,000.00	17,344,279.62		
Total in Repo's	0.00	0.00	883,213.54	13,646,495.02	100,056,499.53		
Total in Pools	2,723,000.00	0.00	381,503.08	2,994,959.82	29,287,302.52		
Total in Money Market	17,914,623.07	0.00	164,411.96	22,359,612.73	3,724,749.08		
Total in Fed Agencies	1,000,000.00	105,615.83	0.00	2,014,000.00	17,344,279.62		
Total Invested	21,637,623.07	105,615.83	1,429,128.58	41,015,067.57	150,412,830.75		

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

William Chapman, CFO

CTRMA INVESTMENT REPORT

Month Ending 9/30/2006						Current	
Balance		Discount			Balance	Rate as of	Maturity
8/31/2006	Additions	Amortization	Accrued Interest	Withdrawals	9/30/2006	8/31/2006	
Amount in repo							
Construction Fund	85,961,345.69		238,334.14	1,301,089.55	84,898,590.28	3.35%	April 1, 2007
Debt Service Fund	15,115,937.12		41,972.13		15,157,909.25	3.35%	April 1, 2007
totals	101,077,282.81	0.00	280,306.27	1,301,089.55	100,056,499.53		
Amount in Trustee TexStar							
Additional Projects Fund	8,719,316.73		37,760.68	127,001.78	8,630,075.63	5.369%	
Renewal & Replacement Fund	5,869.22	77,000.00	237.25		83,106.47	5.369%	
TxDOT Grant Fund	5,981,187.62	146,000.00	26,329.92		6,153,517.54	5.369%	
Debt Service Reserve Fund	6,854,054.88		29,712.18		6,883,767.06	5.369%	
	21,560,428.45	223,000.00	94,040.03	127,001.78	21,750,466.70		
Amount in TexStar Operating Fund							
	7,817,529.20		33,336.62	314,030.00	7,536,835.82	5.369%	
Chase Money Market Fund							
-Proceeds Fund	3,464.22		14.76		3,478.98	5.050%	
-Operating Fund	11,546.25	1,014,000.00	14,336.76		1,039,883.01	5.050%	
-Additional Projects Fund	26,562.18		46,723.18		73,285.36	5.050%	
-Construction Fund	7,363.10	1,301,089.55	756.61		1,309,209.26	5.050%	
-Debt Service Fund	234,677.45		1,000.04		235,677.49	5.050%	
-Subordinate Lien DS Fund	1,966.50		8.37		1,974.87	5.050%	
-TxDOT Grant Fund	147,674.98	1,000,000.00	33,330.48	146,000.00	1,035,005.46	5.050%	
-Renewal and Replavement	77,401.05		329.81	77,000.00	730.86	5.050%	
-Debt Service Reserve Fund	19,350.30		4,059.69		23,409.99	5.050%	
	530,006.03	3,315,089.55	100,559.70	223,000.00	3,722,655.28		
Money Market Fund-payroll							
	12,527.68	66,000.00	22.94	76,456.82	2,093.80	5.05%	
Amount in Fed Agencies							
Amortized Principal	19,323,988.49		34,291.13	2,014,000.00	17,344,279.62		
Accrued Interest			40,590.68				
	19,323,988.49	0.00	34,291.13	2,014,000.00	17,344,279.62		
Total in Repo's							
	101,077,282.81	0.00	280,306.27	1,301,089.55	100,056,499.53		
Total in Pools							
	29,377,957.65	223,000.00	127,376.65	441,031.78	29,287,302.52		
Total in Money Market							
	542,533.71	3,381,089.55	100,582.64	299,456.82	3,724,749.08		
Total in Fed Agencies							
	19,323,988.49	0.00	34,291.13	2,014,000.00	17,344,279.62		
Total Invested							
	150,321,762.66	3,604,089.55	508,265.56	4,055,578.15	150,412,830.75		

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

William Chapman, CFO

Amount in Fed Agencies As of September 30, 2006

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
FHLMC Discount note	313397U66	1,947,877.20	1,974,957.76	1,975,200.00	5.366%	6/27/2006	12/26/2006	Debt Service Reserve Fund
FHLMC Discount note	313397U90	3,890,485.00	3,949,831.12	3,948,680.00	5.431%	6/23/2006	12/29/2006	Debt Service Reserve Fund
Federal Home Loan Bank	3133XC5C3	493,295.00	495,135.45	495,625.00	5.344%	4/21/2006	6/22/2007	Renewal and Replacement Fund
Federal Farm Credit	31331TGN5	996,995.79	1,015,000.00	1,015,000.00	4.220%	10/5/2005	10/2/2006	Operating Fund
Federal Home Loan Bank	3133XD6H9	1,000,000.00	1,000,000.00	996,880.00	4.050%	9/29/2005	12/29/2006	TxDOT Grant Fund
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	2,000,000.00	1,994,380.00	4.500%	11/9/2005	2/9/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XBPW9	990,810.00	996,679.60	994,690.00	4.778%	1/27/2006	2/16/2007	TxDOT Grant Fund
Federal Home Loan Bank	3133XEK57	1,000,000.00	1,000,000.00	996,250.00	4.750%	2/16/2006	8/16/2007	TxDOT Grant Fund
Federal Home Loan Mortgag	3128X4Q95	939,624.00	939,832.90	938,007.20	5.092%	3/8/2006	3/30/2007	Additional Projects Fund
Federal Home Loan Bank	3133X7C51	1,476,113.31	1,486,168.62	1,484,070.00	5.019%	4/13/2006	5/15/2007	Additional Projects Fund
Federal Home Loan Bank	3133X8KT8	1,473,398.44	1,486,674.17	1,484,535.00	5.139%	4/21/2006	3/7/2007	Additional Projects Fund
Federal Home Loan Bank	3133XGJE5	1,000,000.00	1,000,000.00	1,000,630.00	5.550%	8/8/2006	8/8/2007	Additional Projects Fund
		17,208,598.74	17,344,279.62	17,323,947.20				
								MATURED
Federal Home Loan Bank	31287X3UK7	999,000.00	1,000,000.00	1,000,000.00	4.320%	9/8/2005	9/15/2006	TxDOT Grant Fund
Federal Farm Credit	31331QWK9	998,577.84	1,014,000.00	1,014,000.00	3.900%	9/20/2005	9/1/2006	Operating Fund
		1,997,577.84	2,014,000.00	2,014,000.00				

Agency	CUSIP #	COST	Cummulative Amortization	September 30 Book Value	Maturity Value	Interest Income September 2006		
						Accrued Interest	Amortizatuion	Interest Earned
FHLMC Discount note	313397U66	1,947,877.20	27,080.56	1,974,957.76	2,000,000.00	0.00	8,735.66	8,735.66
FHLMC Discount note	313397U90	3,890,485.00	59,346.12	3,949,831.12	4,000,000.00	0.00	18,354.47	18,354.47
Federal Home Loan Bank	3133XC5C3	493,295.00	1,840.45	495,135.45	500,000.00	1,667.67	531.05	2,198.72
Federal Farm Credit	31331TGN5	996,995.79	18,004.21	1,015,000.00	1,015,000.00	2,008.85	1,528.36	3,537.21
Federal Home Loan Bank	3133XD6H9	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,375.00	0.00	3,375.00
Federal Home Loan Bank	3133XDKQ3	2,000,000.00	0.00	2,000,000.00	2,000,000.00	7,500.00	0.00	7,500.00
Federal Home Loan Bank	3133XBPW9	990,810.00	5,869.60	996,679.60	1,000,000.00	3,229.17	726.30	3,955.47
Federal Home Loan Bank	3133XEK57	1,000,000.00	0.00	1,000,000.00	1,000,000.00	3,958.33	0.00	3,958.33
Federal Home Loan Mortgag	3128X4Q95	939,624.00	208.90	939,832.90	940,000.00	3,955.83	31.52	3,987.35
Federal Home Loan Bank	3133X7C51	1,476,113.31	10,055.31	1,486,168.62	1,500,000.00	4,375.00	1,807.88	6,182.88
Federal Home Loan Bank	3133X8KT8	1,473,398.44	13,275.73	1,486,674.17	1,500,000.00	3,812.50	2,535.02	6,347.52
Federal Home Loan Bank	3133XGJE5	1,000,000.00	0.00	1,000,000.00	1,000,000.00	4,625.00	0.00	4,625.00
		17,208,598.74	135,680.88	17,344,279.62	17,455,000.00			
								MATURED
Federal Home Loan Bank	31287X3UK7	999,000.00	1,000.00	1,000,000.00	1,000,000.00	2,083.33	40.87	2,124.20
Federal Farm Credit	31331QWK9	998,577.84	15,422.16	1,014,000.00	1,014,000.00			
		1,997,577.84	16,422.16	2,014,000.00	2,014,000.00	40,590.68	34,291.13	74,881.81



Monthly Newsletter - September 2006

Performance

As of September 30, 2006

Current Invested Balance	\$3,711,282,274.72
Weighted Average Maturity (1)	28 Days
Weighted Average Maturity (2)	76 Days
Net Asset Value	1.000249
Total Number of Participants	472
Management Fee on Invested Balance	0.12%*
Interest Distributed	\$15,500,165.51
Management Fee Collected	\$145,554.70
Standard & Poor's Current Rating	AAAm

September Averages

Average Invested Balance	\$3,541,610,505.92
Average Monthly Yield, on a simple basis	5.2742%
Average Weighted Average Maturity (1)*	24 Days
Average Weighted Average Maturity (2)*	81 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 September 2006:

- ★ Mount Vernon ISD
- ★ Glasscock County ISD
- ★ Port of Houston Authority
- ★ Comanche Co Consolidated Hosp Dist
- ★ Celina ISD
- ★ Blackwell CISD

Holiday Reminder

In observance of the Columbus Day holiday, TexSTAR will be closed on Monday, October 9, 2006. All ACH transactions initiated on Friday, October 6, 2006 will settle on Tuesday, October 10, 2006.

Economic Commentary

Overall, the economic reports released in the third quarter pointed to further slowing in economic growth. Payrolls were up an average of 125,000 in July and August, compared to a 3-month average of over 160,000 at the start of the year, while the unemployment rate slipped to 4.7% from 4.8% in July. Initial jobless claims remained stable throughout the quarter, suggesting that the slowdown in economic activity has not yet translated into an increase in the number of layoffs but rather simply a more cautious view in the pace of hiring. The recent fall in gas prices resulted in an improvement in consumer confidence with both the Conference Board Consumer Confidence and the University of Michigan Consumer Sentiment surveys reporting rebounds in September, following declines in the previous month caused by higher energy prices.

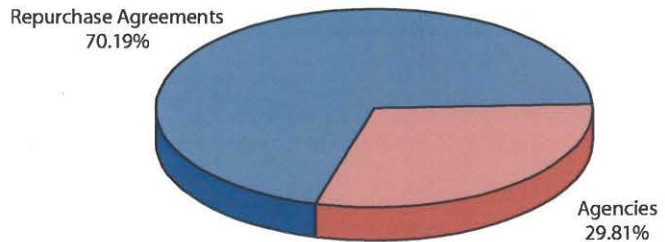
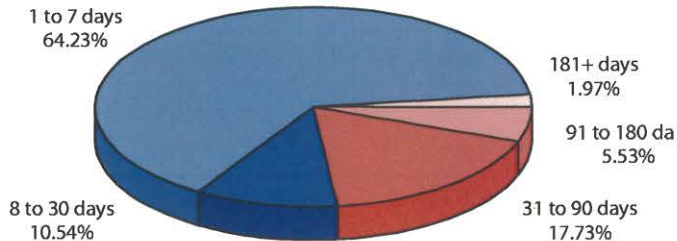
Housing data reported in the same period pointed to further deterioration in that sector. Existing home sales, which make up roughly 85% of the overall housing market, continued to slip, falling for the fifth consecutive month in August. Housing starts and building permits also declined. Although August new homes sales rebounded for the first time since March, monthly new home sales figures reported for May - July were all revised downward. In addition, despite the fact that 30-year fixed mortgage rates fell to their lowest level since January, the weekly MBA index of purchase applications dropped further.

The U.S. Treasury yield curve was slightly more inverted on the quarter, as the spread between two- and five-year Treasury notes ended September at -10 basis points (bps), down from -6 bps at the end of June. It is anticipated that Fed will stay on the sidelines for the balance of the year. Q3 GDP is expected to grow at an annualized rate of 2.6% with residential construction subtracting 1.0% from overall growth. Lastly, capital spending is expected to remain solid throughout the rest of the year.

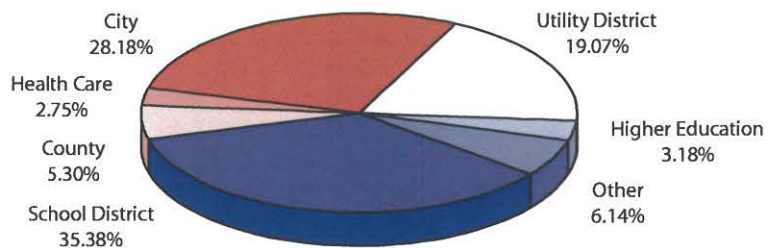
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of September 30, 2006



Portfolio by Maturity As of September 30, 2006



Distribution of Participants by Type As of September 30, 2006

Historical Program Information

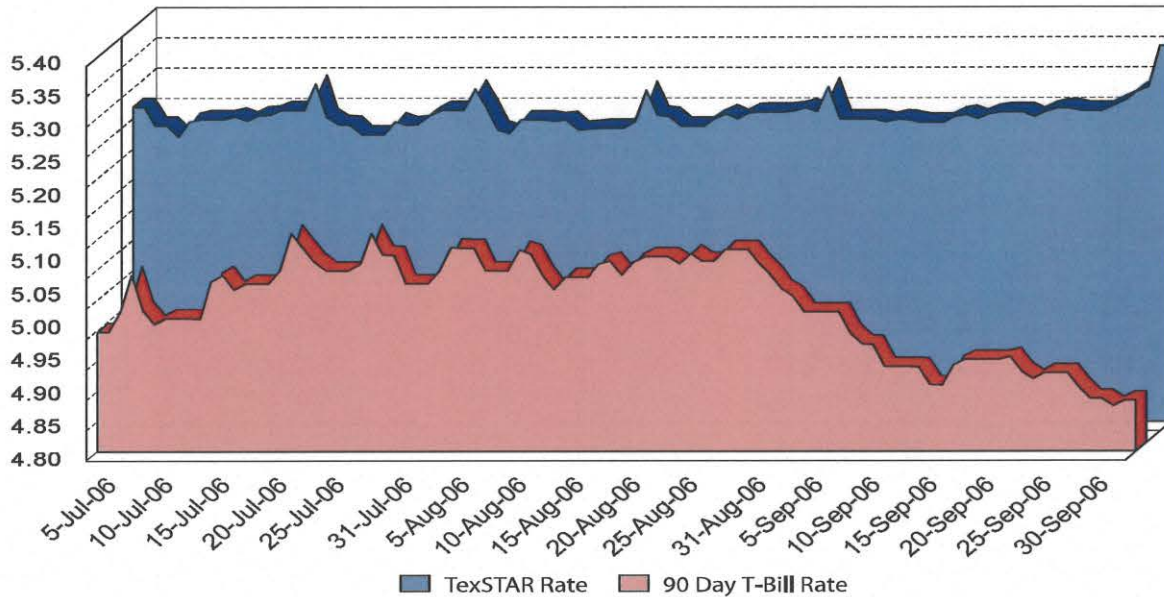
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sep 06	5.2742%	\$ 3,711,282,274.72	\$ 3,712,264,237.96	1.000249	24	81	472
Aug 06	5.2601%	3,403,609,840.35	3,403,747,759.54	1.000040	16	76	466
Jul 06	5.2609%	3,652,659,353.06	3,652,612,174.26	0.999987	15	72	461
Jun 06	5.0063%	3,490,853,364.63	3,490,672,360.70	0.999935	14	72	457
May 06	4.8929%	3,709,022,855.02	3,708,815,237.78	0.999944	11	59	456
Apr 06	4.7679%	3,886,888,058.02	3,886,490,684.37	0.999897	14	60	451
Mar 06	4.5746%	3,914,969,328.87	3,914,628,496.64	0.999912	13	57	447
Feb 06	4.4898%	4,002,329,057.36	4,001,985,615.58	0.999914	12	53	442
Jan 06	4.3121%	3,730,218,809.33	3,729,885,751.81	0.999910	14	56	437
Dec 05	4.1835%	2,992,136,881.94	2,991,868,874.98	0.999895	18	57	430
Nov 05	3.9249%	2,297,701,062.61	2,295,751,046.27	0.999151	20	43	427
Oct 05	3.7095%	2,425,528,634.83	2,422,699,456.41	0.998833	30	47	422
Sep 05	3.5540%	2,649,344,687.07	2,647,386,589.80	0.999201	33	50	418

Portfolio Asset Summary as of September 30, 2006

	Book Value	Market Value
Uninvested Balance	\$ 103,639.19	\$ 103,639.19
Accrual of Interest Income	3,699,424.22	3,699,424.22
Interest and Management Fees Payable	(15,516,526.31)	(15,516,526.31)
Payable for Investment Purchased	(45,844,772.27)	(45,844,772.27)
Repurchase Agreements	2,650,840,000.00	2,650,840,000.00
Government Securities	1,118,000,509.89	1,118,982,473.13
Total	\$ 3,711,282,274.72	\$ 3,712,264,237.96

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 September 2006

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
1-Sep-06	5.2583%	0.000144062	3,438,451,914.75	1.000023	21	87
2-Sep-06	5.2583%	0.000144062	3,438,451,914.75	1.000023	21	87
3-Sep-06	5.2583%	0.000144062	3,438,451,914.75	1.000023	21	87
4-Sep-06	5.2583%	0.000144062	3,438,451,914.75	1.000023	21	87
5-Sep-06	5.2547%	0.000143964	3,412,068,179.22	1.000030	21	84
6-Sep-06	5.2586%	0.000144070	3,398,190,782.72	1.000026	21	84
7-Sep-06	5.2569%	0.000144025	3,422,456,072.25	1.000025	21	83
8-Sep-06	5.2533%	0.000143926	3,516,332,260.77	1.000017	21	80
9-Sep-06	5.2533%	0.000143926	3,516,332,260.77	1.000017	21	80
10-Sep-06	5.2533%	0.000143926	3,516,332,260.77	1.000017	21	80
11-Sep-06	5.2619%	0.000144161	3,528,011,811.08	1.000008	21	79
12-Sep-06	5.2649%	0.000144244	3,543,286,473.94	1.000008	22	80
13-Sep-06	5.2589%	0.000144079	3,534,734,372.65	1.000010	22	80
14-Sep-06	5.2658%	0.000144269	3,505,750,038.87	1.000004	21	80
15-Sep-06	5.2691%	0.000144358	3,489,554,214.90	0.999996	20	80
16-Sep-06	5.2691%	0.000144358	3,489,554,214.90	0.999996	20	80
17-Sep-06	5.2691%	0.000144358	3,489,554,214.90	0.999996	20	80
18-Sep-06	5.2624%	0.000144176	3,489,162,311.78	0.999993	24	82
19-Sep-06	5.2697%	0.000144375	3,517,257,996.22	0.999997	26	81
20-Sep-06	5.2747%	0.000144512	3,497,985,908.20	0.999998	26	81
21-Sep-06	5.2747%	0.000144511	3,513,730,444.19	1.000280	29	84
22-Sep-06	5.2713%	0.000144420	3,530,973,106.89	1.000280	28	84
23-Sep-06	5.2713%	0.000144420	3,530,973,106.89	1.000280	28	84
24-Sep-06	5.2713%	0.000144420	3,530,973,106.89	1.000280	28	84
25-Sep-06	5.2791%	0.000144633	3,795,122,745.98	1.000265	26	76
26-Sep-06	5.2867%	0.000144842	3,796,484,736.71	1.000065	26	76
27-Sep-06	5.2998%	0.000145199	3,779,288,559.83	1.000060	27	76
28-Sep-06	5.3062%	0.000145374	3,727,833,787.79	1.000073	29	76
29-Sep-06	5.3689%	0.000147092	3,711,282,274.72	1.000249	28	76
30-Sep-06	5.3689%	0.000147092	3,711,282,274.72	1.000249	28	76
Average	5.2742%	0.000144499	3,541,610,505.92		24	81

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 & Santow</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>
<i>Charles Wall</i>	<i>Texas Tech University</i>	<i>Advisory Board</i>