

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

**RESOLUTION NO. 24-064**

**ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR SEPTEMBER 2024**

WHEREAS, the Central Texas Regional Mobility Authority (Mobility Authority) is empowered to procure such goods and services as it deems necessary to assist with its operations and to study and develop potential transportation projects, and is responsible to insure accurate financial records are maintained using sound and acceptable financial practices; and

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


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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of September 2024 and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

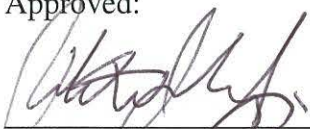
NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the unaudited financial statements for September 2024, attached hereto as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 30<sup>th</sup> day of October 2024.

Submitted and reviewed by:

  
\_\_\_\_\_  
James M. Bass  
Executive Director

Approved:

  
\_\_\_\_\_  
Robert W. Jenkins, Jr.  
Chairman, Board of Directors

**Exhibit A**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending September 30, 2024**

|   | Budget Amount<br>FY 2025 | Actual Year<br>to Date | Percent of<br>Budget | Actual Prior<br>Year to Date |
|---|--------------------------|------------------------|----------------------|------------------------------|
| <b>REVENUE</b>                                  |                          |                        |                      |                              |
| <b>Operating Revenue</b>                        |                          |                        |                      |                              |
| Toll Revenue                                    | 178,100,000              | 42,510,737             | 23.87%               | 38,533,687                   |
| Video Tolls                                     | 67,500,000               | 14,245,779             | 21.10%               | 13,408,972                   |
| Fee Revenue                                     | 13,200,000               | 3,846,586              | 29.14%               | 3,241,602                    |
| <b>Total Operating Revenue</b>                  | <b>258,800,000</b>       | <b>60,603,101</b>      | <b>23.42%</b>        | <b>55,184,260</b>            |
| <b>Other Revenue</b>                            |                          |                        |                      |                              |
| Interest Income                                 | 43,025,800               | 8,599,132              | 19.99%               | 10,563,041                   |
| Grant Revenue                                   | 595,467                  | 309,462                | 51.97%               | 82,466                       |
| Misc Revenue                                    | 100,000                  | 5,890                  | 5.89%                | 5,609                        |
| Unrealized Gain/Loss                            | -                        | 123,484                | -                    | -                            |
| <b>Total Other Revenue</b>                      | <b>43,721,267</b>        | <b>9,037,969</b>       | <b>20.67%</b>        | <b>10,651,116</b>            |
| <b>TOTAL REVENUE</b>                            | <b>302,521,267</b>       | <b>69,641,070</b>      | <b>23.02%</b>        | <b>65,835,376</b>            |
| <b>EXPENSES</b>                                 |                          |                        |                      |                              |
| <b>Salaries and Benefits</b>                    |                          |                        |                      |                              |
| Salary Expense - Regular                        | 4,994,532                | 903,879                | 18.10%               | 878,691                      |
| Salary Reserve                                  | 80,000                   | -                      | -                    | -                            |
| TCDRS   | 1,142,301                | 163,110                | 14.28%               | 162,515                      |
| FICA  | 257,234                  | 46,273                 | 17.99%               | 43,734                       |
| FICA MED  | 72,421                   | 12,967                 | 17.91%               | 12,624                       |
| Health Insurance Expense                        | 586,073                  | 121,581                | 20.75%               | 113,041                      |
| Life Insurance Expense                          | 3,249                    | 607                    | 18.69%               | 726                          |
| Auto Allowance Expense                          | 10,200                   | 2,295                  | 22.50%               | 2,295                        |
| Other Benefits                                  | 204,671                  | 21,892                 | 10.70%               | 17,210                       |
| Unemployment Taxes                              | 5,760                    | -                      | -                    | -                            |
| <b>Total Salaries and Benefits</b>              | <b>7,356,441</b>         | <b>1,272,605</b>       | <b>17.30%</b>        | <b>1,230,837</b>             |
| <b>Administrative</b>                           |                          |                        |                      |                              |
| <b>Administrative and Office Expenses</b>       |                          |                        |                      |                              |
| Accounting                                      | 9,500                    | 2,185                  | 23.00%               | 2,176                        |
| Auditing  | 270,000                  | 90,000                 | 33.33%               | 62,100                       |
| Financial Advisors                              | 200,000                  | 27,900                 | 13.95%               | 54,000                       |
| Human Resources                                 | 100,000                  | 254                    | 0.25%                | 494                          |
| Legal   | 60,000                   | 6,195                  | 10.33%               | 4,750                        |
| IT Services                                     | 365,000                  | 54,390                 | 14.90%               | 77,002                       |
| Software Licenses                               | 1,573,150                | 1,374,991              | 87.40%               | 689,309                      |
| Cell Phones                                     | 34,900                   | 2,840                  | 8.14%                | 7,476                        |
| Local Telephone Service                         | 2,200                    | 610                    | 27.72%               | 24,873                       |
| Overnight Delivery Services                     | 200                      | 8                      | 4.19%                | -                            |
| Copy Machine                                    | 15,300                   | 3,816                  | 24.94%               | 3,816                        |
| Repair & Maintenance-General                    | 10,000                   | -                      | -                    | 8,445                        |
| Meeting Facilities                              | 2,500                    | -                      | -                    | -                            |
| Meeting Expense                                 | 13,750                   | 899                    | 6.54%                | 489                          |
| Toll Tag Expense                                | 3,000                    | 300                    | 10.00%               | 100                          |
| Parking / Local Ride Share                      | 2,500                    | 127                    | 5.06%                | 27                           |
| Mileage Reimbursement                           | 4,600                    | 97                     | 2.10%                | 206                          |
| Insurance Expense                               | 1,301,000                | 241,891                | 18.59%               | 147,556                      |
| Rent Expense                                    | 992,200                  | 76,639                 | 7.72%                | 25,020                       |
| Building Parking                                | 3,500                    | 200                    | 5.70%                | 192                          |
| Total Legal Services                            | 458,000                  | -                      | -                    | 18,793                       |
| <b>Total Administrative and Office Expenses</b> | <b>5,421,300</b>         | <b>1,883,342</b>       | <b>34.74%</b>        | <b>1,126,822</b>             |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending September 30, 2024**

|  | Budget Amount<br>FY 2025 | Actual Year<br>to Date | Percent of<br>Budget | Actual Prior<br>Year to Date |
|--|--------------------------|------------------------|----------------------|------------------------------|
| <b>Office Supplies</b>                           |                          |                        |                      |                              |
| Books & Publications                             | 5,250                    | 894                    | 17.03%               | 639                          |
| Office Supplies                                  | 5,250                    | 329                    | 6.27%                | 88                           |
| Misc Office Equipment                            | 4,500                    | -                      | -                    | -                            |
| Computer Supplies                                | 201,850                  | 5,932                  | 2.94%                | 23,650                       |
| Copy Supplies                                    | 750                      | -                      | -                    | -                            |
| Other Reports - Printing                         | 500                      | -                      | -                    | -                            |
| Office Supplies - Printed                        | 3,500                    | 845                    | 24.15%               | 102                          |
| Postage Expense                                  | 900                      | -                      | -                    | 329                          |
| <b>Total Office Supplies</b>                     | <b>222,500</b>           | <b>8,000</b>           | <b>3.60%</b>         | <b>24,807</b>                |
| <b>Communications and Public Relations</b>       |                          |                        |                      |                              |
| Print Production                                 | 75,000                   | -                      | -                    | -                            |
| Website Maintenance                              | 240,000                  | 21,981                 | 9.16%                | 157,325                      |
| Research Services                                | 210,000                  | 11,900                 | 5.67%                | -                            |
| Communications and Marketing                     | 500,000                  | 5,953                  | 1.19%                | 12,420                       |
| Media Planning and Placement                     | 1,225,000                | 489,153                | 39.93%               | 165,235                      |
| Direct Mail Production                           | 60,000                   | -                      | -                    | -                            |
| TV and Video Production                          | 250,000                  | -                      | -                    | -                            |
| Photography                                      | 25,000                   | 850                    | 3.40%                | 295                          |
| Radio Production                                 | 50,000                   | -                      | -                    | -                            |
| Other Public Relations                           | 20,000                   | 13,000                 | 65.00%               | -                            |
| Promotional Items                                | 20,000                   | -                      | -                    | 1,166                        |
| Printing   | 80,000                   | -                      | -                    | -                            |
| Other Communication Expenses                     | 15,000                   | 4,306                  | 28.71%               | -                            |
| <b>Total Communications and Public Relations</b> | <b>2,770,000</b>         | <b>547,143</b>         | <b>19.75%</b>        | <b>336,441</b>               |
| <b>Employee Development</b>                      |                          |                        |                      |                              |
| Subscriptions                                    | 1,250                    | 139                    | 11.12%               | 139                          |
| Agency Memberships                               | 88,300                   | 35                     | 0.04%                | 25                           |
| Continuing Education                             | 14,800                   | 150                    | 1.01%                | 500                          |
| Professional Development                         | 21,400                   | 3,285                  | 15.35%               | -                            |
| Other Licenses                                   | 2,000                    | 375                    | 18.75%               | -                            |
| Seminars and Conferences                         | 70,300                   | 4,300                  | 6.12%                | 1,445                        |
| Travel   | 107,000                  | 12,013                 | 11.23%               | 12,852                       |
| <b>Total Employee Development</b>                | <b>305,050</b>           | <b>20,297</b>          | <b>6.65%</b>         | <b>14,961</b>                |
| <b>Financing and Banking Fees</b>                |                          |                        |                      |                              |
| Trustee Fees                                     | 75,000                   | 15,000                 | 20.00%               | 32,500                       |
| Bank Fee Expense                                 | 6,500                    | 1,621                  | 24.94%               | 1,505                        |
| Continuing Disclosure                            | 10,000                   | -                      | -                    | -                            |
| Arbitrage Rebate Calculation                     | 16,500                   | -                      | -                    | -                            |
| Rating Agency Expense                            | 50,000                   | 33,500                 | 67.00%               | 32,500                       |
| <b>Total Financing and Banking Fees</b>          | <b>158,000</b>           | <b>50,121</b>          | <b>31.72%</b>        | <b>66,505</b>                |
| <b>Total Administrative</b>                      | <b>8,876,850</b>         | <b>2,508,902</b>       | <b>28.26%</b>        | <b>1,569,536</b>             |
| <b>Operations and Maintenance</b>                |                          |                        |                      |                              |
| <b>Operations and Maintenance Consulting</b>     |                          |                        |                      |                              |
| GEC-Trust Indenture Support                      | 1,568,659                | 652,600                | 41.60%               | 485,164                      |
| GEC-Financial Planning Support                   | 300,000                  | 73,595                 | 24.53%               | 100,754                      |
| GEC-Toll Ops Support                             | 1,142,136                | 439,234                | 38.46%               | 311,715                      |
| GEC-Roadway Ops Support                          | 1,515,000                | 217,776                | 14.37%               | 259,921                      |
| GEC-Technology Support                           | 804,962                  | 119,151                | 14.80%               | 328,107                      |
| GEC-Public Information Support                   | 200,000                  | 51,531                 | 25.77%               | 56,106                       |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending September 30, 2024**

|  | Budget Amount<br>FY 2025 | Actual Year<br>to Date | Percent of<br>Budget | Actual Prior<br>Year to Date |
|--|--------------------------|------------------------|----------------------|------------------------------|
| GEC-General Support                                | 2,226,000                | 381,746                | 17.15%               | 365,306                      |
| General System Consultant                          | 2,307,274                | 295,365                | 12.80%               | 36,186                       |
| Traffic Modeling                                   | 125,000                  | -                      | -                    | -                            |
| Traffic and Revenue Consultant                     | 1,200,000                | 176,961                | 14.75%               | 60,761                       |
| <b>Total Operations and Maintenance Consulting</b> | <b>11,389,031</b>        | <b>2,407,958</b>       | <b>21.14%</b>        | <b>2,004,020</b>             |
| <b>Roadway Operations and Maintenance</b>          |                          |                        |                      |                              |
| Roadway Maintenance                                | 4,169,031                | 487,458                | 11.69%               | 256,969                      |
| Landscape Maintenance                              | 3,249,260                | 480,554                | 14.79%               | 391,010                      |
| Signal & Illumination Maint                        | 25,000                   | -                      | -                    | -                            |
| Maintenance Supplies-Roadway                       | 400,000                  | -                      | -                    | -                            |
| Tools & Equipment Expense                          | -                        | 957                    | -                    | -                            |
| Gasoline   | 30,000                   | 4,120                  | 13.73%               | 3,729                        |
| Repair & Maintenance - Vehicles                    | 10,000                   | (1,468)                | -14.68%              | 360                          |
| Natural Gas  | 7,500                    | 2,389                  | 31.85%               | 7,220                        |
| Electricity - Roadways                             | 300,000                  | 53,881                 | 17.96%               | 65,052                       |
| <b>Total Roadway Operations and Maintenance</b>    | <b>8,190,791</b>         | <b>1,027,890</b>       | <b>12.55%</b>        | <b>724,340</b>               |
| <b>Toll Processing and Collection Expense</b>      |                          |                        |                      |                              |
| Image Processing                                   | 3,300,000                | 400,191                | 12.13%               | 514,785                      |
| Tag Collection Fees                                | 12,675,000               | 2,894,244              | 22.83%               | 2,682,471                    |
| Court Enforcement Costs                            | 160,000                  | -                      | -                    | -                            |
| PBM Incentive                                      | 500,000                  | -                      | -                    | -                            |
| <b>Total Processing and Collection Expense</b>     | <b>16,635,000</b>        | <b>3,294,435</b>       | <b>19.80%</b>        | <b>3,197,257</b>             |
| <b>Toll Operations Expense</b>                     |                          |                        |                      |                              |
| Generator Fuel                                     | 3,000                    | -                      | -                    | -                            |
| Fire & Burglar Alarm                               | 500                      | 123                    | 24.67%               | 123                          |
| Refuse   | 2,360                    | 512                    | 21.71%               | 474                          |
| Telecommunications                                 | 100,000                  | 30,103                 | 30.10%               | -                            |
| Water - Irrigation                                 | 7,500                    | 1,674                  | 22.32%               | 2,252                        |
| Electricity  | 750                      | 225                    | 29.98%               | 249                          |
| ETC Spare Parts Expense                            | 150,000                  | 21,285                 | 14.19%               | 16,453                       |
| Repair & Maintenance Toll Equip                    | 100,000                  | -                      | -                    | -                            |
| Law Enforcement                                    | 725,000                  | 128,655                | 17.75%               | 118,445                      |
| ETC Maintenance Contract                           | 6,450,000                | 497,986                | 7.72%                | 531,208                      |
| Transaction Processing Maintenance Contract        | 2,000,000                | -                      | -                    | -                            |
| ETC Toll Management Center System Operation        | 1,338,822                | 116,363                | 8.69%                | 134,101                      |
| ETC Development                                    | 456,000                  | -                      | -                    | 65,823                       |
| ETC Testing  | 50,000                   | -                      | -                    | -                            |
| <b>Total Toll Operations Expense</b>               | <b>11,383,932</b>        | <b>796,928</b>         | <b>7.00%</b>         | <b>869,127</b>               |
| <b>Total Operations and Maintenance</b>            | <b>47,598,754</b>        | <b>7,527,212</b>       | <b>15.81%</b>        | <b>6,794,744</b>             |
| <b>Other Expenses</b>                              |                          |                        |                      |                              |
| <b>Special Projects and Contingencies</b>          |                          |                        |                      |                              |
| HERO   | 711,621                  | 34,401                 | 4.83%                | 41,838                       |
| Special Projects                                   | 50,000                   | -                      | -                    | -                            |
| Disbursement Other Government - Travis County Road | -                        | 16,171                 | -                    | -                            |
| 71 Express Interest Expense                        | 6,750,000                | 431,155                | 6.39%                | 1,621,070                    |
| Customer Relations                                 | 10,000                   | -                      | -                    | -                            |
| Technology Initiatives                             | 100,000                  | -                      | -                    | -                            |
| Other Contractual Svcs                             | 390,000                  | 40,500                 | 10.38%               | 48,000                       |
| Contingency  | 200,000                  | -                      | -                    | -                            |
| <b>Total Special Projects and Contingencies</b>    | <b>8,211,621</b>         | <b>522,227</b>         | <b>6.36%</b>         | <b>1,710,909</b>             |
| <b>TOTAL OPERATING EXPENSE</b>                     | <b>72,043,666</b>        | <b>11,830,945</b>      | <b>16.42%</b>        | <b>11,306,025</b>            |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending September 30, 2024**

|  | Budget Amount<br>FY 2025 | Actual Year<br>to Date | Percent of<br>Budget | Actual Prior<br>Year to Date |
|--|--------------------------|------------------------|----------------------|------------------------------|
| <b>Non Cash Expenses</b>                           |                          |                        |                      |                              |
| <b>Amortization Expense</b>                        |                          |                        |                      |                              |
| Amortization Expense - Intangible Software         | -                        | 375,464                | -                    | -                            |
| Amortization Expense - Software                    | 13,000,000               | -                      | -                    | 6,349                        |
| Amortization Expense - Right to Use Asset - Leases | 515,000                  | 128,688                | 24.99%               | -                            |
| Amortization Expense - Refundings                  | 6,600,000                | 1,650,790              | 25.01%               | 1,536,354                    |
| <b>Subtotal Amortization Expense</b>               | <b>20,115,000</b>        | <b>2,154,942</b>       | <b>10.71%</b>        | <b>1,542,704</b>             |
| <b>Depreciation Expense</b>                        |                          |                        |                      |                              |
| Dep Expense - Equipment                            | -                        | -                      | -                    | 155,676                      |
| Dep Expense - Autos & Trucks                       | 31,000                   | 7,602                  | 24.52%               | 7,602                        |
| Dep Expense - Buildng & Toll Fac                   | 180,000                  | 44,187                 | 24.55%               | 44,187                       |
| Dep Expense - Highways & Bridges                   | 53,500,000               | 13,130,769             | 24.54%               | 12,709,388                   |
| Dep Expense - Toll Equipment                       | 13,640,000               | 848,048                | 6.22%                | 759,562                      |
| Dep Expense - Signs                                | 1,830,000                | 336,958                | 18.41%               | 302,239                      |
| Dep Expense - Land Improvements                    | 545,000                  | 135,581                | 24.88%               | 163,163                      |
| <b>Subtotal Depreciation Expense</b>               | <b>69,726,000</b>        | <b>14,503,145</b>      | <b>20.80%</b>        | <b>14,141,817</b>            |
| <b>Total Non Cash Expenses</b>                     | <b>89,841,000</b>        | <b>16,658,087</b>      | <b>18.54%</b>        | <b>15,684,520</b>            |
| <b>Non Operating Expenses</b>                      |                          |                        |                      |                              |
| Interest Expense - Debt Obligations                | 109,112,756              | 24,808,631             | 22.74%               | 19,698,810                   |
| CAMPO RIF Payment                                  | 10,000,000               | 10,000,000             | 100.00%              | 6,000,000                    |
| Community Initiatives                              | 600,000                  | 64,207                 | 10.70%               | -                            |
| <b>Total Non Operating Expenses</b>                | <b>119,712,756</b>       | <b>34,872,837</b>      | <b>29.13%</b>        | <b>25,698,810</b>            |
| <b>TOTAL EXPENSES</b>                              | <b>281,597,422</b>       | <b>63,361,870</b>      | <b>22.50%</b>        | <b>52,689,355</b>            |
| <b>Net Income</b>                                  | <b>20,923,845</b>        | <b>6,279,201</b>       | <b>30.01%</b>        | <b>13,146,021</b>            |

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of September 30, 2024**

**as of 09/30/2024**    **as of 09/30/2023**

**ASSETS**

**Current Assets**

**Cash**

|                           |           |         |
|---------------------------|-----------|---------|
| Regions Operating Account | 628,271   | 93,698  |
| Cash in TexStar           | 1,413,785 | 158,162 |
| Regions Payroll Account   | 109,622   | 107,534 |

**Restricted Cash**

|                           |             |             |
|---------------------------|-------------|-------------|
| Goldman Sachs FSGF 465    | 299,016,289 | 592,768,575 |
| Restricted Cash - TexSTAR | 28,061,811  | 6,210,647   |
| Treasury SLGS             | 222,885,094 | -           |

|  |                    |                    |
|--|--------------------|--------------------|
| <b>Total Cash and Cash Equivalents</b> | <b>552,114,871</b> | <b>599,338,616</b> |
|--|--------------------|--------------------|

**Accounts Receivables**

|                           |           |           |
|---------------------------|-----------|-----------|
| Accounts Receivable - Net | 5,984,664 | 4,979,871 |
| Due From Other Agencies   | 349,019   | 346,552   |
| Due From TTA              | 1,171,565 | 988,433   |
| Due From NTTA             | 1,837,290 | 1,477,295 |
| Due From HCTRA            | 2,348,988 | 3,652,916 |
| Due From TxDOT            | 9,774,045 | 6,073,328 |
| Due From Other Funds      | 1,964,106 | -         |
| Interest Receivable       | 963,090   | 693,342   |

|                          |                   |                   |
|--------------------------|-------------------|-------------------|
| <b>Total Receivables</b> | <b>24,392,766</b> | <b>18,211,737</b> |
|--------------------------|-------------------|-------------------|

**Short Term Investments**

|            |             |             |
|------------|-------------|-------------|
| Treasuries | 163,106,750 | 118,543,252 |
| Agencies   | 250,712,604 | 339,758,036 |

|                                     |                    |                    |
|-------------------------------------|--------------------|--------------------|
| <b>Total Short Term Investments</b> | <b>413,819,354</b> | <b>458,301,288</b> |
|-------------------------------------|--------------------|--------------------|

|                             |                    |                      |
|-----------------------------|--------------------|----------------------|
| <b>Total Current Assets</b> | <b>990,326,991</b> | <b>1,075,851,641</b> |
|-----------------------------|--------------------|----------------------|

**Construction in Progress**

|  |                    |                    |
|--|--------------------|--------------------|
|  | <b>539,161,563</b> | <b>370,517,955</b> |
|--|--------------------|--------------------|

**Capital Assets (Net of Depreciation and Amortization)**

**Depreciable Assets**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Equipment                     | -             | 1,245,411     |
| Autos and Trucks              | 8,869         | 39,279        |
| Buildings and Toll Facilities | 4,283,551     | 4,185,774     |
| Highways and Bridges          | 1,667,921,496 | 1,712,299,190 |
| Toll Equipment                | 21,384,970    | 14,916,806    |
| Signs                         | 11,148,649    | 11,100,566    |

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of September 30, 2024**

|                                     | as of 09/30/2024     | as of 09/30/2023     |
|-------------------------------------|----------------------|----------------------|
| Land Improvements                   | 4,608,849            | 5,151,172            |
| Right of way                        | 88,149,606           | 88,149,606           |
| Leasehold Improvements              | -                    | 297,427              |
| <b>Intangible Assets</b>            |                      |                      |
| Intangible Software                 | 5,600,209            | -                    |
| <b>Right to Use Assets</b>          |                      |                      |
| Leases                              | 815,025              | -                    |
| <b>Total Fixed Assets</b>           | <b>1,803,921,224</b> | <b>1,837,385,230</b> |
| <b>Other Assets</b>                 |                      |                      |
| Intangible Assets-Net               | 161,084,585          | 167,277,378          |
| Deferred Outflows (pension related) | 2,384,338            | 2,738,023            |
| Pension Asset                       | -                    | 1,046,634            |
| <b>Total Other Assets</b>           | <b>163,468,923</b>   | <b>171,062,035</b>   |
| <b>Total Assets</b>                 | <b>3,496,878,701</b> | <b>3,454,816,862</b> |
| <b>LIABILITIES</b>                  |                      |                      |
| <b>Current Liabilities</b>          |                      |                      |
| Accounts Payable                    | 12,442,590           | 3,372,178            |
| Construction Payable                | -                    | 9,796,249            |
| Overpayments                        | -                    | 1,570                |
| Interest Payable                    | 24,279,213           | 19,966,690           |
| Due to other Funds                  | 1,964,106            | -                    |
| TCDRS Payable                       | 84,542               | 82,369               |
| Due to other Agencies               | 11,062               | 3,569                |
| Due to TTA                          | 639,399              | 625,830              |
| Due to HCTRA                        | 155,380              | 154,452              |
| Due to Other Entities               | -                    | 1,878,422            |
| 71E TxDOT Obligation - ST           | 1,138,812            | 4,307,645            |
| <b>Total Current Liabilities</b>    | <b>40,715,103</b>    | <b>40,188,973</b>    |
| <b>Long Term Liabilities</b>        |                      |                      |
| Compensated Absences                | 222,277              | 240,954              |
| Right to Use Obligations - Lease    | 949,904              | 1,286,881            |
| Deferred Inflows (pension related)  | 1,192,688            | 1,378,935            |
| Pension Liability                   | 1,971,627            | -                    |
| <b>Long Term Payables</b>           | <b>4,336,496</b>     | <b>2,906,771</b>     |



**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of September 30, 2024**

**as of 09/30/2024**    **as of 09/30/2023**

**Bonds Payable**

**Senior Lien Revenue Bonds:**

|   |                      |                      |
|---|----------------------|----------------------|
| Senior Lien Revenue Bonds 2010            | 106,547,913          | 96,178,695           |
| Senior Lien Revenue Bonds 2011            | 9,954,410            | 16,459,605           |
| Senior Lien Revenue Bonds 2015            | 10,000,000           | 10,000,000           |
| Senior Lien Refunding Revenue Bonds 2016  | 47,045,000           | 59,340,000           |
| Senior Lien Revenue Bonds 2018            | 44,345,000           | 44,345,000           |
| Senior Lien Revenue Bonds 2020A           | 50,265,000           | 50,265,000           |
| Senior Lien Refunding Bonds 2020B         | 54,305,000           | 54,970,000           |
| Senior Lien Refunding Bonds 2020C         | 133,210,000          | 138,435,000          |
| Senior Lien Revenue Bonds 2020E           | 167,160,000          | 167,160,000          |
| Senior Lien Revenue Bonds 2021B           | 255,075,000          | 255,075,000          |
| Senior Lien Refunding Bonds 2021D         | 273,650,000          | 274,150,000          |
| Senior Lien Refunding Bonds 2021E         | 329,545,000          | 332,585,000          |
| Senior Lien Premium 2016 Revenue Bonds    | 5,995,127            | 6,736,845            |
| Sn Lien Revenue Bond Premium 2018         | 2,550,001            | 2,816,574            |
| Senior Lien Revenue Bond Premium 2020A    | 10,865,879           | 11,112,493           |
| Senior Lien Refunding Bond Premium 2020B  | 10,567,736           | 11,102,812           |
| Senior Lien Revenue Bonds Premium 2020E   | 21,996,302           | 23,711,689           |
| Senior Lien Revenue Bonds Premium 2021B   | 52,253,848           | 52,830,298           |
| Senior Lien Refunding Bonds Premium 2021D | 43,379,357           | 44,221,847           |
| <b>Total Senior Lien Revenue Bonds</b>    | <b>1,628,710,575</b> | <b>1,651,495,859</b> |

**Sub Lien Revenue Bonds:**

|   |                    |                    |
|---|--------------------|--------------------|
| Sub Lien Refunding Bonds 2016                   | 69,055,000         | 71,435,000         |
| Sub Lien Refunding Bonds 2020D                  | 93,430,000         | 97,440,000         |
| Subordinated Lien BANs 2020F                    | 110,875,000        | 110,875,000        |
| Subordinate Lien Refunding Bonds 2020G          | 61,570,000         | 61,570,000         |
| Subordinated Lien BANs 2021C                    | 244,185,000        | 244,185,000        |
| Sub Refunding 2016 Prem/Disc                    | 4,068,452          | 4,797,315          |
| Subordinated Lien BANs 2020F Premium            | 1,000,716          | 5,003,581          |
| Subordinated Lien Refunding Bonds Premium 2020G | 6,259,283          | 6,663,255          |
| Sub Lien BANS 2021C Premium                     | 17,126,274         | 24,737,951         |
| <b>Total Sub Lien Revenue Bonds</b>             | <b>607,569,725</b> | <b>626,707,102</b> |

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of September 30, 2024**

|   | as of 09/30/2024     | as of 09/30/2023     |
|---|----------------------|----------------------|
| <b>Other Obligations</b>                |                      |                      |
| TIFIA Note 2021 - 183S                  | 322,354,437          | 361,020,863          |
| TIFIA Note 2021 - 290E                  | 41,088,581           | -                    |
| 71E TxDOT Obligation - LT               | 47,253,089           | 51,918,220           |
| Regions 2022 MoPac Loan                 | 22,490,900           | 23,765,900           |
| <b>Total Other Obligations</b>          | <b>433,187,007</b>   | <b>436,704,983</b>   |
| <b>Total Long Term Liabilities</b>      | <b>2,673,803,803</b> | <b>2,717,814,715</b> |
| <b>Total Liabilities</b>                | <b>2,714,518,906</b> | <b>2,758,003,688</b> |
| <br><b>NET ASSETS</b>                   |                      |                      |
| Contributed Capital                     | -                    | 121,462,104          |
| Net Assets Beginning                    | 776,080,594          | 563,196,620          |
| Current Year Operations                 | 6,279,201            | 13,146,021           |
| <b>Total Net Assets</b>                 | <b>782,359,795</b>   | <b>697,804,745</b>   |
| <b>Total Liabilities and Net Assets</b> | <b>3,496,878,701</b> | <b>3,455,808,433</b> |

**Central Texas Regional Mobility Authority**

**Statement of Cash Flow**

**as of September 2024**

**Cash flows from operating activities:**

|   |              |
|---|--------------|
| Receipts from toll revenues                               | 68,419,016   |
| Receipts from other sources                               | 438,837      |
| Payments to vendors                                       | (50,849,058) |
| Payments to employees                                     | (1,282,502)  |
| Net cash flows provided by (used in) operating activities | 16,726,294   |

**Cash flows from capital and related financing activities:**

|   |              |
|---|--------------|
| Payment on Intangible assets  | (1,654,119)  |
| Interest Expense  | (44,364,111) |
| Payments on bonds / loans   | (745,582)    |
| RIF Contribution  | (10,000,000) |
| Acquisition of capital assets - non project                                   | (1,327,688)  |
| Acquisitions of construction in progress                                      | (25,867,757) |
| Net cash flows provided by (used in) capital and related financing activities | (83,959,257) |

**Cash flows from investing activities:**

|   |               |
|---|---------------|
| Interest income   | 8,482,593     |
| Purchase of investments                                   | (182,422,587) |
| Net cash flows provided by (used in) investing activities | (173,939,994) |

|  |               |
|--|---------------|
| Net increase (decrease) in cash and cash equivalents | (241,172,958) |
| Cash and cash equivalents at beginning of period     | 817,680,594   |
| Cash and cash equivalents at end of period           | 576,507,637   |

**Reconciliation of change in net assets to net cash provided by operating activities:**

|   |               |
|---|---------------|
| Operating income  | 6,279,201     |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |               |
| Depreciation and amortization   | 16,658,087    |
| Changes in assets and liabilities:  |               |
| Decrease in accounts receivable   | 7,815,915     |
| Increase in prepaid expenses and other assets   | 241,428       |
| Decrease in accrued expenses  | (30,542,042)  |
| Decrease in Interest expense  | 24,872,837    |
| Increase in interest receivable   | (8,599,132)   |
| Total adjustments   | 10,447,093    |
| Net cash flows provided by (used in) operating activities                                   | \$ 16,726,294 |

**Reconciliation of cash and cash equivalents:**

|  |             |
|--|-------------|
| Unrestricted cash and cash equivalents | 249,429,537 |
| Restricted cash and cash equivalents   | 327,078,100 |
| Total                                  | 576,507,637 |

**CTRMA INVESTMENT REPORT**  
**Month Ending September 30, 2024**

|  | Balance<br>8/31/2024  | Accrued<br>Interest | Additions            | Cash<br>Transfers     | Withdrawals          | Balance<br>9/30/2024  | Rate<br>September '24 |
|--|-----------------------|---------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|
| <b>Amount in Trustee TexStar</b>                   |                       |                     |                      |                       |                      |                       |                       |
| 2011 Sr Lien Financial Assist Fund                 | 16.86                 | 0.04                |                      |                       |                      | 16.90                 | 5.13%                 |
| 2013 Sub Lien Debt Service Reserve<br>General Fund | 863,297.85            | 3,128.05            |                      |                       | 250,000.00           | 616,425.90            | 5.13%                 |
| Trustee Operating Fund                             | 10,175,350.28         | 42,910.86           |                      |                       |                      | 10,218,261.14         | 5.13%                 |
| Renewal and Replacement                            | 17,032,369.88         | 65,679.59           |                      | (3,000,000.00)        |                      | 14,098,049.47         | 5.13%                 |
| TxDOT Grant Fund                                   | 8.70                  |                     |                      |                       |                      | 8.70                  | 5.13%                 |
| Senior Lien Debt Service Reserve Fund              | 502,678.76            | 2,119.85            |                      |                       |                      | 504,798.61            | 5.13%                 |
| 2015B Sr Ln Project                                | 427,247.43            | 1,801.74            |                      |                       |                      | 429,049.17            | 5.13%                 |
| 2015C Sub TIFIA Project                            | 386,931.75            | 1,631.75            |                      |                       |                      | 388,563.50            | 5.13%                 |
| 2018 Sr Lien Project                               | 768,700.92            | 3,241.72            |                      |                       |                      | 771,942.64            | 5.13%                 |
|  | 1,030,349.98          | 4,345.11            |                      |                       |                      | 1,034,695.09          | 5.13%                 |
|  | <b>31,186,952.41</b>  | <b>124,858.71</b>   | <b>-</b>             | <b>(3,000,000.00)</b> | <b>250,000.00</b>    | <b>28,061,811.12</b>  |                       |
| <b>Amount in TexStar Operating Fund</b>            |                       |                     |                      |                       |                      |                       |                       |
|  | <b>2,007,338.38</b>   | <b>6,446.91</b>     |                      | <b>3,000,000.00</b>   | <b>3,600,000.00</b>  | <b>1,413,785.29</b>   | <b>5.13%</b>          |
| <b>Goldman Sachs</b>                               |                       |                     |                      |                       |                      |                       |                       |
| Operating Fund                                     | 4,610,607.86          | 19,990.54           |                      | 5,000,000.00          | 4,302.51             | 9,626,295.89          | 5.03%                 |
| 2020A Senior Lien Debt Service                     | 423,637.87            | 1,181.42            |                      | 209,437.50            |                      | 634,256.79            | 5.03%                 |
| 2020B Senior Lien Debt Service                     | 909,011.60            | 3,099.25            |                      | 276,837.50            |                      | 1,188,948.35          | 5.03%                 |
| 2020C Senior Lien Debt Service                     | 4,049,502.40          | 15,437.58           |                      | 734,488.33            |                      | 4,799,428.31          | 5.03%                 |
| 2020D Sub Lien Debt Service                        | 3,225,503.69          | 12,309.98           |                      | 580,855.71            |                      | 3,818,669.38          | 5.03%                 |
| 2020D Sub Debt Service Reserve Fund                | 1,101,216.76          | 4,850.87            |                      |                       |                      | 1,106,067.63          | 5.03%                 |
| 2020E Sr Lien Project                              | 92,519,666.38         | 427,995.84          | 217,866.99           |                       | 528,883.52           | 92,636,645.69         | 5.03%                 |
| 2020E Sr Ln Project Cap Interest                   | 8,349,244.82          | 36,780.87           |                      |                       |                      | 8,386,025.69          | 5.03%                 |
| 2020F Sub Lien Debt Service                        | 1,075,842.81          | 3,228.80            |                      | 461,979.17            |                      | 1,541,050.78          | 5.03%                 |
| 2020G Sub Lien Debt Service                        | 430,069.34            | 1,199.03            |                      | 212,716.67            |                      | 643,985.04            | 5.03%                 |
| 2020G Sub Debt Service Reserve Fund                | 466,526.45            | 2,055.03            |                      |                       |                      | 468,581.48            | 5.03%                 |
| 2021A Sub Debt Service Reserve Fund                | 1,967,648.16          | 8,667.28            |                      |                       |                      | 1,976,315.44          | 5.03%                 |
| 2021A TIFIA Sub Lien Debt Service Acct             | 525,487.64            | 2,314.93            |                      |                       |                      | 527,802.57            | 5.03%                 |
| 2021B Senior Lien Cap I Project Fund               | 26,067,401.50         | 114,834.54          |                      |                       |                      | 26,182,236.04         | 5.03%                 |
| 2021B Senior Lien Project                          | 367,826.89            | 25,502.04           | 20,000,000.00        |                       | 19,587,914.24        | 805,414.69            | 5.03%                 |
| 2021B Senior Lien Cap I Debt Service Acct          | 9,434.34              | 41.54               |                      |                       |                      | 9,475.88              | 5.03%                 |
| 2021C Sub Lien Cap I Project Fund                  | 1,469.89              | 6.48                |                      |                       |                      | 1,476.37              | 5.03%                 |
| 2021C Sub Lien Project                             | 6,336,141.05          | 34,566.81           |                      |                       |                      | 6,370,707.86          | 5.03%                 |
| 2021C Sub Lien Debt Service                        | 2,056,895.50          | 5,734.36            |                      | 1,017,437.50          |                      | 3,080,067.36          | 5.03%                 |
| 2021D Senior Lien Debt Service                     | 2,234,825.38          | 6,658.59            |                      | 974,500.00            |                      | 3,215,983.97          | 5.03%                 |
| 2021E Senior Lien Debt Service                     | 3,772,780.24          | 13,107.10           |                      | 1,074,393.20          |                      | 4,860,280.54          | 5.03%                 |
| 2011 Sr Financial Assistance Fund                  | 143.92                | 0.63                |                      |                       |                      | 144.55                | 5.03%                 |
| 2010 Senior DSF                                    | 5,829,440.86          | 23,570.36           |                      | 646,171.30            |                      | 6,499,182.52          | 5.03%                 |
| 2011 Senior Lien Debt Service                      | 4,870,966.65          | 19,641.04           |                      | 556,403.31            |                      | 5,447,011.00          | 5.03%                 |
| 2013 Senior Lien Debt Service                      | 44,218.64             | 194.82              |                      |                       |                      | 44,413.46             | 5.03%                 |
| 2013 Sub Debt Service Reserve Fund                 | 135.62                | 0.60                | 250,000.00           |                       | 1,476.30             | 248,659.92            | 5.03%                 |
| 2013 Subordinate Debt Service                      | 34,801.47             | 153.33              |                      |                       |                      | 34,954.80             | 5.03%                 |
| 2015A Sr Lien Debt Service                         | 5,006,344.49          | 41,566.27           |                      | 208,333.33            |                      | 5,256,244.09          | 5.03%                 |
| 2015B Project                                      | 4,941,934.14          | 21,843.75           |                      |                       | 56,855.88            | 4,906,922.01          | 5.03%                 |
| 2015C TIFIA Project                                | 1,141,265.85          | 5,028.33            |                      |                       |                      | 1,146,294.18          | 5.03%                 |
| 2016 Sr Lien Rev Refunding Debt Service            | 8,803,071.07          | 38,785.63           |                      |                       |                      | 8,841,856.70          | 5.03%                 |
| 2016 Sub Lien Rev Refunding Debt Service           | 2,381,854.34          | 8,890.53            |                      | 490,271.88            |                      | 2,881,016.75          | 5.03%                 |
| 2016 Sub Lien Rev Refunding DSR                    | 844,183.14            | 3,719.40            |                      |                       |                      | 847,902.54            | 5.03%                 |
| 2018 Sr Lien Debt Service                          | 1,044,507.59          | 3,724.70            |                      | 268,104.17            |                      | 1,316,336.46          | 5.03%                 |
| 2018 Sr Lien Project                               | 12,164,514.95         | 54,187.60           |                      |                       | 712,524.06           | 11,506,178.49         | 5.03%                 |
| TxDOT Grant Fund                                   | 528,647.79            | 2,329.18            |                      |                       |                      | 530,976.97            | 5.03%                 |
| Renewal and Replacement                            | 40.01                 | 1.18                |                      | 30,900.00             | 30,931.72            | 9.47                  | 5.03%                 |
| Revenue Fund                                       | 10,661,829.46         | 61,548.32           | 19,513,935.72        | (20,053,270.21)       |                      | 10,184,043.29         | 5.03%                 |
| General Fund                                       | 27,360,971.64         | 104,627.72          |                      | 5,610,134.44          | 493,471.75           | 32,582,262.05         | 5.03%                 |
| Senior Lien Debt Service Reserve Fund              | 3,400,557.69          | 14,982.59           |                      |                       |                      | 3,415,540.28          | 5.03%                 |
| 71E Revenue Fund                                   | 8,287,726.29          | 33,038.78           | 346,101.67           | 791,805.14            | 126,811.88           | 9,331,860.00          | 5.03%                 |
| MoPac Revenue Fund                                 | 75,039.27             | 2,592.66            | 329,310.22           | (320,847.47)          |                      | 86,094.68             | 5.03%                 |
| MoPac General Fund                                 | 20,769,320.10         | 58,718.22           |                      | 651,756.53            | 10,000,000.00        | 11,479,794.85         | 5.03%                 |
| MoPac Operating Fund                               | 2,771,047.45          | 10,918.90           |                      | 400,000.00            | 341,143.78           | 2,840,822.57          | 5.03%                 |
| MoPac Loan Repayment Fund                          | 382,715.91            | 1,055.12            |                      | 177,592.00            |                      | 561,363.03            | 5.03%                 |
|  | <b>281,846,018.91</b> | <b>1,250,682.54</b> | <b>40,657,214.60</b> | <b>-</b>              | <b>31,884,315.64</b> | <b>291,869,600.41</b> |                       |
| <b>Amount in Fed Agencies and Treasuries</b>       |                       |                     |                      |                       |                      |                       |                       |
| Amortized Principal                                | 413,819,353.93        |                     |                      |                       |                      | 413,819,353.93        |                       |
| <b>Certificates of Deposit</b>                     |                       |                     |                      |                       |                      |                       |                       |
| <b>Total in Pools - TxStar</b>                     | 33,194,290.79         | 131,305.62          | -                    | -                     | 3,850,000.00         | 29,475,596.41         |                       |
| <b>Total in GS FSGF</b>                            | 281,846,018.91        | 1,250,682.54        | 40,657,214.60        | -                     | 31,884,315.64        | 291,869,600.41        |                       |
| <b>Total in Treasury SLGS</b>                      | 269,000,000.00        | 3,385,094.13        | -                    | -                     | 49,500,000.00        | 222,885,094.13        |                       |
| <b>Total in Fed Agencies and Treasuries</b>        | 413,819,353.93        | -                   | -                    | -                     | -                    | 413,819,353.93        |                       |
| <b>Total Invested</b>                              | 997,859,663.63        | 4,767,082.29        | 40,657,214.60        | -                     | 85,234,315.64        | 958,049,644.88        |                       |

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

José Hernández, CFO

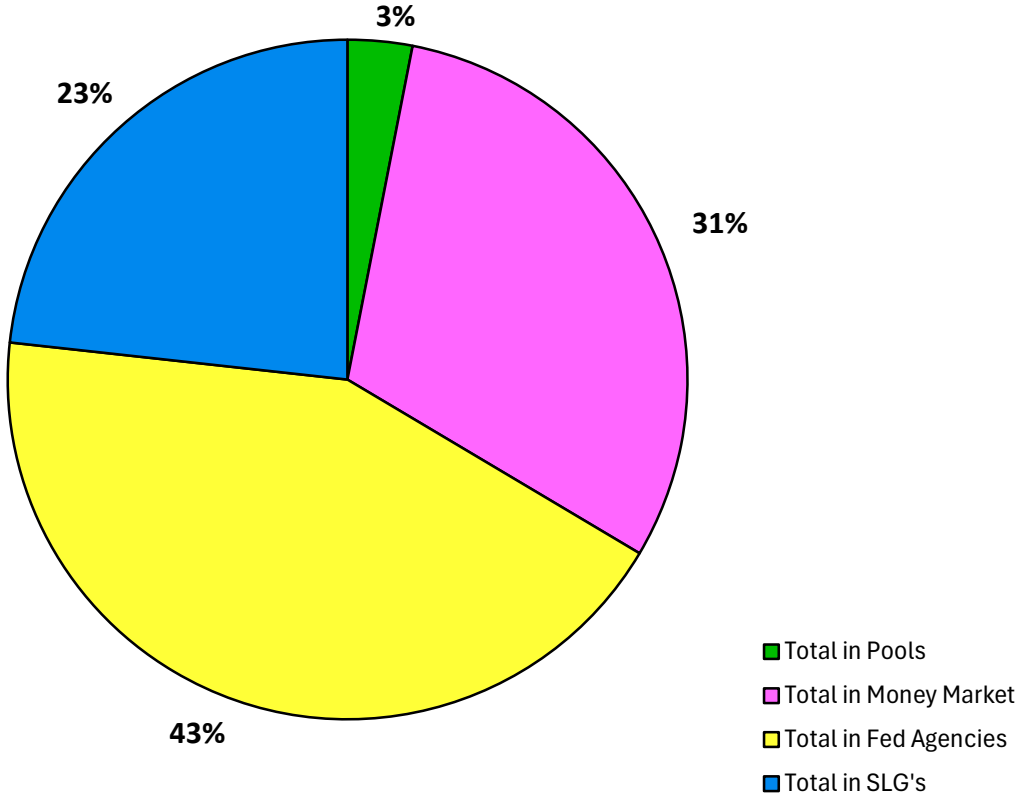
Ann Zigmund, Controller

## Investments by Fund

| Fund                                      | TexSTAR              | TexSTAR-Trustee     | Goldman Sachs         | Agencies /<br>Treasuries / SLGS | Balance               |
|---|----------------------|---------------------|-----------------------|---------------------------------|-----------------------|
| Renewal and Replacement Fund              | 8.70                 |                     | 9.47                  |                                 | 18.17                 |
| Grant Fund                                | 504,798.61           |                     | 530,976.97            | 10,000,000.00                   | 11,035,775.58         |
| Senior Debt Service Reserve Fund          | 429,049.17           |                     | 3,415,540.28          | 114,051,334.25                  | 117,895,923.70        |
| 2010 Senior Lien Debt Service             |                      |                     | 6,499,182.52          |                                 | 6,499,182.52          |
| 2011 Sr Debt Service t                    |                      |                     | 5,447,011.00          |                                 | 5,447,011.00          |
| 2013 Sr Debt Service t                    |                      |                     | 44,413.46             |                                 | 44,413.46             |
| 2013 Sub Debt Service                     |                      |                     | 34,954.80             |                                 | 34,954.80             |
| 2013 Sub Debt Service Reserve Fund        | 616,425.90           |                     | 248,659.92            |                                 | 865,085.82            |
| 2015 Sr Debt Service                      |                      |                     | 5,256,244.09          |                                 | 5,256,244.09          |
| 2016 Sr Lien Rev Refunding Debt Service   |                      |                     | 8,841,856.70          |                                 | 8,841,856.70          |
| 2016 Sub Lien Rev Refunding Debt Service  |                      |                     | 2,881,016.75          |                                 | 2,881,016.75          |
| 2016 Sub Lien Rev Refunding DSR           |                      |                     | 847,902.54            | 6,825,843.85                    | 7,673,746.39          |
| Operating Fund                            | 14,098,049.47        | 1,413,785.29        | 9,626,295.89          |                                 | 25,138,130.65         |
| Revenue Fund                              |                      |                     | 10,184,043.29         |                                 | 10,184,043.29         |
| General Fund                              | 10,218,261.14        |                     | 32,582,262.05         | 182,098,391.72                  | 224,898,914.91        |
| 71E Revenue Fund                          |                      |                     | 9,331,860.00          | 29,639,926.50                   | 38,971,786.50         |
| MoPac Revenue Fund                        |                      |                     | 86,094.68             |                                 | 86,094.68             |
| MoPac General Fund                        |                      |                     | 11,479,794.85         |                                 | 11,479,794.85         |
| MoPac Operating Fund                      |                      |                     | 2,840,822.57          |                                 | 2,840,822.57          |
| MoPac Loan Repayment Fund                 |                      |                     | 561,363.03            |                                 | 561,363.03            |
| 2015B Project                             | 388,563.50           |                     | 4,906,922.01          |                                 | 5,295,485.51          |
| 2015 TIFIA Project                        | 771,942.64           |                     | 1,146,294.18          | 40,000,000.00                   | 41,918,236.82         |
| 2011 Sr Financial Assistance Fund         | 16.90                |                     | 144.55                |                                 | 161.45                |
| 2018 Sr Lien Debt Service                 |                      |                     | 1,316,336.46          |                                 | 1,316,336.46          |
| 2018 Sr Lien Project Cap I                |                      |                     | -                     |                                 | -                     |
| 2018 Sr Lien Project                      | 1,034,695.09         |                     | 11,506,178.49         |                                 | 12,540,873.58         |
| 2020A Senior Lien Debt Service            |                      |                     | 634,256.79            |                                 | 634,256.79            |
| 2020B Senior Lien Debt Service            |                      |                     | 1,188,948.35          |                                 | 1,188,948.35          |
| 2020C Senior Lien Debt Service            |                      |                     | 4,799,428.31          |                                 | 4,799,428.31          |
| 2020D Sub Lien Debt Service               |                      |                     | 3,818,669.38          |                                 | 3,818,669.38          |
| 2020D Sub Debt Service Reserve Fund       |                      |                     | 1,106,067.63          | 7,800,964.40                    | 8,907,032.03          |
| 2020E Senior Lien Project                 |                      |                     | 92,636,645.69         |                                 | 92,636,645.69         |
| 2020E Senior Lien Project Cap Interest    |                      |                     | 8,386,025.69          |                                 | 8,386,025.69          |
| 2020F Sub Lien Project                    |                      |                     | -                     |                                 | -                     |
| 2020F Sub Lien Deb Service                |                      |                     | 1,541,050.78          |                                 | 1,541,050.78          |
| 2020G Sub Lien Debt Service               |                      |                     | 643,985.04            |                                 | 643,985.04            |
| 2020G Sub Lien Debt Service Reserve       |                      |                     | 468,581.48            | 3,900,482.20                    | 4,369,063.68          |
| 2021A Sub Lien Debt Service Reserve       |                      |                     | 1,976,315.44          | 19,502,411.01                   | 21,478,726.45         |
| 2021A Sub Debt Service                    |                      |                     | 527,802.57            |                                 | 527,802.57            |
| 2021B Senior Lien Cap I Project Fund      |                      |                     | 26,182,236.04         |                                 | 26,182,236.04         |
| 2021B Senior Lien Project                 |                      |                     | 805,414.69            | 217,105,989.55                  | 217,911,404.24        |
| 2021B Senior Lien Cap I Debt Service Acct |                      |                     | 9,475.88              |                                 | 9,475.88              |
| 2021C Sub Lien Cap I Project Fund         |                      |                     | 1,476.37              | 5,779,104.58                    | 5,780,580.95          |
| 2021C Sub Lien Project                    |                      |                     | 6,370,707.86          |                                 | 6,370,707.86          |
| 2021C Sub Lien Debt Service               |                      |                     | 3,080,067.36          |                                 | 3,080,067.36          |
| 2021D Senior Lien Debt Service            |                      |                     | 3,215,983.97          |                                 | 3,215,983.97          |
| 2021E Senior Lien Debt Service            |                      |                     | 4,860,280.54          |                                 | 4,860,280.54          |
| <b>Totals</b>                             | <b>28,061,811.12</b> | <b>1,413,785.29</b> | <b>291,869,600.41</b> | <b>636,704,448.06</b>           | <b>958,049,644.88</b> |

9/30/2024

### Allocation of Funds





| Bank       | Fund       | Cost           | Cummulative Amortization | Book Value     | Maturity Value | Interest Income  |              |                 |
|------------|------------|----------------|--------------------------|----------------|----------------|------------------|--------------|-----------------|
|            |            |                |                          |                |                | Accrued Interest | Amortization | Interest Earned |
| 6180000120 | GENERAL    | 40,000,000.00  |                          | 40,000,000.00  | 40,000,000.00  |                  |              |                 |
| 6180000120 | GENERAL    | 9,960,128.90   |                          | 9,960,128.90   | 10,000,000.00  | 27,777.78        |              | 527,777.78      |
| 6180000120 | GENERAL    | 9,960,128.90   |                          | 9,960,128.90   | 10,000,000.00  | 27,777.78        |              | 527,777.78      |
| 6180000120 | GENERAL    | 41,501,020.00  |                          | 41,501,020.00  | 43,000,000.00  |                  |              |                 |
| 6180000059 | SENLIENCSR | 9,651,400.00   |                          | 9,651,400.00   | 10,000,000.00  |                  |              |                 |
| 6180000120 | GENERAL    | 48,794,377.50  |                          | 48,794,377.50  | 50,000,000.00  |                  |              |                 |
| 6180006366 | 2016SUBDSR | 6,825,843.85   |                          | 6,825,843.85   | 7,000,000.00   |                  |              |                 |
| 1001017484 | 2020D DSRF | 7,800,964.40   |                          | 7,800,964.40   | 8,000,000.00   |                  |              |                 |
| 1001021540 | 2020G DSRF | 3,900,482.20   |                          | 3,900,482.20   | 4,000,000.00   |                  |              |                 |
| 1001021543 | 2021A DSRF | 19,502,411.01  |                          | 19,502,411.01  | 20,000,000.00  |                  |              |                 |
| 6180000059 | SENLIENCSR | 30,228,737.05  |                          | 30,228,737.05  | 31,000,000.00  |                  |              |                 |
| 6180000059 | SENLIENCSR | 34,171,197.20  |                          | 34,171,197.20  | 35,000,000.00  |                  |              |                 |
| 6180000059 | SENLIENCSR | 20,000,000.00  |                          | 20,000,000.00  | 20,000,000.00  | 22,222.22        |              | 1,022,222.22    |
| 6146001086 | 71E REVENU | 15,000,000.00  |                          | 15,000,000.00  | 15,000,000.00  |                  |              |                 |
| 6146001086 | 71E REVENU | 14,639,926.50  |                          | 14,639,926.50  | 14,670,000.00  | 97,800.00        |              | 366,750.00      |
| 6180000120 | GENERAL    | 11,882,736.42  |                          | 11,882,736.42  | 12,000,000.00  | 113,036.99       |              | 288,340.12      |
| 6180000120 | GENERAL    | 20,000,000.00  |                          | 20,000,000.00  | 20,000,000.00  |                  |              | 954,000.00      |
| 6180000059 | SENLIENCSR | 20,000,000.00  |                          | 20,000,000.00  | 20,000,000.00  |                  |              | 954,000.00      |
| 6180005349 | 2015TIFIAP | 10,000,000.00  |                          | 10,000,000.00  | 10,000,000.00  |                  |              | 104,430.56      |
| 6180000157 | TXDOTGRANT | 10,000,000.00  |                          | 10,000,000.00  | 10,000,000.00  |                  |              | 104,430.56      |
| 6180005349 | 2015TIFIAP | 30,000,000.00  |                          | 30,000,000.00  | 30,000,000.00  |                  |              |                 |
|            |            | 413,819,353.93 | -                        | 413,819,353.93 | 419,670,000.00 | 288,614.77       | -            | 4,745,298.46    |



**Goldman Sachs County Road Escrow Funds**

---

|  | <b>Balance</b>      | <b>Accrued</b>   |                  |                    | <b>Balance</b>      |
|--|---------------------|------------------|------------------|--------------------|---------------------|
|  | <b>8/31/2024</b>    | <b>Interest</b>  | <b>Additions</b> | <b>Withdrawals</b> | <b>9/30/2024</b>    |
| Travis County Escrow Fund - Elroy Road                 | 3,110,690.88        | 13,705.46        |                  |                    | 3,124,396.34        |
| Travis County Escrow Fund - Ross Road                  | 335,873.43          | 1,479.62         |                  |                    | 337,353.05          |
| Travis County Escrow Fund - Old San Antonio Road       | 114,400.51          | 503.96           |                  |                    | 114,904.47          |
| Travis County Escrow Fund - Old Lockhart Road          | 273,222.53          | 1,203.62         |                  | 10,280.36          | 264,145.79          |
| Travis County Escrow Fund - County Line Road           | 2,623,627.68        | 11,557.80        |                  |                    | 2,635,185.48        |
| Travis County Escrow Fund - South Pleasant Valley Road | 250,944.62          | 1,105.48         |                  |                    | 252,050.10          |
| Travis County Escrow Fund - Thaxton Road               | 199,022.37          | 876.75           |                  |                    | 199,899.12          |
| Travis County Escrow Fund - Pearce Lane Road           | 217,794.39          | 959.44           |                  |                    | 218,753.83          |
|  | <b>7,125,576.41</b> | <b>31,392.13</b> | <b>-</b>         | <b>10,280.36</b>   | <b>7,146,688.18</b> |

**State and Local Government Series as of 9/30/24**

| Bank       | Fund      | Agency                                   | Arbitrage Yield | CUSIP     | Yield | Purchased Date | Purchase Value        | Beginning             | Accrued Interest    | Withdrawals          | End Value             |
|------------|-----------|--|-----------------|-----------|-------|----------------|-----------------------|-----------------------|---------------------|----------------------|-----------------------|
| 1001021281 | 2021CPROJ | State and Local Government Series (SLGS) | 1.831%          | 99SLA1060 | 4.18% | 4/23/2024      | 35,000,000.00         | 35,000,000.00         | 279,104.58          | 29,500,000.00        | 5,779,104.58          |
| 1001021273 | 2021BPROJ | State and Local Government Series (SLGS) | 1.831%          | 99SLA1078 | 4.18% | 4/23/2024      | 210,000,000.00        | 210,000,000.00        | 3,049,060.09        | -                    | 213,049,060.09        |
| 1001021273 | 2021BPROJ | State and Local Government Series (SLGS) | 1.831%          | 99SLA1870 | 4.18% | 8/9/2024       | 24,000,000.00         | 24,000,000.00         | 56,929.46           | 20,000,000.00        | 4,056,929.46          |
|            |           |  |                 |           |       |                |                       |                       |                     |                      | -                     |
|            |           |  |                 |           |       |                |                       |                       |                     |                      | -                     |
|            |           |  |                 |           |       |                | <b>269,000,000.00</b> | <b>269,000,000.00</b> | <b>3,385,094.13</b> | <b>49,500,000.00</b> | <b>222,885,094.13</b> |



### PERFORMANCE

#### As of September 30, 2024

|                                       |                      |
|---------------------------------------|----------------------|
| Current Invested Balance              | \$ 10,713,994,849.49 |
| Weighted Average Maturity (1)         | 24 Days              |
| Weighted Average Life (2)             | 67 Days              |
| Net Asset Value                       | 1.000355             |
| Total Number of Participants          | 1056                 |
| Management Fee on Invested Balance    | 0.06%*               |
| Interest Distributed                  | \$ 46,929,365.78     |
| Management Fee Collected              | \$ 540,633.20        |
| % of Portfolio Invested Beyond 1 Year | 4.25%                |
| Standard & Poor's Current Rating      | AAAm                 |

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

#### September Averages

|  |                      |
|--|----------------------|
| Average Invested Balance                 | \$ 10,993,149,088.51 |
| Average Monthly Yield, on a simple basis | 5.1324%              |
| Average Weighted Maturity (1)            | 26 Days              |
| Average Weighted Life (2)                | 66 Days              |

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

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

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

### NEW PARTICIPANTS

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

- \* City of Ballinger
- \* Cypress Springs Special Utility District
- \* Fort Bend County Municipal Utility District No. 232
- \* Fort Bend County Municipal Utility District No. 246
- \* Jefferson County Emergency Service District No. 3
- \* Montgomery County Municipal Utility District No. 197
- \* City of Mount Vernon
- \* City of Omaha

### HOLIDAY REMINDER

In observance of **Columbus Day**, **TexSTAR will be closed on Monday, October 14, 2024**. All ACH transactions initiated on Friday, October 11th will settle on Tuesday, October 15th. Standard transaction deadlines will be observed on Friday, October 11th. Please plan accordingly for your liquidity needs.

### ECONOMIC COMMENTARY

#### Market review

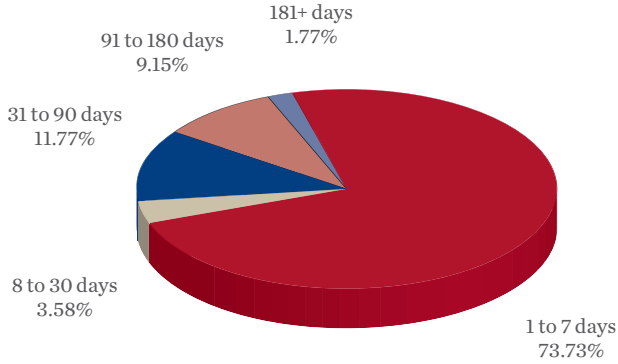
The third quarter provided further evidence that the Federal Reserve (Fed) has successfully cooled down the post-pandemic supercharged economy, aligning it with their dual mandate of price stability and full employment. The disinflationary trend has made significant progress, as the core Personal Consumption Expenditures Price Index (PCE), the Fed's preferred measure for inflation, has declined to a three-month annualized run rate of 2.1% as of August, a substantial drop from 6.6% in 2021. The labor market has also shown signs of cooling, with unemployment rising from a low of 3.4% to 4.2%. Despite these adjustments, the Fed has managed to keep the economy on a stable footing. The economy grew at a 3.0% seasonally adjusted annualized rate in the second quarter, well above first quarter's 1.6%, bringing average GDP growth for the first half of the year to a solid 2.3%, which is in line with trend growth. In a highly anticipated decision, the Federal Open Market Committee (FOMC) voted to lower the federal funds rate by 50 basis points (bps), a larger-than-expected move and their first move lower since March 2020. During his press conference, Powell described the move as a policy "recalibration," suggesting the Fed is proactively managing economic risk.

While the August jobs report was stronger than the downwardly revised weak July report, it didn't represent a full rebound, but it did alleviate some concerns about a hard landing. The establishment survey showed fewer-than-expected job gains of 142,000, primarily concentrated in the construction, leisure and hospitality, and healthcare industries, bringing the three-month moving average down to 116,000. Additionally, July's job gains were revised down to 89,000. On a positive note, the unemployment rate ticked lower from 4.25% to 4.22%, providing some relief after the recent increase.

*(continued page 4)*

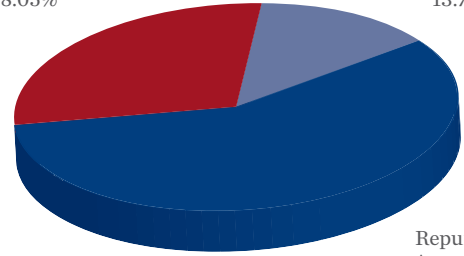
## INFORMATION AT A GLANCE

### PORTFOLIO BY TYPE OF INVESTMENT AS OF SEPTEMBER 30, 2024



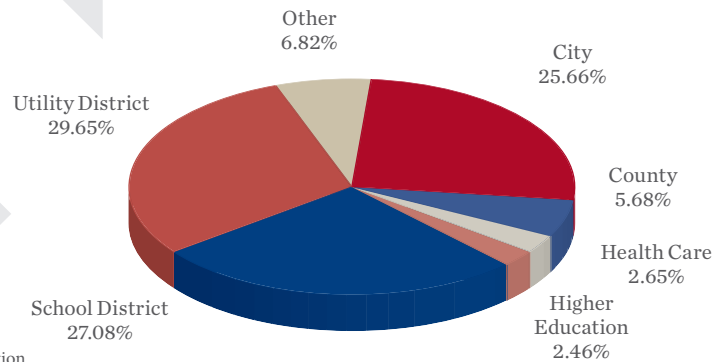
Treasuries  
28.05%

Agencies  
13.78%



Repurchase  
Agreements  
58.17%

### PORTFOLIO BY MATURITY AS OF SEPTEMBER 30, 2024 (1)



### DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF SEPTEMBER 30, 2024

(1) Portfolio by Maturity is calculated using WAM (1) definition for stated maturity. See page 1 for definition

## HISTORICAL PROGRAM INFORMATION

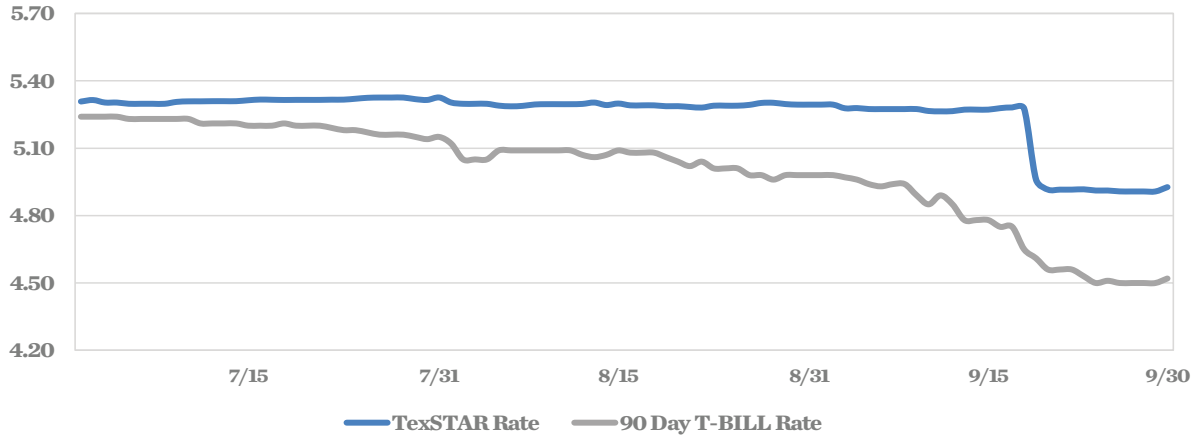
| MONTH  | AVERAGE RATE | BOOK VALUE          | MARKET VALUE        | NET ASSET VALUE | WAM (1) | WAL (2) | NUMBER OF PARTICIPANTS |
|--------|--------------|---------------------|---------------------|-----------------|---------|---------|------------------------|
| Sep 24 | 5.1324%      | \$10,713,994,849.49 | \$10,717,808,636.16 | 1.000355        | 26      | 66      | 1056                   |
| Aug 24 | 5.2939%      | 10,960,587,143.65   | 10,963,170,866.05   | 1.000150        | 31      | 61      | 1048                   |
| Jul 24 | 5.3131%      | 11,614,008,231.39   | 11,614,697,399.72   | 1.000059        | 33      | 64      | 1043                   |
| Jun 24 | 5.3126%      | 10,696,510,063.51   | 10,695,858,054.79   | 0.999939        | 36      | 66      | 1040                   |
| May 24 | 5.3078%      | 10,946,135,253.27   | 10,946,064,280.53   | 0.999895        | 37      | 67      | 1037                   |
| Apr 24 | 5.3057%      | 11,388,285,240.44   | 11,386,977,182.36   | 0.999885        | 35      | 65      | 1031                   |
| Mar 24 | 5.2986%      | 11,373,415,394.49   | 11,372,687,872.41   | 0.999936        | 36      | 68      | 1025                   |
| Feb 24 | 5.3035%      | 11,928,691,803.89   | 11,927,911,436.19   | 0.999934        | 36      | 69      | 1024                   |
| Jan 24 | 5.3200%      | 11,483,316,119.03   | 11,483,741,551.85   | 1.000037        | 42      | 77      | 1024                   |
| Dec 23 | 5.3378%      | 10,557,076,424.02   | 10,557,101,303.24   | 0.999972        | 44      | 85      | 1037                   |
| Nov 23 | 5.3307%      | 10,148,883,026.83   | 10,148,191,305.12   | 0.999931        | 33      | 74      | 1034                   |
| Oct 23 | 5.3231%      | 10,017,668,653.01   | 10,016,121,800.83   | 0.999845        | 29      | 69      | 1031                   |

## PORTFOLIO ASSET SUMMARY AS OF SEPTEMBER 30, 2024

|                                      | BOOK VALUE                  | MARKET VALUE                |
|--------------------------------------|-----------------------------|-----------------------------|
| Uninvested Balance                   | \$ 661.84                   | \$ 661.84                   |
| Accrual of Interest Income           | 11,431,698.94               | 11,431,698.94               |
| Interest and Management Fees Payable | (46,926,535.66)             | (46,926,535.66)             |
| Payable for Investment Purchased     | (59,317,500.00)             | (59,317,500.00)             |
| Repurchase Agreement                 | 6,286,752,999.95            | 6,286,752,999.95            |
| Government Securities                | 4,522,053,524.42            | 4,525,867,311.09            |
| <b>TOTAL</b>                         | <b>\$ 10,713,994,849.49</b> | <b>\$ 10,717,808,636.16</b> |

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by J.P. Morgan Chase & Co. and the assets are safekept in a separate custodial account at the Federal Reserve Bank in the name of TexSTAR. The only source of payment to the Participants are the assets of TexSTAR. There is no secondary source of payment for the pool such as insurance or guarantee. Should you require a copy of the portfolio, please contact TexSTAR Participant Services.

## TEXSTAR VERSUS 90-DAY TREASURY BILL



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

### DAILY SUMMARY FOR SEPTEMBER 2024

| DATE           | MNY MKT FUND EQUIV. [SEC Std.] | DAILY ALLOCATION FACTOR | INVESTED BALANCE           | MARKET VALUE PER SHARE | WAM DAYS (1) | WAL DAYS (2) |
|----------------|--------------------------------|-------------------------|----------------------------|------------------------|--------------|--------------|
| 9/1/2024       | 5.2945%                        | 0.000145055             | \$10,960,587,143.65        | 1.000150               | 29           | 65           |
| 9/2/2024       | 5.2945%                        | 0.000145055             | \$10,960,587,143.65        | 1.000150               | 29           | 65           |
| 9/3/2024       | 5.2781%                        | 0.000144606             | \$11,088,094,883.72        | 1.000166               | 29           | 64           |
| 9/4/2024       | 5.2792%                        | 0.000144636             | \$11,110,506,970.55        | 1.000212               | 29           | 64           |
| 9/5/2024       | 5.2748%                        | 0.000144514             | \$11,208,599,884.13        | 1.000198               | 28           | 63           |
| 9/6/2024       | 5.2746%                        | 0.000144509             | \$11,095,994,297.74        | 1.000223               | 28           | 63           |
| 9/7/2024       | 5.2746%                        | 0.000144509             | \$11,095,994,297.74        | 1.000223               | 28           | 63           |
| 9/8/2024       | 5.2746%                        | 0.000144509             | \$11,095,994,297.74        | 1.000223               | 28           | 63           |
| 9/9/2024       | 5.2748%                        | 0.000144515             | \$11,090,958,640.65        | 1.000224               | 27           | 62           |
| 9/10/2024      | 5.2661%                        | 0.000144276             | \$11,066,520,738.78        | 1.000243               | 27           | 64           |
| 9/11/2024      | 5.2645%                        | 0.000144233             | \$10,977,035,452.39        | 1.000223               | 26           | 67           |
| 9/12/2024      | 5.2654%                        | 0.000144257             | \$10,930,583,236.22        | 1.000238               | 26           | 67           |
| 9/13/2024      | 5.2722%                        | 0.000144444             | \$11,089,396,149.69        | 1.000275               | 25           | 67           |
| 9/14/2024      | 5.2722%                        | 0.000144444             | \$11,089,396,149.69        | 1.000275               | 25           | 67           |
| 9/15/2024      | 5.2722%                        | 0.000144444             | \$11,089,396,149.69        | 1.000275               | 25           | 67           |
| 9/16/2024      | 5.2788%                        | 0.000144625             | \$11,112,581,948.81        | 1.000303               | 25           | 68           |
| 9/17/2024      | 5.2819%                        | 0.000144710             | \$11,131,970,444.51        | 1.000296               | 25           | 68           |
| 9/18/2024      | 5.2769%                        | 0.000144573             | \$11,161,779,817.69        | 1.000338               | 25           | 68           |
| 9/19/2024      | 4.9605%                        | 0.000135904             | \$11,103,842,374.15        | 1.000362               | 25           | 68           |
| 9/20/2024      | 4.9155%                        | 0.000134671             | \$10,983,378,303.34        | 1.000357               | 25           | 68           |
| 9/21/2024      | 4.9155%                        | 0.000134671             | \$10,983,378,303.34        | 1.000357               | 25           | 68           |
| 9/22/2024      | 4.9155%                        | 0.000134671             | \$10,983,378,303.34        | 1.000357               | 25           | 68           |
| 9/23/2024      | 4.9169%                        | 0.000134710             | \$10,849,622,607.54        | 1.000388               | 25           | 68           |
| 9/24/2024      | 4.9115%                        | 0.000134563             | \$10,710,081,931.35        | 1.000410               | 25           | 69           |
| 9/25/2024      | 4.9116%                        | 0.000134564             | \$10,895,345,401.45        | 1.000390               | 25           | 67           |
| 9/26/2024      | 4.9076%                        | 0.000134455             | \$10,861,164,208.06        | 1.000378               | 25           | 68           |
| 9/27/2024      | 4.9073%                        | 0.000134447             | \$10,784,769,575.42        | 1.000373               | 24           | 67           |
| 9/28/2024      | 4.9073%                        | 0.000134447             | \$10,784,769,575.42        | 1.000373               | 24           | 67           |
| 9/29/2024      | 4.9073%                        | 0.000134447             | \$10,784,769,575.42        | 1.000373               | 24           | 67           |
| 9/30/2024      | 4.9266%                        | 0.000134976             | \$10,713,994,849.49        | 1.000355               | 24           | 67           |
| <b>Average</b> | <b>5.1324%</b>                 | <b>0.000140615</b>      | <b>\$10,993,149,088.51</b> |                        | <b>26</b>    | <b>66</b>    |



## *ECONOMIC COMMENTARY (cont.)*

Wages grew by 0.4% month-over-month (m/m) and 3.8% year-over-year (y/y), slightly higher than July's monthly increase. The Job Openings and Labor Turnover Survey (JOLTS) indicated an uptick in labor demand in August, with job openings rising from an upwardly revised 7.7 million to 8.0 million, the highest since May. Conversely, the quit rate ticked down again, from 2.0% to a new cycle low of 1.9%, and the hires rate, which had increased from 3.3% to 3.4% between June and July, pulled back to 3.3%.

The August CPI report came in as expected, providing further evidence that inflation is on a steady path lower. Headline inflation rose 0.2% m/m and 2.5% y/y, while core inflation rose 0.3% m/m and 3.2% y/y. In the details, food and energy prices were well behaved with energy prices falling by 0.8% m/m. Elsewhere, core goods prices eased for a sixth straight month, led lower by used vehicle prices, although tobacco prices rose by a strong 1.2% m/m. Elsewhere, shelter inflation remained elevated at 0.5% m/m, which alongside a 3.9% m/m increase in airfares, kept core services inflation elevated at 0.5%. Auto insurance prices moderated but rose by a still-warm 0.6% m/m and 16.5% y/y. Headline PCE and Core PCE both rose 0.1% m/m, bringing the y/y figures to 2.2% and 2.7%, respectively. With shelter still driving the bulk of inflation, broad disinflationary tailwinds remain well established, suggesting that inflation is on a steady path back to 2%, enabling the Fed to begin normalizing monetary policy.

While inflation and the labor market have come into better balance, the federal funds rate has remained at a highly restrictive level. With market expectations roughly split between a 25 basis point and a 50 basis point cut, the FOMC voted to reduce the federal funds rate target range by 50 bps to 4.75% – 5.00% at its September meeting, with one dissent in favor of a 25 bp cut. The economic assessment was amended to recognize that job growth has “slowed” rather than merely “moderated,” and the statement noted that the committee has gained greater confidence in inflation returning to target. The risks to employment and inflation are now considered balanced, compared to a previous tilt towards inflation. The ‘dot plot’ provided a refreshed view of the Committee’s expectations for the path of the fed funds rate. The median member now expects the policy rate to fall to 4.375% by year-end 2024, equivalent to an additional 50 bps of rate cuts this year, with an additional 100 bps of cuts anticipated in 2025 and 50 bps in 2026. The long-run dot shifted higher to 2.875%, reflecting discussions among Fed members about the possibility that the neutral policy rate is higher than previously anticipated.

In sum, the Fed delivered the message that policy normalization has begun, more cuts are coming and, despite a slightly larger cut to begin with, easing will still be gradual, barring a more material slowdown in the economy. Markets saw mixed and choppy price action following the Fed decision with short term Treasury yields falling more sharply than longer-term Treasury yields over the month. Three- and six-month Treasury bill yields fell by 49 bps and 45 bps to 4.63% and 4.41%, respectively, while one- and two-year Treasury yields declined 40 bps and 28 bps to 4.01% and 3.64%, respectively.

### **Outlook**

More than two years and 11 rate hikes later, the Fed has begun to normalize policy, with more cuts projected on the horizon. Cooling inflation in recent months has allowed the Fed to shift its focus towards supporting the labor market; while they are not overly concerned about its current state, their goal is to maintain its strength. With slowing inflation and rising unemployment, we anticipate additional front-loaded cuts to bring the Fed closer to a neutral policy stance by 2025. We believe the Fed is on track to deliver two 25 bp rate cuts by year-end and will likely continue easing in 2025. However, as Powell emphasized during the press conference, policy decisions will be contingent on evolving economic data.

The need for restrictive policy has diminished as the risks between employment and inflation have come into balance. With U.S. economic activity broadly looking healthy and the summer growth scare behind us, the Fed's decision to pre-emptively cut more aggressively likely extends the current economic cycle. This increases our conviction in a soft-landing outcome, with only a moderate rise in the unemployment rate as the base case.

This information is an excerpt from an economic report dated September 2024 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.



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