

## **AGENDA ITEM 9 – SUMMARY SHEET**

### **Presentation and Action on Acceptance of Monthly Financial Reports**

**Department:** Finance

**Associated Costs:** None

**Board Action Required:** Yes

#### **Description of Matter:**

**Presentation and acceptance of monthly financial report for December 2010 and January 2011**

**Attached documentation for reference: Financials**

**Contact for further information: Bill Chapman, Chief Financial Officer**

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

**RESOLUTION NO. 11-\_\_**

**Accept Monthly Financial Reports**

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

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

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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of December, 2010, and for January, 2011, and has caused Financial Reports to be prepared for each month which are attached to this resolution as Attachment "A" and Attachment "B," respectively.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for December, 2010, and the Financial Report for January, 2011, attached respectively as Attachments "A" and "B" to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 23<sup>rd</sup> day of February, 2011.

Submitted and reviewed by:

Approved:

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Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

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Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number 11-\_\_  
Date Passed 2/23/11

**Exhibit A**

**Financial Report for December, 2010 and January 2011**

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

<b>Revenue</b>	<b>Budget FY 2011</b>	<b>Actual Year To Date 12/31/2010</b>	<b>Percent Of Budget</b>	<b>Actual Year To Date 12/31/2009</b>
Toll Revenue-TxTag-183A	17,000,000	7,897,714	46.46%	7,192,090
Toll Revenue-HCTRA-183A	540,000	332,585	61.59%	262,728
Toll Revenue-NTTA-183A	340,000	200,009	58.83%	169,996
Video Tolls	2,800,000	1,582,316	56.51%	1,349,868
Fee Revenue	1,350,000	613,650	45.46%	629,959
<b>Total Operating Revenue</b>	<b>22,030,000</b>	<b>10,626,274</b>	<b>48.24%</b>	<b>9,604,641</b>
Interest Income	60,000	134,906	224.84%	158,369
Grant Revenue	0	8,735,301		0
Misc Revenue	6,600	1,283	19.45%	0
Gain/Loss on Disposal of Asset	0	1,000		0.00
<b>Total Revenue</b>	<b>22,096,600</b>	<b>19,498,765</b>	<b>88.24%</b>	<b>9,763,010</b>

<b>Expenditures</b>	<b>Budget FY 2011</b>	<b>Actual Year To Date 12/31/2010</b>	<b>Percent Of Budget</b>	<b>Actual Year To Date 12/31/2009</b>
<b>Salary &amp; Wage Expense</b>				
Regular salaries	1,898,467	821,427	43.27%	799,262
Part Time salaries	14,000	5,934	42.39%	0
Overtime	4,000	0		0
Contractual Employees	105,000	28,500	27.14%	-14,373
TCDRS	286,111	117,708	41.14%	108,980
FICA	97,483	26,453	27.14%	23,763
Medicare	28,901	11,553	39.98%	11,343
Health Insurance	213,300	71,274	33.41%	74,489
Life Insurance	6,618	2,955	44.66%	2,674
Auto Allowance	9,000	4,548	50.53%	4,013
Other Benefits	167,144	28,475	17.04%	24,116
Unemployment Taxes	4,959	0		17
Salary Reserve	78,719	0		0
<b>Total Salaries &amp; Wages</b>	<b>2,913,702</b>	<b>1,118,827</b>	<b>38.40%</b>	<b>1,034,284</b>

**Contractual Services**

<b>Professional Services</b>	<b>Budget FY 2011</b>	<b>Actual Year To Date 12/31/2010</b>	<b>Percent Of Budget</b>	<b>Actual Year To Date 12/31/2009</b>
Accounting	9,800	4,454	45.45%	4,207
Auditing	54,000	42,650	78.98%	43,057
General Engineering Consultant	1,600,000	355,107	22.19%	365,535
General System Consultant	175,000	4,013	2.29%	33,431
Image Processing	610,000	383,857	62.93%	316,278
Facility maintenance	90,000	36,965	41.07%	47,737
HERO	0	452,165		11,664
Human Resources	12,000	14,378	119.82%	954
Legal	400,000	65,584	16.40%	51,383
Photography	15,000	9,000	60.00%	6,348
<b>Total Professional Services</b>	<b>2,965,800</b>	<b>1,368,173</b>	<b>46.13%</b>	<b>887,881</b>

Expenditures	Budget FY 2011	Actual Year To Date 12/31/2010	Percent Of Budget	Actual Year To Date 12/31/2009
<b>Other Contractual Services</b>				
IT Services	65,000	17,250	26.54%	27,593
Graphic Design Services	13,500	803	5.94%	5,500
Website Maintenance	45,000	13,051	29.00%	12,179
Research Services	20,000	26,089	130.45%	0
Copy Machine	13,500	3,912	28.98%	3,602
Software licenses	23,000	7,387	32.12%	7,396
ETC system Maintenance	1,288,000	294,719	22.88%	518,242
ETC Development	125,000	6,747	5.40%	21,278
ETC Testing	30,000	0		26,903
Communications and Marketing	170,000	59,856	35.21%	62,170
Advertising	25,000	17,618	70.47%	3,891
Direct Mail	5,000	0		0
Video Production	5,000	0		1,680
Television	5,000	0		0
Radio	20,000	0		-30
Other Public Relations	2,500	0		0
Law Enforcement	245,000	36,672	14.97%	93,335
Special Assignments	5,000	0		0
Traffic Management	72,000	25,685	35.67%	11,702
Emergency Maintenance	10,000	0		0
Roadway Maintenance Contract	300,000	38,420	12.81%	237,402
Landscape Maintenance	200,000	54,426	27.21%	55,802
Signal & Illumination Maintenance	250,000	82,034	32.81%	96,634
Mowing and Litter Control	300,000	49,051	16.35%	0
Hazardous Material Cleanup	10,000	0		0
Striping	50,000	0		0
Graffiti Removal	10,000	1,900	19.00%	800
Cell Phones	7,500	4,281	57.08%	2,839
Local	16,500	4,288	25.99%	5,123
Long Distance	750	113	15.09%	133
Internet	6,600	1,380	20.90%	1,941
Fiber Optic System	63,000	20,295	32.21%	13,853
Other Communication Expense	1,500	1,040	69.32%	590
Subscriptions	1,600	0		0
Memberships	22,500	5,390	23.96%	2,715
Continuing Education	3,000	150	5.00%	1,350
Professional Development	5,000	0		305
Seminars and Conferences	32,500	7,650	23.54%	7,110
Staff-Travel	81,500	22,053	27.06%	30,408
Other Contractual Svcs	0	153		0
Roadway maintenance contract	0	14,955		0
TxTag Collection Fees	1,767,200	668,017	37.80%	512,904
Contractual Contingencies	160,500	1,039	0.65%	0
<b>Total Other Contractual Services</b>	<b>5,477,150</b>	<b>1,486,424</b>	<b>27.14%</b>	<b>1,765,351</b>
<b>Total Contractual Expenses</b>	<b>8,442,950</b>	<b>2,854,597</b>	<b>33.81%</b>	<b>2,653,232</b>

Expenditures	Budget FY 2011	Actual Year To Date 12/31/2010	Percent Of Budget	Actual Year To Date 12/31/2009
<b>Materials and Supplies</b>				
Books & Publications	12,800	4,488	35.06%	2,718
Office Supplies Expense	12,000	2,851	23.76%	1,217
Computer Supplies Expense	7,500	2,086	27.81%	2,503
Copy Supplies Expense	2,000	506	25.30%	24
Annual Report Printing	10,000	0		0
Other Printed Reports	20,000	381	1.91%	11,517
Direct Mail-printing Expense	5,000	0		0
Office Supplies-printed	1,000	1,246	124.59%	0
Promotional Items expense	10,000	2,163	21.63%	208
Displays	5,000	0		0
Tools & Equipment Expense	1,500	14	0.93%	71
Misc Materials & Supplies	3,700	6	0.16%	2,536
<b>Total Materials &amp; Supplies Exp</b>	<b>120,500</b>	<b>13,741</b>	<b>11.40%</b>	<b>20,793</b>

<b>Expenditures</b>	<b>Budget FY 2011</b>	<b>Actual Year To Date 12/31/2010</b>	<b>Percent Of Budget</b>	<b>Actual Year To Date 12/31/2009</b>
<b>Operating Expenses</b>				
Gasoline Expense	3,500	1,552	44.35%	1,291
Mileage Reimbursement	8,250	1,432	17.35%	2,422
Toll Tag Expense	4,375	1,181	27.00%	1,097
Parking	39,270	19,075	48.57%	12,453
Meeting Facilities	1,200	100	8.33%	0
Community Events	5,000	500	10.00%	500
Meeting Expense	5,400	1,242	23.01%	1,072
Public Notices	2,400	0		268
Postage	6,000	310	5.16%	-422
Overnight Delivery Services	3,750	56	1.51%	2,411
Local Delivery Services	3,650	691	18.93%	882
Insurance	125,000	40,935	32.75%	56,234
Repair and Maintenance	700	0		218
Repair & Maintenance-Vehicles	2,900	529	18.26%	966
Repair and Maintenance Toll Equip	15,000	0		1,030
Rent	212,000	93,816	44.25%	95,733
Water	7,500	2,293	30.57%	1,967
Electricity	121,100	29,335	24.22%	30,956
Community Initiative Grants	65,000	50,750	78.08%	20,000
Other Licenses	250	235	94.00%	235
<b>Non Cash Operating Expenses</b>				
Amortization Expense	1,225,000	614,808	50.19%	610,921
Dep Exp- Furniture & Fixtures	19,000	9,363	49.28%	9,363
Dep Expense - Equipment	15,000	7,189	47.93%	7,189
Dep Expense - Autos & Trucks	4,000	1,967	49.17%	1,967
Dep Expense-Buildng & Toll Fac	177,000	88,279	49.88%	88,279
Dep Expense-Highways & Bridges	5,000,000	2,483,603	49.67%	2,483,196
Dep Expense-Communic Equip	197,000	98,224	49.86%	98,336
Dep Expense-Toll Equipment	465,000	230,891	49.65%	230,891
Dep Expense - Signs	135,000	66,634	49.36%	66,634
Dep Expense-Land Improvemts	52,000	25,792	49.60%	25,792
Depreciation Expense-Computers	410,000	5,194	1.27%	184,395
<b>Total Operating Expense</b>	<b>8,331,245</b>	<b>3,875,977</b>	<b>46.52%</b>	<b>4,036,275</b>
<b>Financing Expenses</b>				
Arbitrage Rebate Expense	6,000	0		2,500
Loan Fees	12,500	11,500	92.00%	11,500
Bond Issuance Cost	30,000	5,000	16.67%	5,000
Trustee Fees	2,000	0		0
Bank Fees	7,500	3,583	47.77%	3,029
Interest Expense	11,750,000	5,909,259	50.29%	6,069,891
Contingency	15,000	0		0
<b>Non Cash Financing Expenses</b>				
Bond Issuance Expense	620,280	147,904	23.84%	363,655
<b>Total Financing Expense</b>	<b>12,443,280</b>	<b>6,077,246</b>	<b>48.84%</b>	<b>6,455,574</b>
<b>Other Gains or Loss</b>				
<b>Total Expenses</b>	<b>32,251,677</b>	<b>13,940,388</b>	<b>43.22%</b>	<b>14,200,159</b>
<b>Net Income</b>	<b>-10,155,077</b>	<b>5,558,376</b>		<b>-4,437,149</b>

**Central Texas Regional Mobility Authority**

**Balance Sheet**

As of

December 31, 2010

December 31, 2009

**Assets**

**Current Assets**

Cash in Regions Operating Account	146,446	175,070
Cash In TexSTAR	46,754	174,533
Regions Payroll Account	2,983	2,746
<b>Restricted cash/cash equivalents</b>		
Fidelity Government MMA	13,917,454	8,926,928
Restricted Cash-TexStar	80,060,959	24,098,513
Regions SIB account	15,620,839	30,510,844
Overpayment accounts	13,840	5,975
<b>Total Cash and Cash Equivalents</b>	<b>109,662,827</b>	<b>63,894,608</b>
Accounts Receivable	92,256	94,930
Due From Employees	375	0
Due From TTA	448,858	379,145
Due From NTTA	33,745	27,274
Due From HCTRA	54,486	41,247
Due From TxDOT	3,116,025	0
Due From Federal Government	929,885	0
Interest Receivable	112,957	28,704
<b>Total Receivables</b>	<b>4,788,587</b>	<b>571,299</b>
<b>Short Term Investments</b>	<b>0</b>	
Certificates of Deposit	3,100,000	6,100,000
Investment in Government Agencies	10,471,252.5	6,570,201
<b>Other Current Assets</b>		
Prepaid Insurance	71,295	83,422
<b>Total Current Assets</b>	<b>128,240,408</b>	<b>77,219,531</b>
<b>Construction Work In Process</b>	<b>118,047,835</b>	<b>39,751,600</b>

**Fixed Assets**

Computers(net)	38,280	191,879
Computer Software(net)	1,881,246	3,046,326
Furniture and Fixtures(net)	22,490	41,216
Equipment(net)	52,775	51,741
Autos and Trucks(net)	1,967	5,900
Buildings and Toll Facilities(net)	6,432,410	6,608,968
Highways and Bridges(net)	180,203,125	185,156,728
Communication Equipment(net)	1,225,690	1,422,361
Toll Equipment(net)	2,862,030	3,399,838
Signs(net)	5,155,727	5,288,995
Land Improvements(net)	920,929	972,513
Right of Way	23,683,553	23,683,553
Leasehold Improvements	62,482	68,333
<b>Total Fixed Assets</b>	<b>222,542,703</b>	<b>229,938,352</b>

**Long Term Investments**

GIC	79,570,062	0
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**Other Assets**

Security Deposits	9,483	9,483
Intangible Assets	650	650
Total Bond Issuance Costs	10,754,070	8,652,446

**Total Assets**

**559,165,212**

**355,572,062**



**Liabilities****Current Liabilities**

Accounts Payable	86,071		223,552
Overpayments	14,298		6,153
Interest Payable	9,652,022		4,154,922
Due to other Funds	0		76,027
TCDRS Payable	41,764		33,870
Due to State of Texas	605		762
<b>Total Current Liabilities</b>	<b>9,794,760</b>		<b>4,495,287</b>

**Long Term Liabilities**

Accrued Vac & Sick Leave Paybl	205,137		205,137
Retainage Payable	112,614		143,333
Senior Lien Revenue Bonds 2005	172,244,198	171,364,254	
Senior Lien Revenue Bonds 2010	97,046,003		
Sn Lien Rev Bnd Prem/Disc 2005	4,844,160	5,006,147	
Sn Lien Rev Bnd Prem/Disc 2010	220,272		
Subordinated Lien Bond 2010	45,000,000		0.00
TIFIA note 2008	75,847,928		72,411,986.04
2009 Regions Build America Bnd	0	15,000,000	
2009 Region's BAB Discount	0	(45,833)	
2009 BAB's Payable	0		14,954,166.69
2010 Regions BAB's Payable	59,865,000		0.00
2009 State Infrastructure loan	32,627,504		31,686,412.79
<b>Total Long Term Liabilities</b>	<b>488,012,816</b>		<b>295,771,436</b>
<b>Total Liabilities</b>	<b>497,807,575</b>		<b>300,266,724</b>

**Net Assets Section**

Contributed Capital	18,334,846		18,334,846
Net Assets beginning	37,464,414		41,407,641
Current Year Operations	5,558,376		(4,437,149)
<b>Total Net Assets</b>	<b>43,022,791</b>		<b>36,970,493</b>
<b>Total Liabilities and Net Assets</b>	<b>559,165,212</b>		<b>355,572,062</b>

**CTRMA INVESTMENT REPORT**

	Month Ending 12/31/2010					Rate Dec 2010
	Balance 11/30/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals	
<b>Amount in Trustee TexStar</b>						
183A/290E Project Acct	1,285,709.96			175.40	127,380.17	0.191%
2010 Senior Lien Construction Fund	5,496.11			0.80		0.191%
2010-1 Sub Lien Projects	155,969.35			1.06	154,560.10	0.191%
2010 Regions Project Acct	57,669,697.77			8,320.15	1,172,094.28	0.191%
General Fund	2,047,368.90			297.83	2,047,666.73	0.191%
Trustee Operating Fund	80,146.85	958,468.00		82.55	800,000.00	0.191%
Renewal & Replacement Fund	152,908.37			22.24	152,930.61	0.191%
TxDOT Grant Fund	5,288,122.84			766.03	80,389.50	0.191%
Revenue Fund	620.60			0.09	620.69	0.191%
2005 Debt Service Reserve Fund	4,822,481.40			701.53	4,823,182.93	0.191%
2010 Senior Lien DSF	2,067.87			0.30	2,068.17	0.191%
2010 Senior Lien Debt Service Reserve Fund	6,749,165.11			981.81	6,750,146.92	0.191%
2010-2Sub Lien Debt Service Reserve Fund	659,599.79			95.95	659,695.74	0.191%
2010-1Sub Lien Debt Service Reserve Fund	2,501,608.22			363.91	2,501,972.13	0.191%
2010-1 COI Sub Lien	2,753.83			0.40	2,754.23	0.191%
2010 Senior Lien Capitalized Interest	841.42			0.12	841.54	0.191%
2010-1 Sub Lien Capitalized Interest	419.59			0.06	419.65	0.191%
2010-2 Sub Lien Capitalized Interest	126.63			0.02	126.65	0.191%
	<b>81,425,104.61</b>	<b>958,468.00</b>	<b>0.00</b>	<b>11,810.25</b>	<b>2,334,424.05</b>	
<b>Amount in TexStar Operating Fund</b>	<b>46,745.41</b>	<b>800,000.00</b>		<b>8.09</b>	<b>800,000.00</b>	<b>0.191%</b>
					<b>80,060,958.81</b>	
						<b>46,753.50</b>

CTRMA INVESTMENT REPORT

	Month Ending 12/31/2010					Rate Dec 2010
	Balance 11/30/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals	
<b>Fidelity Money Market Fund</b>						
Operating Fund	958,468.00	373,437.23		4.20	958,468.00	0.001%
2010-2 183A/290E Project Acct	0.16	127,380.17		0.42	127,380.26	0.001%
2010-1 Sub Lien Project Acct	0.36	5,115,633.52			5,115,633.83	0.001%
2010 Senior Lien Construction Fund	14,549.33			0.36		0.001%
Other Obligations Fund	12,495.40			0.10		0.001%
Debt Service Fund 2005	3,252,387.54	619,958.33		24.36	3,872,370.23	0.001%
2010 Senior DSF	12.40				12.40	0.001%
Subordinate Lien TIFIA DS Fund	7,880.65			0.06	7,880.71	0.001%
2010-2 BABs Supplemental Security	110,409.49			2.72	110,412.21	0.001%
2010-2 Subordinate Cap I Fund	2,816.77			0.07	2,816.84	0.001%
2010 Regions BABs Project Account	12,907.72	1,172,094.28		0.04	1,184,488.29	0.001%
2010 Regions BABs Debt Service Account	0.00	354,666.67			175,000.00	0.001%
TxDOT Grant Fund	19,950.84	3,080,389.50		8,449.99	3,080,389.50	0.001%
Renewal and Replacement	5,012.04			0.04	5,012.08	0.001%
2010-1 Sub lien supplemental Security	12.52				12.52	0.001%
Revenue Fund	449,282.90	1,986,028.84		6.66	1,275,662.48	0.001%
General Fund	1,638,110.15	4,811,530.71		8.39	3,881,383.47	0.001%
2010 Senior DS Reserve Fund	233,893.74			23.27	233,917.01	0.001%
2010-1 Subordinate DS Reserve Fund	153,357.13	18,931.54		3.57	172,292.24	0.001%
2010-2 Subordinate DS Reserve Fund	6,670.68	6,874.74		0.96	13,546.38	0.001%
Debt Service Reserve Fund 2005	5,161,511.28			769.63	5,162,280.91	0.001%
	12,039,729.10	17,666,925.53	0.00	9,294.84	15,798,405.83	
<b>Amount in Region's MMA SIB Loan</b>	15,693,188.93			2,656.87	75,006.91	0.003%
					15,620,838.89	

CTRMA INVESTMENT REPORT

	Month Ending 12/31/2010					Balance 12/31/2010	Rate Dec 2010
	Balance 11/30/2010	Additions	Discount Amortization	Accrued Interest	Withdrawals		
Amount in Bayerische Landesbank GIC							
Subordinate Lien Cap-I 2010-1	3,954,164.91			1,647.57		3,955,812.48	0.500%
Subordinate Lien Cap-I 2010-2	1,118,432.64			466.01		1,118,898.65	0.500%
Senior Lien Cap-I 2010	8,521,591.77			6,249.17		8,527,840.94	0.880%
Subordinate Lien Project Fund 2010-1	8,389,264.93			1,724.94	4,961,073.42	3,429,916.45	0.300%
Senior Lien Project Fund 2010	62,547,217.52			44,335.46		62,591,552.98	0.850%
	84,530,671.77	0.00	0.00	54,423.15	4,961,073.42	79,624,021.50	
Amount in Fed Agencies							
Amortized Principal	10,407,512.22	3,064,452.00	(531.97)		2,999,000.00	10,472,432.25	
Accrued Interest	10,407,512.22	3,064,452.00	(531.97)	10,394.73		10,472,432.25	
Certificates of Deposit							
Total in Pools	3,100,000.00					3,100,000.00	
Total in Money Market	81,471,850.02	1,758,468.00		11,818.34	3,134,424.05	80,107,712.31	
Total in Fed Agencies	27,732,918.03	17,666,925.53		11,951.71	15,873,412.74	29,538,382.53	
Bayerische Landesbank GIC	10,407,512.22	3,064,452.00	(531.97)		2,999,000.00	10,472,432.25	
	84,530,671.77	0.00		54,423.15	4,961,073.42	79,624,021.50	
Total Invested	207,242,952.04	22,489,845.53	(531.97)	78,193.20	26,967,910.21	202,842,548.59	

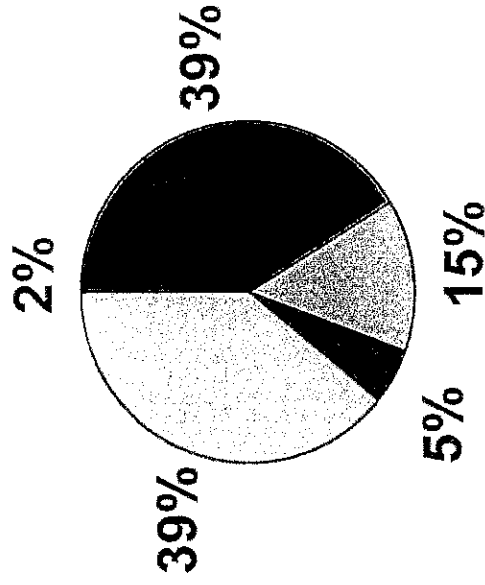
All investments in the portfolio are in compliance with the CTRMA's Investment policy.

William Chapman, CFO

CTRMA INVESTMENT REPORT

		Month Ending 12/31/2010			Rate	
Balance	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance	
11/30/2010					12/31/2010	Dec 2010

Allocation of Funds



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

**INVESTMENTS by FUND**

		Balance			
		December 31, 2010			
Renewal & Replacement Fund				TaxSTAR	80,107,712.31
TexSTAR	152,930.61			CD's	3,100,000.00
Fidelity	5,012.08			Fidelity	13,917,543.64
Agencies	500,000.00	657,942.69		SIB	15,620,838.89
TxDOT Grant Fund				Agencies	10,472,432.25
TexSTAR	5,208,499.37			Bayerische GIC	79,624,021.50
Fidelity	28,400.83				
CD's	100,000.00				
Agencies	5,062,432.27	10,399,332.47			\$ 202,842,548.59
Subordinate Lien DS Fund 05					
Fidelity	7,880.71	7,880.71			
Debt Service Reserve Fund 05					
TexSTAR	4,823,182.93				
Fidelity	5,162,280.91				
CD's	3,000,000.00				
Agencies	1,003,875.00	13,989,338.84			
Debt Service Fund 05					
Fidelity	3,872,370.23	3,872,370.23			
2010 Senior Lien DSF					
TexSTAR	2,068.17				
Fidelity	12.40				
Agencies		2,080.67			
Other Obligations Fund					
Fidelity	12,495.50	12,495.50			
Operating Fund					
TexSTAR	46,753.50				
TexSTAR-Trustee	238,697.40				
Fidelity	373,441.43				
Region's SIB Loan MMA	15,620,838.89	16,279,731.22			
Revenue Fund					
TexSTAR	620.69				
Fidelity	1,159,655.92	1,160,276.61			
General Fund					
TexSTAR	2,047,666.73				
Fidelity	2,568,265.78	4,615,932.51			
2010-1 Sub Lien Cost of Issuance					
TexSTAR	2,754.23	2,754.23			
2010 Senior Lien Capitalized Interest					
TexSTAR	841.54				
Bayerische GIC	8,527,840.94	8,528,682.48			
2010-1 Sub Lien Capitalized Interest					
TexSTAR	419.65				
Bayerische GIC	3,955,812.48	3,956,232.13			
2010-2 Sub Lien Capitalized Interest					
TexSTAR	126.65				
Fidelity	2,816.84				
Bayerische GIC	1,118,898.65	1,121,842.14			
2010-1 Sub BABs subsidy					
Fidelity	12.52	12.52			
2010-2 Sub BABs subsidy					
Fidelity	110,412.21	110,412.21			
2010 Senior Lien Debt Service Reserve Fund					
TexSTAR	6,750,146.92				
Fidelity	233,917.01				
Agencies	2,513,972.20	9,498,036.13			
2010-2 Sub Lien Debt Service Reserve Fund					
TexSTAR	659,695.74				
Fidelity	13,546.38				
Agencies	390,000.00	1,063,242.12			
2010-1 Sub Lien Debt Service Reserve Fund					
TexSTAR	2,501,972.13				
Fidelity	172,292.24				
Agencies	1,002,152.78	3,676,417.15			
2010 Regions BABs Project Account					
TexSTAR	56,505,923.64				
Fidelity	513.75	56,506,437.39			
2010 Regions BABs Debt Service Account					
Fidelity	179,666.67	179,666.67			
2010-1 Sub Lien Projects Fund					
TexSTAR	1,410.31				
Fidelity	0.05				
Bayerische GIC	3,429,916.45	3,431,326.81			
183A/290E Project Acct					
TexSTAR	1,158,505.19				
Fidelity	0.49	1,158,505.68			
2010 Senior Lien Construction Fund					
TexSTAR	5,496.91				
Fidelity	14,549.69				
Bayerische GIC	62,591,552.98	82,611,699.58			
		\$ 202,842,548.59			

Amount of investments As of December, 2010

Agency	CUSIP #	COST		Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
		Called	Called						
Fannie Mae	3136FMDR2	Called	Called			1.125%	3/30/2010	4/23/2012	TXDOT Grant Fund
Federal Farm Credit	31331J2B8	1,997,836.00	1,997,980.27	1,990,740.00	1,990,740.00	1.000280%	1/22/2010	2/15/2013	TXDOT Grant Fund
Fannie Mae	31398AX80	1,004,500.00	1,003,875.00	1,000,440.00	1,000,440.00	1.45%	7/29/2010	7/26/2013	2005 Debt Service Reserve Fund
Fannie Mae	31398AW32	1,002,500.00	1,002,152.78	1,003,140.00	1,003,140.00	1.38%	7/19/2010	7/19/2010	2010-1 Subordinate DSRF
Federal Home loan Bank	313370CR7	1,000,000.00	1,000,000.00	1,000,040.00	1,000,040.00	0.25%	7/27/2010	1/27/2011	2010 Sn Lien DSRF
San Antonio Water Utilities	79642BLM3	200,000.00	200,000.00	199,110.00	199,110.00	1.109%	11/23/2010	5/15/2012	2010-2 DSRF
San Antonio Water Utilities	79642BLN1	190,000.00	190,000.00	187,891.00	187,891.00	1.457%	11/23/2010	5/15/2013	2010-2 DSRF
Fannie Mae	3136FPAD9	1,514,454.00	1,513,972.20	1,485,090.00	1,485,090.00	2.000%	11/15/2010	8/24/2015	2010 Sn Lien DSRF
Fannie Mae	3136FPFP7	500,000.00	500,000.00	499,880.00	499,880.00	0.625%	9/17/2010	9/17/2013	Renewal and Replacement
Federal Home loan Bank	3137EABY4	3,064,452.00	3,064,452.00	3,059,790.00	3,059,790.00	0.40048%	12/23/2010	3/23/2012	TXDOT Grant Fund
		10,473,742.00	10,472,432.25	10,426,121.00					

Agency	CUSIP #	COST		Cumulative Amortization	12/31/2010 Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
		Called	Called						
Fannie Mae	3136FMDR2	Called	Called			3,000,000.00	2,812.50		2,812.50
Federal Farm Credit	31331J2B8	1,997,836.00	144.27	1,997,980.27	1,997,980.27	2,000,000.00	1,697.96	144.27	1,842.23
Fannie Mae	31398AX80	1,004,500.00	625.00	1,003,875.00	1,003,875.00	1,000,000.00	1,208.33	(125.00)	1,083.33
Fannie Mae	31398AW32	1,002,500.00	347.22	1,002,152.78	1,002,152.78	1,000,000.00	1,145.83	(69.44)	1,076.39
Federal Home loan Bank	313370CR7	1,000,000.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00	104.17	0.00	104.17
San Antonio Water Utilities	79642BLM3	200,000.00	0.00	200,000.00	200,000.00	200,000.00	184.83		184.83
San Antonio Water Utilities	79642BLN1	190,000.00	0.00	190,000.00	190,000.00	190,000.00	230.69		230.69
Fannie Mae	3136FPAD9	1,514,454.00	481.80	1,513,972.20	1,513,972.20	1,500,000.00	2,750.00	(481.80)	2,268.20
Fannie Mae	3136FPFP7	500,000.00	0.00	500,000.00	500,000.00	500,000.00	260.42	0.00	260.42
Federal Home loan Bank	3137EABY4	3,064,452.00	0.00	3,064,452.00	3,064,452.00	3,000,000.00	0.00	0.00	0.00
		10,473,742.00	1,598.29	10,472,432.25	10,472,432.25	13,390,000.00	10,394.73	(531.97)	9,862.76

December 2010 Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to		Matures	Dec 2010		FUND
			Maturity	Maturity		Interest	Interest	
Regions Bank	CDRB32454	3,000,000	0.30%	4/5/2010	1/4/2011	\$	739.73	Debt Service Reserve Fund 05
Regions Bank	CDRB35523	100,000	0.15%	10/14/2009	9/10/2010	\$	12.33	TxDOT Grant Fund
		<u>3,100,000</u>					<u>752.06</u>	





## Monthly Newsletter - December 2010

### Performance

#### As of December 31, 2010

Current Invested Balance	\$5,593,134,506.98
Weighted Average Maturity (1)	38 Days
Weighted Average Maturity (2)	67 Days
Net Asset Value	1.000091
Total Number of Participants	723
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$988,391.15
Management Fee Collected	\$223,421.04
% of Portfolio Invested Beyond 1 Year	3.90%
Standard & Poor's Current Rating	AAAm

#### December Averages

Average Invested Balance	\$5,261,446,561.50
Average Monthly Yield, on a simple basis	0.1713%
Average Weighted Average Maturity (1)*	47 Days
Average Weighted Average Maturity (2)*	79 Days

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

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

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

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

### New Participants

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

★ The Galveston Wharves

★ White Rock Water Special Utility District

### Holiday Reminder

In observance of **Martin Luther King Day**, **TexSTAR will be closed on Monday, January 17, 2011**. All ACH transactions initiated on Friday, January 14th will settle on Tuesday, January 18th.

In observance of **Presidents' Day**, **TexSTAR will be closed on Monday, February 21, 2011**. All ACH transactions initiated on Friday, February 18th will settle on Tuesday, February 22nd.

### Economic Commentary

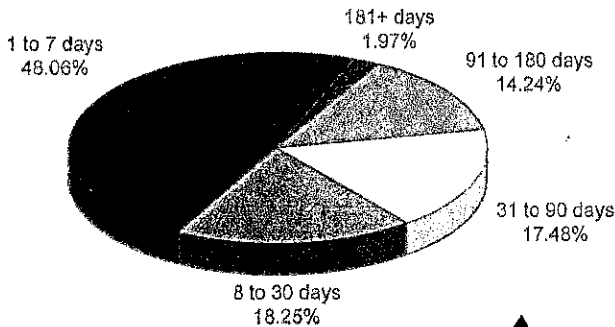
The fourth quarter began with a number of unanswered questions regarding the U.S. midterm elections, tax policy and the size of the Federal Reserve's second round of quantitative easing (QE2). The shift of control in the House of Representatives to the Republican Party led to a compromise between President Obama and Congressional Republicans on the Bush-era tax cuts, extending them in addition to emergency unemployment benefits. The deal also included a surprise payroll tax cut. Finally, the Federal Reserve announced at the November FOMC meeting that it would purchase an additional \$600 billion in Treasury securities through the middle of 2011. Leading up to the Fed's announcement of QE2, yields fell and financial market prices rose. However, after these questions were answered, Treasury yields and commodity prices soared. The tax deal, additional monetary stimulus and improved economic data caused investor concerns to focus on expanding deficits and higher inflation. An unwinding of long Treasury positions and mortgage-related hedging flows only accelerated the back up in rates. Another important development in the fourth quarter was the sell-off in the municipal market due to increased supply, credit concerns and investor withdrawals, making the sector the worst underperformer in the fourth quarter. Even with the continued overhang of slack in the U.S. economy, economic momentum increased in the fourth quarter. Consumption and confidence trajectories are strong despite weak inflation and an increase in the unemployment rate in November. The new tax deal will give consumers more disposable income and spending will no longer be a significant drag on GDP in the first half of 2011 which should boost growth. Furthermore, the Fed's purchases of Treasury securities has begun to have the desired effects of persuading investors to move into riskier assets, encouraging lending and causing market-implied inflation breakeven rates to rise. While the Fed's market-implied measure of inflation expectations has risen realized inflation has decelerated. This is consistent with other economies that have faced debt-induced recessions. Disinflationary pressures will remain so long as the labor market displays an elevated level of slack. However, the declining value of the dollar will be a source of upside inflation risk going forward. The baseline scenario continues to be that economic growth will remain tepid. While job growth should improve, the unemployment rate is likely to remain elevated through 2011 and core inflation will likely remain at the low end of the Fed's comfort zone for the next year.

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

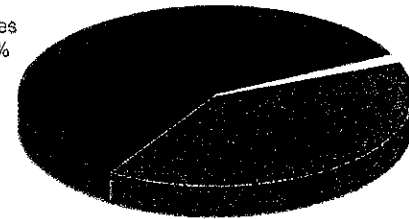
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

## Information at a Glance

### Portfolio by Type of Investment As of December 31, 2010

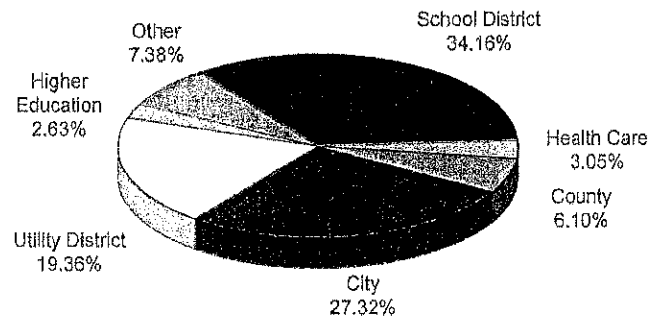


Agencies  
58.94%



Treasuries  
1.30%  
Repurchase  
Agreements  
39.76%

### Portfolio by Maturity As of December 31, 2010



### Distribution of Participants by Type As of December 31, 2010

## Historical Program Information

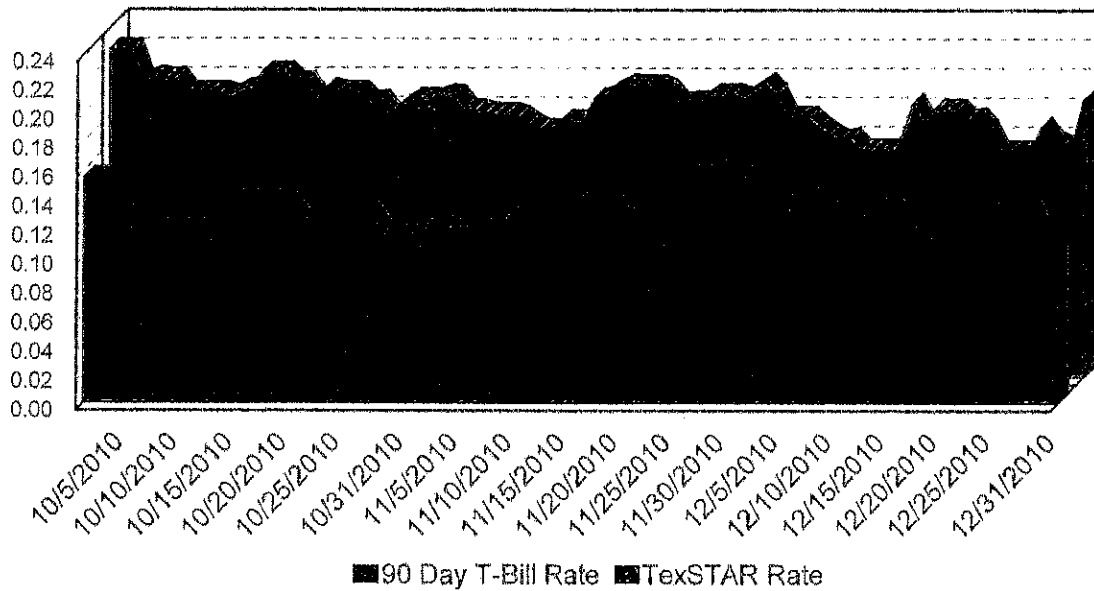
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Dec 10	0.1713%	\$5,593,134,506.98	\$ 5,593,670,681.79	1.000091	47	79	723
Nov 10	0.1883%	5,143,274,228.56	5,143,635,927.81	1.000070	52	81	721
Oct 10	0.2002%	5,024,200,466.22	5,024,647,553.30	1.000088	49	74	719
Sep 10	0.2113%	4,970,973,494.85	4,971,467,034.53	1.000099	47	74	718
Aug 10	0.2153%	4,898,435,591.73	4,899,135,875.31	1.000142	49	81	715
Jul 10	0.1992%	4,973,684,902.13	4,974,288,088.24	1.000117	43	71	712
Jun 10	0.1860%	5,156,538,488.97	5,157,298,475.17	1.000147	44	72	712
May 10	0.1838%	5,182,297,968.35	5,182,789,855.09	1.000094	47	74	711
Apr 10	0.1721%	5,339,490,225.82	5,339,710,431.56	1.000035	51	80	710
Mar 10	0.1552%	5,631,610,152.45	5,632,064,660.25	1.000080	52	75	705
Feb 10	0.1453%	6,054,214,913.66	6,054,862,055.15	1.000106	46	68	704
Jan 10	0.1604%	5,840,134,270.14	5,841,215,764.12	1.000185	44	62	702

## Portfolio Asset Summary as of December 31, 2010

	Book Value	Market Value
Uninvested Balance	\$ 430.79	\$ 430.79
Accrual of Interest Income	709,580.70	709,580.70
Interest and Management Fees Payable	(1,026,581.50)	(1,026,581.50)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,224,368,000.00	2,224,368,000.00
Government Securities	3,369,083,076.99	3,369,619,251.80
<b>Total</b>	<b>\$ 5,593,134,506.98</b>	<b>\$ 5,593,670,681.79</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 investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consist of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-day T-Bill.

## Daily Summary for December 2010

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
12/1/2010	0.2023%	0.000005542	\$5,123,337,092.01	1.000082	51	85
12/2/2010	0.1952%	0.000005349	\$5,154,597,439.10	1.000080	50	83
12/3/2010	0.1790%	0.000004904	\$5,143,672,168.99	1.000064	49	83
12/4/2010	0.1790%	0.000004904	\$5,143,672,168.99	1.000064	49	83
12/5/2010	0.1790%	0.000004904	\$5,143,672,168.99	1.000064	49	83
12/6/2010	0.1723%	0.000004721	\$5,076,717,001.39	1.000074	50	84
12/7/2010	0.1671%	0.000004578	\$5,220,821,328.84	1.000073	49	82
12/8/2010	0.1634%	0.000004477	\$5,198,607,541.84	1.000078	50	83
12/9/2010	0.1645%	0.000004506	\$5,228,643,391.10	1.000092	50	82
12/10/2010	0.1567%	0.000004293	\$5,324,773,305.07	1.000091	48	80
12/11/2010	0.1567%	0.000004293	\$5,324,773,305.07	1.000091	48	80
12/12/2010	0.1567%	0.000004293	\$5,324,773,305.07	1.000091	48	80
12/13/2010	0.1572%	0.000004308	\$5,281,418,012.76	1.000094	48	80
12/14/2010	0.1676%	0.000004593	\$5,324,258,110.91	1.000086	48	79
12/15/2010	0.1882%	0.000006156	\$5,299,805,441.21	1.000085	48	79
12/16/2010	0.1755%	0.000004809	\$5,267,685,057.31	1.000094	46	75
12/17/2010	0.1843%	0.000005050	\$5,196,096,644.48	1.000100	49	81
12/18/2010	0.1843%	0.000005050	\$5,196,096,644.48	1.000100	49	81
12/19/2010	0.1843%	0.000005050	\$5,196,096,644.48	1.000100	49	81
12/20/2010	0.1776%	0.000004867	\$5,198,671,150.06	1.000105	49	80
12/21/2010	0.1783%	0.000004884	\$5,131,981,824.27	1.000103	49	80
12/22/2010	0.1701%	0.000004661	\$5,231,278,650.70	1.000100	45	74
12/23/2010	0.1556%	0.000004264	\$5,256,237,601.17	1.000950	47	76
12/24/2010	0.1556%	0.000004264	\$5,256,237,601.17	1.000950	47	76
12/25/2010	0.1556%	0.000004264	\$5,256,237,601.17	1.000950	47	76
12/26/2010	0.1556%	0.000004264	\$5,256,237,601.17	1.000950	47	76
12/27/2010	0.1717%	0.000004705	\$5,316,711,947.18	1.000094	44	74
12/28/2010	0.1624%	0.000004449	\$5,343,178,154.10	1.000103	43	73
12/29/2010	0.1588%	0.000004352	\$5,491,277,756.10	1.000094	42	71
12/30/2010	0.1638%	0.000004487	\$5,604,142,240.32	1.000100	40	69
12/31/2010	0.1909%	0.000005230	\$5,593,134,506.98	1.000091	38	67
Average	0.1713%	0.000004693	\$5,261,446,561.50		47	79

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



### **TexSTAR Board Members**

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Melinda Garrett</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Will Williams</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>McKinney ISD</i>	<i>Advisory Board</i>
<i>S. Renee Tidwell</i>	<i>Tarrant County</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs &amp; Santow</i>	<i>Advisory Board</i>



The January 2011 Financial Report will be distributed on Wednesday,  
February 23<sup>rd</sup>, 2011.