

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

**RESOLUTION NO. 10-98**

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 2010 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 September 2010, attached hereto as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 27th day of October, 2010.

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 10-98  
Date Passed 10/27/10

**Attachment A**

**Financial Report for September, 2010**

Central Texas Regional Mobility Authority  
Income Statement  
All Operating Departments

Revenue	Budget	Actual Year	Percent	Actual Year
	FY 2011	To Date 9/30/2010	Of Budget	To Date 9/30/2009
Toll Revenue-TxTag-183A	17,000,000	3,950,627	23.24%	3,601,130
Toll Revenue-HCTRA-183A	540,000	158,164	31.14%	135,542
Toll Revenue-NTTA-183A	340,000	98,107	28.85%	86,549
Video Tolls	2,800,000	812,894	29.03%	666,836
Fee Revenue	1,350,000	318,169	23.57%	294,851
Operating Revenue	22,030,000	5,347,960	24.28%	4,784,907
Interest Income	60,000	102,628	171.05%	81,137
Grant Revenue	0	6,381,835		0
Misc Revenue	6,600	733	11.11%	0
<b>Total Revenue</b>	<b>22,096,600</b>	<b>11,833,156.13</b>	<b>53.55%</b>	<b>4,866,043.78</b>

Expenditures	Budget	Actual Year	Percent	Actual Year
	FY 2011	To Date 9/30/2010	Of Budget	To Date 9/30/2009
Regular	1,898,467	386,011.55	20.33%	378,060.36
Part Time	14,000	4,390.92	31.36%	0.00
Overtime	4,000	0.00		0.00
Contractual Employees	105,000	20,225.00	19.26%	30,339.31
TCDRS	286,111	55,380.17	19.36%	52,149.14
FICA	97,483	15,388.07	15.79%	14,842.08
FICA MED	28,901	5,439.91	18.82%	5,373.81
Health Insurance	213,300	32,229.51	15.11%	24,360.57
Life Insurance	6,618	1,389.10	20.99%	1,278.40
Auto Allowance	9,000	1,997.50	22.19%	1,762.50
Other Benefits	167,144	16,104.65	9.64%	12,228.09
Unemployment Taxes	4,959	0.00		7.82
Salary Reserve	78,719	0.00		0.00
<b>Total Salaries &amp; Wages</b>	<b>2,913,702.00</b>	<b>538,556.38</b>	<b>18.48%</b>	<b>520,402.08</b>

Contractual Services

Professional Services

Accounting	9,800.00	1,741.06	17.77%	788.00
Auditing	54,000.00	14,512.50	26.88%	22,842.00
General Engineering Consultant	1,600,000.00	111,786.74	6.99%	-191.23
General System Consultant	175,000.00	1,379.51	0.79%	1,691.60
Image Processing	610,000.00	178,226.34	29.22%	161,487.80
Facility maintenance	90,000.00	18,482.34	20.54%	9,825.92
HERO	0.00	198,916.47		0.00
Human Resources	12,000.00	8,469.65	70.58%	168.11
Legal	400,000.00	0.00		12,244.45
Photography	15,000.00	9,000.00	60.00%	0.00
<b>Total Professional Services</b>	<b>2,965,800.00</b>	<b>542,514.61</b>	<b>18.29%</b>	<b>158,638.49</b>

Expenditures	Budget FY 2011	Actual Year To Date 9/30/2010	Percent Of Budget	Actual Year To Date 9/30/2009
<b>Other Contractual Services</b>				
IT Services	65,000.00	11,480.30	17.66%	16,042.27
Graphic Design Services	13,500.00	780.00	5.78%	1,000.00
Website Maintenance	45,000.00	1,805.00	4.01%	1,986.50
Research Services	20,000.00	18,066.84	90.33%	0.00
Copy Machine	13,500.00	2,927.84	21.69%	1,610.21
Software licenses	23,000.00	6,652.80	28.93%	6,661.80
ETC system Maintenance	1,288,000.00	196,327.00	15.24%	215,512.00
ETC Development	125,000.00	2,483.47	1.99%	3,706.00
ETC Testing	30,000.00	0.00		0.00
Communications and Marketing	170,000.00	34,149.33	20.09%	12,704.90
Advertising	25,000.00	16,543.12	66.17%	3,426.00
Direct Mail	5,000.00	0.00		0.00
Video Production	5,000.00	0.00		0.00
Television	5,000.00	0.00		0.00
Radio	20,000.00	0.00		-30.00
Other Public Relations	2,500.00	0.00		0.00
Law Enforcement	245,000.00	18,336.00	7.48%	18,336.00
Special Assignments	5,000.00	0.00		0.00
Traffic Management	72,000.00	12,721.46	17.67%	5,702.41
Emergency Maintenance	10,000.00	0.00		0.00
Roadway Maintenance Contract	300,000.00	27,719.84	9.24%	925.00
Landscape Maintenance	200,000.00	27,265.90	13.63%	13,541.40
Signal & Illumination Maintenance	250,000.00	33,665.00	13.47%	54,363.50
Mowing and Litter Control	300,000.00	34,658.00	11.62%	0.00
Hazardous Material Cleanup	10,000.00	0.00		0.00
Striping	50,000.00	0.00		0.00
Graffiti Removal	10,000.00	0.00		800.00
Cell Phones	7,500.00	1,742.55	23.23%	1,249.06
Local	16,500.00	1,408.04	8.53%	2,756.49
Long Distance	750.00	23.84	3.18%	67.40
Internet	6,600.00	306.00	4.64%	612.00
Fiber Optic System	63,000.00	5,324.47	8.45%	8,422.76
Other Communication Expense	1,500.00	0.00		372.99
Subscriptions	1,600.00	0.00		0.00
Memberships	22,500.00	3,170.00	14.09%	1,425.00
Continuing Education	3,000.00	0.00		0.00
Professional Development	5,000.00	0.00		0.00
Seminars and Conferences	32,500.00	5,575.00	17.15%	6,975.00
Staff-Travel	81,500.00	5,936.12	7.28%	8,711.82
TxTag Collection Fees	1,767,200.00	232,358.90	13.15%	198,577.56
Contractual Contingencies	160,500.00	925.00	0.58%	0.00
<b>Total Other Contractual Services</b>	<b>5,477,150.00</b>	<b>702,551.82</b>	<b>12.83%</b>	<b>585,438.07</b>
<b>Total Contractual Expenses</b>	<b>8,442,950.00</b>	<b>1,245,066.43</b>	<b>14.75%</b>	<b>744,076.56</b>

Expenditures	Budget FY 2011	Actual Year To Date 9/30/2010	Percent Of Budget	Actual Year To Date 9/30/2009
Books & Publications	12,800.00	2,874.69	22.46%	1,032.23
Office Supplies Expense	12,000.00	1,366.05	11.38%	510.70
Computer Supplies Expense	7,500.00	1,258.00	16.77%	122.06
Copy Supplies Expense	2,000.00	0.00		23.85
Annual Report Printing	10,000.00	0.00		0.00
Other Printed Reports	20,000.00	381.40	1.91%	5,068.80
Direct Mail-printing Expense	5,000.00	0.00		0.00
Office Supplies-printed	1,000.00	899.62	89.96%	0.00
Promotional Items expense	10,000.00	1,491.44	14.91%	0.00
Displays	5,000.00	0.00		0.00
Tools & Equipment Expense	1,500.00	0.00		0.00
Misc Materials & Supplies	3,700.00	5.90	0.16%	2,454.88
<b>Total Materials &amp; Supplies Exp</b>	<b>120,500.00</b>	<b>8,277.10</b>	<b>6.87%</b>	<b>9,212.52</b>



Expenditures	Budget FY 2011	Actual Year To Date 9/30/2010	Percent Of Budget	Actual Year To Date 9/30/2009
<b>Operating Expenses</b>				
Gasoline Expense	3,500.00	431.56	11.47%	625.79
Mileage Reimbursement	8,250.00	651.24	7.89%	749.61
Toll Tag Expense	4,375.00	353.07	8.07%	444.92
Parking	39,270.00	10,236.55	26.07%	2,963.10
Meeting Facilities	1,200.00	250.00	20.83%	0.00
Community Events	5,000.00	500.00	10.00%	500.00
Meeting Expense	5,400.00	294.35	5.45%	551.62
Public Notices	2,400.00	0.00		200.00
Postage	6,000.00	265.05	4.42%	-431.45
Overnight Delivery Services	3,750.00	30.92	0.82%	125.98
Local Delivery Services	3,650.00	26.00	0.71%	140.70
Insurance	125,000.00	26,936.23	21.55%	29,144.68
Repair and Maintenance	700.00	0.00		0.00
Repair & Maintenance-Vehicles	2,900.00	0.00		62.78
Repair and Maintenance Toll Equip	15,000.00	0.00		1,030.00
Rent	212,000.00	46,982.88	22.16%	48,043.02
Water	7,500.00	441.76	5.89%	918.50
Electricity	121,100.00	7,415.96	6.12%	15,248.19
Amortization Expense	1,225,000.00	307,403.88	25.09%	305,460.69
Dep Exp- Furniture & Fixtures	19,000.00	4,681.65	24.64%	4,681.67
Dep Expense - Equipment	15,000.00	3,594.42	23.96%	3,594.43
Dep Expense - Autos & Trucks	4,000.00	983.33	24.58%	983.31
Dep Expense-Buildng & Toll Fac	177,000.00	44,139.57	24.94%	44,139.57
Dep Expense-Highways & Bridges	5,000,000.00	1,241,801.75	24.84%	1,241,393.99
Dep Expense-Communic Equip	197,000.00	49,112.05	24.93%	49,167.86
Dep Expense-Toll Equipment	465,000.00	115,445.34	24.83%	115,445.34
Dep Expense - Signs	135,000.00	33,317.02	24.68%	33,317.02
Dep Expense-Land Improvmts	52,000.00	12,895.97	24.80%	12,895.97
Depreciation Expense-Computers	410,000.00	2,422.29	0.59%	91,970.52
Other Licenses	250.00	0.00		235.00
Community Initiative Grants	65,000.00	30,750.00	47.31%	0.00
<b>Total Operating Expense</b>	<b>8,331,245.00</b>	<b>1,941,332.84</b>	<b>23.30%</b>	<b>2,003,602.81</b>
<b>Financing Expenses</b>				
Arbitrage Rebate	6,000.00	0.00		0.00
Bond Issuance Expense	620,280.00	73,952.13	11.92%	181,827.30
Loan Fees	12,500.00	0.00		0.00
Bond Issuance Cost	30,000.00	5,000.00	10.07%	5,000.00
Trustee Fees	2,000.00	0.00		0.00
Bank Fees	7,500.00	1,978.86	26.38%	1,337.17
Interest Expense	11,750,000.00	3,110,852.51	26.47%	3,036,591.04
Contingency	15,000.00	0.00		0.00
<b>Total Financing Expense</b>	<b>12,443,280.00</b>	<b>3,191,583.50</b>	<b>25.65%</b>	<b>3,224,755.51</b>
<b>Other Gains or Loss</b>				
<b>Total Expenses</b>	<b>32,251,677.00</b>	<b>6,924,816.25</b>	<b>21.47%</b>	<b>6,502,049.48</b>
<b>Net Income</b>	<b>-10,155,077.00</b>	<b>4,908,339.88</b>		<b>-1,636,005.70</b>

Central Texas Regional Mobility Authority  
Balance Sheet

As of

September 30, 2010

September 30, 2009

**Assets**

**Current Assets**

Regions Operating Account	225,237.85		106,377.88
Cash In TexSTAR	57,720.07		86,457.03
Regions Payroll Account	1,182.29		1,187.56
Fidelity Government MMA	4,688,500.44		7,460,696.51
Restricted Cash-TexStar	88,343,016.38		36,071,582.61
Regions SIB account	17,443,962.93		55,000.69
Overpayment accounts	12,056.58		3,810.28
<b>Total Cash Equivalents</b>	<u>110,546,418.69</u>		<u>43,785,112.56</u>
Accounts Receivable	100,791.28		98,235.46
Due From Employees	375.00		0.00
Due From Other Funds	108,340.39		0.00
Due From TTA	566,906.30		736,629.70
Due From NTTA	32,432.20		30,815.10
Due From HCTRA	55,779.80		88,645.95
Due From TxDOT	6,429,861.55		0.00
Due From Federal Government	466,419.67		0.00
Interest Receivable	135,810.17		3,649.34
<b>Total Receivables</b>	<u>7,896,716.56</u>		<u>957,975.55</u>
Certificates of Deposit	3,100,000.00		3,100,000.00
Agencies	13,063,295.10		1,000,000.00
Prepaid Insurance	4,002.27		4,442.95
<b>Total Current Assets</b>	<u>134,835,670.47</u>		<u>48,847,631.06</u>

TxDOT reimbursed costs	8,657.59		0.00
<b>Construction Work In Process</b>	<u>92,762,170.16</u>		<u>34,176,132.74</u>

**Fixed Assets**

Computers(net)	41,051.61		284,303.62
Computer Software(net)	2,177,275.41		3,350,323.78
Furniture and Fixtures(net)	27,171.15		45,897.66
Equipment(net)	56,369.10		49,046.78
Autos and Trucks(net)	2,949.97		6,883.24
Buildings and Toll Facilities(net)	6,476,549.71		6,653,107.99
Highways and Bridges(net)	181,444,927.11		186,398,529.44
Communication Equipment(net)	1,274,801.68		1,471,528.87
Toll Equipment(net)	3,053,502.14		3,515,283.50
Signs(net)	5,189,043.90		5,322,312.00
Land Improvements(net)	933,825.05		985,408.91
Right of Way	23,683,553.05		23,683,553.05
Leasehold Improvements	63,944.70		69,796.25
<b>Total Fixed Assets</b>	<u>224,424,964.58</u>		<u>231,835,975.09</u>

GIC	89,544,586.13		0.00
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**Other Assets**

Security Deposits	9,483.30		9,483.30
Intangible Assets	650.00		650.00
Total Bond Issuance Costs	11,011,763.07		8,834,272.97

<b>Total Assets</b>	<u>562,589,307.71</u>		<u>323,704,045.16</u>
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## Liabilities

### Current Liabilities

Accounts Payable	178,851.17		126,564.37
Overpayments	12,442.04		3,925.96
Interest Payable	4,735,594.38		2,077,461.09
Due to other Funds	184,367.39		76,027.00
Deferred Compensation Payable	0.00		(799.16)
TCDRS Payable	34,717.49		30,128.43
Due to State of Texas	604.70		763.69
<b>Total Current Liabilities</b>	<b>5,146,577.17</b>		<b>2,314,071.38</b>

### Long Term Liabilities

Accrued Vac & Sick Leave Paybl	205,137.00		205,137.00
Retainage Payable	134,317.16		144,776.71
Tot Sr Lien Rev Bonds Paybl	273,723,732.30		176,409,503.20
Subordinated Lien Bond 2010	45,000,000.00		0.00
TIFIA note 2008	75,249,177.22		71,852,598.70
2009 Regions Build America Bnd	0.00	15,000,000.00	
2009 Region's BAB Discount	0.00	(58,333.32)	
2009 BAB's Payable	0.00		14,941,666.68
2010 BAB's Payable	59,730,000.00		0.00
2009 State Infrastructure loan	32,389,797.93		0.00
Total Long Term Liabilities	<b>486,432,161.61</b>		<b>263,553,682.29</b>
<b>Total Liabilities</b>	<b>491,678,738.78</b>		<b>265,867,763.67</b>

### Net Assets Section

Contributed Capital	18,334,845.57		18,334,845.57
Net Assets beginning	37,767,383.47		41,137,451.62
Current Year Operations	4,908,339.88		(1,636,005.70)
<b>Total Net Assets</b>	<b>42,675,723.35</b>		<b>39,501,445.92</b>

### Total Liabilities and Net Assets

**652,689,307.71**

**323,704,045.16**



**CTRMA INVESTMENT REPORT**

	Month Ending 9/30/2010					Balance 9/30/2010	Rate Sept 2010
	Balance 8/31/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals		
<b>Amount in Trustee TexStar</b>							
183A/290E Project Acct	2,980,454.85			439.77	983,829.59	1,997,065.03	0.244%
2010 Senior Lien Construction Fund	5,493.38			0.95		5,494.33	0.244%
2010-1 Sub Lien Projects	869,382.53			150.97		869,533.50	0.244%
2010 Regions Project Acct	59,254,114.49			10,204.73	996,551.93	58,267,767.29	0.244%
General Fund	5,100,781.85			735.94	986,546.56	4,114,971.23	0.244%
Trustee Operating Fund	719,541.54	655,191.05		122.57	800,000.00	574,855.16	0.244%
Renewal & Replacement Fund	152,832.18			26.54		152,858.72	0.244%
TxDOT Grant Fund	7,282,629.33			1,264.66		7,283,893.99	0.244%
Revenue Fund	620.28			0.11		620.39	0.244%
Debt Service Reserve Fund 05	4,820,078.30			837.03		4,820,915.33	0.244%
2010 Senior Lien DSF	2,066.84			0.36		2,067.20	0.244%
2010 Senior Lien Debt Service Reserve Fund	6,745,801.91			1,171.44		6,746,973.35	0.244%
2010-2Sub Lien Debt Service Reserve Fund	1,000,891.07			173.81		1,001,064.88	0.244%
2010-1Sub Lien Debt Service Reserve Fund	2,500,361.64			434.20		2,500,795.84	0.244%
2010-1 COI Sub Lien	2,752.45			0.48		2,752.93	0.244%
2010 Senior Lien Capitalized Interest	841.00			0.15		841.15	0.244%
2010-1 Sub Lien Capitalized Interest	419.39			0.07		419.46	0.244%
2010-2 Sub Lien Capitalized Interest	126.57			0.02		126.59	0.244%
	<b>91,439,189.60</b>	<b>655,191.05</b>	<b>0.00</b>	<b>15,563.80</b>	<b>3,766,928.08</b>	<b>88,343,016.37</b>	
<b>Amount in TexStar Operating Fund</b>							
	<b>142,701.82</b>	<b>800,000.00</b>		<b>18.25</b>	<b>885,000.00</b>	<b>57,720.07</b>	<b>0.244%</b>

**CTRMA INVESTMENT REPORT**

	Month Ending 9/30/2010					Balance 9/30/2010	Rate Sept 2010
	Balance 8/31/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals		
<b>elity Money Market Fund</b>							
Operating Fund	0.00	655,188.24		2.81	655,191.05	0.00	0.001%
2010-2 183A/290E Project Acct	1.27	983,829.59		0.78	983,831.59	0.05	0.001%
2010-1 Sub Lien Project Acct	0.00	2,095,584.07			2,095,584.07	0.00	0.001%
2010 Senior Lien Construction Fund	14,548.09			0.49		14,548.58	0.001%
Other Obligations Fund	12,494.71			0.11		12,494.82	0.001%
Debt Service Fund 2005	1,392,372.07	619,958.33		9.28		2,012,339.68	0.001%
2010 Senior DSF	12.40					12.40	0.001%
Subordinate Lien TIFIA DS Fund	7,880.21			0.07		7,880.28	0.001%
2010-2 BABs Supplemental Security	0.00	110,404.38				110,404.38	0.001%
2010-2 Subordinate Cap I Fund	2,816.53			0.10		2,816.63	0.001%
2010 Regions BABs Debt Service Account	0.00	157,500.00			157,500.00	0.00	0.001%
TxDOT Grant Fund	3,012.93			16,912.01		19,924.94	0.001%
Renewal and Replacement	505,005.33			4.29	500,000.00	5,009.62	0.001%
2010-1 Sub lien supplemental Security	12.52					12.52	0.001%
Revenue Fund	865,383.62	1,661,694.79		6.65	1,534,130.04	992,955.02	0.001%
General Fund	116,331.24	6,388,764.80		2.79	5,483,435.29	1,021,663.54	0.001%
2010 Senior DS Reserve Fund	250,001.37			8.49		250,009.86	0.001%
2010-1 Subordinate DS Reserve Fund	92,646.92	22,922.22		2.86		115,572.00	0.001%
2010-2 Subordinate DS Reserve Fund	34,373.14	6,832.18		1.06		41,206.38	0.001%
Debt Service Reserve Fund 2005	80,960.89			765.07		81,725.96	0.001%
	<b>3,377,853.24</b>	<b>12,702,678.60</b>	<b>0.00</b>	<b>17,716.86</b>	<b>11,409,672.04</b>	<b>4,688,576.66</b>	
<b>ount in Region's MMA SIB Loan</b>	<b>21,396,897.18</b>			<b>3,066.68</b>	<b>3,956,000.93</b>	<b>17,443,962.93</b>	<b>0.003%</b>

**CTRMA INVESTMENT REPORT**

Month Ending 9/30/2010							Rate Sept 2010
Balance 8/31/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 9/30/2010		
Amount in Bayerische Landesbank GIC							
Subordinate Lien Cap-I 2010-1	3,949,227.00			1,645.51		3,950,872.51	0.500%
Subordinate Lien Cap-I 2010-2	1,117,501.38			465.43		1,117,966.81	0.500%
Senior Lien Cap-I 2010	8,502,876.31			6,235.44		8,509,111.75	0.880%
Subordinate Lien Project Fund 2010-1	15,796,755.72			4,913.20	2,236,153.00	13,565,515.92	0.375%
Senior Lien Project Fund 2010	62,414,399.22			44,241.44		62,458,640.66	0.850%
	91,780,759.63	0.00	0.00	57,501.02	2,236,153.00	89,602,107.65	
Amount in Fed Agencies							
Amortized Principal	12,564,606.82	500,000.00	(1,311.73)			13,063,295.09	
Accrued Interest				20,092.01			
	12,564,606.82	500,000.00	(1,311.73)		0.00	13,063,295.09	
Certificates of Deposit							
Total in Pools	3,100,000.00					3,100,000.00	
Total in Money Market	91,581,891.42	1,455,191.05		15,582.05	4,651,928.08	88,400,736.44	
Total in Fed Agencies	24,774,750.42	12,702,678.60		20,783.54	15,365,672.97	22,132,539.59	
Bayerische Landesbank GIC	12,564,606.82	500,000.00	(1,311.73)		0.00	13,063,295.09	
	91,780,759.63	0.00		57,501.02	2,236,153.00	89,602,107.65	
Total Invested	223,802,008.29	14,657,869.65	(1,311.73)	93,866.61	22,253,754.05	216,298,678.77	

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

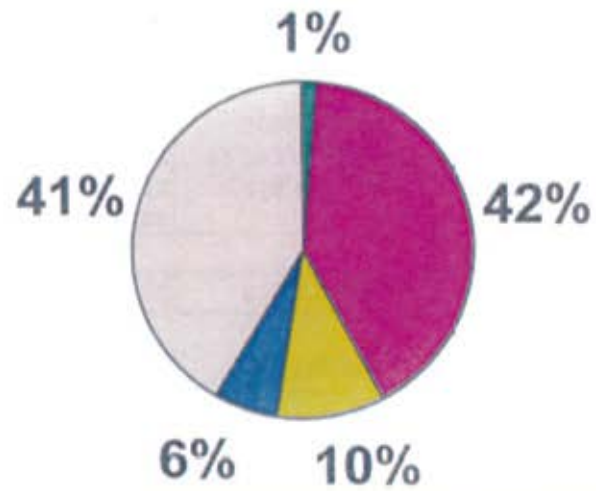
William Chapman, CFO

CTRMA INVESTMENT REPORT

Month Ending 9/30/2010					
Balance 8/31/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 9/30/2010

Rate  
Sept 2010

Allocation of Funds



■ Certificates of Deposit	■ Total in Pools	■ Total in Money Market
■ Total in Fed Agencies	□ Bayerische Landesbank GIC	

Amount of investments As of September 30, 2010

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Fannie Mae	3136FMDR2	2,998,500.00	2,998,875.00	3,004,680.00	1.125%	3/30/2010	4/23/2012	TxDOT Grant Fund
Fannie Mae	31398AZY1	5,070,000.00	5,057,808.98	5,015,650.00	1.62%	11/30/2009	11/10/2014	2005 Debt Service Reserve Fund
Fannie Mae	31398AX80	1,004,500.00	1,004,250.00	1,002,190.00	1.45%	7/29/2010	7/26/2013	2005 Debt Service Reserve Fund
Fannie Mae	31398AW32	1,002,500.00	1,002,361.11	1,005,000.00	1.38%	7/19/2010	7/19/2013	2010-1Subordinate DSRF
Federal Home loan Bank	313370CR7	1,000,000.00	1,000,000.00	1,000,000.00	0.25%	7/27/2010	1/27/2010	2010 Sn Lien DSRF
Farm Credit Bank	31331JVW0	1,500,000.00	1,500,000.00	1,500,945.00	1.35%	7/22/2010	7/22/2013	2010 Sn Lien DSRF
Fannie Mae	3136FPFP7	500,000.00	500,000.00	500,000.00	0.625%	9/17/2010	9/17/2013	Renewal and Replacement
		<u>13,075,500.00</u>	<u>13,063,295.09</u>	<u>13,028,465.00</u>				

Agency	CUSIP #	COST	Cumulative Amortization	9/30/2010 Book Value	Maturity Value	Interest Income September 2010		
						Accrued Interest	Amortization	Interest Earned
Fannie Mae	3136FMDR2	2,998,500.00	375.00	2,998,875.00	3,000,000.00	2,812.50	62.50	2,875.00
Fannie Mae	31398AZY1	5,070,000.00	(12,191.02)	5,057,808.98	5,000,000.00	13,020.83	(1,179.79)	11,841.04
Fannie Mae	31398AX80	1,004,500.00	250.00	1,004,250.00	1,000,000.00	1,208.33	(125.00)	1,083.33
Fannie Mae	31398AW32	1,002,500.00	138.89	1,002,361.11	1,000,000.00	1,145.83	(69.44)	1,076.39
Federal Home loan Bank	313370CR7	1,000,000.00	0.00	1,000,000.00	1,000,000.00	104.17	0.00	104.17
Farm Credit Bank	31331JVW0	1,500,000.00	0.00	1,500,000.00	1,500,000.00	1,687.50	0.00	1,687.50
Fannie Mae	3136FPFP7	500,000.00	0.00	500,000.00	500,000.00	112.85	0.00	112.85
		<u>13,075,500.00</u>	<u>(11,427.13)</u>	<u>12,563,295.09</u>	<u>13,000,000.00</u>	<u>20,092.01</u>	<u>(1,311.73)</u>	<u>18,667.43</u>



**September 2010 Certificates of Deposit Outstanding**

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	Sept 2010 Interest	FUND
Regions Bank	CDRB32454	3,000,000	0.30%	4/5/2010	1/4/2011	\$ 764.38	Debt Service Reserve Fund 05
Regions Bank	CDRB27819	100,000	0.53%	10/14/2009	9/10/2010	\$ 36.98	TxDOT Grant Fund
		<u>3,100,000</u>				<u>801.36</u>	

INVESTMENTS by FUND

		Balance September 30, 2010		
Renewal & Replacement Fund			TexSTAR	88,400,736.44
TexSTAR	152,858.72		CD's	3,100,000.00
Fidelity	5,009.62		Fidelity	4,688,576.66
Agencies	500,000.00	657,868.34	SIB	17,443,962.93
TxDOT Grant Fund			Agencies	13,063,296.09
TexSTAR	7,283,893.99		Bayerische GIC	89,602,107.65
Fidelity	19,924.94			
CD's	100,000.00			\$ 216,298,678.77
Agencies	2,998,875.00	10,402,693.93		
Subordinate Lien D5 Fund 05				
Fidelity	7,880.28	7,880.28		
Debt Service Reserve Fund 05				
TexSTAR	4,820,915.33			
Fidelity	81,725.96			
CD's	3,000,000.00			
Agencies	6,062,058.98	13,964,700.27		
Debt Service Fund 05				
Fidelity	2,012,339.68	2,012,339.68		
2010 Senior Lien DSF				
TexSTAR	2,067.20			
Fidelity	12.40	2,079.60		
Other Obligations Fund				
Fidelity	12,494.82	12,494.82		
Operating Fund				
TexSTAR	57,720.07			
TexSTAR-Trustee	574,855.16			
Fidelity	0.00			
Region's SIB Loan MMA	17,443,962.93	18,076,538.16		
Revenue Fund				
TexSTAR	620.39			
Fidelity	992,955.02	993,575.41		
General Fund				
TexSTAR	4,114,971.23			
Fidelity	1,021,863.54	5,136,834.77		
2010-1 Sub Lien Cost of Issuance				
TexSTAR	2,752.93	2,752.93		
2010 Senior Lien Capitalized Interest				
TexSTAR	841.15			
Bayerische GIC	8,509,111.75	8,509,952.90		
2010-1 Sub Lien Capitalized Interest				
TexSTAR	419.46			
Bayerische GIC	3,950,872.51	3,951,291.97		
2010-2 Sub Lien Capitalized Interest				
TexSTAR	128.59			
Fidelity	2,816.63			
Bayerische GIC	1,117,966.81	1,120,910.03		
2010-1 Sub BABs subsidy				
Fidelity	12.52	12.52		
2010-2 Sub BABs subsidy				
Fidelity	110,404.38	110,404.38		
2010 Senior Lien Debt Service Reserve Fund				
TexSTAR	6,746,973.35			
Fidelity	250,009.86			
Agencies	2,500,000.00	9,496,983.21		
2010-2 Sub Lien Debt Service Reserve Fund				
TexSTAR	1,001,064.88			
Fidelity	41,206.38	1,042,271.26		
2010-1 Sub Lien Debt Service Reserve Fund				
TexSTAR	2,500,795.84			
Fidelity	115,572.00			
Agencies	1,002,381.11	3,618,728.95		
2010 Regions BABs Project Account				
TexSTAR	58,267,767.29			
Fidelity		58,267,767.29		
2010-1 Sub Lien Projects Fund				
TexSTAR	869,533.50			
Fidelity	0.00			
Bayerische GIC	13,565,515.92	14,435,049.42		
183A/290E Project Acct				
TexSTAR	1,997,065.03			
Fidelity	0.05	1,997,065.08		
2010 Senior Lien Construction Fund				
TexSTAR	5,494.33			
Fidelity	14,548.58			
Bayerische GIC	62,458,640.66	62,478,683.57		
		\$ 216,298,678.77		



## Monthly Newsletter - September 2010

### Performance

#### As of September 30, 2010

Current Invested Balance	\$4,970,973,494.85
Weighted Average Maturity (1)	46 Days
Weighted Average Maturity (2)	71 Days
Net Asset Value	1.000099
Total Number of Participants	718
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$1,049,490.28
Management Fee Collected	\$200,801.29
% of Portfolio Invested Beyond 1 Year	2.57%
Standard & Poor's Current Rating	AAAm

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

#### September Averages

Average Invested Balance	\$4,886,031,372.97
Average Monthly Yield, on a simple basis	0.2113%
Average Weighted Average Maturity (1)*	47 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 367 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.

★ City of Crystal City

★ University of North Texas at Dallas

★ Taft ISD

### Holiday Reminder

Please note that in observance of the Columbus Day holiday, TexSTAR will be closed Monday, October 11, 2010. All ACH transactions initiated on Friday, October 8th will settle on Tuesday, October 12th.

In observance of the Veterans Day holiday, TexSTAR will be closed Thursday, November 11, 2010. All ACH transactions initiated on Wednesday, November 10th will settle on Friday, November 12th.

These are unusual holidays where the investment markets are closed but the banks are open. Please plan accordingly for your liquidity needs.

### Economic Commentary

Structural headwinds in the labor market, low inflation, accommodative monetary policy and legislative uncertainty will likely be primary drivers of the U.S. economy going forward. The Fed is expected to remain vigilant and pursue further bond purchases to help maintain lower interest rates, to stimulate mortgage refinance activity and to boost other asset prices generally. The broad-based increase in income and wealth resulting from this accommodative monetary policy should engender more consumer and business confidence and generate end demand for U.S. goods. Government spending will likely have no growth in 2011, and it is expected that some portion of the Bush-era tax cuts will remain in place and prevent the significant drag on growth that would otherwise occur. The unemployment rate is likely to remain elevated and be unchanged around 9.5% through 2011. With employment weak and inflation expectations tame, monetary policy will likely remain accommodative through the coming year.

This information is an excerpt from an economic report dated August 2010 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

### Program News

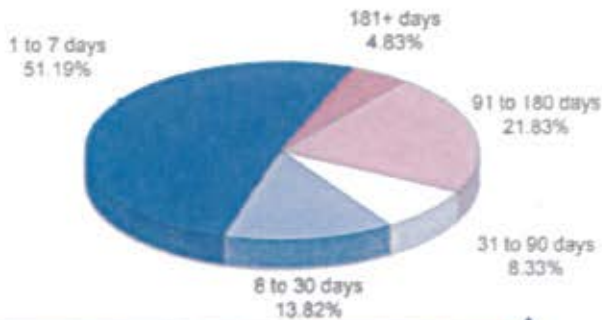
We are pleased to announce that TexSTAR is moving to a single sign-on process when accessing the TexSTAR systems. This means that participants will only need their USER ID and password to access the internet transaction system, the participant services section of the website and when doing a manual transaction with a Participant Services Representative. The Participant Services PIN will no longer be used. We know entities have several passwords for the different systems they use on a daily basis. We hope this will simplify things with one less password to maintain. Watch your email for more information regarding this change.

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



## Information at a Glance

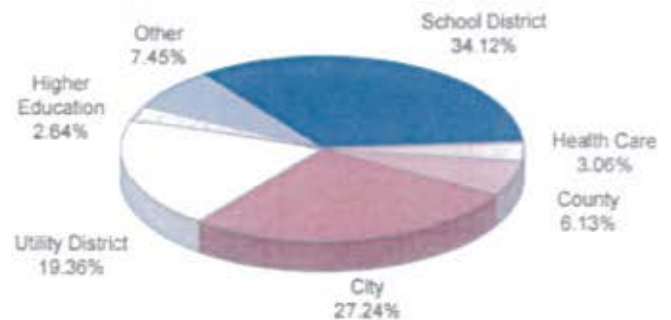
### Portfolio by Type of Investment As of September 30, 2010



### Distribution of Participants by Type As of September 30, 2010



### Portfolio by Maturity As of September 30, 2010



## Historical Program Information

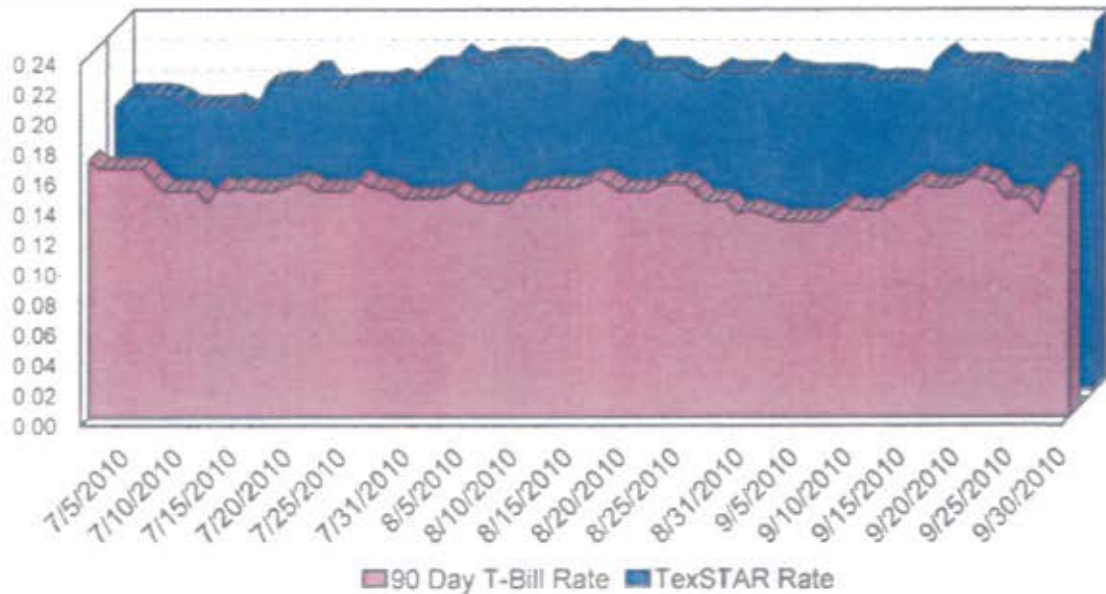
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sep 10	0.2113%	\$4,970,973,494.85	\$ 4,971,467,034.53	1.000099	47	74	718
Aug 10	0.2153%	4,898,435,591.73	4,899,135,875.31	1.000142	49	81	715
Jul 10	0.1992%	4,973,684,902.13	4,974,288,088.24	1.000117	43	71	712
Jun 10	0.1860%	5,156,538,488.97	5,157,298,475.17	1.000147	44	72	712
May 10	0.1838%	5,182,297,968.35	5,182,789,855.09	1.000094	47	74	711
Apr 10	0.1721%	5,339,490,225.82	5,339,710,431.56	1.000035	51	80	710
Mar 10	0.1552%	5,631,610,152.45	5,632,064,660.25	1.000080	52	75	705
Feb 10	0.1453%	6,054,214,913.66	6,054,862,055.15	1.000106	46	68	704
Jan 10	0.1604%	5,840,134,270.14	5,841,215,764.12	1.000185	44	62	702
Dec 09	0.1888%	5,407,637,704.81	5,408,888,081.88	1.000223	49	69	701
Nov 09	0.1986%	5,098,729,406.85	5,100,566,153.33	1.000360	53	73	699
Oct 09	0.2095%	5,268,497,948.76	5,270,536,424.50	1.000384	49	71	696

## Portfolio Asset Summary as of September 30, 2010

	Book Value	Market Value
Uninvested Balance	\$ 115,627.07	\$ 115,627.07
Accrual of Interest Income	939,869.91	939,869.91
Interest and Management Fees Payable	(1,077,342.96)	(1,077,342.96)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreements	2,260,743,000.00	2,260,743,000.00
Government Securities	2,710,252,340.83	2,710,745,880.51
<b>Total</b>	<b>\$ 4,970,973,494.85</b>	<b>\$ 4,971,467,034.53</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 either of fees. This table represents 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 September 2010

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
9/1/2010	0.2106%	0.000005770	\$4,889,100,662.64	1.000160	51	83
9/2/2010	0.2100%	0.000005754	\$4,868,526,209.37	1.000145	51	80
9/3/2010	0.2087%	0.000005717	\$4,846,245,998.47	1.000121	49	78
9/4/2010	0.2087%	0.000005717	\$4,846,245,998.47	1.000121	49	78
9/5/2010	0.2087%	0.000005717	\$4,846,245,998.47	1.000121	49	78
9/6/2010	0.2087%	0.000005717	\$4,846,245,998.47	1.000121	49	78
9/7/2010	0.2087%	0.000005718	\$4,848,556,681.45	1.000138	49	78
9/8/2010	0.2075%	0.000005686	\$4,865,250,610.77	1.000137	48	77
9/9/2010	0.2043%	0.000005597	\$4,836,808,857.95	1.000137	50	78
9/10/2010	0.2049%	0.000005615	\$4,812,000,887.20	1.000134	49	77
9/11/2010	0.2049%	0.000005615	\$4,812,000,887.20	1.000134	49	77
9/12/2010	0.2049%	0.000005615	\$4,812,000,887.20	1.000134	49	77
9/13/2010	0.2035%	0.000005576	\$4,917,426,955.81	1.000135	47	74
9/14/2010	0.2048%	0.000005610	\$4,914,334,475.52	1.000123	47	74
9/15/2010	0.2178%	0.000005966	\$4,985,091,171.58	1.000103	45	72
9/16/2010	0.2224%	0.000006092	\$4,975,845,288.55	1.000094	46	73
9/17/2010	0.2155%	0.000005904	\$4,883,345,051.45	1.000089	46	72
9/18/2010	0.2155%	0.000005904	\$4,883,345,051.45	1.000089	46	72
9/19/2010	0.2155%	0.000005904	\$4,883,345,051.45	1.000089	46	72
9/20/2010	0.2155%	0.000005903	\$4,852,200,277.00	1.000086	46	73
9/21/2010	0.2114%	0.000005791	\$4,873,243,255.16	1.000085	47	73
9/22/2010	0.2106%	0.000005771	\$4,902,427,131.08	1.000089	46	72
9/23/2010	0.2098%	0.000005749	\$4,873,804,902.56	1.000090	46	73
9/24/2010	0.2096%	0.000005742	\$4,857,415,354.66	1.000088	45	71
9/25/2010	0.2096%	0.000005742	\$4,857,415,354.66	1.000088	45	71
9/26/2010	0.2096%	0.000005742	\$4,857,415,354.66	1.000088	45	71
9/27/2010	0.2083%	0.000005708	\$4,973,572,802.91	1.000088	43	69
9/28/2010	0.2178%	0.000005966	\$4,999,657,356.89	1.000095	45	70
9/29/2010	0.2069%	0.000005669	\$4,990,853,181.28	1.000099	46	71
9/30/2010	0.2437%	0.000006678	\$4,970,973,494.85	1.000099	46	71
Average	0.2113%	0.000005789	\$4,886,031,372.97		47	74



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



### **TexSTAR Board Members**

*William Chapman*

*Nell Lange*

*Melinda Garrett*

*Michael Bartolotta*

*Will Williams*

*Hardy Browder*

*Oscar Cardenas*

*Stephen Fortenberry*

*S. Renee Tidwell*

*Monte Mercer*

*Becky Brooks*

*Len Santow*

*Central Texas Regional Mobility Authority*

*City of Frisco*

*Houston ISD*

*First Southwest Company*

*JP Morgan Chase*

*City of Cedar Hill*

*Northside ISD*

*McKinney ISD*

*Tarrant County*

*North Central TX Council of Government*

*Government Resource Associates, LLC*

*Griggs & Santow*

*Governing Board President*

*Governing Board Vice President*

*Governing Board Treasurer*

*Governing Board Secretary*

*Governing Board Asst. Sec./Treas.*

*Advisory Board*

*Advisory Board*

*Advisory Board*

*Advisory Board*

*Advisory Board*

*Advisory Board*

*Advisory Board*

**FirstSouthwest**

A PlainsCapital Company.



**J.P.Morgan**  
Asset Management