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

RESOLUTION NO. 22-046

ACCEPTING THE INDEPENDENT AUDIT REPORTS FROM RSM US LLP FOR THE FISCAL YEAR ENDING JUNE 30, 2022

WHEREAS, by Resolution No. 09-50 enacted July 31, 2009, the Board of Directors established the Audit Committee as a standing committee of the Board of Directors, consisting of all of the members of the Board of Directors; and

WHEREAS, under Resolution No. 09-50 and Section 101.036 of the Mobility Authority Policy Code, the Audit Committee is authorized to exercise all powers and authority of the Board of Directors with respect to Mobility Authority finances, and accordingly acts as, and on behalf of, the Board of Directors with respect to the matters addressed by this resolution; and

WHEREAS, the firm of RSM US LLP, has been engaged to provide an independent audit of the finances of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2022, and has presented that audit to the Audit Committee; and

WHEREAS, the Audit Committee has reviewed the "Report to the Board of Directors," the "Basic Financial Statements" subject to final determination of contingency items, the "State Awards Compliance Report," and the "Federal Awards Compliance Report" prepared by RSM US LLP, attached respectively as Exhibits A, B, C, and D to this resolution, and has heard and considered the presentation on the audit by RSM US LLP.

NOW THEREFORE, BE IT RESOLVED, that the Audit Committee accepts the independent audit reports of the Central Texas Regional Mobility Authority prepared by RSM US LLP for the fiscal year ending on June 30, 2022; and

BE IT FURTHER RESOLVED that this resolution constitutes approval by the Audit Committee of the investment reports required by 43 *Texas Administrative Code* Rule §26.61(b).

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of October 2022.

Submitted and reviewed by:

James M. Bass
Executive Director

Approved:

David Singleton
Chairman, Audit Committee

Exhibit A

Report to the Board of Directors

Central Texas Regional Mobility Authority

Report to the Board of Directors
October 27, 2022

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October 27, 2022

Board of Directors
Central Texas Regional Mobility Authority
Austin, Texas

Dear Members of the Board of Directors:

We are pleased to present this report related to our audit of the financial statements of Central Texas Regional Mobility Authority (the Authority) as of and for the year ended June 30, 2022. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Central Texas Regional Mobility Authority.

RSM US LLP

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated March 22, 2022. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated March 22, 2022, regarding the planned scope and timing of our audit and identified significant risks. Additional significant risks identified which were accompanied by additional procedures included the net pension liability (asset) and related footnote disclosures.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices
Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies
Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Authority. The Authority did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant Accounting Policies
We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions
We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates
Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached summary of Significant Accounting Estimates.

Audit Adjustments and Uncorrected Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit. Except for the lease payable of $194,412, we are not aware of any uncorrected adjustments other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements With Management
We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.

Consultations With Other Accountants
We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management
No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit
We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation
We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Internal Control and Compliance Matters

We have separately communicated matters related to internal control over financial reporting identified during our audit of the financial statements, as required by *Government Auditing Standards*, State of Texas *Uniform Grant Management Standards* (UGMS) and Uniform Guidance and this communication is included within the compliance report of the Authority for the year ended June 30, 2022.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the Authority, including the representation letter provided to us by management, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the Authority's June 30, 2022, financial statements.

Significant Accounting Estimates	
Valuation of Investments	
Accounting policy	The money market mutual fund and local government investment pool are reported at net asset value (NAV) based on amortized cost. Investments in debt securities are reported at fair value based on pricing service models.
Management's estimation process	Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments in debt securities are reported at fair value based upon pricing service models. The money market mutual fund and local government investment pool are reported at the NAV.
Basis for our conclusion on the reasonableness of the estimate	We tested the fair value of investments and the investments measured using NAV. We concluded management's estimates are reasonable.
Depreciable Life of Property and Equipment	
Accounting policy	The depreciable life of property and equipment is set at the estimated useful life of the related asset.
Management's estimation process	The determination is made at the time the asset is placed into service and involves various judgments and assumptions, including the estimated useful life and prior experience.
Basis for our conclusion on the reasonableness of the estimate	We concluded the estimates used by management are reasonable.
Pension Expense and Net Pension Asset/Liability	
Accounting policy	The Authority participates in the Texas County and District Retirement System (TCDRS), a statewide agent multiple-employer retirement system. The Authority's agent measures its pension expense and net pension asset/liability based on approved demographic and economic assumptions approved by the plan. The measurement is used to record the pension expense and net pension asset/liability in its financial statements and discloses the pension expense and net pension asset/liability in Note 7 to the financial statements.

Significant Accounting Estimates	
Management's estimation process	The pension expense and net pension asset/liability were measured as of December 31, 2021. This calculation is prepared by an independent actuarial company engaged by TCDRS, and the Authority's agent reviews and considers the appropriateness of the assumptions.
Basis for our conclusion on the reasonableness of the estimate	We obtained the TCDRS actuarial valuation report and we confirmed the Authority's reported balances agreed with the actuarial report. We tested the significant assumptions and conclusions for reasonableness and tested the underlying data for completeness and accuracy. We concluded the estimates used by management's are reasonable.

EXHIBIT A

Significant Written Communications Between Management and Our Firm

CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

October 27, 2022

RSM US LLP
811 Barton Springs Rd, 5th floor
Austin, Texas 78704

This representation letter is provided in connection with your audit of the basic financial statements of Central Texas Regional Mobility Authority (the "Authority") as of and for the year ended June 30, 2022, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of October 27, 2022:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated March 22, 2022, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.

4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. The methods, assumptions and data used to value investment; determine depreciable life of property and equipment and value the net pension liability (asset) are as follows, and result in an estimate that is appropriate for financial statement measurement and disclosure purposes and have been consistently selected and applied in making the estimate:

   <u>Investment values</u> - The money market mutual fund and local government investment pool are reported at net asset values (NAV) based on amortized cost. Investments in debt securities are reported at fair value based on pricing service models.

   <u>Depreciable life of property and equipment</u> - The depreciable life of property and equipment is set at the estimated useful life of the related asset group.

   <u>Net pension liability (asset)</u> - The Authority's agent measures its pension expense and net pension asset/liability based on approved demographic and economic assumptions approved by the Plan.

   Significant judgments made in making the estimate have taken into account all relevant information of which we are aware. Were applicable, the appropriate specialized skills or expertise has been applied in making the estimate. The assumptions listed above properly reflect our intent and ability to carry out the specific courses of actions previously communicated to you on behalf of the Authority. All disclosures related to the estimate, including disclosures describing estimation uncertainty, are complete and reasonable in the context of U.S. GAAP. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.

8. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.

9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

10. Management has followed applicable laws and regulations in adopting, approving and amending budgets.

11. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.

12. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.

13. The Authority has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.

14. Components of net position (net investment in capital assets, restricted, and unrestricted) are properly classified and, if applicable, approved.

15. The Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.

16. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.

17. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. We do not have any instances of suspected noncompliance with laws, regulations, and provisions of contracts and grant agreements whose effects should be considered by management when preparing the financial statements.

18. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2022, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:

a. GASB Statement No. 87, Leases

19. Except for the lease payable of $194,412 which was the result of GASB Statement No. 87 Leases, we have no knowledge of any uncorrected adjustments in the financial statements.

Information Provided

20. We have provided you with:

    a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

21. All transactions have been recorded in the accounting records and are reflected in the financial statements.

22. If applicable, we have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

23. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

24. We have no knowledge of allegations of fraud or suspected fraud affecting the Authority's basic financial statements involving:

    a. Management.

    b. Employees who have significant roles in internal control.

    c. Others where the fraud could have a material effect on the basic financial statements.

25. We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.

26. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

27. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

28. We have disclosed to you the identity of all of the Authority's related parties and all the related-party relationships and transactions of which we are aware.

29. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Authority's ability to record, process, summarize and report financial data.

30. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

31. We agree with the findings of the specialists in evaluating most recent Actuarial valuation for the net pension liability (asset) and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

32. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining net pension liability (asset) are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the specialist[s] with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan's actuary.

33. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

34. With respect to supplementary information presented in relation to the basic financial statements as a whole:

    a. We acknowledge our responsibility for the presentation of such information.

    b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

    c. The methods of measurement or presentation have not changed from those used in the prior period.

    d. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

35. With respect to Management's Discussion and Analysis and Required Supplementary Information - Pension presented as required by Governmental Accounting Standards to supplement the basic financial statements:

    a. We acknowledge our responsibility for the presentation of such required supplementary information.

b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

c. The methods of measurement or presentation have not changed from those used in the prior period.

Compliance Considerations
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

36. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.

37. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.

38. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements.

39. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

40. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.

41. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.

42. Is not aware of any programs and related activities subject to the compliance audit.

43. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the state of Texas *Uniform Grant Management Standards* (UGMS), we confirm:

1. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance and UGMS.

2. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal and state programs.

3. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal and state programs that provides reasonable assurance that the auditee is managing federal and state awards in compliance with federal and state

statutes, regulations, and the terms and conditions of the federal award that could have a material effect on its federal and state programs.

4. Management is responsible for the preparation of the schedule of expenditures of federal and state awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal and state awards in accordance with the Uniform Guidance and UGMS; believes the schedule of expenditures of federal and state awards, including its form and content, is fairly presented in accordance with the Uniform Guidance and UGMS; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and state awards.

5. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal and state awards and the auditor's report thereon.

6. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance and UGMS compliance audit.

7. Management has identified and disclosed to the auditor the requirements of federal and state statutes, regulations, and the terms and conditions of federal and state awards that are considered to have a direct and material effect on each major program.

8. Management has made available all federal and state awards (including amendments, if any) and any other correspondence relevant to federal and state programs and related activities that have taken place with federal agencies or pass-through entities.

9. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal and state awards or stated that there was no such noncompliance.

10. Management believes that the auditee has complied with the direct and material compliance requirements.

11. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal and state program financial reports and claims for advances and reimbursements.

12. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.

13. Management is aware of no communications from federal and state awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

14. There are no findings and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.

15. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stated that there were no such known instances.

16. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control have occurred subsequent to the period covered by the auditor's report.

17. Federal and state program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.

18. The copies of federal and state program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.

19. Management has charged costs to federal awards in accordance with applicable cost principles.

20. The reporting package does not contain protected personally identifiable information.

21. Management has accurately completed the appropriate sections of the data collection form.

22. If applicable, management has disclosed all contracts or other agreements with service organizations.

23. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

Central Texas Regional Mobility Authority

James M Bass

James M. Bass, Executive Director

José Hernandez

José Hernandez, Chief Financial Officer

Exhibit B

Basic Financial Statements

Central Texas Regional Mobility Authority

Basic Financial Statements
June 30, 2022

Contents

Financial Section

Basic Financial Statements

RSM US LLP

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

Opinions
We have audited the financial statements of the business-type activities and fiduciary activities of Central Texas Regional Mobility Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the Authority as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information—pension plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The indenture cash flow and debt service coverage is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the indenture cash flow and debt service coverage is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RSM US LLP

Austin, Texas
October 27, 2022

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

The Central Texas Regional Mobility Authority (the Authority) presents the following discussion and analysis of the Authority's financial activities during the fiscal year that ended June 30, 2022. This section is intended to be read in conjunction with the Authority's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of four parts: management's discussion and analysis, the basic financial statements, the notes to the financial statements and the required supplementary information.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Basic financial statements: The financial statements are designed to provide readers with an overview of the Authority's finances in a manner similar to private-sector business.

The S*tatements of Net Position* present information on all of the Authority's assets and deferred outflows, as well as the Authority's liabilities and deferred inflows with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. The Statements of Net Position can be found on pages 10-11 of this report.

The S*tatements of Revenues, Expenses and Changes in Net Position* present information showing how the Authority's net position changed during the fiscal year ended June 30, 2022. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. The increase or decrease in net position may serve as an indicator of the effect of the Authority's current year operations on its financial position. The Statements of Revenues, Expenses and Changes in Net Position can be found on page 12 of this report.

The *Statements of Cash Flows* summarize all of the Authority's cash flows into three categories as applicable: 1) cash flows from operating activities, 2) cash flows from capital and related financing activities and 3) cash flows from investing activities. The Statement of Cash Flows can be found on page 13 of this report. The Statements of Cash Flows, along with the related notes and information in other financial statements, can be useful in assessing the following:

- The Authority's ability to generate future cash flows
- The Authority's ability to pay its debt as the debt matures
- Reasons for the difference between the Authority's operating cash flows and operating income
- The impact of the Authority's financial position of cash and noncash transactions from investing, capital, and financing activities

Fiduciary Funds are used to account for resources that a government holds as a trustee or agent on behalf of an outside party that cannot be used to support the government's own programs. The Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position reports the assets, liability and related activity of the Nationwide Retirement Solutions Governmental Profit Sharing Plan and Trust Defined Contribution Plan and custodial funds held in trust for construction projects of other local governments. The fiduciary funds are reported using the economic resources measurement focus and are prepared on the accrual basis of accounting in conformity with U.S. Generally Accepted Accounting Principles. Contributions and income are recorded when earned and benefits and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. The Authority is reporting fiduciary fund financial statements in the following two fund categories:

Pension Trust Funds are used to report fiduciary activities that are pension plans and other post employment benefit plans that are administered through trust or other employee benefit plans for which resources are held in trusts that meet the criteria outlined by the Governmental Accounting Standards Board (GASB).

Custodial funds are used to report fiduciary activities for resources that are held in trust that meet the criteria outlined by GASB and that are not required to be reported in pension trust funds, investment trust fund or private purpose trust funds.

The *Notes to Financial Statements* provide additional information that is essential to a full understanding of the data provided in the basic financial statements. The Notes to Financial Statements can be found starting on page 16 of this report.

FINANCIAL HIGHLIGHTS – Business type activities

- Total operating revenue increased to $175.0 million in 2022 from $115.5 million in 2021 or a 52% increase.
- Total operating expenses were approximately $105.4 million and $79.9 million in 2022 and 2021, respectively.
- Total construction in progress was approximately $259.2 million and $154.7 million as of June 30, 2022 and 2021, respectively. Construction in progress increased from June 30, 2021 by approximately $104.6 million due to the start of the 183 North Project which is 9 miles of two variably-priced express lanes in each direction in the existing median along US 183 in northwest Austin. Additionally, the Authority approved and started the 183A Phase III project which will add 6 miles of three toll lanes in each direction.
- Total restricted cash and cash equivalents decreased from $777.5 million in 2021 to $745.2 million in 2022. The overall decrease in restricted cash and cash equivalent was largely due to spending on ongoing projects.

FINANCIAL ANALYSIS OF THE AUTHORITY

Net position: As noted above, net position may serve over time as a useful indicator of the Authority's financial position. The net position reflects an un-expendable and expendable portion of net position. The Authority's assets and deferred outflows exceeded liabilities and deferred inflows by approximately $620.9 million and $636.5 million as of June 30, 2022 and 2021, respectively (see Table A-1). As of June 30, 2022 and 2021, the largest portion of the Authority's net position is reflected its investment in capital assets (the Tolling System infrastructure and related assets) net of any outstanding debt used to acquire those assets. The restricted portion of net position, as of June 30, 2022 and 2021, is proceeds restricted for debt service or construction expenditures. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table A-1
Condensed Schedules of Net Position Information
(In Thousands of Dollars)

	2022	2021
Current assets	$ 327,427	$ 348,326
Restricted assets	827,966	936,104
Pension asset	2,549	592
Capital assets	2,136,294	2,056,506
Total assets	3,294,236	3,341,528
Deferred outflows of resources	180,258	130,771
Total assets and deferred outflows of resources	$ 3,474,494	$ 3,472,299
Total liabilities	2,851,754	2,835,355
Deferred inflows of resources	1,817	464
Total liabilities and deferred inflows of resources	2,853,571	2,835,819
Net position:		
Invested in capital assets	269,891	404,560
Restricted for other purposes	78,396	76,872
Unrestricted	272,636	155,048
Total net position	$ 620,923	$ 636,480

For fiscal year 2022, the restricted asset decrease is mainly attributable to ongoing projects which include the 183 North Project and 183A Phase III. For fiscal year 2021, restricted assets increased as a result of the Authority's ongoing financing for the construction of the Projects and the start of the 183A Phase III Project and the 183 North Project.

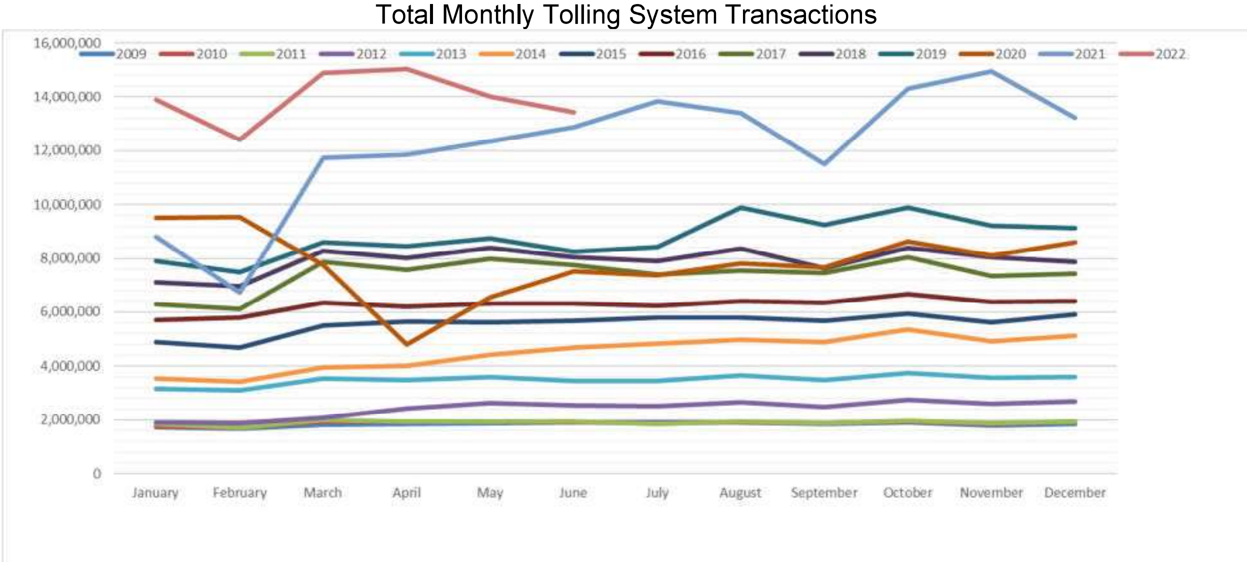
For fiscal year 2021 and 2022, excluding accumulated depreciation, depreciable capital assets increased from $2.15 billion to $2.18 billion, respectively, as a result of the ongoing construction and current period additions of approximately $27.6 million in fiscal year 2022.

Changes in net position: The operating revenues remained constant in 2022 compared to 2021. For 2022, the tolling activity increased significantly which increased tolling revenue by $59.5 million or 52%. For both 2022 and 2021, the tolling activity includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I, II and III), the SH 71 Express Project, SH 45 Southwest Project and 183 South Project. The average daily Tolling System transactions increased from approximately 326.8 thousand per day in 2021 to approximately 481.3 thousand per day in 2022 or from an annual transaction total of approximately 119.3 million to 175.6 million from 2021 to 2022. The total revenue increase in 2022 is attributable to the traffic rebounding above pre-pandemic level in 2022 compared to 2021.

Activity in the MoPac Improvement Project is not reflected in the total Tolling System transactions above. The MoPac Improvement Project is not included in the Authority's Tolling System established by the bond indenture securing the Authority's toll revenue obligations. For fiscal year 2022 and 2021, activity of the MoPac Improvement Project consisted of approximately 10.6 million and 6.7 million transactions, respectively, and approximately $9.7 million and $4.3 million in revenue, respectively.

The chart below includes transactions for the completed projects of the Authority's Tolling System for the period ending June 30, 2022 (which as of June 30, 2022, includes the 183A Turnpike Project (Phases I and II), the 290E Project (Phases I, II and III), the SH 71 Express Project, the SH 45 Southwest Project and 183 South Project.

Total Monthly Tolling System Transactions



As noted at Table A-2, operating expenses increased by $25.5 million from 2021 to 2022. The increases from 2021 to 2022 are related to the increase in the number of tolling transactions which result in additional expenses for road maintenance, license plate imaging and collection fees.

The nonoperating expenses (net) increased from $69.7 million in fiscal year 2021 to $86.1 million in fiscal year 2022. The increase is related to the refunding activity, additional interest expense and the new financing for the 183 North Project in 2022 compared to 2021.

The change in net position before capital grants and contributions is a loss of $16.1 million in 2022 and a loss of $34.1 million in fiscal year 2021. See Table A-2.

Table A-2
Condensed Schedules of Revenue, Expenses and Changes in Net Position Information
(In Thousands of Dollars)

	2022	2021
Revenues:		
Toll revenue	$ 174,812	$ 115,321
Other operating	227	159
Total revenues	175,039	115,480
Expenses:		
Administrative expenses	8,338	8,494
Operations and maintenance	30,681	23,826
Other operating expenses	7,514	7,026
Depreciation and amortization	58,885	40,555
Total expenses	105,418	79,901
Operating income	69,621	35,579
Total net nonoperating revenue (expenses)	(86,101)	(69,680)
Change in net position—before capital grants and contributions	(16,480)	(34,101)
Capital grants and contributions, net	923	852
Change in net position	(15,557)	(33,249)
Total net position at beginning of year	636,480	669,729
Total net position at end of year	$ 620,923	$ 636,480

FINANCIAL ANALYSIS OF THE AUTHORITY—FIDUCIARY ACTIVITIES

- Total assets in the pension trust fund remained constant in 2022 compared to 2021. Total assets are approximately 1.5 million for both 2022 and 2021.

- Total assets in the custodial fund decreased from $14.4 million in 2021 to $5.8 million in 2022. The decrease is the result of the ongoing county construction projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets: As of June 30, 2022, and 2021, the Authority had invested approximately $265.7 million and $154.6 million, respectively, in construction in progress. Of the total $154.6 million in FY 2021, the 183 North Project and the 183A Phase III Project incurred approximately $60.0 million in additions. Of the $265.7 million in FY 2022, the 183A Phase III and 183 North Project projects continued to incur Project cost. See Table A-3 and Note 3.

Table A-3
Capital Assets Information
(Net of Depreciation, in Thousands of Dollars)

	2022	2021
Property and equipment	$ 7,740	$ 7,339
Toll road	2,170,658	2,143,481
Accumulated depreciation	(307,813)	(248,986)
Construction in progress	265,709	154,672
Net capital assets	$ 2,136,294	$ 2,056,506

Long-term debt: As of June 30, 2022, and 2021, the Authority had total debt outstanding of approximately $2.75 billion, and $2.73 billion, respectively. See Table A-4.

Table A-4
Long Term Debt Information
(In Thousands of Dollars)

	2022	2021
Long-term debt:		
Total bonds and other obligations	$ 2,750,132	$ 2,731,436
Long term debt outstanding	$ 2,750,132	$ 2,731,436
Debt service payments:		
Principal payments	$ 27,211	$ 17,341
Interest payments	77,720	57,489

Excluding the TxDOT Reimbursement Amount obligation related to the SH 71 Express Project, the total debt obligations include the current portion of the obligations, which totaled $26.2 million and $90.5 million, for 2022, and 2021, respectively.

Additional information on the Authority's long-term debt can be found in Note 4 of this report.

On September 28, 2021, Moody's Investors Service has upgraded the Authority's senior lien revenue bonds to A3 from Baa1, the Authority's subordinate lien TIFIA bonds to A3 from Baa1 and the Authority's remaining subordinate lien revenue bonds to Baa1 from Baa2.

Economic Factors and Next Year's Budget

The FY 2023 Operating Budget reflects a conservative return-to-normal from the scaled back budget for the prior year. Activity on the roadways, as reflected in the uptick in transactions is driving this approach. The revenue estimate for FY 2023 of $184.9 million is an approximate 19.8% increase of the FY 2022 budget. The revenues were projected using the most recent System Transaction and Revenue (T&R) Estimates, historic data, and recent transactions. Expense estimates for FY 2023 are $212.5 million, representing an 8.6% increase of the FY 2022 budget. The FY 2023 Operating Budget reflects a conservative approach to the region's economy and escalating debt service balance with maintaining coverage requirements as prescribed in the CTRMA indenture. Inflation increases have brought upward pressure on materials and labor necessary for achieving the ongoing construction, maintenance and operation of the organization.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority, 3300 North IH 35, Suite 300, Austin, 78705.

Central Texas Regional Mobility Authority

Statement of Net Position
June 30, 2022

Current assets:	
Unrestricted:	
Cash and cash equivalents (Note 2)	$ 90,089,579
Investments (Note 2)	96,766,386
Due from other governments (Note 8)	19,217,740
Accrued interest receivable	695,361
Prepaid expenses and other assets	128,063
Total unrestricted	206,897,129
Restricted:	
Cash and cash equivalents (Note 2)	120,529,425
Total restricted	120,529,425
Total current assets	327,426,554
Noncurrent assets:	
Restricted assets:	
Cash and cash equivalents (Note 2)	624,686,465
Investments (Note 2)	203,279,998
Total restricted assets	827,966,463
Net pension asset (Note 7)	2,549,818
Total capital assets, net (Note 3)	2,136,293,803
Total assets	3,294,236,638
Total deferred outflows of resources (Notes 5 and 7)	180,257,678
Total assets and deferred outflows of resources	$ 3,474,494,316

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Net Position (Continued)
June 30, 2022

Current liabilities:	
Payable from current assets:	
Accounts payable	$ 3,466,462
Due to other governments	3,200,392
Accrued expenses	683,797
Total payable from current assets	7,350,651
Payable from restricted current assets:	
Construction accounts payable	53,258,228
Accrued interest payable	41,012,840
Bonds, notes payable and other obligations, current portion (Note 4)	26,258,357
Total payable from restricted current assets	120,529,425
Total current liabilities	127,880,076
Noncurrent liabilities:	
Bonds, notes payable and other obligations, net of current portion (Note 4)	2,723,873,806
Total noncurrent liabilities	2,723,873,806
Total liabilities	2,851,753,882
Total deferred inflows of resources (Notes 5 and 7)	1,817,481
Total liabilities and deferred inflows of resources	2,853,571,363
Net position:	
Net investment in capital assets	269,890,715
Restricted for net pension asset	1,701,250
Restricted for debt service	76,695,425
Unrestricted	272,635,563
Total net position	$ 620,922,953

Central Texas Regional Mobility Authority

Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2022

Operating revenues:	
Tolls	$ 174,811,965
Other operating	226,580
Total operating revenues	175,038,545
Operating expenses:	
Administrative expenses	8,337,566
Operations and maintenance	30,680,940
Other operating expenses	7,513,534
Depreciation and amortization	58,885,263
Total operating expenses	105,417,303
Operating income	69,621,242
Nonoperating revenues (expenses):	
Interest income	1,398,431
Undeveloped project loss	(3,224,417)
Financing expense	(4,869,264)
Interest expense	(79,405,848)
Total nonoperating revenues (expenses), net	(86,101,098)
Change in net position before capital grants and contributions	(16,479,856)
TxDOT capital grants and contributions	922,679
Change in net position	(15,557,177)
Total net position at beginning of year,	636,480,130
Total net position at end of year	$ 620,922,953

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Cash Flows
Years Ended June 30, 2022

Cash flows from operating activities:	
Receipts from toll fees	$ 176,651,334
Receipts from other income	226,580
Payments to vendors	(44,693,938)
Payments to employees	(5,446,375)
Net cash flows provided by operating activities	126,737,601
Cash flows from capital and related financing activities:	
Contributions on refunded obligations	(11,511,614)
Payments on interest	(77,720,830)
Payments on obligations	(27,211,146)
Payments for capital assets	(6,228,012)
Payments for construction in progress	(145,687,030)
Proceeds from capital grants	922,679
Net cash flows used in capital and related financing activities	(267,435,953)
Cash flows from investing activities:	
Interest income	1,398,431
Purchase of investments	(513,865,747)
Proceeds from sale or maturity of investments	647,913,376
Net cash flows provided by investing activities	135,446,060
Net decrease in cash and cash equivalents	(5,252,292)
Cash and cash equivalents at beginning of year	840,557,761
Cash and cash equivalents at end of year	$ 835,305,469
Reconciliation of change in net position to net cash provided by operating activities:	
Operating income	$ 69,621,242
Adjustments to reconcile change in net position to net cash provided by operating activities:	
Depreciation and amortization	58,885,263
Changes in assets and liabilities:	
Increase in due from other governments	1,650,547
Increase in prepaid expenses and other assets	25,833
Increase (decrease) in accounts payable	(343,630)
Increase (decrease) in accrued expenses	(2,523,672)
Increase (decrease) in pension asset	(1,958,571)
Increase in deferred outflow of resources	(47,279)
Decrease in deferred inflow of resources	1,427,868
Total adjustments	57,116,359
Net cash flows provided by operating activities	$ 126,737,601
Reconciliation of cash and cash equivalents:	
Unrestricted cash and cash equivalents	$ 90,089,579
Restricted cash and cash equivalents:	
Current	120,529,425
Noncurrent	624,686,465
Total	$ 835,305,469

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Fiduciary Net Position—Fiduciary Funds
June 30, 2022

	Pension Trust Fund	Custodial Fund
Assets:		
Restricted:		
Cash and cash equivalents (Note 2)	$ -	$ 5,794,522
Investments (Note 2):		
Collective Investment Fund	1,526,798	-
Total assets	1,526,798	5,794,522
Payable:		
Account payable	-	525,448
	-	525,448
Net position:		
Restricted:		
Other governments	-	5,269,074
Pension	1,526,798	-
Total net position	$ 1,526,798	$ 5,269,074

See notes to financial statements.

Central Texas Regional Mobility Authority

Statement of Changes in Fiduciary Net Position—Fiduciary Funds
Year Ended June 30, 2022

	Pension Trust Fund	Custodial Fund
Additions:		
Contributions:		
Employer	$ 172,106	$ -
Total contributions	172,106	-
Investment earnings:		
Net increase in fair value of investments	219,932	-
Interest and dividends	51,170	7,399
Other additions		
Deposits from other governments	-	450,834
Total additions	443,208	458,233
Deductions:		
Benefits paid to participants and beneficiaries	985,493	-
Construction withdrawals other governments	-	8,003,476
Total deductions	985,493	8,003,476
Net decrease in fiduciary net position	(542,285)	(7,545,243)
Net position, beginning	2,069,083	12,814,317
Net position, ending	$ 1,526,798	$ 5,269,074

See notes to financial statements.

Note 1. Organization and Summary of Significant Accounting Policies

The financial statements of the Central Texas Regional Mobility Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

A. Reporting entity: The Authority was authorized by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the Texas Department of Transportation (TxDOT). The Authority receives its revenues from tolls, fees and reimbursement grants from the operation of turnpike projects and reimbursement grants for the construction of toll projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

The Authority was formed through the joint efforts of Travis and Williamson Counties (the Counties). Their efforts began in September 2002, following the enactment of provisions by the 77th Texas Legislature authorizing the formation of regional mobility authorities (RMAs). The petition to form the Authority was filed by the Counties, and the Texas Transportation Commission granted approval for its formation in October 2002. The initial meeting of the Board of Directors (the Board) of the Authority was held in January 2003. Each County appoints three directors, and the Governor appoints the presiding officer. The members are appointed in belief that the composition of the Board and the common interest in the region shared by all Board members will result in adequate representation of all political subdivisions within the geographic area of the RMA and the members will serve without pay for terms of two years. The Authority has full control over all operations, but must comply with certain bond indentures and trust agreements. The Authority employs an Executive Director who manages the day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has determined there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

Effective July 1, 2019, the Authority adopted new accounting guidance by implementing the provisions of GASB Statement No. 84*, Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. The implementation of this statement requires the reporting of fiduciary activities in the fiduciary fund financial statements of the basic financial statements because (a) their related assets are controlled by the government or (b) fiduciary component units have been identified through the component unit evaluation.

In accordance with the provisions of GASB Statement No. 84*, Fiduciary Activities*, the Authority determined that reporting a statement of fiduciary net position and a statement of changes in fiduciary net position in the fiduciary fund financial statements of the basic financial statements would be appropriate for the following funds that meet the outlined criteria:

Pension Trust Funds are used to report fiduciary activities, on a calendar year basis or December 31, that are pension plans and other post employment benefit plans that are administered through trust or other employee benefit plans for which resources are held in trusts that meet the criteria outlined by GASB.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

Custodial funds are used to report fiduciary activities for resources that are held in trust that meet the criteria outlined by GASB and that are not required to be reported in pension trust funds, investment trust funds or private purpose trust funds.

B. Basis of accounting: The operations of the Authority are accounted for within a single proprietary (enterprise) fund through which all non-fiduciary financial activities are recorded. The measurement focus for an enterprise fund is the flow of economic resources. An enterprise fund follows the accrual basis of accounting. With this measurement focus, all assets, liabilities and deferred inflows and outflows of resources associated with the operations are included on the Statements of Net Position. Net position (i.e., total assets and deferred outflows net of total liabilities and deferred inflows) is segregated into amounts of net investment in capital assets, amounts restricted for capital activity and debt service pursuant to the bond indenture and amounts which are unrestricted. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which the liability is incurred regardless of the timing of related cash flows, and depreciation of capital assets is recognized. Revenue from grants and contracts specifying allowable costs to be incurred are recognized as revenue when all eligibility requirements imposed by the provider are met and qualifying expenditures have been incurred.

The fiduciary fund financial statements of the Pension Plan and the Custodial Fund are reported using the economic resources measurement focus and are prepared on the accrual basis of accounting in conformity with U.S. GAAP. Contributions and income are recorded when earned and benefits and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

C. Pledged revenue: In accordance with the bond indenture, as amended, between the Authority and the trustee named therein, the Authority has designated the following projects as part of the “CTRMA Turnpike System” (the Tolling System) as of June 30, 2022: the 183A Turnpike Project, the 290E Project, the 183 South Project, the SH 71 Express Project and the SH 45 Southwest Project. The trust estate established by the bond indenture is pledged to secure certain outstanding obligations of the Authority, and such trust estate includes the revenues from the Tolling System. The Tolling System may also include any future Project and other roads, bridges or other toll facilities for which the Authority has operational responsibility that the Authority designates as part of the Tolling System by official action of its Board of Directors.

D. Cash, cash equivalents and investments: Cash and cash equivalents include cash on hand, demand deposits, investments in the money market mutual fund and short-term investments with original maturities of three months or less from the date of acquisition. Bank deposits are fully collateralized or covered by federal depository insurance. Investments in debt securities are reported at fair value based on pricing service modeling for fixed income securities. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants. Investment in local government investment pools is reported at amortized cost. The net change in fair value of investments is recorded on the Statements of Revenues, Expenses and Changes in Net Position and includes the unrealized and realized gains and losses on investments. The Authority’s investment practices for the enterprise fund and the custodial fund are governed by State statutes, the Authority’s own investment policy and bond indentures and the Texas Public Funds Investment Act. The Pension Trust Fund investments are restricted by investment options provided in the Collective Investment Fund.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

E. Compensated absences: Full-time regular employees are eligible for vacation, which accrues monthly. The maximum paid accrual is from 180 hours for one to two years of service up to 336 hours for 10 plus years of service. Vested vacation leave is recorded as an expense and a liability as the benefits accrue to employees. Except for executive level benefits which allows for vesting, there are no accumulating sick leave benefits that vest for which any liability must be recognized. Accrued vacation leave on the Statements of Net Position is $268,014 as of June 30, 2022.

F. Capital assets: Capital assets, which include property and equipment, right of way and toll roads, are reported at cost. Capital assets acquired through contributions, such as those from developers or other governments, are recorded at estimated acquisition value at the date of donation. Capital assets are defined as assets with initial, individual costs exceeding $500 to $20,000, depending on the asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

	Estimated Useful Lives
Roads and bridges	40 years
Improvements	5-20 years
Buildings	20-30 years
Equipment	3-10 years

A full month's depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, the cost and accumulated depreciation are removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations.

The Authority evaluates for impairment of capital assets when significant unexpected decline in service utility occurs. There were no asset impairments in fiscal year 2022.

G. Grants and contributions: Revenues from grants and contributions are cash and noncash which include the following: (1) Capital grants and contributions which are restricted revenues whose resources may only be spent to purchase, build or use capital assets for specified programs or (2) Operating grants and contributions which are restricted in the way they may be spent for operations of a particular program.

The Authority has entered into several construction contracts with TxDOT for the construction of roadways using Highway Planning and Construction federal funding and certain state funding for transportation improvements. During the years ended June 30, 2022, the Authority recognized capital grants and contributions of approximately $0.923 million, from TxDOT. Revenues from federal and state cost reimbursement grants and contracts are recognized as earned when all eligibility requirements, including incurring allowable expenditures, have been met.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

H. Restricted assets: Certain assets of the Authority are classified as restricted assets in the Statement of Net Position because their use is limited by applicable bond covenants or TxDOT construction contracts. When the proceeds are restricted for the acquisition or construction of noncurrent assets or are restricted for liquidation of long-term debt, they are further classified as noncurrent restricted assets. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. In the financial statements, restricted net position is reported for amounts that are externally restricted by creditors (e.g., bond covenants), grantors, contributors or laws and regulations of other governments or law through constitutional provision or enabling legislation.

I. Income taxes: The Authority is an instrumentality of the state of Texas. As such, income earned in the exercise of its essential government functions is exempt from federal income taxes.

J. Pensions: The net pension liability, deferred outflows and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Authority's participation in the Texas County and District Retirement System (TCDRS), an Agent Plan, and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized in the TCDRS net pension liability calculations when due and payable in accordance with the benefit terms. The investments are stated at fair value.

K. Deferred outflows and inflows of resources: The Authority has classified as deferred inflows of resources items that represent acquisition of net position that applies to future periods and will not be recognized as a revenue until then. The Authority has classified as deferred outflows of resources certain items that represent a consumption of resources that applies to a future period and, therefore, will not be recognized as an expense until then. Bond issuance cost, other than prepaid insurance, is expensed as incurred, in accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Deferred gains/losses on refunding (the difference between the reacquisition price and the carrying value of the existing debt) are recorded as deferred outflows of resources and amortized over the shorter of the life of the original bonds or the life of the refunding bonds.

L. Long-term obligations: Long-term obligations are reported as liabilities in the statement of net position and consist of notes and bonds payable and related premiums and discounts. The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to interest expense using the effective interest method.

Note 1. Organization and Summary of Significant Accounting Policies (Continued)

M. Classification of operating and nonoperating revenue and expenses: The Authority defines operating revenues and expenses as those revenues and expenses generated by the Authority's Tolling System (the 183A Turnpike Project, the 290E Project, the 183 South Project, the operations of the SH 71 Express Project and the SH 45 Southwest Project) and non-Tolling System (the MoPac Improvement Project). It also includes all revenues and expenses not related to capital and related financing, noncapital financing or investing activities. This definition is consistent with the Codification of Governmental Accounting and Financial Reporting Standards, which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, noncapital financing or investing activities. All revenues and expense not meeting this definition are reported as nonoperating revenue and expenses.

N. Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and the accompanying notes. Actual results could differ from those estimates.

O. Noncash disclosures for statements of cash flows*:* The Authority's outstanding 2021A TIFIA Bonds and the capital appreciation bonds Series 2010 and 2011 included accreted interest of $29.8 million and $7.4 million, respectively for the period ended June 30, 2022. The Authority issued its Senior Lien Revenue Refunding Bonds, Series 2021D and its Senior Lien Revenue Refunding Bonds, Taxable Series 2021E in the amount of $615.4 million with a premium of $44.9 million (the Refunding Bonds). The Refunding Bonds defeased a portion of other obligations and placed into escrow approximately $660.1 million and pay certain issuance cost of $4.5 million. The Authority also refunded a portion of the 2018 Series Bond Anticipation Notes in the amount of $38.6 million and the 2017 Mopac Note in the amount of $24.9 million.

P. Issued but not yet effective pronouncements: In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The Authority does not have statutory authority to execute these agreements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on accounting and financial reporting for subscription based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The Authority is evaluating the impact that adoption of this Statement will have on its financial position, results of operations and cash flows.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement clarifies the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this statement are effective for financial statements for reporting periods beginning after December 15, 2023. The Authority is evaluating the impact that adoption of this Statement will have on its financial position, results of operations and cash flows.

Note 2. Cash and Investments

The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, state statutes and bond indenture provisions by qualifying the broker or financial institution with whom the Authority will transact business, maintaining sufficient collateralization, portfolio diversification and limiting maturities.

TexSTAR Investment Pool and Goldman Sachs Fund balances are carried at amortized cost, which does not require categorization under GASB Statement No. 72, *Fair Value Measurements and Application*.

The Authority's enterprise fund had the following investments as of June 30:

Summary of Investments by Type	2022
Cash and cash equivalents:	
Cash	$ 4,034,225
Goldman Sachs Financial Square Treasury Obligations Fund	831,271,244
TexSTAR Investment Pool	187,961,208
U.S. government sponsored enterprises and treasury notes	112,085,176
Total cash and investments	$ 1,135,351,853
Unrestricted cash and cash equivalents	$ 90,089,579
Unrestricted investments	96,766,386
Restricted cash and cash equivalents:	
Current	120,529,425
Noncurrent	624,686,465
Restricted investments	203,279,998
Total cash and cash equivalent and investment, as reported on the Statement of Net Position	$ 1,135,351,853

The Authority utilizes various methods to measure the fair value of investments on a recurring basis. GASB Statement No. 72, *Fair Value Measurement and Application*, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are:

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Authority has the ability to access.

Level 2: Inputs are observable other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3: Inputs are unobservable for the asset or liability, to the extent relevant observable inputs are not available, representing the Authority's own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Note 2. Cash and Investments (Continued)

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets, and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments measured at net asset value do not have significant terms or conditions for redemption or commitment for additional funding. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

The following tables summarize the inputs used as of June 30, 2022, for the Authority's investments measured at fair value:

	Fair Value Hierarchy at June 30, 2022			
Investment Type	Level 1	Level 2	Level 3	Balance
Farmer MAC	$ -	$ 112,085,176	$ -	$ 112,085,176
Total U.S. government sponsored enterprise securities and treasury notes	$ -	$ 112,085,176	$ -	112,085,176
Investments at net asset value (NAV) based on amortized cost:				
Goldman Sachs Financial Square Treasury Obligations Fund				831,271,244
TexSTAR Investment Pool				187,961,208
Total				$ 1,131,317,628

Custodial credit risk—deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. The Authority has a formal policy specific to custodial credit risk, which requires bank deposit accounts to be collateralized with pledged securities equal to 105% of the carrying value.

Note 2. Cash and Investments (Continued)

The Authority was fully collateralized with pledged securities held in the name of the pledging financial institution for amounts in excess of the Federal Deposit Insurance Corporation limit as of June 30, 2022. Cash deposits as of June 30, 2022, is $4,034,227.

Custodial credit risk—investments: Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority and are held by the counterparty, its trust or agent, but not in the Authority's name. The Authority's investment securities are not exposed to custodial credit risk because all securities are held by the Authority's custodial bank in the Authority's name.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: United States Treasury and federal agency issues, certificates of deposit issued by a state or national bank domiciled in the state of Texas, repurchase agreements collateralized by United States Treasury or federal agency securities, guaranteed investment contracts (GICs), obligations of states and municipalities, Securities and Exchange Commission (SEC) registered no-load money market mutual funds and local government investment pools. The Authority does not have a specific investment policy related to concentration of credit risk. The Authority does have a policy related to portfolio diversification.

With regards to investment composition, the Authority's investment policy currently states that local government investment pools may not exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100% of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

The Authority's portfolio consisted of the following as of June 30:

	2022	
TexSTAR Investment Pool	$ 187,961,208	16.6%
Goldman Sachs Financial Square		
Treasury Obligations Fund	831,271,244	73.5%
Farmer MAC	112,085,176	9.9%
Total	$ 1,131,317,628	

Interest rate risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio.

Note 2. Cash and Investments (Continued)

The Authority's investment policy notes that with regard to maximum maturities, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest operating or general funds in securities maturing more than 16 months from the date of purchase, unless approved by the Authority's Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project. Reserve funds may be invested in securities exceeding 12 months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

As of June 30, 2022, the Authority's investments in debt securities mature as follows:

	Investment Maturities (in Days)—2022				
Investment Type	90 Days or Less	91 to 180 Days	191 to 365 Days	Greater Than 365 Days	Fair Value
Farmer MAC	$ 112,085,176	$ -	$ -	$ -	$ 112,085,176
Total U.S. government sponsored enterprise securities and treasury notes	$ 112,085,176	$ -	$ -	$ -	$ 112,085,176

Local Government Investment Pool: The Texas Short-Term Asset Reserve Fund (TexSTAR) is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Chapter 791, of the Texas Government Code, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. TexSTAR is managed by a 5-member board of trustees who has contracted with JPMorgan Investment Management, Inc. and First Southwest Asset Management, Inc. to administer the operations of the fund. TexSTAR is rated AAA by Standard & Poor's and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice.

The Authority has investments of $187.96 million in TexSTAR as of June 30, 2022.

Money market mutual fund: The Goldman Sachs Financial Square Treasury Obligations Fund is a government money market fund. The fund values its securities using net asset value and is rated Aaa by Moody's. The fund has a balance of $831.2 million as of June 30, 2022. The redemption frequency is one day and there are no unfunded commitments.

Note 2. Cash and Investments (Continued)

Credit risk: Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

- Limiting investments to the safest types of securities, as listed above under the concentration of credit risk section
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business

The Authority's investments had the following credit risk structure as of June 30, 2022, based on Standard & Poor's ratings:

U.S. Government Sponsored Enterprise	Standard & Poor's Investment Grade Rating	2022
Farmer MAC	Not Rated	$ 112,085,176
Total		$ 112,085,176

Fiduciary Fund Investments
As of June 30, 2022, the investments in the Pension Trust Fund totaled $1,526,798. The investments are held in Nationwide Collective Investment Fund and are reported at fair value. The investments are level 2 investments in that the Collective Investment Fund uses observable market data for the underlying investments that support the Collective Investment Fund to determine the fair value net of applicable contract fees.

As of June 30, 2022, the Custodial Fund investment in Goldman Sachs totaled $5,794,522. The Goldman Sachs Financial Square Treasury Obligations Fund is a government money market fund. The fund values its securities using net asset value. The fund is rated Aaa by Moody's as of June 30, 2022. The redemption frequency is one day and there are no unfunded commitments.

The following address interest rate risk exposure by investment type, concentration of credit risk, credit risk and foreign currency risk. Investments held by the Plan are recorded at fair value. All assets held by the Plan are held in irrevocable trusts. The Pension Trust Fund investments are restricted by investment options provided in the Collective Investment Fund.

The Custodial Fund assets are invested in accordance with the investment policy of the Authority. Accordingly, the interest rate risk exposure by investment type, concentration of credit risk, credit risk and foreign currency risk are addressed with the Authority's disclosure for amount held in Goldman Sachs of $5.7 million.

Note 2. Cash and Investments (Continued)

Interest rate risk: Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. The Plan does not have an interest rate risk policy. However, the investments held in the Plan are not exposed to interest rate risk as of June 30, 2022.

Credit risk: Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan does not have a credit risk policy. However, the investments held in the Plan are not exposed to credit risk as of June 30, 2022.

Concentration of credit risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan's investment in a single issuer. The Plan does not have a concentration of credit risk policy. However, the Plan does not have concentration of credit risk as of June 30, 2022.

Foreign currency risk: The Plan does not have a foreign currency risk policy. There were no nondollar foreign investments held directly as of June 30, 2022.

Note 3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2022:

	2021	Additions	Disposals/ Adjustments	Transfers	2022
Nondepreciable assets:					
Construction in progress	$ 154,673,554	$ 135,645,302	$ (3,260,441)	$ (21,349,442)	$ 265,708,973
Right of way	88,149,606	-	-	-	88,149,606
Total nondepreciable assets	242,823,160	135,645,302	(3,260,441)	(21,349,442)	353,858,579
Depreciable assets:					
Property and equipment	7,339,466	460,257	(59,733)	-	7,739,990
Toll road:					
Building and toll facilities	7,062,332	-	-	-	7,062,332
Highways and bridges	1,972,058,424	3,562,737	-	21,349,442	1,996,970,603
Toll equipment	43,685,923	1,814,117	-	-	45,500,040
Signs	18,280,941	450,603	-	-	18,731,544
Land improvements	14,243,759	-	-	-	14,243,759
Total depreciable assets	2,062,670,845	6,287,714	(59,733)	21,349,442	2,090,248,268
Accumulated depreciation:					
Property and equipment	(4,146,461)	(1,578,816)	13,591	-	(5,711,686)
Building and toll facilities	(2,468,566)	(176,748)	-	-	(2,645,314)
Highways and bridges	(209,414,052)	(51,107,618)	-	-	(260,521,670)
Toll equipment	(21,209,880)	(4,074,433)	-	-	(25,284,313)
Signs	(4,589,000)	(1,016,571)	-	-	(5,605,571)
Land improvements	(7,159,556)	(884,934)	-	-	(8,044,490)
Total accumulated depreciation	(248,987,515)	(58,839,120)	13,591	-	(307,813,044)
Net property and equipment	$ 2,056,506,490	$ 83,093,896	$ (3,306,583)	$ -	$ 2,136,293,803

Construction in progress as of June 30, 2022, consists of the following:

	2021	Additions	Disposals	Transfers	2022
Construction in progress:					
Preliminary and construction costs	$ 141,448,357	$ 130,717,832	$ (3,260,441)	$ (21,349,442)	$ 247,556,306
Collection system	7,868,693	4,927,470	-	-	12,796,163
Capitalized interest	5,356,504	-	-	-	5,356,504
Net construction in progress	$ 154,673,554	$ 135,645,302	$ (3,260,441)	$ (21,349,442)	$ 265,708,973

Including amortization expense, depreciation expense for the years ended June 30, 2022, totaled $58,885,262.

Note 3. Capital Assets (Continued)

As of June 30, 2022, the Authority has the following other non-Tolling System capital assets (capital assets other than the 183A Turnpike Project, 45SW, the 290E Project, the 183 South Project and the SH 71 Express Project) in operation:

	2022
Capital assets in non-Tolling System projects:	
Building and toll facilities, net of depreciation	$ 214,564,357
Toll equipment, net of depreciation	2,799,110
Total non-Tolling System projects	$ 217,363,467

Note 4. Notes and Bonds Payable

The following schedule summarizes total notes and bonds payable for the year ended June 30, 2022:

	2021	Additions/ Accretion	Amortization/ Deductions	2022	Due Within One Year
Series 2010 Obligations (CAB bonds)	$ 34,999,710	$ -	$ -	$ 34,999,710	$ -
Series 2010 CAB accretion	46,306,635	6,295,707	-	52,602,342	-
Total 2010 Obligations	81,306,345	6,295,707	-	87,602,052	-
Series 2011 Obligations (CAB Bonds)	9,999,944	-	(480,449)	9,519,495	1,868,357
Series 2011 CAB accretion	8,566,062	1,158,928	(404,551)	9,320,439	-
Total 2011 Obligations	18,566,006	1,158,928	(885,000)	18,839,934	1,868,357
Series 2013 Obligations	12,400,000	-	(6,200,000)	6,200,000	6,200,000
Series 2015A Bonds	298,790,000		(288,790,000)	10,000,000	-
Total 2015 Obligations	298,790,000	-	(288,790,000)	10,000,000	-
Sub Lien Refunding Bonds, Series 2016	73,055,000	-	(450,000)	72,605,000	1,170,000
Sr. Lien Refunding Bonds, Series 2016	348,295,000	-	(277,505,000)	70,790,000	11,450,000
Total 2016 Obligations	421,350,000	-	(277,955,000)	143,395,000	12,620,000
Sr. Lien Revenue Bonds, Series 2018	44,345,000	-	-	44,345,000	-
Sub Lien Revenue BANs, Series 2018	46,020,000	-	(46,020,000)	-	-
Total 2018 Obligations	90,365,000	-	(46,020,000)	44,345,000	-
Sr. Lien Revenue Bonds, Series 2020	217,425,000	-	-	217,425,000	-
Sub Lien Revenue BANs, Series 2020	110,875,000	-	-	110,875,000	-
Sr. Lien Refunding Bonds, Series 2020	194,640,000	-	(605,000)	194,035,000	630,000
Sub Lien Refunding Bonds, Series 2020	161,275,000	-	(1,125,000)	160,150,000	1,140,000
Total 2020 Obligations	684,215,000	-	(1,730,000)	682,485,000	1,770,000
Sub Lien Revenue Bonds, Series 2021A-TIFIA (183S)	304,684,652	7,293,214	-	311,977,866	-
Sub Lien Revenue Bonds Series, 2021A-TIFIA (290E)	-	39,325,835	-	39,325,835	
Sr. Lien Revenue Bonds, Series 2021B	255,075,000	-	-	255,075,000	-
Sub Lien Revenue BANs, Series 2021C	244,185,000	-	-	244,185,000	-
Senior Lien Revenue Bonds, Series 2021E	-	340,765,000	(5,155,000)	335,610,000	3,025,000
Senior Lien Revenue Bonds, Series 2021D	-	274,625,000	-	274,625,000	475,000
Total 2021 Obligations	803,944,652	662,009,049	(5,155,000)	1,460,798,701	3,500,000
71E Toll Project Obligation	57,263,411	-	(2,186,146)	55,077,265	-
2017 MoPac Note	24,990,900	-	(24,990,900)	-	-
2022 MoPac Note	-	24,990,900	-	24,990,900	300,000
Total Other Obligations	82,254,311	24,990,900	(27,177,046)	80,068,165	300,000
Total notes, bonds and other obligations payable	2,493,191,314	694,454,584	(653,912,046)	2,533,733,852	26,258,357
Net premium (discount) on revenue bonds payable	238,244,837	(911,478)	(20,935,049)	216,398,310	-
Total notes, bonds and other obligations payable, net	2,731,436,151	$ 693,543,106	$ (674,847,095)	2,750,132,162	$ 26,258,357
Less current maturities of notes and bonds payable	(90,476,349)			(26,258,357)	
Total	$ 2,640,959,802			$ 2,723,873,805	

Note 4. Notes and Bonds Payable (Continued)

The Series 2010 Obligations, the Series 2011 Obligations, the Series 2013 Obligations, the Series 2015 Obligations, the Series 2016 Obligations, the Series 2018 Obligations, the Series 2020 Obligations, and the Series 2021 Obligations each as further described below, were issued or incurred by the Authority pursuant to a bond indenture between the Authority and the trustee named therein, and are secured by and payable from the trust estate established thereby, in the manner described in and subject to the terms and conditions of the bond indenture. The trust estate established by the bond indenture includes the revenues from the Tolling System. The Authority is required to establish and maintain toll rates in connection with the Tolling System as shall be sufficient to satisfy its rate covenant under the bond indenture.

Series 2010 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2010 (Series 2010 Bonds or Series 2010 Obligations) on March 11, 2010. The outstanding Series 2010 Bonds were issued as capital appreciation bonds (CABs).

The proceeds of the Series 2010 Bonds were used to (i) finance a portion of the costs of the 183A Phase II Project; (ii) refund and redeem certain outstanding obligations of the Authority; (iii) pay capitalized interest with respect to the Series 2010 Bonds; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2010 Bonds.

The Series 2010 Bonds are scheduled to mature in 2025 through 2040 at an aggregated maturity amount of $176.1 million. The principal amount of $34.9 million of the Series 2010 Bonds represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2022.

Interest on the Series 2010 Bonds will accrete from the date of initial delivery to stated maturity at rates ranging from 7.20% to 7.85% and will compound on each July 1 and January 1, commencing July 1, 2010. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

The amount of accumulated accreted interest on the Series 2010 Bonds as of June 30, 2022, was $52.6 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

Series 2011 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2011 (Series 2011 Bonds or Series 2011 Obligations) on June 29, 2011. The outstanding Series 2011 Bonds were issued as capital appreciation bonds (CABs).

The proceeds of the Series 2011 Obligations were used to (i) prepay and redeem certain outstanding obligations of the Authority; (ii) finance a portion of the costs of the 290E Phase II Project and as otherwise authorized in the Indenture; (iii) pay capitalized interest with respect to the Series 2011 Bonds; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2011 Bonds.

The Series 2011 Bonds are scheduled to mature in 2023 through 2026 at an aggregated maturity amount of $22.1 million. The principal amount of $9.9 million for the Series 2011 Bonds represents the total amount of outstanding principal before the accreted and compounded interest as of June 30, 2022.

Interest on the Series 2011 Bonds will accrete from the date of initial delivery to stated maturity at rates ranging from 5.9% to 6.5% and will compound on each July 1 and January 1, commencing July 1, 2011. Such accreted and compounded interest will be paid as part of the maturity amount at stated maturity.

Note 4. Notes and Bonds Payable (Continued)

The amount of accumulated accreted interest on the Series 2011 Bonds as of June 30, 2022 was $9.3 million. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

Series 2013 Obligations: The Authority issued its Senior Lien Revenue Refunding Bonds, Series 2013A (Series 2013A Senior Lien Bonds), and Subordinate Lien Revenue Refunding Bonds, Series 2013 (Series 2013 Subordinate Lien Bonds), collectively called the Series 2013 Obligations, on May 16, 2013.

The proceeds of the Series 2013 Obligations were used to (i) refund and redeem certain outstanding obligations of the Authority; (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2013 Obligations.

The Series 2013A Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2023. Interest on the Series 2013A Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2013A Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2022, the outstanding principal amount was $3.4 million.

The Series 2013 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2023. Interest on the Series 2013 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at the rate of 5%. Interest on the Series 2013 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013. As of June 30, 2022, the outstanding principal amount was $2.7 million.

Series 2015 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2015A (Series 2015A Bonds or Series 2015 Obligations) on November 19, 2015.

The proceeds of the Series 2015A Bonds were used to (i) finance and refinance the costs of designing, engineering, developing and constructing the 183 South Project; (ii) refund and redeem certain outstanding obligations of the Authority; (iii) pay capitalized interest with respect to the Series 2015A Bonds; (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2015A Bonds.

The Series 2015A Bonds were issued as current interest bonds and are scheduled to mature in 2025 through 2028. Interest on the Series 2015A Bonds is calculated on the basis of a 360-day year of 12, 30-day months at a rate of 5%. Interest on the Series 2015A Bonds is payable on each July 1 and January 1, commencing January 1, 2016. During fiscal year 2022, $288.8 million in principal amount of the Series 2015A Bonds was refunded with a portion of the proceeds of the Series 2021E Bonds. As of June 30, 2022, the outstanding principal amount of the Series 2015A Bonds was $10 million.

Note 4. Notes and Bonds Payable (Continued)

Series 2016 Obligations: The Authority issued its Senior Lien Revenue Refunding Bonds, Series 2016 (Series 2016 Senior Lien Bonds) on June 1, 2016 and its Subordinate Lien Revenue Refunding Bonds, Series 2016 (Series 2016 Subordinate Lien Bonds) on August 9, 2016, collectively called the Series 2016 Obligations. The proceeds of the Series 2016 Obligations were used to (i) refund and redeem certain outstanding obligations of the Authority; (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2016 Obligations.

The Series 2016 Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2023 through 2027 and in 2041. Interest on the Series 2016 Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.375% to 5%. Interest on the Series 2016 Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2016. During fiscal year 2022, $266.9 million in principal amount of the Series 2016 Senior Lien Bonds was refunded with a portion of the proceeds of the Series 2021D Bonds. As of June 30, 2022, the outstanding principal amount of the Series 2016 Senior Lien Bonds was $70.7 million.

The Series 2016 Subordinate Lien Bonds were issued as current interest bonds and are scheduled to mature in 2023 through 2036 and in 2041. Interest on the Series 2016 Subordinate Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates ranging from 3.125% to 5%. Interest on the Series 2016 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2017. As of June 30, 2022, the outstanding principal amount was $72.6 million.

Series 2018 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2018 (Series 2018 Senior Lien Bonds) and its Subordinate Lien Revenue Bond Anticipation Notes, Series 2018 (Series 2018 Sub Lien BANs) on November 20, 2018, collectively called the Series 2018 Obligations. The proceeds of the Series 2018 Obligations were used to (i) finance the costs of designing, engineering, developing and constructing the 290 E Phase III Project; (ii) pay capitalized interest with respect to the Series 2018 Senior Lien Bonds and (iii) pay certain issuance costs of the Series 2018 Obligations.

The Series 2018 Senior Lien Bonds were issued as current interest bonds and are scheduled to mature in 2025 through 2039 and in 2043 and 2048. Interest on the Series 2018 Senior Lien Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5%. Interest on the Series 2018 Senior Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2019. As of June 30, 2022, the outstanding principal amount was $44.3 million.

The Series 2018 Sub Lien BANs were issued as current interest bonds and were scheduled to mature in 2022. Interest on the Series 2018 Sub Lien BANs is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4%. Interest on the Series 2018 Sub Lien BANs is payable on each July 1 and January 1, commencing January 1, 2019. During fiscal year 2022, the Series 2018 Sub Lien BANs were refunded and redeemed in whole with a portion of the proceeds of the 2021A TIFIA Bonds. As of June 30, 2022, the outstanding principal amount of the Series 2018 Sub Lien BANs was $0.

Note 4. Notes and Bonds Payable (Continued)

Series 2020 Obligations: The Authority issued its Senior Lien Revenue Bonds, Series 2020A (Series 2020A Bonds) on January 22, 2020. The Authority issued its Senior Lien Revenue Refunding Bonds, Series 2020B (Series 2020B Bonds), its Senior Lien Revenue Refunding Bonds, Taxable Series 2020C (Series 2020C Bonds) and its Subordinate Lien Revenue Refunding Bonds, Taxable Series 2020D (Series 2020D Bonds) on September 23, 2020. The Authority issued its Senior Lien Revenue Bonds, Series 2020E (Series 2020E Bonds), its Subordinate Lien Revenue Bond Anticipation Notes, Series 2020F (Series 2020F BANs) and its Subordinate Lien Revenue Refunding Bonds, Series 2020G (Series 2020G Bonds) on November 19, 2020. The Series 2020A Bonds, the Series 2020B Bonds, the Series 2020C Bonds, the Series 2020D Bonds, the Series 2020E Bonds, the Series 2020F BANs and the Series 2020G Bonds are collectively referred to as the Series 2020 Obligations.

Series 2020A Bonds**:** The proceeds of the Series 2020A Bonds were used to (i) prepay certain outstanding obligations of the Authority and (ii) pay certain issuance costs of the Series 2020A Bonds. The Series 2020A Bonds were issued as current interest bonds and are scheduled to mature in 2026 through 2040 and in 2044 and 2049. Interest on the Series 2020A Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5%. Interest on the Series 2020A Bonds is payable on each January 1 and July 1, commencing July 1, 2020. As of June 30, 2022, the outstanding principal amount was $50.26 million.

Series 2020B Bonds**:** The proceeds of the Series 2020B Bonds were used to (i) refund and redeem certain outstanding obligations of the Authority and (ii) pay certain issuance costs of the Series 2020B Bonds. The Series 2020B Bonds were issued as current interest bonds and are scheduled to mature in 2023 through 2040 and in 2045. Interest on the Series 2020B Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4% to 5%. Interest on the Series 2020B Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $55.6 million.

Series 2020C Bonds**:** The proceeds of the Series 2020C Bonds were used to (i) refund and redeem certain outstanding obligations of the Authority and (ii) pay certain issuance costs of the Series 2020C Bonds. The Series 2020C Bonds were issued as current interest bonds and are scheduled to mature in 2024 through 2035 and in 2042. Interest on the Series 2020C Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 1.345% to 3.293%. Interest on the Series 2020B Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $138.4 million.

Series 2020D Bonds**:** The proceeds of the Series 2020D Bonds were used to (i) refund and redeem certain outstanding obligations of the Authority; (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2020D Bonds. The Series 2020D Bonds were issued as current interest bonds and are scheduled to mature in 2023 through 2031 and in 2035 and 2042. Interest on the Series 2020D Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 1.486% to 3.593%. Interest on the Series 2020D Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $98.5 million.

Note 4. Notes and Bonds Payable (Continued)

Series 2020E Bonds**:** The proceeds of the Series 2020E Bonds will be used to (i) finance the costs of various improvements and extensions of the System, including the costs of the 183A Phase III Project, (ii) pay capitalized interest with respect to the Series 2020E Bonds, (iii) make a deposit to the Senior Lien Debt Service Reserve Fund and (iv) pay certain issuance costs of the Series 2020E Bonds. The Series 2020E Bonds were issued as current interest bonds and are scheduled to mature in 2029 through 2040 and in 2045 and 2050. Interest on the Series 2020E Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4% to 5%. Interest on the Series 2020E Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $167.1 million.

Series 2020F BANs**:** The proceeds of the Series 2020F BANs will be used to (i) finance the costs of various improvements and extensions of the System, including the costs of the 183A Phase III Project, and (ii) pay certain issuance costs of the Series 2020F BANs. The Series 2020F BANs were issued as current interest bonds and are scheduled to mature in 2025. Interest on the Series 2020F BANs is calculated on the basis of a 360-day year of 12, 30-day months at rate of 5%. Interest on the Series 2020F BANs is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $110.8 million.

Series 2020G Bonds**:** The proceeds of the Series 2020G Bonds were used to (i) refund and redeem certain outstanding obligations of the Authority and (ii) pay certain issuance costs of the Series 2020G Bonds. The Series 2020G Bonds were issued as current interest bonds and are scheduled to mature in 2028 through 2040 and in 2045 and 2050. Interest on the Series 2020G Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rate of 4% to 5%. Interest on the Series 2020G Bonds is payable on each January 1 and July 1, commencing January 1, 2021. As of June 30, 2022, the outstanding principal amount was $61.5 million.

Series 2021 Obligations: The Authority issued its Subordinate Lien Revenue Bonds, Taxable Series 2021A (2021A TIFIA Bonds) on February 26, 2021. The Authority issued its Senior Lien Revenue Bonds, Series 2021B (Series 2021B Bonds) and its Subordinate Lien Revenue Bond Anticipation Notes, Series 2021C (Series 2021C BANs) on April 14, 2021. The Authority issued its Senior Lien Revenue Refunding Bonds, Series 2021D (Series 2021D Bonds) and its Senior Lien Revenue Refunding Bonds, Taxable Series 2021E (Series 2021E Bonds) on October 26, 2021. The 2021A TIFIA Bonds, the Series 2021B Bonds, the Series 2021C BANs, the Series 2021D Bonds and the Series 2021E Bonds are collectively referred to as the Series 2021 Obligations.

2021A TIFIA Bonds**:** In February 2021, the Authority entered into a secured loan agreement (the 2021A TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an aggregate amount not to exceed $448,383,623 (the 2021A TIFIA Loan), excluding interest that is capitalized, to pay or reimburse the Authority for eligible project costs of the 183 South Project, the 290E Phase III Project and the 183A Phase III Project. The 2021A TIFIA Loan is comprised of the 183-S Tranche (in an aggregate principal amount not to exceed $302,980,387 relating to the 183 South Project), the Manor Expressway Tranche (in an aggregate principal amount not to exceed $38,690,346 relating to the 290E Phase III Project) and the 183A Tranche (in an aggregate principal amount not to exceed $106,712,890 relating to the 183A Phase III Project).

Note 4. Notes and Bonds Payable (Continued)

The Authority's obligations to repay amounts borrowed under the 2021A TIFIA Loan Agreement are evidenced by the Authority's Subordinate Lien Revenue Bonds, Taxable Series 2021A (the 2021A TIFIA Bonds). The 2021A TIFIA Bonds are comprised of the 183-S TIFIA Bond (which evidences the Authority's obligations with respect to the 183-S Tranche of the 2021A TIFIA Loan), the Manor Expressway TIFIA Bond (which evidences the Authority's obligations with respect to the Manor Expressway Tranche of the 2021A TIFIA Loan) and the 183A TIFIA Bond (which evidences the Authority's obligations with respect to the 183A Tranche of the 2021A TIFIA Loan).

The 183-S TIFIA Bond, the Manor Expressway TIFIA Bond and the 183A TIFIA Bond bear interest at 2.19%, 2.20% and 2.20% per annum, respectively. The final maturity date of the 183-S TIFIA Bond is January 1, 2049. The final maturity date of the Manor Expressway TIFIA Bond is January 1, 2054. The final maturity date of the 183A TIFIA Bond will be the earlier of (a) the date that is thirty-five (35) years from the date of substantial completion of the 183A Phase III Project and (b) January 1, 2055.

Payments of principal and interest on the 2021A TIFIA Bonds are payable on each January 1 and July 1, commencing on July 1, 2024 for the 183-S TIFIA Bond, January 1, 2025 for the Manor Expressway TIFIA Bond, and for the 183A TIFIA Bond, the earlier of (i) January 1, 2029 and (ii) the semiannual payment date immediately preceding the fifth anniversary of the date of substantial completion of the 183A Phase III Project.

The Authority has received loan proceeds from the 183-S Tranche and the Manor Expressway Tranche of the 2021A TIFIA Loan of approximately $282.2 million and $38.6 million, respectively, through fiscal year 2022, which were used to refinance certain outstanding obligations of the Authority relating to the 183 South Project and the 290E Phase III Project. The Authority has not received any loan proceeds from the 183A Tranche of the 2021A TIFIA Loan. As of June 30, 2022, the Manor Expressway TIFIA Bond and the 183-S TIFIA Bond had an outstanding balance of $39.3 million and $311.5 million, respectively, which included accreted interest of approximately $29.1 million for the 183-S TIFIA Bond and $0.7 million for the Manor Expressway TIFIA Bond as part of the outstanding balance.

<u>Series 2021B Bonds and Series 2021 BANs:</u> A portion of the proceeds of the Series 2021B Bonds and Series 2021C BANs will be used to finance and refinance the costs of designing, engineering, developing and constructing the 183 North Mobility Project. The remaining proceeds of the Series 2021B Bonds and Series 2021C BANs were used to (i) pay capitalized interest with respect to the Series 2021B Bonds and the Series 2021C BANs, (ii) make a deposit to the Senior Lien Debt Service Reserve Fund and (iii) pay certain issuance costs of the Series 2021B Bonds and the Series 2021C BANs.

The Series 2021B Bonds were issued as current interest bonds and are scheduled to mature in 2029 through 2041 and in 2046 and 2051. The Series 2021C BANs were issued as current interest bonds and are scheduled to mature in 2027. Interest on the Series 2021B Bonds and Series 2021C BANs is calculated on the basis of a 360-day year of 12, 30-day months at rates of 4% to 5%. Interest on the Series 2021B Bonds and Series 2021C BANs is payable on each January 1 and July 1, commencing July 1, 2021. As of June 30, 2022, the outstanding principal amount on the Series 2021B Bonds and Series 2021C BANs was $255.07 million and $244.18 million, respectively.

<u>Series 2021D and Series 2021E Bonds:</u> A portion of the proceeds of the Series 2021D Bonds was used to refund and redeem a portion of the outstanding Series 2016 Senior Lien Bonds. A portion of the proceeds of the Series 2021E Bonds were used to refund and redeem a portion of the outstanding Series 2015A Bonds. The remaining proceeds of the Series 2021D Bonds and the Series 2021E Bonds were used to pay certain issuance costs thereof.

Note 4. Notes and Bonds Payable (Continued)

The Series 2021D Bonds and Series 2021E Bonds were issued as current interest bonds and are scheduled to mature in 2023 through 2041, and in 2044, through 2046. Interest on the Series 2021D Bonds and Series 2021E Bonds is calculated on the basis of a 360-day year of 12, 30-day months at rates of 0.221% to 5%. Interest on the Series 2021D Bonds and Series 2021E Bonds is payable on each January 1 and July 1, commencing January 1, 2022. As of June 30, 2022, the outstanding principal amount on the Series 2021D Bonds and Series 2021E Bonds was $274.6 million and $335.6 million, respectively.

183N TIFIA Note*:* In December 2021, the Authority entered into a secured loan agreement (the 183N TIFIA Loan Agreement) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed $250,289,625 (excluding interest that is capitalized) to pay eligible project costs of the 183 North Mobility Project. The Authority's obligation to repay amounts borrowed under the 183N TIFIA Loan Agreement is evidenced by a Subordinate Lien Revenue Promissory Note (the 183N TIFIA Note). The 183N TIFIA Note bears interest at 1.89% per annum and the final maturity date thereof will be the earlier of (i) the date that is 35 years from the date of substantial completion of the 183 North Mobility Project and (ii) January 1, 2056. Payments of principal and interest due on the 183N TIFIA Note are payable in the amounts set forth in the 183N TIFIA Loan Agreement on each January 1 and July 1, commencing on the earlier of (i) January 1, 2029 and (ii) the semiannual payment date on (or immediately preceding) the fifth anniversary of the date of substantial completion of the 183 North Mobility Project. The Authority has not received any loan proceeds pursuant to the 183N TIFIA Loan Agreement. As of June 30, 2022, the outstanding principal amount of the 183N TIFIA Note was $0.

71E Toll Project Obligation to TxDOT: The Authority, the Capitol Area Metropolitan Planning Organization (CAMPO) and TxDOT approved the execution of a Project Agreement (the SH 71 Agreement) for the development of toll lanes on SH 71 extending from Presidential Boulevard to just east of SH 130, including the realignment of FM 973 where that road intersects with SH 71, which is referred to as the SH 71 Express Project.

Pursuant to a resolution adopted by the Authority's Board, the Authority waived and declined to exercise its option to develop, finance, and construct the SH 71 Express Project, and retained (and did not waive) its option to operate any potential toll lanes on the SH 71 Express Project and to retain the revenues generated therefrom. Upon completion of the SH 71 Express Project, the SH 71 Agreement obligates the Authority to operate and maintain the toll lanes and related infrastructure of the SH 71 Express Project developed, financed and constructed by TxDOT. The Authority will retain the revenues generated from the SH 71 Express Project, which will be used to pay operation and maintenance costs of the toll lanes, toll facilities and related equipment. After payment of such operation and maintenance costs, one-half of the remaining revenues from the SH 71 Express Project must be used to reimburse TxDOT for up to $65.0 million of the costs of the SH 71 Express Project (the TxDOT Reimbursement Amount), plus interest thereon at 3.62% per annum.

The SH 71 Agreement obligates the Authority to repay the TxDOT Reimbursement Amount solely from one-half of the net revenues of the SH 71 Express Project over a 35-year term. The first payment was due on the first anniversary of substantial completion of the SH 71 Express Project and continues every year thereafter for a total of 35 years or until the TxDOT Reimbursement Amount and all accrued interest is paid. The SH 71 Express Project was substantially completed on March 8, 2017, and, accordingly, the first payment payable by the Authority to TxDOT under the SH 71 Agreement was due on March 8, 2018. In the event any annual payment is not sufficient to pay for all accrued interest due, the unpaid amount of accrued interest is added to the TxDOT Reimbursement Amount. Under the SH 71 Agreement, TxDOT is obligated to operate and maintain all other aspects of the SH 71 Express Project, including but not limited to, the general purpose lanes and the FM 973 realigned intersection with SH 71.

Note 4. Notes and Bonds Payable (Continued)

As of June 30, 2017, the toll lanes of the SH 71 Express Project were operational and the Authority recorded a capital contribution of $96.0 million and a note payable to TxDOT of $65.0 million; however, payments made by the Authority in respect of the TxDOT Reimbursement Amount are paid as, and constitute, Operating Expenses under the terms of the Authority's bond indenture securing its outstanding toll revenue obligations. During fiscal year 2022, the Authority made principal payments on the TxDOT Reimbursement Amount of approximately $1.2 million. As of June 30, 2022, the outstanding TxDOT Reimbursement Amount was approximately $55.1 million.

2017 MoPac Note: In December 2017, the Authority entered into a secured loan agreement with a bank for an aggregate principal amount not to exceed $24,990,900 that was evidenced by a promissory note (the 2017 MoPac Note). Proceeds from the 2017 MoPac Note were used to pay certain costs and expenses relating to the MoPac Improvement Project. The 2017 MoPac Note interest rate was LIBOR plus 1.44% per annum and was scheduled to mature on December 1, 2022. The 2017 MoPac Note required monthly interest payments on the outstanding balance starting January 1, 2018. The net revenues from the MoPac Improvement Project were pledged as collateral for the 2017 MoPac Note.

On May 10, 2022, the 2017 MoPac Note was prepaid in full with the proceeds of the 2022 MoPac Note. As of June 30, 2022, the outstanding principal amount was $0.

2022 MoPac Note: On May 10, 2022, the Authority borrowed $24,990,900 pursuant to a secured loan agreement entered into between the Authority and a bank, which is evidenced by a promissory note (the 2022 MoPac Note). The proceeds of the 2022 MoPac Note were used to prepay the 2017 MoPac Note in full. No additional amounts may be borrowed pursuant to the 2022 MoPac Note. Interest on the 2022 MoPac Note is payable on each January 1 and July 1, commencing July 1, 2022. The 2022 MoPac Note bears interest at a fixed rate of 3.18%, which is subject to adjustment in accordance with the terms thereof. The principal amount of the 2022 MoPac Note is payable in annual installments, which vary in amount, on each July 1, beginning on July 1, 2022 and continuing through July 1, 2027. The net revenues from the MoPac Improvement Project have been pledged as collateral for the 2022 MoPac Note. As of June 30, 2022, the outstanding principal amount was $24,990,900.

Note 4. Notes and Bonds Payable (Continued)

Future payments on debt obligations: Future payments of principal and interest on the Authority's bonds and notes described in this Note 4 (based on the scheduled payments) as of June 30, 2022, are as follows:

	Current Interest Bonds		Capital Appreciation Bonds		Notes Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 24,090,000	$ 57,679,047	$ 1,868,357	$ 1,861,643	$ 300,000	$ 114,791
2024	28,115,000	57,330,232	3,346,476	3,878,525	925,000	785,171
2025	133,345,000	64,566,716	6,341,742	10,113,258	1,275,000	755,756
2026	28,690,023	59,037,266	4,636,952	9,118,048	1,400,000	715,211
2027	277,473,345	58,482,174	3,264,322	7,805,678	1,500,000	670,691
2028-2032	309,199,479	215,330,398	13,165,369	44,324,631	19,590,900	622,991
2033-2037	418,650,095	173,102,159	8,342,708	46,772,292	-	-
2038-2042	501,137,074	121,054,739	3,553,280	28,971,720	-	-
2043-2047	458,922,990	62,594,932	-	-	-	-
2048-2052	165,249,068	13,516,272	-	-	-	-
2053-2057	2,351,627	113,701	-	-	-	-
	$ 2,347,223,701	$ 882,807,636	$ 44,519,206	$ 152,845,795	$ 24,990,900	$ 3,664,611

	Total Debt Service	
	Principal	Interest
2023	$ 26,258,357	$ 59,655,481
2024	32,386,476	61,993,928
2025	140,961,742	75,435,730
2026	34,726,975	68,870,525
2027	282,237,667	66,958,543
2028-2032	341,955,748	260,278,020
2033-2037	426,992,803	219,874,451
2038-2042	504,690,354	150,026,459
2043-2047	458,922,990	62,594,932
2048-2052	165,249,068	13,516,272
2053-2057	2,351,627	113,701
Total	2,416,733,807	$ 1,039,318,042
SH 71E Obligation	55,077,264	
Accreted interest—CABs	61,922,781	
	117,000,045	
	$ 2,533,733,852	

As described above, the Series 2010 Bonds and the Series 2011 Bonds were issued as capital appreciation bonds. The accreted interest on the Series 2010 Bonds and Series 2011 Bonds are reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table in the amount of $61,922,781. Additionally, the 2021A TIFIA Bonds also included accreted interest reflected on the Statement of Net Position as additional principal and is reflected in the interest column in this table.

Note 5. Deferred Outflow and Inflow of Resources

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, the Authority has classified the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred outflow of resources. The deferred outflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. The Authority has also deferred outflows and inflows of resources for certain pension related items in accordance with applicable pension standards as noted under Note 7.

The Authority's deferred outflow of resources balance is composed of the following:

	June 30, 2022
Deferred outflows from bond refundings	$ 179,288,765
Pension-related amounts:	
Employer pension contribution	312,693
Experience changes	78,898
Assumption changes	577,322
	$ 180,257,678

The Authority's deferred inflow of resources balance is composed of the following:

	June 30, 2022
Pension-related amounts:	
Experience changes	$ 125,641
Difference in pension investment experience	1,691,840
	$ 1,817,481

Note 6. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences; tort/liability claims; errors and omissions claims; and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage during fiscal years 2022.

Note 7. Employee Retirement Plan

Plan description: The Authority participates in Texas County and District Retirement System (TCDRS). TCDRS is a statewide, agent multiple-employer, public employee retirement system. TCDRS is a nonprofit public trust providing pension, disability and death benefits for the eligible employees of participating counties and districts. TCDRS was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for TCDRS administration. TCDRS issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That annual report may be downloaded at http://www.tcdrs.com.

Note 7. Employee Retirement Plan (Continued)

Benefits provided: Effective the date of participation, the Authority provides retirement, disability and death benefits. A percentage of each employee's paycheck is deposited into his or her TCDRS account. That percentage has been set by the Authority at 7% and has elected a matching rate of $2 to $1. The employee's savings grow at a rate of 7%, compounded annually. At retirement, the employee's account balance is combined with the Authority's matching and converted into a lifetime monthly benefit. Employees receive a month of service time for each month that they make a deposit into their account. The amount of service an employee needs to earn a future benefit is called the vesting requirement. When an employee is vested, he or she has the right to a monthly benefit, which includes the employer matching contribution, at age 60 or older.

The Authority adopted a 5 year/Age 60 Retirement Eligibility described in Section 844.207 of the TCDRS Act, under which: (a) any TCDRS member who has 5 or more years of service credit with the District and other subdivisions that have adopted the provisions of Section 844.207 or 844.210, is a vested member and shall have the right to retire and receive a service retirement annuity after attaining age 60. In addition, employees may retire before age 60 if they meet one of the following requirements: vested employees may retire if their age plus years or service time add up to at least 75 or employees are allowed to retire at any age when they have at least 30 years of service time.

Any TCDRS member who is a vested member may terminate employment with all participating subdivisions prior to attaining age 60 and remain eligible to retire and receive a service retirement annuity after attaining age 60 provided his or her membership is not terminated other than by retirement.

Any TCDRS member who is a vested member under Section 844.207(d) may retire and receive a disability retirement annuity if he or she is certified as disabled, as defined by the plan.

Any TCDRS member who has four or more years of service credit with the District and other subdivisions is eligible for purposes of the Survivor Annuity Death Benefit.

Retirees elect to receive their lifetime benefit by choosing one of seven actuarially equivalent payment options. Prior service gives employees monetary credit for time worked for an eligible organization before it joined the system. Buybacks allow current employees to re-establish a closed TCDRS account from previous service with an employer. Partial lump sum payments at retirement allow employees to withdraw part of their TCDRS account balance as a lump sum at retirement with a reduced monthly benefit. In addition, the Authority may choose to adopt a cost-of-living adjustment (COLA) for its retirees. This adjusts retiree benefits to restore purchasing power lost due to the effects of inflation.

Note 7. Employee Retirement Plan (Continued)

Employees covered by benefit terms: The following employees were covered by the benefit terms as of the valuation date December 31:

	2021
Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to, but not yet receiving benefits	16
Active employees	28
Total	52

Contributions: Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of plan members and the Authority are established and may be amended. For 2021, the contribution rate for the plan members was 7% of gross pay. The Authority pays a matching portion to the pension plan totaling 14% of gross pay for 2021, which totaled $739,110.

Net pension asset: The Authority's net pension asset was measured as of December 31, 2021 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

Actuarial assumptions: The actuarial assumptions that determined the total pension liability as of December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2017, through December 31, 2020, except where required to be different by GASB Statement No. 68.

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	2021
Inflation	2.50%
Salary increases (including inflation—varies by age and service—average over career)	4.70%
Investment rate of return	7.6%

Mortality rates were based on the following:

Depositing members: For the December 31, 2021 valuation, 135% of the Pub-2010 General Retirees Table for males and 120% of the Pub-2010 General Retirees Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Service retirees, beneficiaries and nondepositing members: For the December 31, 2021 valuation, 135% of the Pub-210 General Retirees Amount-Weighted Mortality Table for males and 120% of the Pub-2010 General Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Disabled retirees: For the December 31, 2021 valuation, 160% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for males and 125% of the Pub-2010 General Disabled Retirees Amount-Weighted Mortality Table for females, both projected with 100% of the MP-2021 Ultimate scale after 2010.

Note 7. Employee Retirement Plan (Continued)

Long-term rate of return on assets: The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions and information shown below are provided by TCDRS' investment consultant. The valuation assumption for long-term expected return is re-assessed at a minimum of every four years, and the most recent analysis was performed in 2021.

The capital market assumptions and information shown below are provided by TCDRS' investment consultant based on December 31, 2021, information for a seven- to 10-year time horizon.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
United States Equities	Dow Jones U.S. Total Stock Market Index	11.5%	3.80%
Global Equities	MSCI World (net) Index	2.5%	4.10%
International Equities—Developed	MSCI World Ex USA (net)	5.0%	3.80%
International Equities—Emerging	MSCI EM Standard (net) index	6.0%	4.30%
Investment—Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.0%	-0.85%
Strategic Credit	FTSE High-Yield Cash-Pay Capped Index	9.0%	1.77%
Direct Lending	S&P/LSTA Leveraged Loan Index	16.0%	6.25%
Distressed Debt	Cambridge Associates Distressed Index (3)	4.0%	4.50%
REIT Equities	67% FTSE NAREIT Equity REITs Index plus 33% S&P Global Real Estate Index	2.0%	3.10%
Master Limited Partnerships (MLPs)	Alerian MLP Index	2.0%	3.85%
Private Real Estate Partnerships	Cambridge Associates Real Estate Index (4)	6.0%	5.10%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index (5)	25.0%	6.80%
Hedge Funds	Hedge Fund Research, Inc. Fund of Funds Composite Index	6.0%	1.55%
Cash Equivalents	90-Day U.S. Treasury	2.0%	-1.05%

(1) Target asset allocation adopted at the March 2022 TCDRS Board meetings.

(2) Geometric real rates of return equal the expected return for the asset class minus the assumed inflation rate of 2.6%, per Cliffwater's 2022 capital market assumptions.

(3) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

Note 7. Employee Retirement Plan (Continued)

Discount rate: The discount rate used to measure the total pension liability was 7.6% for December 31, 2021. In order to determine the discount rate to be used by the employer, the TCDRS used an alternative method to determine the sufficiency of the fiduciary net position in all future years. The alternative method reflects the funding requirements under the employer's funding policy and the legal requirements under the TCDRS Act.

(1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability shall be amortized as a level percent of pay over 20-year closed layered periods.

(2) Under the TCDRS Act, the employer is legally required to make the contribution specified in the funding policy.

(3) The employer's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the employer is still required to contribute at least the normal cost.

(4) Any increased cost due to the adoption of a COLA is required to be funded over a period of 15 years, if applicable.

Changes in net pension liability (asset): Based on the above, the projected fiduciary net position is determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system, the fiduciary net position as a percentage of total pension liability is projected to increase from its current level in future years.

Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments. This long-term assumed rate of return should be net of investment expenses, but gross of administrative expenses for GASB Statement No. 68 purposes. Therefore, the system has used a discount rate of 7.6%. This rate reflects the long-term assumed rate of return on assets for funding purposes of 7.5%, net of all expenses, increased by 0.1% to be gross of administrative expenses.

Note 7. Employee Retirement Plan (Continued)

Changes in Net Pension Liability (Asset) 2022

	Increase (Decrease)		
Changes in Net Pension Liability (Asset)	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances as of December 31, 2020	$ 11,657,507	$ 12,248,751	$ (591,244)
Changes for the year:			
Service cost	846,844	-	846,844
Interest on total pension liability (1)	940,060	-	940,060
Effect of plan changes (2)	14,249	-	14,249
Effect of economic/demographic (gains) or losses	(20,688)	-	(20,688)
Effect of assumptions changes or inputs	76,337	-	76,337
Refund of contributions	(2,279)	(2,279)	-
Benefit payments	(273,039)	(273,039)	-
Administrative expenses	-	(8,542)	8,542
Member contributions	-	301,698	(301,698)
Net investment income	-	2,776,384	(2,776,384)
Employer contributions	-	721,277	(721,277)
Other (3)	-	24,559	(24,559)
Balances as of December 31, 2021	$ 13,238,991	$ 15,788,809	$ (2,549,818)

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Reflects plan changes adopted effective in 2022.

(3) Relates to allocation of system-wide items.

Note 7. Employee Retirement Plan (Continued)

Sensitivity analysis: The following presents the net pension asset/liability of the Authority, calculated using the discount rate of 7.6%, as well as what the net pension asset/liability would be if it were calculated using a discount rate that is percentage point lower (6.6%) or 1 percentage point higher (8.6%) than the current rate.

	December 31, 2021		
	1.0% Decrease	Current Discount Rate	1.0% Increase
	6.6%	7.6%	8.6%
Total pension liability	$ 14,972,952	$ 13,238,991	$ 11,782,987
Fiduciary net position	15,788,806	15,788,809	15,788,806
Net pension liability / (asset)	(815,854)	(2,549,818)	(4,005,819)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separate issued TCDRS report.

Pension expense: the Authority recognized the following pension related expense for the period ending December 31, 2021:

Pension Expense (Income)	
Service cost	$ 846,844
Interest on total pension liability (1)	940,060
Effect of plan changes	14,249
Administrative expenses	8,542
Member contributions	(301,698)
Expected investment return net of investment expenses	(959,393)
Recognition of deferred inflows/ outflows of resources	
Recognition of economic/ demographic gains or losses	(30,533)
Recognition of assumption changes or inputs	93,107
Recognition of investment gains or losses	(452,778)
Other(2)	(24,555)
Pension expense	$ 133,845

(1) Reflects the change in the liability due to the time value of money. TCDRS does not charge fees or interest.

(2) Relates to allocation of system-wide items.

Note 7. Employee Retirement Plan (Continued)

Deferred inflows and outflows of resources: the deferred inflows and outflows of resources are as follows:

Deferred Inflows / Outflows of Resources	December 31, 2021 Deferred Outflows of Resources	December 31, 2021 Deferred Intflows of Resources
Differences between expected and actual experience	$ 78,898	$ 125,641
Changes of assumptions	577,322	-
Net difference between projected and actual earnings	-	1,691,840
Contributions made subsequent to measurement date	312,693	-
	$ 968,913	$ 1,817,481

Contributions made subsequent to the measurement date are eligible employer contributions made from January 1, 2022 through June 30, 2022. Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions, excluding contributions made subsequent to the measurement date, will be recognized in pension expense as follows:

Years ending December 31:	
2022	$ (314,413)
2023	(470,447)
2024	(328,574)
2025	(271,693)
2026	82,593
Thereafter	141,273
	$ (1,161,261)

Note 8. Disaggregation of Receivable and Payable Balances

Due from other agencies are comprised of current intergovernmental receivables and amounts due from other entities related to toll tag transactions on the Authority's toll roads. The Authority does not issue toll tags; however, the Authority has contracted with TxDOT and other tolling entities located both within and outside the State of Texas to handle customer service and operations related to the toll tag transactions at June 30, 2022. Accounts payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2022.

As of June 30, 2022, the receivable from TxDOT comprises 69.2%. The total balances are as follows:

	June 30, 2022
TxDOT	$ 13,311,273
Agencies	2,770,089
Other governments	3,136,378
Total	$ 19,217,740

Note 9. Commitments and Contingent Liabilities

Commitments: The Authority has a capital improvement program for roadway construction projects extending into future years. As of June 30, 2022, the Authority has the 183 North Project and the 183A PH III Project which are significant ongoing toll projects with a capital budget of approximately $871 million. The Authority's construction commitments related to its 183 North and 183A PH III toll projects are approximately $574.3 million as of June 30, 2022. All contracts contain a termination for convenience clause in which such contracts may be terminated, in whole or in part, for the convenience of the Authority.

CAMPO Interlocal Agreement: Capital Area Metropolitan Planning Organization (CAMPO) is the designated metropolitan planning organization for Central Texas. As part of the designated planning organization, CAMPO received approximately $136 million in grant funds of which $130 million was allocated to the MoPac Improvement Project. The funding received was made available for transportation projects in the Austin area. As part of the construction of the MoPac Improvement Project, the Authority executed an agreement with CAMPO. The executed agreement calls for the sharing of surplus revenue generated from the MoPac Improvement Project by setting up a Regional Infrastructure Fund (RIF) account. The RIF account was created upon execution of the agreement with CAMPO. The Authority funded deposits into the RIF account from the surplus revenue from the MoPac Improvement Project. The amounts placed in the RIF account in accordance with the agreement are to be used to fund other CAMPO identified transportation projects in the region. As of June 30, 2022, the Authority has funded inception to date amounts of $16,206,000, which is deposited in the RIF account. The commitment to the RIF account is dependent upon there being surplus revenue of the MoPac Improvement Project in the future such that the remaining amount payable to the RIF account pursuant to the CAMPO agreement of $230 million, may be paid through fiscal year 2041. The Authority's funding into the RFI is done annually on September 1 and such funding resulted in RIF expense of $5.0 million for the period ending June 30, 2022.

Litigation: As of June 30, 2022, the Authority is involved in various contract disputes on its construction projects. Based on the status of the claims and the information available, the Authority believes that a liability has not been incurred as of the date of the financial statements. The Authority believes it has substantial defenses against these claims and the resolution of these matters will not have a material adverse effect on its financial statements.

Note 10. Authority's Tolling System Disclosure

During fiscal years 2022, the Authority had non-Tolling System assets generating revenue (the MoPac Improvement Project). For fiscal years 2022, activity of the MoPac Improvement Project consisted of approximately 10.6 million transactions, and approximately $9.7 million in revenue.

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for defined activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity reported as or within an enterprise fund or other stand-alone entity for which one or more revenue bonds or other revenue-backed debt instruments outstanding with a revenue pledge to support that debt. In addition, the activities, revenue, expenses, gains and losses, assets and liabilities are required to be accounted for separately. The requirement for separate accounting for the Authority's Tolling System is also imposed by the bond indenture. A segment has a specific identifiable revenue stream pledged in support of revenue bonds or other revenue backed debt and has related expenses, gains and losses, assets, and liabilities that can be identified.

The following is condensed financial information for the Authority's Tolling System activities:

Statement of Net Position

Assets and Deferred Outflows	June 30 2022
Current assets	$ 307,438,153
Restricted assets	834,868,963
Pension asset	2,549,818
Capital assets	1,912,502,837
Total assets	3,057,359,771
Deferred outflows of resources	180,257,678
Total assets and deferred outflows of resources	$ 3,237,617,449
Liabilities and Deferred Inflows	
Current liabilities	$ 120,248,330
Noncurrent liabilities	2,699,367,906
Total liabilities	2,819,616,236
Deferred inflows of resources	1,817,481
Total liabilities and deferred inflows of resources	2,821,433,717
Net position:	
Total net position	416,183,732
Total liabilities, deferred inflows of resources and net position	$ 3,237,617,449

Note 10. Authority's Tolling System Disclosure (Continued)

Statements of Revenues, Expenses and Changes in Net Position

	June 30 2022
Operating revenues	$ 165,172,680
Operating expenses, including depreciation and amortization	95,397,956
Operating income	69,774,724
Total net nonoperating revenues (expenses)	(85,569,642)
Change in net position	(15,794,918)
Total net position at beginning of year	431,978,650
Total net position at end of year	$ 416,183,732

Statement of Cash Flows

	June 30 2022
Net cash flows provided by operating activities	$ 120,090,171
Net cash flows provided by capital and related financing activities	(268,156,569)
Net cash flows used in investing activities	135,784,456
Net decrease in cash and cash equivalents	(12,281,942)
Cash and cash equivalents at beginning of year	828,439,568
Cash and cash equivalents at end of year	$ 816,157,626

Note 11. Subsequent Events

Subsequent events have been evaluated through October 27, 2022, the date the financial statements were available to be issued.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan
Schedule of Changes in Net Pension Assets and Related Ratios
As of Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015
Total pension liability:							
Service cost	$ 846,844	$ 791,930	$ 714,326	$ 623,080	$ 621,685	$ 636,083	$ 474,778
Interest on total pension liability	940,060	825,944	705,006	599,756	512,318	417,633	361,003
Effect of plan changes	14,249	16,761	16,858	-	-	-	(33,691)
Effect of assump. changes or inputs	76,337	642,701	-	-	15,820	-	42,041
Effect of economic/ demographic (gains) or losses	(20,688)	21,833	49,571	32,484	(34,008)	(152,926)	(193,519)
Benefit payments/ refunds	(275,318)	(91,355)	(50,070)	(44,409)	(31,286)	(51,685)	(2,212)
Net change in total pension liability	1,581,484	2,207,814	1,435,691	1,210,911	1,084,529	849,105	648,400
Total pension liability, beginning	11,657,507	9,449,693	8,014,002	6,803,091	5,718,562	4,869,457	4,221,057
Total pension liability, ending (a)	13,238,991	11,657,507	9,449,693	8,014,002	6,803,091	5,718,562	4,869,457
Fiduciary net position:							
Employer contributions	721,277	604,572	560,263	484,115	457,484	422,157	361,493
Member contributions	301,698	302,284	280,130	242,056	228,848	211,078	180,742
Investment income net of inv exp	2,776,384	1,070,532	1,344,360	(134,521)	897,084	378,134	(162,009)
Benefit payments/ refunds	(275,317)	(91,356)	(50,069)	(44,409)	(31,286)	(51,685)	(2,211)
Administrative expenses	(8,542)	(8,963)	(7,885)	(6,579)	(5,074)	(4,113)	(3,541)
Other	24,558	25,157	28,500	21,078	8,731	46,648	955
Net change in fiduciary net position	3,540,058	1,902,226	2,155,299	561,740	1,555,787	1,002,219	375,429
Fiduciary net position, beginning	12,248,751	10,346,525	8,191,226	7,629,486	6,073,699	5,071,480	4,696,051
Fiduciary net position, ending (b)	15,788,809	12,248,751	10,346,525	8,191,226	7,629,486	6,073,699	5,071,480
Net pension liability (asset), ending = (a) - (b)	$ (2,549,818)	$ (591,244)	$ (896,832)	$ (177,224)	$ (826,395)	$ (355,137)	$ (202,023)
Fiduciary net position as a % of total pension liability	119.26%	105.07%	109.49%	102.21%	112.15%	106.21%	104.15%
Pensionable covered payroll	$ 4,309,967	$ 4,318,340	$ 4,001,855	$ 3,457,946	$ 3,269,251	$ 3,015,395	$ 2,582,032
Net pension asset as a percentage of covered payroll	(59.16%)	(13.69%)	(22.41%)	(5.13%)	(25.28%)	(11.78%)	(7.82%)

The Schedule of Changes in Net Pension Assets and related Ratio disclosure is required for 10 years. The schedule noted above is only for the years which the new GASB Statements have been implemented.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan (Continued)
Schedule of Employer Contributions

Year Ending	Actuarially Determined Contribution (1)	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll (2)	Actual Contribution as a Percentage of Covered Payroll
2012	$ 251,978	$ 286,789	$ (34,811)	$ 2,048,602	14.0%
2013	261,182	304,447	(43,265)	2,174,701	14.0%
2014	284,621	327,807	(43,186)	2,342,556	14.0%
2015	302,614	361,493	(58,879)	2,582,032	14.0%
2016	341,041	422,157	(81,116)	3,015,395	14.0%
2017	383,156	457,484	(74,328)	3,269,251	14.0%
2018	402,505	484,115	(81,610)	3,457,946	14.0%
2019	461,814	560,263	(98,449)	4,001,855	14.0%
2020	519,928	604,572	(84,644)	4,318,340	14.0%
2021	515,903	721,277	(205,374)	4,309,967	16.7%

(1) TCDRS calculates actuarially determined contributions on a calendar year basis. GASB No. 68 indicates the Authority should report contribution amounts on a fiscal year basis.

(2) Payroll is calculated based on contributions as reported for the fiscal year to TCDRS.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan (Continued)
Notes to Schedule of Employer Contributions and Net Pension Liability
June 30, 2022

Actuarial methods and assumptions used: Following are the key assumptions and methods used in determining the actuarially determined contribution:

Valuation Timing	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.
Actuarial Cost Method	Individual entry age normal cost method, as required by GASB Statement No. 68, used for GASB calculations. A slightly different version of the entry age normal cost method is used for the funding actuarial valuation.
Asset Valuation Method	
Smoothing period	5 years
Recognition method	Non-asymptotic
Corridor	None
Economic Assumptions	
Inflation	2.50%
Salary increases	3.00% (made up of 2.5% inflation and 0.50% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.70% per year for a career employee.
Investment rate of return	7.50%
COLAs	COLAs for the Authority are not considered to be substantively automatic under GASB Statement No. 68. Therefore, no assumption for future cost-of-living adjustments is included in the GASB calculations. No assumption for future cost-of-living adjustments is included in the funding valuation.

Central Texas Regional Mobility Authority

Required Supplementary Information—Pension Plan (Continued)
Notes to Schedule of Employer Contributions and Net Pension Liability
June 30, 2022

Demographic assumptions—related to December 31, 2021 valuation:

Annual Rates of Service Retirement*

Age	Active Svc. < 15	Active Svc. 15-24	Active Svc. 25-29	Active Svc. 30+	Deferred All Svc.
40–49	5.3%	6.3%	7.7%	8.8%	0.0%
50	5.6	6.8	8.3	9.4	0.0
51	5.6	6.8	8.3	9.4	0.0
52	6.0	7.2	8.8	10.0	0.0
53	6.0	7.2	8.8	10.0	0.0
54	6.8	8.1	9.9	11.3	0.0
55	6.8	8.1	9.9	11.3	0.0
56	6.8	8.1	9.9	11.3	0.0
57	7.5	9.0	11.0	12.5	0.0
58	7.5	9.0	11.0	12.5	0.0
59	7.5	9.0	11.0	12.5	0.0
60	9.0	10.8	13.2	15.0	12.0
61	9.0	10.8	13.2	15.0	12.0
62	13.5	16.2	19.8	22.5	18.0
63	11.3	13.5	16.5	18.8	15.0
64	11.3	13.5	16.5	18.8	15.0
65	22.5	22.5	27.5	27.5	25.0
66	22.5	22.5	27.5	27.5	25.0
67	21.6	21.6	26.4	26.4	24.0
68	18.9	18.9	23.1	23.1	21.0
69	18.9	18.9	23.1	23.1	21.0
70	20.7	20.7	25.3	25.3	23.0
71	20.7	20.7	25.3	25.3	23.0
72	20.7	20.7	25.3	25.3	23.0
73	20.7	20.7	25.3	25.3	23.0
74	20.7	20.7	25.3	25.3	23.0
75 and above	100.0	100.0	100.0	100.0	100.0

*For all eligible members ages 75 and later, retirement is assumed to occur immediately.

Other terminations of employment: The rate of assumed future termination from active participation in the plan for reasons other than death, disability or retirement vary by length of service, entry-age group (age at hire), and sex. No termination after eligibility for retirement is assumed.

Withdrawals: Members who terminate may either elect to leave their account with TCDRS or withdraw their funds. The probability that a member elects a withdrawal varies by length of service and vesting schedule. Rates applied to your plan are shown in table below. For nondepositing members who are not vested, 100% are assumed to elect a withdrawal.

Probability of Withdrawal

Years of Service	Probability	Years of Service	Probability
0	100%	15	26
1	100	16	25
2	100	17	24
3	100	18	23
4	100	19	22
5	40	20	21
6	38	21	20
7	36	22	19
8	34	23	19
9	33	24	18
10	32	25	18
11	31	26	17
12	30	27	17
13	29	28	16
14	27	29*	16

*Members with more than 29 years of service are not assumed to refund.

Central Texas Regional Mobility Authority

Supplementary Information—Indenture Cash Flow and Debt Service Coverage
June 30, 2022

Toll revenues*		$ 165,151,075
Other revenues		(204,974)
Miscellaneous revenue*		226,580
Interest income available to pay debt service		1,737,677
Total revenues		166,910,358
Less system operating expenses		(26,376,114)
Revenues available for rate covenant and additional bonds tests		140,534,244
Net senior lien debt service	$ 59,276,938	
Net subordinate lien debt service	19,744,390	
Total net debt service	79,021,328	
Debt service coverage ratios for rate covenant and additional bonds test:		
Senior lien obligations	2.37	
Senior and subordinate lien obligations	1.78	
Less system maintenance expenses		(4,882,168)
Revenues available for debt service		135,652,076
Debt service coverage ratios for revenues available for debt service:		
Senior lien obligations	2.29	
Senior and subordinate lien obligations	1.72	
Less total net debt service		(79,021,328)
Less deposits to renewal and replacement fund		-
Less debt service payments on other obligations		-
Annual excess**		$ 56,630,748

* Total operating revenue for segment reporting of $165,172,680 consists of toll revenue and excludes miscellaneous revenue and interest income.

** Subject to reserve policies.

Exhibit C

State Awards Compliance Report

Central Texas Regional Mobility Authority

State Awards Compliance Report
Year Ended June 30, 2022

Contents

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Central Texas Regional Mobility Authority (the Authority) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 27, 2022.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Austin, Texas
October 27, 2022

**Report on Compliance for the Major State Program,
Report on Internal Control Over Compliance and Report on
Schedule of Expenditures of State Awards Required by the
State of Texas *Uniform Grant Management Standards***

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

Report on Compliance For the Major Program

Opinion on the Major State Program
We have audited Central Texas Regional Mobility Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the State of Texas *Uniform Grant Management Standards* (UGMS) that could have a direct and material effect on the Authority's major state program for the year ended June 30, 2022. The Authority's major state program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2022.

Basis for Opinion on the Major State Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of State of Texas *Uniform Grant Management Standards*. Our responsibilities under those standards and the UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major state program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's state program.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the UGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the UGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the UGMS. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Awards Required by the State of Texas *Uniform Grant Management Standards*

We have audited the financial statements of the business-type activities and the fiduciary activities of the Authority as of and for the year ended June 30, 2022, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 27, 2022, contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the UGMS and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

Austin, Texas
October 27, 2022

Central Texas Regional Mobility Authority

Schedule of Expenditures of State Awards
Year Ended June 30, 2022

State Grantor/Program Title	State Grant Award Number	Passed Through to Subrecipients	State Expenditures
Texas Department of Transportation:			
MoPac South Project Environmental Assessment	CSJ 3136-01-176	$ -	$ 922,679
Total state expenditures		$ -	$ 922,679

See notes to schedule of expenditures of state awards.

Note 1. Summary of Significant Accounting Policies

Reporting entity: The schedule of expenditures of state awards (the Schedule) includes the activity of all state programs administered by Central Texas Regional Mobility Authority (the Authority). Because this Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the Authority.

Basis of presentation: The Schedule presents total state awards expended for each individual program in accordance with the State of Texas *Uniform Grant Management Standards*.

Basis of accounting: The expenditures for each of the state financial assistance programs are presented on the accrual basis of accounting for the Authority's fiscal year. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State and Local and Governments*, or the cost principles contained in the State of Texas *Uniform Grant Management Standards*, Cost Principles and Audit Requirements for State Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 2. Indirect Costs

The Authority did not apply or use an indirect cost rate as defined by UGMS for the period ended June 30, 2022.

Central Texas Regional Mobility Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I

Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

2. State Awards

Internal control over major state programs:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Type of auditor's report issued on compliance for the major state program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the UGMS	____ Yes	X No
Identification of major state program:		
State Award Number(s)	Name of State Program or Cluster	
CSJ 3136-01-176	MoPac South Project Environmental Assessment	
Dollar threshold used to distinguish between type A and type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	X Yes	____ No

Section II

Financial Statement Findings

A. Internal Control

None reported.

B. Compliance Findings

None reported.

Section III

State Award Finding and Questioned Costs

A. Internal Control

None reported.

B. Compliance Findings

None reported.

Central Texas Regional Mobility Authority

Schedule of Prior Audit Findings
Year Ended June 30, 2022

Prior Year State Award Finding and Questioned Costs

None reported

Exhibit D

Federal Awards Compliance Report

Central Texas Regional Mobility Authority

Federal Awards Compliance Report
Year Ended June 30, 2022

Contents

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the fiduciary activities of Central Texas Regional Mobility Authority (the Authority), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 27, 2022.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Austin, Texas
October 27, 2022

**Report on Compliance for the Major Federal Program,
Report on Internal Control Over Compliance and Report on
Schedule of Expenditures of Federal Awards Required by the
Uniform Guidance**

Independent Auditor's Report

Board of Directors
Central Texas Regional Mobility Authority

Report on Compliance For the Major Program

Opinion on the Major Federal Program
We have audited Central Texas Regional Mobility Authority's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on the Authority's major federal program for the year ended June 30, 2022. The Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program
We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Authority's federal program.

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the business type activities and fiduciary activities of the Authority as of and for the year ended June 30, 2022, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated October 27, 2022, which contained an unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinion on the basic financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Austin, Texas
October 27, 2022

Central Texas Regional Mobility Authority

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Program Title	Federal Assistance Listing Number	Pass Through Entity Grant Award Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Transportation:				
Transportation Infrastructure Finance and Innovation Act Program	20.223	N/A	$ -	$ 38,690,346
Total federal expenditures			$ -	$ 38,690,346

See note to schedule of expenditures of federal awards.

Note 1. Summary of Significant Accounting Policies

Reporting entity: The schedule of expenditures of federal awards (the Schedule) includes the activity of all federal programs administered by Central Texas Regional Mobility Authority (the Authority). Because this Schedule presents only a selected portion of the operations of the Authority, it is not intended to, and does not, present the financial position, changes in net position or cash flows of the Authority.

Basis of presentation: The Schedule presents total federal awards expended for each individual program in accordance with the Uniform Guidance.

Basis of accounting: The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting for the Authority's fiscal year. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect cost rate: In accordance with the Uniform Guidance, the Authority did not apply or use an indirect cost rate as defined by Uniform Guidance for the period ended June 30, 2022.

Loan and loan guarantees: In connection with the Series 2021A TIFIA Bond, the Authority entered into a secured loan agreement (the 2021A TIFIA Loan) with the United States Department of Transportation, pursuant to which the Authority is authorized to borrow an amount not to exceed $448,383,623 (excluding interest that is capitalized) (i) to pay eligible project costs of the 183A Phase III Project (183A tranche), (ii) refinance the 2015C TIFIA Bond (183S tranche) previously used on 183 South Project and (iii) to pay eligible project costs of improvements to the 290 East Project (Manor Expressway Tranche).

The 2021A TIFIA Loan bears interest at 2.19% for the 183S tranche, 2.2% for the Manor Expressway Tranche and 2.2% for the 183A tranche. The 2021A TIFIA Loan maturity date is July 1, 2049 for the 183S tranche, January 1, 2054 for the Manor Expressway Tranche and January 1, 2055 for the 183A tranche.

Payments of principal and interest are payable January 1 and July 1, commencing on July 1, 2024 for the 183S tranche; January 1, 2025 for the Manor Expressway Tranche and January 1, 2029 for the 183A tranche.

The Authority has received loan proceeds from the 183S tranche of approximately $282.2 million and the Manor Expressway Tranche of approximately $38.6 million through June 30, 2022. The Authority has not used the available balance under the 183A tranche. As of June 30, 2022, the Manor Expressway TIFIA Bond and the 183-S TIFIA Bond had an outstanding balance of $39.3 million and $311.5 million, respectively, which included accreted interest of approximately $29.1 million for the 183-S TIFIA Bond and $0.7 million for the Manor Expressway TIFIA Bond as part of the outstanding balance.

Central Texas Regional Mobility Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I

Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Noncompliance material to financial statements noted?	____ Yes	X No

2. Federal Awards

Internal control over major federal program:		
Material weakness(es) identified?	____ Yes	X No
Significant deficiency(ies) identified?	____ Yes	X None Reported
Type of auditor's report issued on compliance for the major federal program:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	____ Yes	X No

Identification of major federal program:

Assistance listing Number(s)	Name of Federal Program or Cluster
20.223	Transportation Infrastructure Finance and Innovation Act Program (TIFIA)

Dollar threshold used to distinguish between type A and type B programs:	$ 1,160,710	
Auditee qualified as low-risk auditee?	____ Yes	X No

Section II

Financial Statement Findings

A. Internal Control

None reported.

B. Compliance Findings

None reported.

Central Texas Regional Mobility Authority

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2022

Section III

Federal Award Finding and Questioned Costs

A. Internal Control

None reported.

B. Compliance Findings

None reported

Central Texas Regional Mobility Authority

Schedule of Prior Audit Findings
Year Ended June 30, 2022

Prior Year Federal Award Finding and Questioned Costs

None reported