



**CENTRAL TEXAS
Regional Mobility Authority**

Regular Meeting of the Board of Directors

9:30 a.m.
Wednesday, October 2, 2013

Board Room
3300 N. IH-35, Suite 300
Austin, Texas 78705

AGENDA

No action on the following:

1. Welcome and opening remarks by the Chairman and members of the Board of Directors.
2. Opportunity for Public Comment – See *Notes* at the end of this agenda.

Recess the Board Meeting and Convene the Audit Committee Meeting

- A. Audit Committee meeting called to order by Committee Chairman Bennett
- B. Introduction of external auditors from PMB Helin Donovan, LLP.
- C. Discuss, consider, and take appropriate action to accept the Fiscal Year 2013 Audit Reports.
- D. Adjourn Audit Committee.

Reconvene Board Meeting

Discuss, consider, and take appropriate action on the following:

3. Approve the minutes for the August 28, 2013, Regular Board Meeting.
4. Approve naming the Mobility Authority board meeting room to honor Lowell H. Lebermann, Jr.
5. Approve an interlocal agreement with the Texas Department of Transportation for off-site materials, independent assurance, and skid and permeability testing.

6. Discussion and possible action regarding the region's future utilization of MOKAN as a transportation corridor.
7. Authorize negotiation of an extension to interim financing from Regions Bank.
8. Approve Texas County and District Retirement System Plan Provisions for Plan Year 2014.
9. Approve the financial statements for July and August, 2013.

Briefing and discussion with no action proposed on the following:

10. Policy for locating monument signs on Mobility Authority right-of-way.
11. Monthly status report on the Mopac Improvement Project.
12. Executive Director's report
 - A. Project Status Updates.

Executive Session

Under Chapter 551 of the Texas Government Code, the Board may recess into a closed meeting (an executive session) to deliberate any item on this agenda if the Chairman announces the item will be deliberated in executive session and identifies the section or sections of Chapter 551 that authorize meeting in executive session. A final action, decision, or vote on a matter deliberated in executive session will be made only after the Board reconvenes in an open meeting.

The Board may deliberate the following items in executive session if announced by the Chairman:

13. Discuss acquisition of one or more parcels or interests in real property needed for the Manor Expressway Project as authorized by §551.072 (Deliberation Regarding Real Property), and related legal issues as authorized by §551.071 (Consultation with Attorney).
14. Discuss legal issues related to claims by or against the Mobility Authority, pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).
15. Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation With Attorney).

16. Discuss legal issues related to legislation enacted by the 83rd Texas Legislature that could affect the Mobility Authority or its operations, as authorized by §551.071 (Consultation With Attorney).

Reconvene in Open Session.

Discuss, consider, and take appropriate action on the following:

17. Authorize negotiation and execution of a purchase contract, a settlement agreement, or both in a pending eminent domain proceeding to acquire the following described parcel or property interest for the Manor Expressway Project:
 - A. Parcel 42 of the Manor Expressway Toll Project, a 4.709 acre tract in Travis County, at the southeast corner of US 290 East and Johnny Morris Road, owned by H. Dalton Wallace.
 - B. Parcel 22AC of the Manor Expressway Toll Project, a control of access across the entire 118.30 linear feet of frontage to a 0.823 acre tract in Travis County, north of US 290 East and west of Chimney Hill Boulevard, owned by Wayne Allan Barbee.
18. Adjourn Meeting.

NOTES

Opportunity for Public Comment. At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to the Mobility Authority's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the public comment period. If a speaker's topic is not listed on this agenda, the Board may not deliberate the speaker's topic or question the speaker during the open comment period, but may direct staff to investigate the matter or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not deliberate or act on an item that is not listed on this agenda.

Public Comment on Agenda Items. A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board takes up consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Meeting Procedures. The order and numbering of agenda items is for ease of reference only. After the meeting is convened, the Chairman may rearrange the order in which agenda items are considered, and the Board may consider items on the agenda in any order or at any time during the meeting.

Persons with disabilities. If you plan to attend this meeting and may need auxiliary aids or services, such as an interpreter for those who are deaf or hearing impaired, or if you are a reader of large print or Braille, please contact Jennifer Guernica at (512) 996-9778 at least two days before the meeting so that appropriate arrangements can be made.



CENTRAL TEXAS
Regional Mobility Authority

AGENDA ITEM #1 SUMMARY

Welcome, Opening Remarks and Board Member Comments.

Welcome, Opening Remarks and Board Member Comments

Board Action Required: NO



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #2 SUMMARY

Open Comment Period for Public Comment.
Public Comment on Agenda Items.

Open Comment Period for Public Comment - At the beginning of the meeting, the Board provides a period of up to one hour for public comment on any matter subject to CTRMA's jurisdiction. Each speaker is allowed a maximum of three minutes. A person who wishes to address the Board should sign the speaker registration sheet before the beginning of the open comment period. If the speaker's topic is not listed on this agenda, the Board may not deliberate the topic or question the speaker during the open comment period, but may direct staff to investigate the subject further or propose that an item be placed on a subsequent agenda for deliberation and possible action by the Board. The Board may not act on an item that is not listed on this agenda.

Public Comment on Agenda Items - A member of the public may offer comments on a specific agenda item in open session if he or she signs the speaker registration sheet for that item before the Board's consideration of the item. The Chairman may limit the amount of time allowed for each speaker. Public comment unrelated to a specific agenda item must be offered during the open comment period.

Board Action: NO



Central Texas Regional
Mobility Authority

AUDIT COMMITTEE AGENDA ITEM SUMMARY

Committee Agenda Item C:

Accept the Independent Audit Reports by PMB Helin Donovan, LLP, for the Fiscal Year Ending June 30, 2013.

Department: Finance
Associated Costs: None
Funding Source: None
Committee Action Required: YES (under Committee Agenda Item C)

Description of Matter:

Each year the Mobility Authority engages an independent CPA firm to conduct the Authority's required annual audit and single audit. PMB Helin Donovan has completed the annual audit for FY 2013 and will present those reports to the Committee at the meeting on October 2.

The draft resolution accepts the annual audit for FY2013.

Attached documentation for reference:

Resolution No. 09-50, establishing the Audit Committee

Draft Resolution to accept FY 2013 Audit Reports

Board Report, Audited Financial Statements with Management Discussion and Analysis; Single Audit Report

Contact for further information:

Bill Chapman, Chief Financial Officer

Cindy Demers, Controller

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

RESOLUTION NO. 09-50

Establishment of Audit Committee

WHEREAS, the Central Texas Regional Mobility Authority ("CTRMA") was created pursuant to the request of Travis and Williamson Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.01, *et seq.* (the "RMA Rules"); and

WHEREAS, the Board of Directors of the CTRMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, Section 16 of the CTRMA Bylaws (the "Bylaws") provides that the Chairman and/or the Board of Directors may designate from among the Directors one or more ad hoc or standing committees; and

WHEREAS, Section 16 of the Bylaws further provides that a committee shall have and may exercise all of the authority of the Board if approved by a Resolution passed by a majority vote of the Board, to the extent provided in such Resolution; and

WHEREAS, the CTRMA has an independent external audit performed every year at the conclusion of its fiscal year on June 30; and

WHEREAS, in order to further ensure the responsible and transparent oversight of the CTRMA's management and use of funds, the establishment of an Audit Committee consisting of all of the members of the Board of Directors is desired; and

WHEREAS, it is desirable that the Audit Committee have the authority to cause any and all aspects of the finances of the CTRMA to be reviewed and audited by an independent third party at such times as deemed necessary by the Audit Committee, in addition to the fiscal year audit, and that the Audit Committee be a resource for all issues relating to the accounting and fiscal matters of the CTRMA; and

WHEREAS, the Audit Committee shall review financial statements developed and issued by the Authority and monitor, oversee and revise internal control processes as deemed necessary to ensure the existence of accurate and efficient accountability of Authority funds and expenditures; and

WHEREAS, the Audit Committee shall promote and ensure open dialogue, communication and cooperation exists between the Authority, management, external and other appropriate auditing entities, the Board and the public; and

WHEREAS, the Board of Directors desire that all members of the Board of Directors serve as members of the Audit Committee, with the Chair of the Audit Committee being a member of the Board other than the Chairman of the Board and shall be elected as determined by a majority vote of the Audit Committee.

NOW THEREFORE, BE IT RESOLVED, that the Chairman and the Board of Directors hereby establish the Audit Committee for the purposes stated herein and with all of the power and authority described herein and as required to achieve the goals and standards stated herein; and


BE IT FURTHER RESOLVED, that all members of the Board of Directors serve as members of the Audit Committee, with the Chair of the Audit Committee being a member of the Board other than the Chairman of the Board and elected by a majority vote of the Audit Committee; and

BE IT FURTHER RESOLVED, that the Audit Committee shall be a standing committee with the functions and authority described herein, and such Committee is to have a continuing existence, unless and until the Board of Directors otherwise determines by subsequent Resolution.

Adoption of this Resolution shall be considered delivery of same to the Secretary of the CTRMA and the provisions hereof shall be entered in the official records of the CTRMA as a notation in the Minutes of this Board Meeting.

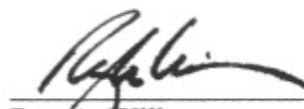
Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31st day of July, 2009.

Submitted and reviewed by:



Tom Nielson
General Counsel for the Central
Texas Regional Mobility Authority

Approved:



Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 09-50
Date Passed 7/31/09

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

RESOLUTION NO. 13-___

**ACCEPT THE INDEPENDENT AUDIT REPORTS BY PMB HELIN DONOVAN, LLP,
FOR THE FISCAL YEAR ENDING JUNE 30, 2013.**

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

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

WHEREAS, the firm of PMB Helin Donovan, LLP has been engaged to provide an independent audit of the finances of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2013, and has presented that audit to the Audit Committee; and

WHEREAS, the Audit Committee has reviewed the "Single Audit Report" and the "Financial Statements, Supplemental Schedule, and Management Discussion and Analysis" prepared by PMB Helin Donovan, LLP, attached respectively as Exhibits 1 and 2 to this Resolution, and has heard and considered the presentation on the audit by PMB Helin Donovan, LLP.

NOW THEREFORE, BE IT RESOLVED, that the Audit Committee accepts the attached independent audits of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2013; and

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

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Andrew Martin, General Counsel
Central Texas Regional Mobility Authority

Robert Bennett, Chairman, Audit Committee
Central Texas Regional Mobility Authority
Audit Committee Resolution: 13-___
Date Passed: 10/02/13

EXHIBIT 1 TO
AUDIT COMMITTEE RESOLUTION 13-
SINGLE AUDIT REPORT

September 27, 2013

To the Board of Directors of
Central Texas Regional Mobility Authority:

We have audited the financial statements of Central Texas Regional Mobility Authority (the “Authority”) for the year ended June 30, 2013, and have issued our report thereon dated September 27, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 23, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Central Texas Regional Mobility Authority are described in Note 1 to the financial statements. As described in Note 1, the Authority changed accounting policies related to accounting for bond issuance costs by adopting Governmental Accounting Standards Board (“GASB”) Statement No. 65 “Items Previously Reported as Assets and Liabilities”, in 2013. Accordingly, the accounting change has been retrospectively applied to prior periods presented as if the policy had always been used. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Depreciable lives of fixed assets. We evaluated the key factors and assumptions used to develop the depreciable lives in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The most sensitive disclosure affecting the financial statements was the disclosure regarding the adoption of GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities” and the subsequent restatement of the 2012 financial statements in Note 1 of the financial statements. The disclosure reports the updated guidance for debt issuance costs. Such debt issuance costs, except any portion related to prepaid insurance costs, are required be recognized as an expense in the period incurred. The Authority adopted GASB No. 65 which was retroactively applied to the 2012 financial statements.
- The most sensitive disclosure affecting the consolidated financial statements was the long term debt disclosure at Note 4 to the financial statements. The disclosure reports the issuance of 2013 Bond Obligations which were used to pay down the 2005 bond obligation, the TIFIA loans and part of the 2010 bond obligations.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements and are included in Appendix A. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **September 27, 2013** and is included in Appendix B.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Central Texas Regional Mobility Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DRAFT

PMB Helin Donovan, LLP
Austin, Texas

Central Texas Regional Mobility Authority
 Summary of Passed Audit Differences
 June 30, 2013

Appendix A

AD #	Account Name	Debit	Credit	Statements of Revenues, Expenses		Statements of Net Assets		
				Revenue	Expenses	Assets	Liabilities	Net Assets
1	Due from TXDot	\$ 788,069		\$ -	\$ -	\$ 788,069	\$ -	\$ -
	Grant revenue		\$ 788,069	788,069	-	-	-	788,069
	(To record 2013 grant revenue received and recorded in 2014)							
2	Depreciation expense	893,055		-	893,055	-	-	(893,055)
	Accumulated depreciation		893,055	-	-	-	893,055	-
	(To adjust current year depreciation expense for highways and bridges put into use in FY 2013)							
3	Amortization expense	128,482		-	128,482	-	-	(128,482)
	Accumulated amortization		128,482	-	-	-	128,482	-
	(To record the amortization expense of 2013 refunding savings)							
				\$ 788,069	\$ 1,021,537	\$ 788,069	\$ 1,021,537	\$ (233,468)
				December 31, 2012 balances		\$ 998,341,601	\$ 826,622,405	\$ 171,719,196
				Impact of Passed Audit Differences		0.08%	0.12%	-0.14%
				Income (Expense) Impact of Passed Audit Differences		\$ (233,468)		
				2013 change in net assets		\$ 77,658,725		
				Percentage of change in net assets		0.30%		

September 27, 2012

PMB Helin Donovan, LLP
5918 West Courtyard Drive, Suite 500
Austin, TX 78730

We are providing this letter in connection with your audits of the financial statements of Central Texas Regional Mobility Authority ("Authority") as of June 30, 2013 and 2012 and for the years then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of September 27, 2012, the following representations made to you during your audit(s).

- 1) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We have made available to you all—
 - a) Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Minutes of the meetings of Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 4) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.
- 5) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 6) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 7) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 8) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 9) The following, if any, have been properly recorded or disclosed in the financial statements:

- a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees.
 - b) Guarantees, whether written or oral, under which the Authority is contingently liable.
 - c) All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances, consistently applied, and adequately disclosed.
- 10) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 11) There are no—
- a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with FASB Accounting Standards Codification 450, Contingencies (formerly Statement of Financial Accounting Standards No. 5)
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Accounting Standards Codification 450, Contingencies (formerly Statement of Financial Accounting Standards No. 5).
 - d) Reservations or designation of fund equity that were not properly authorized and approved.
- 12) As part of your audit, you prepared the draft financial statements and related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 13) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 14) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 15) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 16) The financial statements properly classify all funds and activities.
- 17) Net asset components (invested in capital assets, net of related debt; restricted; and unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
- 18) Provisions for uncollectible receivables have been properly identified and recorded.
- 19) Deposits and investment securities are properly classified as to risk, and investments are properly valued.
- 20) Capital assets, including infrastructure assets, are properly capitalized, reported, and, if applicable, depreciated.
- 21) Required supplementary information (RSI) is measured and presented within prescribed guidelines.

We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements [or in the schedule of findings and questioned costs].

Mike Heiligenstein
Executive Director

Bill Chapman
Chief Financial Officer

DRAFT

September 27, 2012

PMB Helin Donovan, LLP
5918 West Courtyard Drive, Suite 500
Austin, TX 78730

We are providing this letter in connection with your audit(s) of the financial statements of Central Texas Regional Mobility Authority as of June 30, 2013 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Central Texas Regional Mobility Authority and the respective changes in financial position and, where applicable, cash flows thereof in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of September 27, 2012, the following representations made to you during your audit.

- 1) The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We have made available to you all—
 - a) Financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
 - b) Minutes of the meetings of Board of Directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 3) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 4) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements or the schedule of expenditures of federal awards.
- 5) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 6) We have no knowledge of any fraud or suspected fraud affecting the entity involving—
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 7) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 8) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 9) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 10) The following, if any, have been properly recorded or disclosed in the financial statements:
 - a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b) Guarantees, whether written or oral, under which the Authority is contingently liable.

- c) All accounting estimates, that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
- 11) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
 - 12) There are no—
 - a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
 - 13) As part of your audit, you assisted with preparation of the financial statements and related notes and the schedule of expenditures of federal awards. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the schedule of expenditures of federal awards.
 - 14) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
 - 15) The Authority has complied with all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance.
 - 16) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
 - 17) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
 - 18) The financial statements properly classify all funds and activities.
 - 19) All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
 - 20) Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted), nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
 - 21) Investments, derivative transactions, and land and other real estate held by endowments are properly valued.
 - 22) Provisions for uncollectible receivables have been properly identified and recorded.
 - 23) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 - 24) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
 - 25) Deposits and investment securities and derivative transactions are properly classified as to risk and investments are properly valued.
 - 26) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

- 27) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 28) We have appropriately disclosed the Authority's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 29) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 30) We have evaluated the Authority's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
- 31) With respect to federal award programs:
- a) We are responsible for understanding and complying with, and have complied with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, including requirements relating to preparation of the schedule of expenditures of federal awards.
 - b) We have prepared the schedule of expenditures of federal awards in accordance with OMB Circular A-133, and have identified and disclosed in the schedule expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance.
 - c) We acknowledge our responsibility for presenting the schedule of expenditures of federal awards (SEFA) in accordance with the requirements of OMB Circular A-133 §310.b, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Circular. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.
 - d) We have identified and disclosed to you all of our government programs and related activities subject to OMB Circular A-133.
 - e) We are responsible for understanding and complying with, and have complied with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
 - f) We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
 - g) We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
 - h) We have received no requests from a federal agency to audit one or more specific programs as a major program.
 - i) We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the *OMB Circular A-133 Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
 - j) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.

- k) We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
 - l) Amounts claimed or used for matching were determined in accordance with relevant guidelines in OMB Circular A-87, *Cost Principles for State, Local, and Tribal Governments*, and OMB's *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
 - m) We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
 - n) We have made available to you all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
 - o) We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
 - p) There are no known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
 - q) No changes have been made in internal control over compliance or other factors that might significantly affect internal control, including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance), have occurred subsequent to the date as of which compliance was audited.
 - r) Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
 - s) The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
 - t) We have charged costs to federal awards in accordance with applicable cost principles.
 - u) We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by OMB Circular A-133 and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
 - v) We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by OMB Circular A-133.
 - w) We are responsible for taking corrective action on each audit finding.
- 32) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

Mike Heiligenstein
Executive Director

Bill Chapman
Chief Financial Officer

Central Texas Regional Mobility Authority

Financial Statements, Supplemental Schedule, and
Management Discussion and Analysis
June 30, 2013 and 2012

(With Independent Auditors' Report Thereon)

Central Texas Regional Mobility Authority
Financial Statements, Supplemental Schedule, and
Management Discussion and Analysis
June 30, 2013 and 2012

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Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

This section of the Central Texas Regional Mobility Authority (the "Authority") financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended June 30, 2013. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The Authority restated its 2012 and 2011 financial statements to be in compliance with the recent accounting pronouncement of Governmental Accounting Standards Board ("GASB") Statement No. 65, "Items Previously Reported as Assets and Liabilities".
- GASB Statement No. 65 established updated guidance for debt issuance costs and indicated that debt issuance costs except any portion related to prepaid insurance costs, are required be recognized as an expense in the period incurred, this lead to a \$10 million adjustment to the Authority's 2012 asset and net asset balance.
- The Authority issued Series 2013A Senior Lien Revenue Refunding Bonds, Series 2013B Senior lien Revenue Refunding Put Bonds, and Series 2013 Subordinate Lien Revenue Refunding Bonds, collectively called the Series 2013 Obligations, on May 16, 2013.
- The 2013 Obligations were used to pay down the 2005 Current Interest Bonds (Series 2005 CIBs), Convertible Capital Appreciation Bonds (Convertible CABs), 2010 Subordinate Lien Revenue Build America Bonds (Subordinate Lien BABs), TIFIA bonds.
- The remaining Bonds payable balances related to the 2010, 2011 and 2013 and have a combined outstanding balance of \$779 million as of June 30, 2013. The bonds are repayable over the next 15 years, 35 years, and 17 years, respectively.
- Construction in progress decreased by \$68.1million from 2012 to 2013 in part due to completion of construction contracts and movement of completed construction into property, toll road and equipment
- Total Investments decreased by \$146.7 million from 2012 to 2013. Restricted investments decreased by \$150.5 million which was offset by an increase in unrestricted investments by \$3.8million. The overall decrease in investments was largely due to a reduction in the U.S. Government Agency Securities and the TexSTAR Investment Pool.
- Total operating expenses were approximately \$24.8 million and \$17.1 million in 2013 and 2012, respectively.
- Total construction in progress was approximately \$301.7 million, and \$364.8 million as of June 30, 2013 and, 2012 respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of two parts: management's discussion and analysis (this section), and the basic financial statements, the notes to the financial statements, and the supplemental schedule.

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

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the statements of revenues, expenses, and changes in net assets. All assets and liabilities associated with the operation of the Authority are included in the statements of net assets.

Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

FINANCIAL ANALYSIS OF THE AUTHORITY

Net Assets

The Authority's total net assets were approximately \$172 million, \$94 million, and \$80.3 million, as of June 30, 2013, 2012, and 2011, respectively (See Table A-1). In 2013, total assets increased 9.76% to \$998.3 million and total liabilities increased 1.37% to \$826.6 million resulting in an increase of 82.56% in total net assets. The increase of \$77.6 million is the result of 2013 operating income of \$77.6 million.

Table A-1
Net Assets
(in thousands of dollars)

	<u>2013</u>	<u>2012 as</u> <u>restated</u>	<u>2011 as</u> <u>restated</u>
Current assets	\$ 52,000	\$ 19,025	\$ 14,049
Restricted assets	237,413	307,840	433,409
Capital assets	703,591	577,833	424,471
Bond issuance cost	5,338	4,842	5,161
Total assets	<u>\$ 998,342</u>	<u>\$ 909,540</u>	<u>\$ 877,090</u>
Total liabilities	\$ 826,623	\$ 815,480	\$ 807,773
Net assets:			
Invested in capital assets	(93,591)	19,871	25,694
Restricted for other purposes	213,310	68,669	40,508
Unrestricted	52,000	5,520	3,115
Total net assets	<u>171,719</u>	<u>94,060</u>	<u>80,251</u>
Total liabilities and net assets	<u>\$ 998,342</u>	<u>\$ 909,540</u>	<u>\$ 877,090</u>

Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

Changes in Net Assets

Changes in net assets as of June 30, 2013 and 2012 were approximately \$77.6 million and \$24.1 million, respectively, a 223% and 43%, respectively, increase in total net assets from 2012 and 2011. The Authority's total revenues for the year ended June 30, 2013 were \$124.8 million, an increase of 139% from 2012, and total expenses were \$47.2 million. See Table A-2.

Table A-2
Changes in Net Assets
(in thousands of dollars)

	<u>2013</u>	<u>2012 as</u> <u>restated</u>	<u>2011 as</u> <u>restated</u>
Revenues:			
Toll revenue	\$32,160	\$23,604	\$21,458
Grants and contributions	92,205	28,424	31,989
Other revenue	456	210	243
Total revenues	<u>124,821</u>	<u>52,238</u>	<u>53,690</u>
Expenses:			
Administration	44,124	25,915	26,970
Professional services	3,036	2,256	2,586
Total expenses	<u>47,160</u>	<u>28,171</u>	<u>29,556</u>
Contributed capital	-	-	-
Change in net assets	<u>77,659</u>	<u>24,067</u>	<u>24,134</u>
Total net assets, beginning of the year	94,060	80,252	56,118
Prior period adjustment	-	(10,259)	-
Total net assets, end of the year	<u>\$171,719</u>	<u>\$94,060</u>	<u>\$80,252</u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2013, 2012 and 2011 the Authority had invested approximately \$301.7 million, \$364.9 million, and \$204.3 million, respectively, in construction-in-progress, including engineering fees and preliminary costs such as funding, consulting, environmental, legal, and traffic analysis fees. See Table A-3.

Table A-3
Capital Assets
(net of depreciation, in thousands of dollars)

	<u>2013</u>	<u>2012 as</u> <u>restated</u>	<u>2011 as</u> <u>restated</u>
Property and equipment	\$ 9,712	\$ 9,726	\$ 9,701
Toll Road	439,807	241,474	241,474
Accumulated depreciation	(47,648)	(38,220)	(31,007)
Construction work in progress	<u>301,720</u>	<u>364,853</u>	<u>204,303</u>
Net capital assets	<u>\$703,591</u>	<u>\$577,833</u>	<u>\$424,471</u>

Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

Long-Term Debt

The Authority issued its Series 2005 Senior Lien Revenue Bonds and Series 2005 Subordinate Lien Revenue Bond Anticipation Notes (Series 2005 Subordinate Lien BANs) on March 2, 2005, collectively called the Series 2005 Obligations. The Series 2005 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2005 CIBs) and in part as Convertible Capital Appreciation Bonds (Series 2005 Convertible CABs).

The proceeds from the Series 2005 Obligations were used to: i) finance a portion of the costs of planning, designing, engineering, developing, and constructing the interim phase of the 183-A Turnpike Project, ii) pay a portion of the costs of studying, evaluating, and designing additional turnpike projects within the Authority's jurisdiction, iii) pay capitalized interest with respect to the Series 2005 Obligations, iv) fund a debt service reserve fund for the Series 2005 Senior Lien Revenue Bonds, v) provide working capital to the Authority, and vi) pay the issuance costs of the Series 2005 Obligations.

The Series 2005 CIBs and Series 2005 Convertible CAB's were refunded and defeased in whole by the Authority on May 16, 2013 with portion of the proceeds of the Series 2013A Senior Lien Revenue Refunding Bonds and the Series 2013B Senior Lien Revenue Refunding Put Bonds, and other lawfully available funds of the Authority.

The U.S. Department of Transportation agreed to lend the Authority up to \$66 million (TIFIA Bond) to pay or reimburse a portion of the costs of the 2005 Project, including any refinancing of the Series 2005 Subordinate Lien BANs, under a secured loan agreement between the Authority and the U.S. Department of Transportation.

On January 1, 2008, the Authority borrowed the entire balance of the \$66 million TIFIA Bond to pay down the Series 2005 Subordinate Lien BANs in full. The maturity date of the TIFIA Bond is January 1, 2042. Interest on the TIFIA Bond accrued at an annual rate of 4.69% with interest payable each January 1 and July 1, commencing January 1, 2012.

The 2005 TIFIA Bond was refunded and prepaid in whole by the Authority on June 5, 2013 with a portion of the proceeds of the Series 2013A Senior Lien Revenue Refunding Bonds and the Series 2013 Subordinate Lien Revenue Refunding Bonds, issued by the Authority on May 16, 2013 and other lawfully available funds of the Authority.

The Authority issued its Series 2010 Senior Lien Revenue Bonds and Taxable Series 2010 Subordinate Lien Revenue Bonds (Build America Bonds – Direct Subsidy) (Series 2010 Subordinate Lien Bonds) on March 1, 2010, collectively called the Series 2010 Obligations. The Series 2010 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2010 CIBs) and in part as Capital Appreciation Bonds (Series 2010 CABs).

On August 1, 2010, the Authority issued its Revenue Notes, Taxable Series 2010 (Build America Bonds – Direct Subsidy) in an aggregate principal amount of \$60 million (Series 2010 Notes). The proceeds were used to: (i) pay a portion of the Costs of the 290 East Project, and (ii) pay certain issuance costs of the Series 2010 Notes. The Series 2010 Notes were redeemed in full from proceeds of the Series 2011 Senior Lien Revenue Bonds issued by the Authority in 2011, as described below.

The proceeds from the Series 2010 Obligations were used to: to (i) finance a portion of the costs of the 183A Phase II Project, (ii) currently refund and redeem, in whole, the Authority's outstanding Revenue Notes, Taxable Series 2009, (iii) pay capitalized interest with respect to the Series 2010 Obligations, (iv)

Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund, and (v) pay certain issuance costs of the Series 2010 Obligations.

The Series 2010 Subordinate Lien BABs were refunded and redeemed in whole by the Authority on June 5, 2013 with a portion of the proceeds of the Series 2013 Subordinate Lien Revenue Refunding Bonds issued by the Authority on May 16, 2013, and other lawfully available funds of the Authority

The Authority issued its Series 2011 Senior Lien Revenue Bonds and Series 2011 Subordinate Lien Revenue Bonds on June 29, 2011, collectively called the Series 2011 Obligations. The Series 2011 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2011 CIBs) and in part as Capital Appreciation Bonds (Series 2011 CABs).

A portion of the proceeds from the Series 2011 Obligations was used to (i) prepay the SIB Loan in full, (ii) redeem the Series 2010 Notes in whole, (iii) pay capitalized interest with respect to the Series 2011 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2011 Obligations. The remaining proceeds of the Series 2011 Obligations will be used to finance a portion of the costs of the Manor Expressway Phase II Project and as otherwise authorized in the Indenture.

In December 2011, the Authority entered into a Secured Loan Agreement with a bank for a secured draw down note facility in an aggregate amount up to \$5 million (Draw Down Note). The Draw Down Note bears interest at the one-month LIBOR rate plus 2.85%. The Draw Down Note matures on December 15, 2015 and requires monthly interest payments on outstanding balances. Certain funds of the Authority are collateral for the Draw Down Note.

Proceeds from the Draw Down Note are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects, (ii) expenses associated with securing the Draw Down Note, and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Draw Down Note.

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

The proceeds from the Series 2013 Obligations were used to (i) refund the Series 2005 Senior Lien Revenue Bonds, the 2005 TIFIA Bond, and the Series 2010 Subordinate Lien BABs, (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund, and (iii) pay certain issuance costs of the Series 2013 Obligations.

On June 27, 2013, the Authority entered into a Secured Loan Agreement with a Bank ("2013 Note") for an aggregate principal amount not to exceed \$5,300,000 (the "Loan"). The Loan bears interest at 2.25% per annum and matures on January 1, 2019. The loan requires semiannual interest payments on the outstanding balance. Certain funds of the Authority are collateral for the Loan.

Proceeds from the Loan are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects, (ii) expenses associated with securing the Loan, and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Loan.

Central Texas Regional Mobility Authority
Management's Discussion and Analysis
Years Ended June 30, 2013 and 2012

As of June 30, 2013, the Authority had total debt outstanding of approximately \$786million. See Table A-4.

Table A-4
Long-Term Debt
(in thousands of dollars)

	<u>2013</u>		<u>2012 as</u> <u>restated</u>		<u>2011 as</u> <u>restated</u>
Capital Appreciation Bonds	\$ -	\$	61,332	\$	61,332
Current Interest Bonds	778,798		617,071		621,542
TIFIA Bond	-		77,506		77,627
American Bank Loan	5,300		-		-
Draw Down Note	1,975		400		-
Net Debt Outstanding	<u>786,073</u>		<u>756,309</u>		<u>760,501</u>
Less: Net Debt Outstanding - Current Portion	<u>-</u>		<u>2,870</u>		<u>1,595</u>
Net Debt Outstanding - Non-Current Portion	<u>\$ 786,073</u>	\$	<u>756,309</u>	\$	<u>758,906</u>

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

Independent Auditors' Report

Members of the Central Texas Regional Mobility Authority:

We have audited the accompanying financial statements of Central Texas Regional Mobility Authority (the "Authority"), which comprise the statements of net assets as of June 30, 2013 and 2012, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Texas Regional Mobility Authority as of June 30, 2013 and 2012, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 1 to 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Indenture Cash Flow and Debt Service Coverage on page 33 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

As discussed in Note 1 to the financial statements, the Authority restated amounts previously reported as and for the year ended June 30, 2012.

PMB Helin Donovan, LLP

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Austin, TX

September 27, 2013 (October 22, 2012 as to Note 1 and the effects of the restatement)

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Statements of Net Assets

June 30, 2013 and 2012

	<u>2013</u>	<u>2012 as restated</u>
Assets:		
Current assets:		
Cash and cash equivalents (note 2)	\$ 827,616	\$ 96,087
Investments (note 2)	8,345,711	4,563,052
Due from other agencies (note 11)	27,654,822	13,863,197
Accrued interest receivable	216,923	477,627
Prepaid expenses and other assets	50,878	25,216
Total current assets	<u>37,095,950</u>	<u>19,025,179</u>
Restricted assets:		
Cash and cash equivalents (note 2)	125,217,295	45,098,220
Investments (note 2)	112,195,570	262,742,034
Total restricted assets	<u>237,412,865</u>	<u>307,840,254</u>
Property, toll road and equipment, net (note 3)	401,870,275	212,980,016
Construction work in progress (note 3)	301,720,870	364,852,641
Deferred inflow of resources (note 6)	14,903,935	-
Bond issuance costs, net	5,337,706	4,842,159
Total assets	<u>\$ 998,341,601</u>	<u>\$ 909,540,249</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 12,219,671	\$ 21,580,593
Accrued interest payable	16,489,704	21,088,563
Due to other agencies	465,504	-
Accrued expenses	265,875	236,811
Deferred revenue	-	34,774
TIFIA bond - current portion	-	150,000
Bonds payable - 2005 Series - current portion	-	2,720,000
Bonds payable - 2013 Series - current portion	1,350,000	-
Total current liabilities	<u>30,790,754</u>	<u>45,810,741</u>
Noncurrent liabilities:		
Draw down note (note 4)	1,974,569	400,000
TIFIA bond (note 4)	-	77,506,077
Bonds payable - 2005 Series (note 4)	-	168,382,977
Bonds payable - 2010 Series (note 4)	95,011,738	140,048,511
Bonds payable - 2011 Series (note 4)	370,226,319	369,971,128
Bonds payable - 2013 Series (note 4)	312,208,620	-
2013 note (note 4)	5,300,000	-
Accumulated accretion on capital appreciation bonds (note 4)	11,110,405	13,360,344
Total liabilities	<u>826,622,405</u>	<u>815,479,778</u>
Net assets:		
Invested in capital assets, net of related debt	(93,590,506)	19,870,933
Restricted for other purposes	213,309,817	68,669,502
Unrestricted	51,999,885	5,520,036
Total net assets	<u>171,719,196</u>	<u>94,060,471</u>
Total liabilities and net assets	<u>\$ 998,341,601</u>	<u>\$ 909,540,249</u>

See accompanying notes to financial statements

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Statements of Revenues, Expenses, and Changes in Net Assets

For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012 as restated</u>
Operating Revenues		
Tolls	\$ 32,159,157	\$ 23,603,505
Grants and contributions	92,205,336	28,423,670
Other	455,792	210,622
Total revenues	<u>124,820,285</u>	<u>52,237,797</u>
Operating expenses		
Salaries and wages	2,451,766	2,379,779
Other contractual services	3,495,639	2,761,992
Professional services	3,036,187	2,255,640
General and administrative	15,834,659	9,660,153
Total operating expenses	<u>24,818,251</u>	<u>17,057,564</u>
Total operating increase	100,002,034	35,180,233
Nonoperating revenues/expenses		
Gain on legal settlement	-	835,312
Interest income, net of interest capitalized, (note 2)	230,171	190,933
Interest expense	<u>(22,573,480)</u>	<u>(22,397,452)</u>
Change in net assets	<u>77,658,725</u>	<u>13,809,026</u>
Total adjusted net assets at beginning of the year	<u>94,060,471</u>	<u>80,251,445</u>
Total net assets at end of the year	<u>\$ 171,719,196</u>	<u>\$ 94,060,471</u>
See accompanying notes to financial statements.		

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Statements of Cash Flows

For the years ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012 as restated</u>
Cash flows from operating activities:		
Receipts from toll fees	\$ 31,011,717	\$ 28,553,058
Receipts from grants and other income	68,937,574	27,574,251
Receipts from interest income	13,248	289,414
Payments to vendors	(6,393,455)	(4,628,154)
Payments to professionals	(2,699,043)	(2,523,335)
Payments to employees	<u>(2,447,161)</u>	<u>(2,377,417)</u>
Net cash flows provided by operating activities	<u>88,422,880</u>	<u>46,887,817</u>
Cash flows from capital and related financing activities:		
Acquisitions of property and equipment	(112,473,225)	(24,951)
Payments on interest	(32,231,123)	(8,934,500)
Acquisitions of construction in progress	(10,495,498)	(165,676,788)
Payment of Series 2005 Bonds	(173,124,727)	(1,495,000)
Payments of Series 2010 Subordinated Lien Bonds	(45,000,000)	-
Payment of TIFIA bond	(77,656,077)	(100,000)
Proceeds from American bank loan	5,300,000	-
Proceeds from Issuance of 2013 Series Bonds	289,770,000	-
Proceeds from Draw Down Note	<u>1,574,569</u>	<u>400,000</u>
Net cash flows provided by (used in) capital and related financing activities	<u>(154,336,081)</u>	<u>(175,831,239)</u>
Cash flows from investing activities:		
Purchase of investments	(54,655,334)	(427,003,296)
Proceeds from sale or maturity of investments	<u>201,419,139</u>	<u>524,344,649</u>
Net cash flows provided by investing activities	<u>146,763,805</u>	<u>97,341,353</u>
Net increase (decrease) in cash and cash equivalents	80,850,604	(31,602,069)
Cash and cash equivalents at beginning of year	<u>45,194,307</u>	<u>76,796,376</u>
Cash and cash equivalents at end of year (including \$125,217,295 for 2013 and \$45,098,220 for 2012 reported in restricted assets)	<u>\$ 126,044,911</u>	<u>\$ 45,194,307</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ <u>77,658,725</u>	\$ <u>13,809,026</u>
Adjustments to reconcile change in net assets to Net cash used in operating activities:		
Depreciation and amortization	9,482,695	7,212,847
Amortization of premium/discount	(115,332)	(160,940)
Interest accretion	496,072	1,424,874
Issuance cost expense	395,307	10,560,001
Nonoperating interest	32,231,123	8,934,500
Changes in assets and liabilities:		
(Increase) decrease in prepaid expenses and other assets	(25,662)	10,338
(Increase) in non-cash revenue (due from other agencies)	(13,326,121)	(7,982,461)
(Decrease) increase in accounts payable	(3,464,282)	13,244,278
Increase (decrease) in accrued expenses	29,064	(199,420)
(Decrease) increase in deferred revenue	(34,774)	34,774
(Increase) in deferred inflow of resources	<u>(14,903,935)</u>	<u>-</u>
Total adjustments	<u>10,764,155</u>	<u>33,078,791</u>
Net cash flows provided by operating activities	<u>\$ 88,422,880</u>	<u>\$ 46,887,817</u>

See accompanying notes to financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

1. Organization and Summary of Significant Accounting Policies

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

A. Reporting Entity - The Central Texas Regional Mobility Authority (the “Authority”) was authorized by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair, and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the State Department of Transportation. The Authority receives its revenues from tolls, fees, grants, and rents from the operation of turnpike projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

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

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

Liquidity – During the year ending June 30, 2013, the Company reported revenue of \$124.8 million, and a change in net assets of approximately \$77.7 million. Management believes that it has cash on hand, anticipated 2014 operating results, and available credit facilities that are sufficient to fund its operations through June 30, 2014.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

B. Basis of Accounting - The operations of the Authority are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized, and all assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets. Operating expenses for the Authority include the costs of operating the turnpikes, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash, Cash Equivalents and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal deposit insurance.

Investments are reported at fair value. The net change in fair value of investments is recorded on the statements of revenues, expenses and changes in net assets and includes the unrealized and realized gains and losses on investments.

D. Compensated Absences - Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.

E. Capital Assets - Capital assets, which include property, equipment, and infrastructure assets, are reported at cost. Capital assets are defined as assets with initial, individual costs exceeding \$500 to \$20,000 depending on asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

Roads and bridges, 40 years
Improvements, 5-20 years
Buildings, 20-30 years
Equipment, 3-7 years

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

The Authority capitalizes interest cost of restricted tax-exempt borrowings less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use.

F. Grants and Contributions - Revenues on grants and contributions include right-of-way property that is restricted to meeting the operational or capital requirements of a particular program. The Authority considers all grants and contributions to be 100% collectible.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

The Authority has entered into several grant agreements with the Texas Department of Transportation (TxDot) for construction costs using Highway Planning and Construction federal funding for transportation improvements. During the years ended June 30, 2013 and 2012, the Authority received \$92,205,336 and \$28,423,670, respectively, from TxDot. The Authority defers the recognition of revenue when funds are received in advance of when the amounts are earned. As of June 30, 2013, there was no deferred grant revenue.

During the year ended June 30, 2013 and 2012, the Authority received 100% and 90%, respectively, of total grant revenue from contracts funded through federal and state governments. It is possible that at some time in the future these contracts could terminate, or funding could be reduced. However, the Authority does not currently expect that these contracts will be terminated or that funding will be reduced in the near future.

- G. Investments** - The Authority invests funds in accordance with its investment policy, bond indentures, and the Texas Public Funds Investment Act. Investments are carried at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value is determined typically by quoted market prices.
- H. Restricted Assets** - Certain proceeds of the Authority's bonds and grants, as well as certain other resources, are classified as restricted assets in the statements of net assets because they are maintained in separate investment accounts and their use is limited by applicable bond covenants and grant agreements. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.
- I. Income Taxes** - The Authority is an instrumentality of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes. Bond obligations issued by state and local governments are tax-exempt only if the issuers pay rebate to the federal government of the earnings on the investment of the proceeds of a tax-exempt issue in excess of the yield on such obligations and any income earned on such excess.
- J. Bond Premiums, Discounts, and Issuance Costs** - The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to capitalized interest using the effective interest method. Bond issuance cost is expensed as incurred.
- K. Classification of Operating and Non-operating Revenue and Expenses** - The Authority defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with the codification of Government and Financial Reporting Standards which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

- L. Estimates** - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Examples of management's use of estimates and assumptions include, but are not limited to, depreciable lives and estimated residual value of property and equipment, amortization period of deferred costs, and the valuation of investments.
- M. Reclassification** - Certain amounts reported in previous periods have been reclassified to conform to the current year presentation.
- N. Subsequent Events** - The Authority evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Authority's financial statements are issued. For the financial statements as of and for the year ending June 30, 2013, this date was **September 27, 2013**.
- O. Recent Accounting Pronouncements** - In June 2012, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 65 "Items Previously Reported as Assets and Liabilities". This statement establishes updated guidance for debt issuance costs and indicates that debt issuance costs include all costs incurred to issue the bonds, including but not limited to insurance costs, financing costs, and other related costs. Under GASB Statement No. 65 such debt issuance costs, except any portion related to prepaid insurance costs, are required be recognized as an expense in the period incurred. Prepaid insurance costs are required to be reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

The amended guidance was applicable for annual reporting periods on or after December 15, 2012. Accounting changes adopted to conform to the provisions of this Statement are to be applied retroactively by restating financial statements, if practical, for all periods presented. If restatement is not practical, the cumulative effect of applying this Statement, if any, is to be reported as a restatement of beginning net position or fund balance, as appropriate, for the earliest period restated.

Other accounting standards that have been issued or proposed by the GASB such as GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and GASB Statement No. 66 amending Statement No.10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Issues", in addition to accounting standards issued or proposed by other standards-setting bodies are not expected to have a material impact on the Authority's financial position, results of operations or cash flows.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

P. Restatement of financial statements -The Authority has restated its 2012 financial statements from the amounts previously reported when the Authority adopted GASB Statement No. 65. The restatement includes an adjustment to (a) expense prior period debt issuance costs of \$10,258,143 related to the Series 2005, Series 2010 and Series 2011 bond obligations, and (b) to decrease total net assets by \$10,258,143. The effects of the restatement on the statement of net assets and statements of revenues, expenses, and changes in net assets as of June 30, 2012 are as follows:

	<u>June 30, 2012</u>	
	<u>Restated</u>	<u>As Previously Reported</u>
Total Assets	\$ 919,798,392	\$ 909,540,249
Ending Net Assets	\$ 104,318,614	\$ 94,060,471
Beginning Net Assets	\$ 94,060,471	\$ 80,251,445

2. Cash and Investments

Deposit and investment resources are exposed to risks that have the potential to result in losses that could impact the delivery of the Authority's services. The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, qualifying the broker or financial institution with whom the Authority will transact, maintain sufficient collateralization, portfolio diversification, and limiting maturity.

As of June 30, 2013 and 2012, the Authority had the following investments:

<u>Summary of Investments by Type</u>	<u>2013</u>		<u>2012</u>	
TexSTAR Investment Pool	\$	24,003,529	\$	55,416,489
Certificates of Deposit		8,000,000		-
U.S. Government Agency securities:				
Federal Home Loan Mortgage Corp.		88,537,752		211,888,597
Total investments	\$	<u>120,541,281</u>	\$	<u>267,305,086</u>
Unrestricted investments	\$	8,345,711	\$	4,563,052
Restricted investments		112,195,570		262,742,034
Total investments	\$	<u>120,541,281</u>	\$	<u>267,305,086</u>
Interest income	\$	825,835	\$	1,096,573
Less: interest income capitalized		(595,664)		(905,640)
Total investment income	\$	<u>230,171</u>	\$	<u>190,933</u>

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. While the Board has

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

no formal policy specific to custodial credit risk, operating bank accounts are fully collateralized with pledged securities.

At June 30, 2013, the carrying amount of the Authority's cash and cash equivalents was \$126,044,911. The bank balance was \$1,516,176 as of June 30, 2013. The remaining amount was maintained in money market accounts. At June 30, 2012, the carrying amount of the Authority's cash and cash equivalents was \$45,194,307. The bank balance was \$1,208,945 as of June 30, 2012. The remaining amount is maintained in money market accounts.

There is no limit on the amount the Authority may deposit in any one institution. The Authority was fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended June 30, 2013 and 2012.

Investments

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

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures, and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: U.S. Treasury and Federal Agency issues, certificates of deposit issued by a state or national bank domiciled in the State of Texas, repurchase agreements collateralized by U.S. Treasury or Federal Agency securities, guaranteed investment contracts (GICs), obligations of states and municipalities, SEC registered no-load money market mutual funds, and local government investment funds. The Authority's investments are insured or registered and are held by the Authority or its agent in the Authority's name.

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

As of June 30, 2013 and 2012, the Authority's portfolio consisted of the following:

	<u>2013</u>	<u>2012</u>
TexSTAR Investment Pool	19.9%	20.7%
Certificates of Deposit	7%	-
United States Government Agency Securities	73.5%	79.3%

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

Interest Rate Risk

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

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

As of June 30, 2013 and 2012, all of the Authority's investments mature within one year. The weighted average maturity of the TexSTAR Investment Pool at June 30, 2013 and 2012 was 55 days and 47 days, respectively.

Credit Risk

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

- Limiting investments to the safest types of securities, as listed above under the 'Concentration of Credit Risk' section; and
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the Authority will do business

The TexSTAR Investment Pool is rated AAA by Standard and Poor's and is fully collateralized and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice. The United States government agency securities are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

3. Capital Assets

The following schedule summarizes the capital assets of the Authority as of June 30, 2013 and 2012:

Property, toll road and equipment as of June 30, 2013:

	<u>2012</u>	<u>Additions/ Disposals</u>	<u>2013</u>
Property and equipment	\$ 9,726,257	(14,351)	\$ 9,711,906
Toll Road			
Building and toll facilities	7,062,332	10,895	7,073,225
Highways and bridges	198,281,337	158,600,180	356,881,517
Toll equipment	4,382,721	11,139,923	15,522,644
Signs	5,630,643	4008,555	9,639,198
Land improvements	1,432,906	2,799,044	4,231,950
Right of way	24,683,551	21,774,751	46,458,302
Accumulated depreciation	<u>(38,219,731)</u>	<u>(9,482,695)</u>	<u>(47,648,469)</u>
Net property and equipment	\$ <u>212,980,016</u>	<u>188,836,302</u>	\$ <u>401,870,275</u>

Property, toll road and equipment as of June 30, 2012:

	<u>2011</u>	<u>Additions/ Disposals</u>	<u>2012</u>
Property and equipment	\$ 9,701,306	24,951	\$ 9,726,257
Toll Road			
Building and toll facilities	7,062,332	-	7,062,332
Highways and bridges	198,281,337	-	198,281,337
Toll equipment	4,382,721	-	4,382,721
Signs	5,630,643	-	5,630,643
Land improvements	1,432,906	-	1,432,906
Right of way	24,683,551	-	24,683,551
Accumulated depreciation	<u>(31,006,884)</u>	<u>(7,212,847)</u>	<u>(38,219,731)</u>
Net property and equipment	\$ <u>220,167,912</u>	<u>(7,187,896)</u>	\$ <u>212,980,016</u>

Construction in progress as of June 30, 2013:

	<u>2012</u>	<u>Additions/ Disposals</u>	<u>2013</u>
Construction in progress			
Preliminary costs	\$ 287,173,818	(63,017,561)	\$ 224,156,257
Engineering	10,249		10,249
Construction	26,951,498	(311,838)	26,639,660
Collection system	3,683,752	(899,237)	2,784,515
Capitalized interest	47,033,324	1,096,865	48,130,189
Net construction in progress	\$ <u>364,852,641</u>	<u>(62,648,723)</u>	\$ <u>301,720,870</u>

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

Construction in progress as of June 30, 2012:

	<u>2011</u>	<u>Additions/ Disposals</u>	<u>2012</u>
Construction in progress			
Preliminary costs	\$ 170,271,830	116,901,988	\$ 287,173,818
Engineering	-	10,249	10,249
Construction	19,730,821	7,220,677	26,951,498
Collection system	69,828	3,613,924	3,683,752
Capitalized interest	14,230,785	32,802,539	47,033,324
Net construction in progress	\$ <u>204,303,264</u>	<u>160,549,377</u>	\$ <u>364,852,641</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$9,482,695 and \$7,212,847 respectively. No retirements of capital assets occurred during the years ended June 30, 2013 and 2012.

Capitalized interest consists of the following as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Interest accrued on bonds	\$ 49,534,689	\$ 48,325,594
Less: cumulative interest earned on bond proceeds invested	(1,404,400)	(1,912,789)
	\$ <u>48,130,289</u>	\$ <u>46,412,805</u>

4. Long-Term Debt

The following schedule summarizes long-term debt for the years ended June 30, 2013 and 2012:

Long-term debt for the year ended June 30, 2013:

	<u>2012</u>	<u>Additions/ Amortization</u>	<u>Payments/ Debt Defeasance</u>	<u>2013</u>
Draw Down Note	\$ 400,000	2,800,000	(1,225,431)	\$ 1,974,569
2013 Note	-	5,300,000	-	5,300,000
Series 2005 Bonds	171,102,977	(97,057)	(171,005,920)	-
TIFIA Bond	77,656,077	-	(77,656,077)	-
Series 2010 Obligations	140,048,511	(36,773)	(45,000,000)	95,011,738
Series 2011 Obligations	369,971,128	(255,191)	-	370,226,319
Series 2013 Obligations	-	313,558,620	-	313,558,620
Total	\$ <u>759,178,693</u>	<u>321,269,599</u>	<u>(294,887,428)</u>	\$ <u>786,071,246</u>

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

Long-term debt for the year ended June 30, 2012:

	2011	Additions/ Amortization	Payments	2012
Draw Down Note	\$ -	400,000	-	\$ 400,000
Series 2005 Bonds	172,758,917	(160,940)	(1,495,000)	171,102,977
TIFIA Bond	77,626,562	129,515	(100,000)	77,656,077
Series 2010 Obligations	140,083,302	(34,791)	-	140,048,511
Series 2011 Obligations	370,031,771	(60,643)	-	369,971,128
Total	\$ 760,500,552	273,141	(1,595,000)	\$ 759,178,693

Series 2005 Obligations

The Authority issued its Series 2005 Senior Lien Revenue Bonds on March 2, 2005. The Series 2005 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2005 CIBs) and in part as Convertible Capital Appreciation Bonds (Series 2005 Convertible CABs).

The proceeds from the Series 2005 Obligations were used to: (i) finance a portion of the costs of planning, designing, engineering, developing, and constructing the interim phase of the 183-A Turnpike Project, (ii) pay a portion of the costs of studying, evaluating, and designing additional turnpike projects within the Authority's jurisdiction, (iii) pay capitalized interest with respect to the Series 2005 Obligations, (iv) fund a debt service reserve fund for the Series 2005 Senior Lien Revenue Bonds, (v) provide working capital to the Authority, and (vi) pay the issuance costs of the Series 2005 Obligations.

The Series 2005 CIBs and Series 2005 Convertible CAB's were refunded and defeased in whole by the Authority on May 16, 2013 with portion of the proceeds of the Series 2013A Senior Lien Revenue Refunding Bonds and the Series 2013B Senior Lien Revenue Refunding Put Bonds, and other lawfully available funds of the Authority.

As a result of adopting GASB 65 "Items Previously Reported as Assets and Liabilities" (Note 1) all debt issuance costs related to the Series 2005 obligations were written off. The Authority had capitalized debt issuance costs to construction in progress during the prior years. As construction was completed these issuance costs were then capitalized as property, toll road and equipment and depreciated over the life of the assets. With the adoption of GASB 66 the capitalized issuance costs from prior years were written off to net assets.

Series 2010 Obligations

The Authority issued its Series 2010 Senior Lien Revenue Bonds and Taxable Series 2010 Subordinate Lien Revenue Build America Bonds (Series 2010 Subordinate Lien BABs) on March 1, 2010, collectively called the Series 2010 Obligations. The Series 2010 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2010 CIBs) and in part as Capital Appreciation Bonds (Series 2010 CABs).

The proceeds from the Series 2010 Obligations were used to: to (i) finance a portion of the costs of the 183A Phase II Project, (ii) currently refund and redeem, in whole, the Authority's outstanding Revenue Notes, Taxable Series 2009, (iii) pay capitalized interest with respect to the Series 2010 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

the Subordinate Lien Debt Service Reserve Fund, and (v) pay certain issuance costs of the Series 2010 Obligations.

The Series 2010 CIBs are scheduled to mature on the dates and in the principal amounts shown below. Interest on the Series 2010 CIBs is calculated on the basis of a 360-day year of twelve 30-day months at the interest rates shown below. Interest on the Series 2010 CIBs is payable on each July 1 and January 1, commencing July 1, 2010.

The Series 2010 CABs are scheduled to mature on the dates shown below at an aggregated maturity amount of \$176,120,000. The principal amounts shown below for the Series 2010 CABs represent the total amount of outstanding principal plus the accreted and compounded interest as of June 30, 2013. As of June 30, 2013, the aggregate maturity amount is \$44,781,359.

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

The Series 2010 Subordinate Lien BABs were refunded and redeemed in whole by the Authority on June 5, 2013 with a portion of the proceeds of the Series 2013 Subordinate Lien Revenue Refunding Bonds issued by the Authority on May 16, 2013, and other lawfully available funds of the Authority.

Under the bond indenture relating to the Series 2010 Obligations, the debt service reserve fund for the Series 2010 Senior Lien Revenue Bonds requires an amount equal to the least of i) the maximum annual debt service of all outstanding senior lien obligations, ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or iii) ten percent of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total June 30, 2013
Series 2010 Senior Lien Revenue Bonds					
Capital Appreciation Bonds	2025	7.20%	\$ 3,158,010	\$ -	\$ 3,158,010
Capital Appreciation Bonds	2026	7.30%	3,516,022	-	3,516,022
Capital Appreciation Bonds	2027	7.40%	3,264,322	-	3,264,322
Capital Appreciation Bonds	2028	7.48%	3,171,378	-	3,171,378
Capital Appreciation Bonds	2029	7.56%	2,932,886	-	2,932,886
Capital Appreciation Bonds	2030	7.65%	2,702,667	-	2,702,667
Capital Appreciation Bonds	2031	7.71%	2,254,554	-	2,254,554
Capital Appreciation Bonds	2032	7.77%	2,103,884	-	2,103,884
Capital Appreciation Bonds	2033	7.78%	1,980,266	-	1,980,266
Capital Appreciation Bonds	2034	7.79%	1,860,557	-	1,860,557
Capital Appreciation Bonds	2035	7.80%	1,745,753	-	1,745,753
Capital Appreciation Bonds	2036	7.81%	1,418,625	-	1,418,625
Capital Appreciation Bonds	2037	7.82%	1,337,508	-	1,337,508
Capital Appreciation Bonds	2038	7.83%	1,258,995	-	1,258,995
Capital Appreciation Bonds	2039	7.84%	1,183,406	-	1,183,406
Capital Appreciation Bonds	2040	7.85%	1,110,877	-	1,110,877
Total Capital Appreciation Bonds			34,999,710	-	34,999,710

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Current Interest Serial Bonds	2015	5.75%	\$ 140,000	\$ 3,041	\$ 143,041
Current Interest Serial Bonds	2017	5.75%	1,620,000	38,573	1,658,573
Current Interest Serial Bonds	2018	5.75%	3,475,000	73,022	3,548,022
Current Interest Serial Bonds	2019	5.75%	5,310,000	89,949	5,399,949
Current Interest Serial Bonds	2020	5.75%	7,240,000	89,921	7,329,921
Current Interest Term Bonds	2021	5.75%	8,530,000	(30,650)	8,499,350
Current Interest Term Bonds	2022	5.75%	9,365,000	(35,190)	9,329,810
Current Interest Term Bonds	2023	5.75%	10,215,000	(39,871)	10,175,129
Current Interest Term Bonds	2024	5.75%	11,075,000	(44,679)	11,030,321
Current Interest Term Bonds	2025	5.75%	2,910,000	(12,088)	2,897,912
Total Current Interest Bonds			\$ 59,880,000	\$ 132,028	\$ 60,012,028
Total Series 2010 Senior Lien Revenue Bonds			\$ 94,879,710	\$ 132,028	\$ 95,011,738

The amount of accumulated accreted interest on the Series 2010 CABs as of June 30, 2013 is set forth in the following table. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2010.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Accumulated Accretion	Total June 30, 2013
Capital Appreciation Bonds	2025	7.20%	\$ 3,158,010	\$ 831,870	\$ 3,989,880
Capital Appreciation Bonds	2026	7.30%	3,516,022	940,430	4,456,452
Capital Appreciation Bonds	2027	7.40%	3,264,322	886,375	4,150,697
Capital Appreciation Bonds	2028	7.48%	3,171,378	871,285	4,042,663
Capital Appreciation Bonds	2029	7.56%	2,932,886	815,302	3,748,188
Capital Appreciation Bonds	2030	7.65%	2,702,667	761,294	3,463,961
Capital Appreciation Bonds	2031	7.71%	2,254,554	640,506	2,895,060
Capital Appreciation Bonds	2032	7.77%	2,103,884	602,963	2,706,847
Capital Appreciation Bonds	2033	7.78%	1,980,266	568,339	2,548,605
Capital Appreciation Bonds	2034	7.79%	1,860,557	534,735	2,395,292
Capital Appreciation Bonds	2035	7.80%	1,745,753	502,465	2,248,218
Capital Appreciation Bonds	2036	7.81%	1,418,625	408,878	1,827,503
Capital Appreciation Bonds	2037	7.82%	1,337,508	385,999	1,723,507
Capital Appreciation Bonds	2038	7.83%	1,258,995	363,975	1,622,970
Capital Appreciation Bonds	2039	7.84%	1,183,406	342,594	1,526,000
Capital Appreciation Bonds	2040	7.85%	1,110,877	324,640	1,435,517
Total Capital Appreciation Bonds			\$ 34,999,710	\$ 9,781,649	\$ 44,781,359

TIFIA Bond

The U.S. Department of Transportation agreed to lend the Authority up to \$66 million to pay or reimburse a portion of the costs of the 2005 Project, including any refinancing of the Series 2005 Subordinate Lien BANs, under a secured loan agreement between the Authority and the U.S. Department of Transportation. On March 2, 2005, the Authority issued its 2005 TIFIA Bond to evidence its obligation to repay any borrowing under such secured loan agreement.

On January 1, 2008, the Authority borrowed the entire balance of \$66 million to pay down the Series 2005 Subordinate Lien BANs in full.

The 2005 TIFIA Bond was refunded and prepaid in whole by the Authority on June 5, 2013 with a portion of the proceeds of the Series 2013A Senior Lien Revenue Refunding Bonds and the

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Series 2013 Subordinate Lien Revenue Refunding Bonds, issued by the Authority on May 16, 2013 and other lawfully available funds of the Authority.

Series 2011 Obligations

The Authority issued its Series 2011 Senior Lien Revenue Bonds and Series 2011 Subordinate Lien Revenue Bonds (Series 2011 Subordinate Lien Bonds) on June 29, 2011, collectively called the Series 2011 Obligations. The Series 2011 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2011 CIBs) and in part as Capital Appreciation Bonds (Series 2011 CABs).

A portion of the proceeds from the Series 2011 Obligations was used to (i) prepay the State Infrastructure Bank loan in full, (ii) redeem the Series 2010 Notes in whole, (iii) pay capitalized interest with respect to the Series 2011 Obligations, (iv) make a deposit to the Senior Lien Debt Service Reserve Fund and the Subordinate Lien Debt Service Reserve Fund and (v) pay certain issuance costs of the Series 2011 Obligations. The remaining proceeds of the Series 2011 Obligations were used to finance a portion of the costs of the Manor Expressway Phase II Project and as otherwise authorized in the Indenture.

The Series 2011 CIBs are scheduled to mature on the dates and in the principal amounts shown below. Interest on the Series 2011 CIBs is calculated on the basis of a 360-day year of twelve 30-day months at the interest rates shown below. Interest on the Series 2011 CIBs is payable on each July 1 and January 1, commencing January 1, 2012.

The Series 2011 CABs are scheduled to mature on the dates shown below at an aggregated maturity amount of \$22,130,000. The principal amounts shown below for the Series 2011 CABs represent the total amount of outstanding principal plus the accreted and compounded interest as of June 30, 2013. As of June 30, 2013, the aggregate maturity amount is \$10,641,550.

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

The Series 2011 Subordinate Lien Bonds are scheduled to mature on the date and in the principal amount shown below. Interest on the Series 2011 Subordinate Lien Bonds is calculated on the basis of a 360-day year of twelve 30-day months at the interest rate shown below. Interest on the Series 2011 Subordinate Lien Bonds is payable on each July 1 and January 1, commencing January 1, 2012.

Under the bond indenture relating to the Series 2011 Obligations, the debt service reserve fund for the Series 2011 Senior Lien Revenue Bonds requires an amount equal to the least of (i) the maximum annual debt service of all outstanding senior lien obligations, (ii) 1.25 times the average annual debt service of all outstanding senior lien obligations, or (iii) ten percent of the aggregate amount of the outstanding senior lien obligations, as determined on the date each series of senior lien obligations is issued. The debt service reserve fund for the Series 2011 Subordinate Lien Bonds requires an amount equal to the least of (i) the maximum annual debt service on the Series 2011 Subordinate Lien Bonds, (ii) 1.25 times the average annual debt service on the Series 2011 Subordinate Lien Bonds, or (iii) ten percent of the stated principal amount of the Series 2011 Subordinate Lien Bonds.

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The proceeds of Series 2011 Obligations were used in part to redeem the Series 2010 Notes in whole. As noted in the guidance, the remaining discount from the Series 2010 Notes is to be amortized over the original life of the Series 2010 Notes or the Series 2011 Obligations, whichever is shorter in length of time. As such, the discount will be amortized over the original life of the Series 2010 Notes. As of June 30, 2013, the remaining unamortized balance of the discount is \$276,000.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total June 30, 2013
Series 2011 Senior Lien Revenue Bonds					
Capital Appreciation Bonds	2022	5.90%	\$ 480,449	\$ -	\$ 480,449
Capital Appreciation Bonds	2023	6.10%	1,868,357	-	1,868,357
Capital Appreciation Bonds	2024	6.25%	3,346,475	-	3,346,475
Capital Appreciation Bonds	2025	6.40%	3,183,732	-	3,183,732
Capital Appreciation Bonds	2026	6.50%	1,120,931	-	1,120,931
Total Capital Appreciation Bonds			<u>9,999,944</u>	<u>-</u>	<u>9,999,944</u>
Current Interest Term Bonds	2026	5.75%	4,630,000	(27,614)	4,602,386
Current Interest Term Bonds	2027	5.75%	7,725,000	(49,666)	7,675,334
Current Interest Term Bonds	2028	5.75%	8,170,000	(56,318)	8,113,682
Current Interest Term Bonds	2029	5.75%	8,645,000	(63,592)	8,581,408
Current Interest Term Bonds	2030	5.75%	9,140,000	(71,450)	9,068,550
Current Interest Term Bonds	2031	5.75%	9,665,000	(79,999)	9,585,001
Current Interest Term Bonds	2032	6.00%	10,225,000	(89,317)	10,135,683
Current Interest Term Bonds	2033	6.00%	10,835,000	(99,586)	10,735,414
Current Interest Term Bonds	2034	6.00%	11,485,000	(110,769)	11,374,231
Current Interest Term Bonds	2035	6.00%	12,175,000	(122,912)	12,052,088
Current Interest Serial Bonds	2036	6.00%	12,905,000	(136,055)	12,768,945
Current Interest Term Bonds	2037	6.00%	13,675,000	(150,237)	13,524,763
Current Interest Term Bonds	2038	6.00%	14,500,000	(165,659)	14,334,341
Current Interest Term Bonds	2039	6.00%	15,365,000	(182,186)	15,182,814
Current Interest Term Bonds	2040	6.00%	16,290,000	(200,072)	16,089,928
Current Interest Term Bonds	2041	6.00%	27,560,000	(348,875)	27,211,125
Current Interest Term Bonds	2042	6.25%	15,980,000	(208,736)	15,771,264
Current Interest Term Bonds	2043	6.25%	17,165,000	(230,794)	16,934,206
Current Interest Term Bonds	2044	6.25%	18,425,000	(254,215)	18,170,785
Current Interest Term Bonds	2045	6.25%	19,750,000	(278,306)	19,471,694
Current Interest Term Bonds	2046	6.25%	31,620,000	(516,259)	31,103,741
Total Current Interest Bonds			<u>295,930,000</u>	<u>(3,442,617)</u>	<u>292,487,383</u>
Total Series 2011 Senior Lien Revenue Bonds			<u>305,929,944</u>	<u>(3,442,617)</u>	<u>302,487,327</u>
Subordinate Lien Term Bonds	2023	6.75%	700,000	(9,298)	690,702
Subordinate Lien Term Bonds	2024	6.75%	1,900,000	(27,825)	1,872,175
Subordinate Lien Term Bonds	2025	6.75%	2,300,000	(36,793)	2,263,207
Subordinate Lien Term Bonds	2026	6.75%	2,500,000	(43,357)	2,456,643
Subordinate Lien Term Bonds	2027	6.75%	2,700,000	(50,442)	2,649,558
Subordinate Lien Term Bonds	2028	6.75%	2,800,000	(56,046)	2,743,954
Subordinate Lien Term Bonds	2029	6.75%	3,000,000	(64,028)	2,935,972
Subordinate Lien Term Bonds	2030	6.75%	3,200,000	(72,510)	3,127,490
Subordinate Lien Term Bonds	2031	6.75%	3,500,000	(83,870)	3,416,130
Subordinate Lien Term Bonds	2032	6.75%	3,600,000	(90,923)	3,509,077
Subordinate Lien Term Bonds	2033	6.75%	3,700,000	(98,190)	3,601,810
Subordinate Lien Term Bonds	2034	6.75%	3,900,000	(108,426)	3,791,574

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Subordinate Lien Term Bonds	2035	6.75%	\$	4,000,000	\$	(116,186)	\$	3,883,814
Subordinate Lien Term Bonds	2036	6.75%		4,100,000		(124,099)		3,975,901
Subordinate Lien Term Bonds	2037	6.75%		4,300,000		(135,250)		4,164,750
Subordinate Lien Term Bonds	2038	6.75%		4,400,000		(143,416)		4,256,584
Subordinate Lien Term Bonds	2039	6.75%		4,600,000		(154,847)		4,445,153
Subordinate Lien Term Bonds	2040	6.75%		4,700,000		(162,703)		4,537,297
Subordinate Lien Term Bonds	2041	6.75%		10,100,000		(406,799)		9,693,201
Total Series 2011 Subordinate Lien Term Bonds				70,000,000		(1,985,008)		68,014,992
Total Series 2010 Notes Discount				-		(276,000)		(276,000)
Total Series 2011 Obligations			\$	<u>375,929,944</u>	\$	<u>(5,703,625)</u>	\$	<u>370,226,319</u>

The amount of accumulated accreted interest on the Series 2011 CABs as of June 30, 2013 is set forth in the following table. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2011.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Accumulated Accretion	Total June 30, 2013
Capital Appreciation Bonds	2022	5.90%	\$ 480,449	\$ 59,428	\$ 509,380
Capital Appreciation Bonds	2023	6.10%	1,868,357	239,280	1,984,696
Capital Appreciation Bonds	2024	6.25%	3,346,475	439,641	3,560,118
Capital Appreciation Bonds	2025	6.40%	3,183,732	428,812	3,391,950
Capital Appreciation Bonds	2026	6.50%	1,120,931	161,594	1,195,406
Total Capital Appreciation Bonds			\$ <u>9,999,944</u>	\$ <u>641,606</u>	\$ <u>10,641,550</u>

Series 2013 Obligations

The Authority issued its Series 2013A Senior Lien Revenue Refunding Bonds (Series 2013A Senior Lien Bonds), Series 2013B Senior Lien Revenue Refunding Put Bonds (Series 2013B Senior Lien Put Bonds), and Series 2013 Subordinate Lien Revenue Refunding Bonds (Series 2013 Subordinate Lien Bonds), collectively called the Series 2013 Obligations, on May 16, 2013. The proceeds from the Series 2013 Obligations were used to (i) refund the Series 2005 Senior Lien Revenue Bonds, the 2005 TIFIA Bond, and the Series 2010 Subordinate Lien BABs, (ii) make a deposit to the Subordinate Lien Debt Service Reserve Fund, and (iii) pay certain issuance costs of the Series 2013 Obligations.

The Series 2013A Senior Lien Bonds were issued as Current Interest Bonds in the aggregate amount of \$155,810,000 and are scheduled to mature on the dates and in the principal amounts shown below. Interest on the Series 2013A Senior Lien Bonds is calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Series 2013A Senior Lien Bonds is payable on each July 1 and January 1, commencing July 1, 2013.

The Series 2013B Senior Lien Put Bonds were issued as Current Interest Bonds in the aggregate amount of \$30,000,000, constitute Variable Rate Obligations under the bond indenture and are scheduled to mature on the date and in the principal amount shown below. Through the period that commenced on the issuance date thereof and ends on January 3, 2016 (Initial Multiannual Rate Period), the Series 2013B Senior Lien Put Bonds will bear interest at a rate of 3.00% per annum. Commencing on January 4, 2016, the Bonds are subject to mandatory tender at a purchase price equal to the principal amount thereof plus accrued interest to such purchase date. If, on such date, all Series 2013B Senior Lien Put Bonds are not successfully remarketed, the Authority has no obligation purchase such Bonds on such date and all Series 2013B Senior Lien

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Put Bonds will continue to be outstanding and will bear interest at a rate of 9.00% per annum until subsequently remarketed.

Interest on the Series 2013B Senior Lien Put Bonds during the Initial Multiannual Rate Period is payable on each July 1 and January 1, commencing July 1, 2013. Pursuant to the terms of the bond indenture, the Series 2013B Senior Lien Put Bonds are subject to conversion to another interest rate mode following the Initial Multiannual Rate Period.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total June 30, 2013
Series 2013A Senior Lien Revenue Bonds					
Senior Lien Term Bonds	2024	5.00%	\$ 3,375,000	\$ 306,193	\$ 3,681,193
Senior Lien Term Bonds	2025	5.00%	3,350,000	303,925	3,653,925
Senior Lien Term Bonds	2026	5.00%	4,665,000	423,227	5,088,227
Senior Lien Term Bonds	2027	5.00%	4,755,000	431,392	5,186,392
Senior Lien Term Bonds	2028	5.00%	4,330,000	392,835	4,722,835
Senior Lien Term Bonds	2029	5.00%	4,435,000	402,361	4,837,361
Senior Lien Term Bonds	2030	5.00%	4,545,000	412,340	4,957,340
Senior Lien Term Bonds	2031	5.00%	5,840,000	529,828	6,369,828
Senior Lien Term Bonds	2032	5.00%	5,925,000	537,539	6,462,539
Senior Lien Term Bonds	2033	5.00%	6,020,000	546,158	6,566,158
Senior Lien Term Bonds	2034	5.00%	6,140,000	420,878	6,560,878
Senior Lien Term Bonds	2035	5.00%	6,275,000	430,131	6,705,131
Senior Lien Term Bonds	2036	5.00%	7,990,000	547,689	8,537,689
Senior Lien Term Bonds	2037	5.00%	8,180,000	560,713	8,740,713
Senior Lien Term Bonds	2038	5.00%	8,390,000	575,108	8,965,108
Senior Lien Term Bonds	2039	5.00%	8,615,000	590,531	9,205,531
Senior Lien Term Bonds	2040	5.00%	8,870,000	608,011	9,478,011
Senior Lien Term Bonds	2041	5.00%	10,045,000	688,553	10,733,553
Senior Lien Term Bonds	2042	5.00%	10,370,000	710,831	11,080,831
Senior Lien Term Bonds	2043	5.00%	240,000	16,451	256,451
Total Senior Lien Term Bonds			122,355,000	9,434,693	131,789,693
Senior Lien Serial Bonds	2014	3.00%	1,100,000	11,819	1,111,819
Senior Lien Serial Bonds	2015	4.00%	2,155,000	95,646	2,250,646
Senior Lien Serial Bonds	2016	5.00%	4,675,000	434,869	5,109,869
Senior Lien Serial Bonds	2017	5.00%	4,195,000	509,366	4,704,366
Senior Lien Serial Bonds	2018	5.00%	3,800,000	540,913	4,340,913
Senior Lien Serial Bonds	2019	5.00%	3,480,000	546,944	4,026,944
Senior Lien Serial Bonds	2020	5.00%	3,210,000	543,579	3,753,579
Senior Lien Serial Bonds	2021	5.00%	3,760,000	661,555	4,421,555
Senior Lien Serial Bonds	2022	5.00%	3,605,000	649,812	4,254,812
Senior Lien Serial Bonds	2023	5.00%	3,475,000	627,302	4,102,302
Total Senior Lien Serial Bonds			33,455,000	4,612,805	38,076,805
Plus Transfer Premium from the Series 2005 Bonds pay-down				4,533,310	4,533,310
Total Series 2013A Senior Lien Bonds			\$ 155,810,000	\$ 18,589,808	\$ 174,399,808
Series 2013B Senior Lien Revenue Put Bonds					
Senior Lien Put Bonds	2039	3.00%	150,000	4,563	154,563
Senior Lien Put Bonds	2040	3.00%	155,000	4,715	159,715
Senior Lien Put Bonds	2041	3.00%	160,000	4,867	164,867
Senior Lien Put Bonds	2042	3.00%	165,000	5,019	170,019
Senior Lien Put Bonds	2043	3.00%	9,380,000	285,349	9,665,349

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Senior Lien Put Bonds	2044	3.00%	\$ 9,890,000	\$ 300,864	\$ 10,190,864
Senior Lien Put Bonds	2045	3.00%	<u>10,100,000</u>	<u>307,253</u>	<u>10,407,253</u>
Total 2013B Senior Lien Revenue Put Bonds			<u>30,000,000</u>	<u>912,631</u>	<u>30,912,631</u>
Series 2013 Subordinate Lien Revenue Bonds					
Subordinate Lien Term Bonds	2024	5.00%	2,855,000	113,673	2,968,673
Subordinate Lien Term Bonds	2025	5.00%	3,005,000	119,645	3,124,645
Subordinate Lien Term Bonds	2026	5.00%	3,150,000	125,418	3,275,418
Subordinate Lien Term Bonds	2027	5.00%	3,315,000	131,988	3,446,988
Subordinate Lien Term Bonds	2028	5.00%	3,475,000	138,358	3,613,358
Subordinate Lien Term Bonds	2029	5.00%	3,655,000	145,525	3,800,525
Subordinate Lien Term Bonds	2030	5.00%	3,835,000	152,692	3,987,692
Subordinate Lien Term Bonds	2031	5.00%	4,025,000	160,257	4,185,257
Subordinate Lien Term Bonds	2032	5.00%	4,315,000	171,803	4,486,803
Subordinate Lien Term Bonds	2033	5.00%	4,635,000	184,544	4,819,544
Subordinate Lien Term Bonds	2034	5.00%	4,985,000	101,716	5,086,716
Subordinate Lien Term Bonds	2035	5.00%	5,390,000	109,980	5,499,980
Subordinate Lien Term Bonds	2036	5.00%	5,760,000	117,529	5,877,529
Subordinate Lien Term Bonds	2037	5.00%	6,195,000	126,405	6,321,405
Subordinate Lien Term Bonds	2038	5.00%	6,640,000	135,485	6,775,485
Subordinate Lien Term Bonds	2039	5.00%	7,115,000	145,177	7,260,177
Subordinate Lien Term Bonds	2040	5.00%	7,625,000	155,584	7,780,584
Subordinate Lien Term Bonds	2041	5.00%	3,955,000	80,699	4,035,699
Subordinate Lien Term Bonds	2042	5.00%	4,225,000	86,209	4,311,209
Total Subordinate Lien Term Bonds			<u>88,155,000</u>	<u>2,502,688</u>	<u>90,657,688</u>
Series 2013A Senior Lien Revenue Bonds					
Subordinate Lien Serial Bonds	2014	3.00%	250,000	2,182	252,182
Subordinate Lien Serial Bonds	2015	4.00%	1,180,000	43,925	1,223,925
Subordinate Lien Serial Bonds	2016	5.00%	500,000	39,560	539,560
Subordinate Lien Serial Bonds	2017	5.00%	500,000	49,905	549,905
Subordinate Lien Serial Bonds	2018	5.00%	1,000,000	114,754	1,114,754
Subordinate Lien Serial Bonds	2019	5.00%	2,235,000	276,802	2,511,802
Subordinate Lien Serial Bonds	2020	5.00%	2,350,000	300,725	2,650,725
Subordinate Lien Serial Bonds	2021	5.00%	2,470,000	311,792	2,781,792
Subordinate Lien Serial Bonds	2022	5.00%	2,595,000	318,380	2,913,380
Subordinate Lien Serial Bonds	2023	5.00%	2,725,000	325,469	3,050,469
Total Subordinate Lien Serial Bonds			<u>15,805,000</u>	<u>1,783,492</u>	<u>17,588,492</u>
Total Series 2013 Subordinate Lien Bonds			<u>103,960,000</u>	<u>4,286,181</u>	<u>108,246,181</u>
Total Series 2013 Obligations			\$ <u>289,770,000</u>	\$ <u>23,788,620</u>	\$ <u>313,558,620</u>

Draw Down Note Facility

In December 2011, the Authority entered into a Secured Loan Agreement with a bank for a secured draw down note facility in an aggregate amount up to \$5 million (Draw Down Note).

The loan bears interest at the one-month LIBOR rate plus 2.85%. The Draw Down Note matures on December 15, 2015 and requires monthly interest payments on outstanding balances. Certain funds of the Authority are collateral for the Draw Down Note.

Proceeds from the Draw Down Note are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects, (ii) expenses associated with securing the Draw Down Note, and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Draw Down Note.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

During fiscal year 2013, the Authority received loan proceeds of \$2,800,000 under the Draw Down Note and made principal and interest payments of \$1,225,431. The Draw Down Note has an outstanding balance of \$1,974,569 as of June 30, 2013.

2013 Note

In June 2013, the Authority entered into a Secured Loan Agreement with a bank for an aggregate principal amount not to exceed \$5,300,000 (the "Loan"). The Loan bears interest at 2.25% per annum and matures on January 1, 2019. The loan requires semiannual interest payments on the outstanding balance starting January 1, 2014. Certain funds of the Authority are collateral for the Loan.

Proceeds from the Loan are to be used to pay (i) expenses of studying the cost, design, engineering, and feasibility of transportation projects, (ii) expenses associated with securing the Loan, and (iii) the reimbursement to the Authority of costs attributable to certain preliminary cost and feasibility and other expenses relating to the preparation of financing of the transportation projects incurred prior to the execution of the Loan.

During fiscal year 2013, the Authority received loan proceeds of \$5,300,000 under the Loan. The Loan has an outstanding balance of \$5,300,000 as of June 30, 2013

Future Payments on Debt Obligations

Future payments of principal and interest on the Draw Down Note, 2013 Note, Series 2010 Senior Lien Revenue Bonds, Series 2011 Obligations and Series 2013 Obligations (based on the scheduled payments) as of June 30, 2013 are as follows:

Fiscal Year		Principal		Interest		Total Amount
Ended June 30						
2014	\$	1,350,000	\$	44,176,937	\$	45,526,937
2015		3,475,000		44,464,064		47,939,064
2016		7,149,569		44,709,347		51,858,916
2017		8,045,000		44,882,315		52,927,315
2018		10,040,000		44,847,622		54,887,622
2019 and thereafter		737,794,654		769,514,802		1,501,309,456
Total obligations	\$	767,854,223	\$	986,595,088	\$	1,754,449,311

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

Below is a reconciliation of the principal payments to the balance sheet as of June 30, 2013:

	<u>Principal</u>
Total obligations	\$ 767,854,223
Less: unamortized premium / discount, net	<u>13,849,861</u>
Total Draw Down Note, 2013 Note, Series 2010 Obligations, Series 2011 Senior Lien Revenue Bonds and Series 2013 Obligations	786,071,246
Less: Bonds Payable - Current Portion	<u>(1,350,000)</u>
Total Non-Current Portion	\$ <u>780,354,084</u>

5. Deferred Inflow of Resources

In accordance with Statement No. 65 "Items Previously Reported as Assets and Liabilities" the Authority has classified all the difference between the reacquisition price and the net carrying amount of the defeased debt as a deferred inflow of resources. The deferred inflow of resources is amortized over the term of the defeased bonds and recognized as a component of interest expense annually. As of June 30, 2013 the Authority the deferred inflow of resource balance was \$15,032,417.

6. Rebatable Arbitrage

Current federal income tax law and the bond indentures require that certain arbitrage profits earned on nonpurpose investments attributable to outstanding tax-exempt bonds must be rebated to the U.S. Treasury. The Authority has not accrued any rebatable arbitrage as of June 30, 2013.

7. Risk Management

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences, tort/liability claims, errors and omissions claims and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2013 and 2012.

8. Employee Retirement Plan

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

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

Funding Policy - Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of Plan members and the Authority are established and may be amended. For 2013 and 2012, the contribution rate for the Plan members was 7.0% of gross pay. The Authority pays a matching portion to the defined contribution pension plan totaling 14% and 14 % of gross pay for 2013 and 2012, respectively, which totaled \$250,446 and \$261,951 for 2013 and 2012, respectively.

9. Disaggregation of Receivable and Payable Balances

Receivables are comprised of current intergovernmental receivables, representing 100% of the balance at June 30, 2013 and 2012. Payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2013 and 2012.

10. Related Party

The Chief Financial Officer of the Authority is the President of The Texas Short Term Asset Reserve Fund (“TexSTAR”). TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The Authority has investments of \$24,003,529 and \$55,416,489 in TexSTAR as of June 30, 2013 and 2012, respectively.

11. Commitments and Contingent Liabilities

Commitments

On May 2013, the Authority entered into a 10-year lease agreement for office space at 3300 N. IH 35, Austin, Texas. The aggregate future minimum lease payments under the new lease are as follows:

2014	\$	250,402
2015		311,859
2016		323,627
2017		335,395
Thereafter		<u>2,190,202</u>
	\$	<u>3,411,485</u>

The Authority’s total rental expense for fiscal years 2013 and 2012 amounted to \$200,908 and \$211,666, respectively.

Litigation

The Authority is involved in other miscellaneous litigation arising in the normal course of business and the Authority's management believes there are substantial defenses against these claims. The Authority believes the resolution of these lawsuits will not have a material adverse effect on its financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2013 and 2012

(Continued)

12. Due from Other Agencies

Due from other agencies is comprised of amounts due from other Texas tolling authorities related to toll tag transactions on the Authority's toll road. The Authority does not issue toll tags; however, the Authority has contracted with the Texas Department of Transportation (TxDot) to handle customer service and operations related to the toll tag transactions. As of June 30, 2013 and 2012, the receivable from the TxDot authority comprises approximately 94% and 17% respectively, of the total balance due from other agencies. Due to the maturity of multiple United States government securities held by the Authority at the end of fiscal year 2012, the Authority had a substantial balance due from the United States Treasury (US Treasury) that was funded to the Authority in July 2012. As of June 30, 2013 and 2012, the receivable from the US Treasury comprises approximately 0% and 79%, respectively, of the total balance due from other agencies.

	<u>2013</u>		<u>2012</u>
TxDot	\$ 25,576,199	\$	2,310,311
US Treasury	-		10,997,000
Other Agencies	<u>2,078,623</u>		<u>555,886</u>
Total	<u>\$ 27,654,822</u>	\$	<u>13,863,197</u>

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
 Supplemental Schedule - Indenture Cash Flow and Debt Service Coverage
 For the year ended June 30, 2013

Toll Revenues		\$ 32,159,157
Other Revenues		1,513,535 ¹
Interest Income Available to Pay Debt Service		230,171
Total Revenues		<u>33,902,863</u>
Less: System Operating Expenses		<u>(7,615,028)</u>
Revenues Available for Rate Covenant and Additional Bonds Tests		26,287,835
Net Senior Lien Debt Service	\$ 13,207,242	
Net Subordinate Lien Debt Service	<u>7,067,096 ²</u>	
Total Net Debt Service	20,274,338	
Debt Service Coverage Ratio for Rate Covenant and Additional Bonds Test		
Senior Lien Obligations	1.99	
Senior and Subordinate Lien Obligations	1.30	
Less: System Maintenance Expenses		<u>(1,134,753)</u>
Revenues Available for Debt Service		25,153,082
Debt Service Coverage Ratios for Revenues Available for Debt Service		
Senior Lien Obligations	1.90	
Senior and Subordinate Lien Obligations	1.24	
Less: Total Net Debt Service		(20,274,338)
Less: Deposits to Renewal and Replacement Fund		-
Less: Debt Service Payments on Other Obligations		-
Annual Excess		<u><u>\$ 4,878,744</u></u>

¹ Grant revenues of approximately \$91.2 million is excluded from "Other Revenues" as such grant revenues are restricted for purposes other than debt service obligations. Only HERO grant revenues are included in "Other Revenues" above as the corresponding expenses are included in "System Operating Expenses" and the amounts net to zero.

² The amount shown is net of any federal subsidy payments received and used to pay debt service on Other Obligations.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Single Audit Report
Year Ended June 30, 2013

(With Independent Auditors' Report Thereon)

DRAFT

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit Of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Central Texas Regional Mobility Authority:

We have audited the financial statements of Central Texas Regional Mobility Authority (Authority) as of and for the year ended June 30, 2012, and have issued our report thereon dated **September 27, 2013**. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

Purpose of this Report

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

PMB HELIN DONOVAN, LLP

DRAFT

September 27, 2013.

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133

To the Board of Directors
Central Texas Regional Mobility Authority:

Report on Compliance for Each Major Federal Program

We have audited Central Texas Regional Mobility Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2013. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, Central Texas Regional Mobility Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned

functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Authority, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated September 27, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PMB HELIN DONOVAN, LLP

DRAFT

September 27, 2013

Central Texas Regional Mobility Authority
 Schedule of Expenditures of Federal Awards
 June 30, 2013

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>CFDA</u>	<u>Grant Award Number</u>	<u>Federal Expenditures</u>
Highway Planning and Construction Cluster			
U.S. Department of Transportation			
<i>Pass Through from Texas Department of Transportation</i>			
Highway Planning and Construction-ARRA	20.205	CSJ 0114-02-090	\$ 4,256,156
Highway Planning and Construction-ARRA	20.205	CSJ 0914-00-305	313,428
Highway Planning and Construction	20.205	CSJ 0114-02-053	95,830,735
Highway Planning and Construction	20.205	CSJ 3136-01-107	3,842,192
Highway Planning and Construction	20.205	CSJ 0914-00-348	85,530
Highway Planning and Construction	20.205	CSJ 0914-05-171	330,961
Highway Planning and Construction	20.205	CSJ 3136-01-176	382,989
Highway Planning and Construction	20.205	CSJ 0151-05-100; 0151-05-101; 0151-05-102	118,877
Highway Planning and Construction	20.205	CSJ 0151-09-036; 0151-09-127; 0265-01-080; 0151-09-130	2,636,557
Highway Planning and Construction	20.205	CSJ 0700-03-077; 0113-08-060	370,628
Highway Planning and Construction	20.205	CSJ 0914-00-358; 0914-00-361	958,532
Total Federal Expenditures			\$ 109,126,585

See accompanying notes to the schedule of expenditures of federal awards.

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CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2012

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the activity of all federal loan programs administered by Central Texas Regional Mobility Authority (the "Authority"). The Authority's organization is defined in Note 1 of the Authority's basic financial statements.

(b) Basis of Presentation

The Schedule presents total federal awards expended for each individual program in accordance with the OMB A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(c) Basis of Accounting

The expenditures for each of the federal financial assistance programs are presented on the accrual basis of accounting, which is defined in Note 1 of the Authority's basic financial statements.

(2) Relationship to Federal Financial Reports

The amounts reported in the financial reports agree with the amounts reported in the accompanying Schedule which is prepared on the basis explained in Note 1 of the Authority's financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2013

Section I - Summary of Auditors' Results

A Financial Statements

Type of auditors' report issued:	Unqualified opinion
Internal control over financial reporting:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported 	
Noncompliance material to financial statements noted?	No

B. Federal Awards

Internal control over compliance:	
<ul style="list-style-type: none"> • Material weakness(es) identified? No • Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported 	
Type of auditors' report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Identification of major federal programs:	

CFDA Number	Name of Federal Program or Cluster
Cluster	Highway Planning and Construction Cluster

Dollar threshold used to distinguish programs:	\$3,273,796
Auditee qualified as low-risk auditee:	Yes

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported

Section IV – Summary Schedule of Prior Audit Findings

None reported

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**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #3 SUMMARY

Approve the minutes for the August 28, 2013
Regular Board Meeting.

Department: Law
Associated Costs: None
Funding Source: None
Board Action Required: YES (by Motion)

Description of Matter:

The Minutes for the August 28, 2013 Regular Board Meeting

Attached documentation for reference:

Draft Minutes for the August 28, 2013 Regular Board Meeting

Contact for further information:

Andrew Martin, General Counsel

MINUTES

Regular Meeting of the Board of Directors of the CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Wednesday, August 28, 2013
9:30 A.M.

The meeting was held in the Mobility Authority Board Room at 3300 N Interstate 35, #300, Austin, Texas 78705-1849. Notice of the meeting was posted August 23, 2013 at the respective County Courthouses of Williamson and Travis Counties; online on the website of the Secretary of State; online on the website of the Mobility Authority; and in the Mobility Authority's office lobby at 3300 N Interstate 35, #300, Austin, Texas 78705-1849.

1. Welcome and Opening Remarks by Chairman Ray Wilkerson.

Chairman Ray Wilkerson called the meeting to order at 9:36 a.m. and called the roll. Directors present at the time the meeting was called to order were Ms. Nikelle Meade, Mr. David Singleton, Mr. David Armbrust, and Mr. Bob Bennett. Mr. Charles Heimsath joined the dais at 9:42 a.m. Mr. Jim Mills was not present at the meeting.

2. Open Comment Period.

No public comments were offered during the Open Comment Period.

3. Approve the minutes for the July 31, 2013, Regular Meeting of the Board of Directors.

Chairman Ray Wilkerson presented for Board consideration the minutes for the July 31, 2013, Regular Board Meeting. Mr. Bob Bennett moved to approve the minutes as drafted, and Mr. David Singleton seconded the motion. The motion carried unanimously 5-0, and the minutes were approved as drafted.

4. Approve naming the Mobility Authority board meeting room to honor Lowell H. Lebermann, Jr.

This item was postponed until the following Board Meeting.

5. Reject all bids received July 22, 2013, for improvements to the southbound 183A frontage road at RM 1431.

Mr. Wes Burford presented this item. Mobility Authority staff recommends rejecting all bids in the interest of the Mobility Authority because sufficient funds are not available to pay the construction costs for the desired improvements.

Mr. David Armbrust abstained from this item. Mr. David Singleton moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 4-0 (Mr. Armbrust abstaining), and the resolution was approved as drafted.

- 6. Authorize the Executive Director to execute a restated and amended development agreement with Cedar Park Town Center, L.P., procure bids to improve the southbound 183A frontage road at RM 1431; award a contract to the lowest best bidder, and execute a contract with the lowest best bidder.**

Mr. Andy Martin presented this item. Cedar Park Town Center, L.P., the developer, has requested that the Mobility Authority enter into a restated and amended development agreement and escrow agreement and issue a new procurement for a construction contract for the improvements needed for access from its Costco site to the southbound 183A frontage road at RM 1431. In the proposed agreement, a new estimate of construction costs has been calculated by averaging the amounts submitted by the two bidders in the previous procurement, increasing the previous estimate for the construction contract, oversight, and contingencies from \$464,392.00 to \$653,262.18. Before the Authority solicits new bids, the developer must pay an additional \$232,310.32 into the escrow account, so that the account contains a total of \$619,012.48 to assure payment of the developer's contribution to the total improvement costs, including the construction contract, oversight, and a contingency amount of 15%. The agreement continues to provide for a refund of surplus funds from the escrow account if the contract with the lowest best bid is less than the \$653,262.18 estimate for the bid items; and the developer must pay additional funds into escrow if the lowest best bid exceeds that estimate.

The proposed resolution approves the proposed agreement and authorizes the Executive Director to execute the restated and amended development agreement and escrow agreement, authorizes procurement of a construction contract for the proposed improvements, and further authorizes the executive director to award and execute a construction contract without further Board action if the cost to the Mobility Authority does not exceed its cost participation of \$150,000.00 established by the development agreement.

Mr. David Armbrust abstained. Ms. Nikelle Meade moved for approval, and Mr. Bod Bennett seconded the motion. The motion carried unanimously, 4-0 (Mr. Armbrust abstaining), and the resolution was approved as drafted.

- 7. Approve an amended and restated landscape license agreement with the Block House Municipal Utility District.**

Mr. Wes Burford presented this item. The proposed Amended and Restated Landscape License Agreement extends the area for landscaping to the edge of the 183A shared use path constructed after the original agreement was executed.

Ms. Nikelle Meade moved for approval, and Mr. David Singleton seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

- 8. Approve a new work authorization with Telvent USA, L.L.C., to install improvements needed for a Mobility Authority toll and traffic management center at the Field Office Building on 183A.**

Mr. Tim Reilly presented this item. The proposed work authorization with Telvent USA LLC provides for the reconstruction of portions of the existing field operations building on 183A and to provide fully integrated systems to accommodate a Mobility Authority tolls and traffic

management center. The construction / integration will be in place in time to accommodate the completion of Manor Expressway which includes toll collection systems, traffic monitoring devices, CCTV cameras and Dynamic message boards. The system will also serve the MoPac Expressway lanes and be used for traffic monitoring; incident notification and response; HERO dispatch; and dynamic tolling.

Mr. Charles Heimsaith moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

9. Approve an interlocal agreement with the Camino Real Regional Mobility Authority to provide toll transaction processing and toll collection services to CRRMA by and through the Mobility Authority.

Mr. Tim Reilly presented this item. The Camino Real Regional Mobility Authority (“CRRMA”) has requested that the Mobility Authority provide toll transaction processing and toll collection services, including violation processing and past due collection services. Compensation for the services being performed will be made on a pass-through basis, resulting in a zero cost to the Mobility Authority.

Mr. Charles Heimsaith moved for approval, and Ms. Nikelle Meade seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

10. Approve an amendment to the Policy Code relating to notice of letting for a construction contract.

Mr. Andy Martin presented this item. In 2008, the Board amended the Procurement Policies to require publication of a notice of contract letting in the *Austin American-Statesman* at least three weeks before a contract was let. This notice was in addition to a required two-week notice of contract letting posted on the Mobility Authority’s website. The intent of the new requirement—explicitly noted in both the minutes and in the resolution—was to ensure compliance with rules and regulations that applied to procuring a contract for a federal-aid project.

The proposed amendment requires the three-week notice published in the newspaper *only* when the contract to be procured is for a federal-aid project.

Ms. Nikelle Meade moved for approval, and Mr. Bob Bennett seconded the motion. The motion carried unanimously, 6-0, and the resolution was approved as drafted.

Briefing and discussion on the following:

11. Quarterly Briefing on the MoPac Improvement Project.

Ms. Heather Reavey presented this item. CH2M Hill is currently working on the submittal of the first design package, and a pre-submittal workshop was held on July 9, 2013. The survey to support aerial mapping is complete. During July and August 2013 the team will finish the soil boring activities and will begin locating underground utilities in the corridor. Coordination with Capital Metro and UPRR is ongoing, and an executed agreement with Capital Metro has been

received while an agreement with UPRR is pending. Small group meetings were held including five meetings with key stakeholders and thirteen elected officials.

Mr. Mike Sullivan, Vice Chairman of the MoPac Neighborhood Association Coalition and a member of the Old West Austin Neighborhood Association, addressed the Board regarding the MoPac Improvement Project. He expressed that the Coalition is very pleased with the sound wall progress and Mobility Authority projects in general. Mr. Sullivan stated concerns about increased traffic from MoPac to 5th Street due to downtown access from the Express Lanes, and asked the Board to consider limiting downtown access from MoPac to Chavez Street exclusively.

12. Quarterly Briefing on the Manor Expressway Project.

Mr. Eric Ploch of Atkins presented this item. Phase I of the Manor Expressway Project has been completed. The facility is currently open to tolled traffic.

CTMC (the design-build developer) has completed construction of several sections of the westbound frontage road of Phase II, including initial grading and has commenced construction of the pavement section between Harris Branch and SH 130. A large portion of the eastbound frontage road has been completed as well. Utility relocation continues throughout the project, and the contractual deadline for substantial completion of all remaining development work is February 7, 2014. Construction of Phase II supported 512 jobs during the reporting month of June 2013. Some sustainability efforts during the reporting period include solar-powered traffic control devices, flashing beacons, pavement reuse, reuse of topsoil, recycled fill and embankment materials, wood recycling, steel recycling, utilization of reclaimed or non-treated water, separating waste for landfills recyclable waste, and equipment emission reduction.

13. Quarterly Briefing on the following projects: Bergstrom Expressway environmental study; Oak Hill Parkway environmental study; MoPac South environmental study; 183 North environmental study; SH 45 Southwest environmental study; and SH 71 Express Project environmental study.

Mr. Wes Burford presented this item and was assisted by Melissa Hurst, Community Outreach Manager.

The Bergstrom Expressway Project is currently in the environmental clearance phase of development. The environmental document is being developed by the Texas Department of Transportation and supported by the Mobility Authority. The project has been authorized by the State Legislature to use a comprehensive development agreement project delivery method, and the Mobility Authority will be analyzing all potential project delivery methods in the coming months. Currently the project is focusing on environmental assessment, schematic development, public outreach, and context sensitive solutions.

The Oak Hill Parkway Project is currently in the environmental clearance phase of development, and is being developed jointly by the Texas Department of Transportation and the Mobility Authority. Currently, the Project team is focusing on actively engaging the public to help identify constraints and initiation of early concept development through the use of citizen workgroups.

The SH 71 Express Project from Spirit Drive to SH 130 is the final segment of a larger upgrade to SH 71 between I-35 and SH 130, and includes improvements to make the area more pedestrian and bicycle friendly. The environmental studies, schematic development, and procurement process are currently underway. The first public meeting was held on August 13, 2013. The first context sensitive solutions advisory group meeting was held on August 29, 2013. The environmental process is anticipated to be completed in the summer of 2014, with construction beginning in the winter of 2014 and ending in the winter of 2016.

The MoPac South Project launched in April 2013. Jacobs Engineering Group has begun preparation of the environmental assessment, primarily data collection and public involvement activities, as well as schematic efforts. The public involvement plan was finalized in June and the project team began preparation of a key stakeholder list and identified key individuals and groups with which to meet. The first open house is anticipated to occur in November 2013.

The MoPac Intersections Project (two intersections on South MoPac, at Slaughter Lane and at La Crosse Avenue) was launched in May 2013. Jacobs Engineering Group has begun preparation of the environmental document, primarily data collection and public involvement activities. The public involvement plan and key stakeholder list was finalized in July. Stakeholder meetings are being scheduled for this fall. The environmental process is anticipated to take approximately one year.

In August 2013, the environmental study for improvements to US 183 North was launched. Contract negotiations with CP&Y as the primary engineering and environmental services consultant are complete, and primary data gathering activities for the project will begin later in the summer.

The SH 45SW environmental study that was launched in June 2013 is currently in the phase of considering environmental impacts, constraints, the needs of drivers, and concerns of surrounding neighbors. Community outreach tools, including frequently asked questions and branding concepts are under development in anticipation of stakeholder and elected official outreach this fall. An open house is scheduled for October and the environmental process is anticipated to take two years.

14. Executive Director's report.

Mr. Mike Heiligenstein presented this item. A Rider 42 meeting was held at the Mobility Authority offices and was led by Senator Kirk Watson. Staff is working on a policy for monument signs on Mobility Authority roadways, and will provide the Board with a more thorough presentation at the following Board Meeting.

Mr. Bill Chapman explained to the Board that they will receive final drafts of the June, July, and August financial reports at the October 2nd Board Meeting because the audit is being finalized.

Executive Session Pursuant to Government Code, Chapter 551

Chairman Wilkerson announced in open session at 11:42 a.m. that the Board would recess the open meeting and reconvene in Executive Session to deliberate the following items:

15. Discuss acquisition of one or more parcels or interests in real property for the Manor Expressway Project as authorized by §551.072 (Deliberation Regarding Real Property), and related legal issues as authorized by §551.071 (Consultation With Attorney).

16. Discuss legal issues related to claims by or against the Mobility Authority; pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation With Attorney).

The Board reconvened in open meeting at 11:55 a.m., and Chairman Wilkerson announced that no action was taken in Executive Session.

Discuss, consider, and take appropriate action on the following:

17. Authorize negotiation and execution of purchase contract, a settlement agreement, or both in a pending eminent domain proceeding to acquire the following described parcel or property interest for the Manor Expressway Project:

A. Parcel 28 of the Manor Expressway Toll Project, a 2.610 acre tract in Travis County, at 9345 US 290 East, owned by TX Old Manor Housing LP.

B. Parcel 49 of the Manor Expressway Toll Project, a 9.108 acre tract in Travis County, on the south side of US 290 East between Johnny Morris Road and Ferguson Cutoff, owned by JMTCV, Ltd.

Staff recommended a settlement agreement amount of \$344,824.00 to acquire Parcel 28 and a settlement agreement amount of \$2,175,000.00 to acquire Parcel 49.

Ms. Nikelle Meade moved for approval of the staff recommendations for Parcels 28 and 29, and Mr. Bob Bennett seconded the motion. The motion carried unanimously, 5-0, and the resolutions were approved as drafted.

18. Adjourn Meeting.

Chairman Ray Wilkerson declared the meeting adjourned at 12:00 p.m. with unanimous consent.



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #4 SUMMARY

Approve naming the Mobility Authority board meeting room to honor Lowell H. Lebermann, Jr.

Strategic Plan Relevance: Regional Mobility

Department: Executive Director

Associated Costs: N/A

Funding Source: N/A

Board Action Required: Yes

Description of Matter:

This item is to honor Mr. Lowell H. Lebermann, Jr., who served as the Vice Chairman and as a member of the Executive Committee of the founding Board of Directors for the Central Texas Regional Mobility Authority.

Reference documentation:

Draft Resolution

Contact for further information:

Mike Heiligenstein, Executive Director

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

RESOLUTION NO. 13-___

**NAMING THE MOBILITY AUTHORITY BOARD MEETING ROOM
TO HONOR LOWELL H. LEBERMANN, JR.**

WHEREAS, Lowell H. Lebermann, Jr., was appointed by the Travis County Commissioners Court on December 10, 2002, as a founding member of the Board of Directors of the Central Texas Regional Mobility Authority; and

WHEREAS, at the inaugural meeting of the Board of Directors, Mr. Lebermann was unanimously elected Vice-Chairman of the Board, was selected as a member of the Executive Committee, and continued to provide exemplary leadership and service to the Mobility Authority the Board, and to the citizens of Central Texas;

WHEREAS, the sudden death of Mr. Lebermann on July 9, 2009, came as a shock to his Mobility Authority peers and family; and

WHEREAS, his trademark wit, wisdom, and raw intellect will always be remembered and cherished; and

WHEREAS, the Board of Directors wishes to memorialize his service by naming the board meeting room at the offices of the Mobility Authority in his honor.

NOW THEREFORE BE IT RESOLVED that the board meeting room at the Mobility Authority's offices at 3300 North Interstate 35, Suite 300, Austin, Texas, is hereby designated as the "Lowell H. Lebermann, Jr., Board Room;" and

BE IT FURTHER RESOLVED that the Executive Director is authorized and directed to identify the Lowell H. Lebermann, Jr., Board Room with appropriate signs and graphics.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Mike Heiligenstein
Executive Director for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 13-___
Date Passed 10/2/13



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #5 SUMMARY

Approve an interlocal agreement with the Texas Department of Transportation for off-site materials, independent assurance and permeability testing

Strategic Plan Relevance: Regional Mobility

Department: Engineering

Associated Costs: Not to exceed \$1,800,000

Funding Source: Various project funds

Board Action Required: Yes

Description of Matter: This resolution approves a new agreement with the Texas Department of Transportation to provide materials inspection and testing, independent assurance testing, and permeability testing of hot mix asphalt services to the Mobility Authority on an “as requested” basis for Mobility Authority transportation projects. The current agreement with TxDOT for these services expires October 31, 2013. The new agreement will be effective through October 31, 2016.

Reference documentation:

Draft Resolution
Draft Interlocal Agreement

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering

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

RESOLUTION NO. 13-___

**APPROVING AN INTERLOCAL AGREEMENT WITH THE TEXAS DEPARTMENT
OF TRANSPORTATION FOR OFF-SITE MATERIALS, INDEPENDENT
ASSURANCE, AND PERMEABILITY TESTING.**

WHEREAS, in Resolution No. 04-53, dated October 27, 2004, the Board of Directors approved an Interlocal Agreement with the Texas Department of Transportation (“TxDOT”) under which TxDOT provided independent inspection and testing services for materials used in constructing the Mobility Authority’s transportation projects; and

WHEREAS, TxDOT has continued to provide materials inspection and testing services for Mobility Authority transportation projects under interlocal agreements between the Mobility Authority and TxDOT, with the current such interlocal agreement to expire on October 31, 2013; and

WHEREAS, the Executive Director recommends that the Mobility Authority continue to obtain materials inspection and testing services from TxDOT as needed for the Mobility Authority’s transportation projects.

NOW THEREFORE, BE IT RESOLVED that the Board hereby approves the proposed interlocal agreement between the Mobility Authority and TxDOT in the form or substantially in the form attached as Exhibit 1, and authorizes the Executive Director to negotiate the final form of and execute the interlocal agreement on behalf of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 13-___
Date Passed: 10/2/2013

**EXHIBIT 1
TO
RESOLUTION 13-___**

**PROPOSED INTERLOCAL AGREEMENT WITH
THE TEXAS DEPARTMENT OF TRANSPORTATION**

(on the following 4 pages)

THE STATE OF TEXAS §
THE COUNTY OF TRAVIS §

INTERLOCAL AGREEMENT

THIS CONTRACT is entered into by the Contracting Parties under Government Code, Chapter 791.

I. CONTRACTING PARTIES:

Texas Department of Transportation TxDOT
Central Texas Regional Mobility Authority Mobility Authority

II. PURPOSE: Perform material inspection and testing, independent assurance testing and permeability testing of hot mix asphalt services.

III. STATEMENT OF SERVICES TO PERFORMED: TxDOT will undertake and carry out services described in **Attachment A**, Scope of Services.

IV. CONTRACT PAYMENT: The total amount of this contract shall not exceed \$1,800,000 and shall conform to the provisions of **Attachment B**, Budget. Invoices will be issued weekly.

V. TERM OF CONTRACT: This contract begins when fully executed by both parties and terminates on October 31, 2016, or when otherwise terminated as provided in this Agreement.

VI. LEGAL AUTHORITY: The PARTIES certify that the services provided under this contract are services that are properly within the legal authority of the Contracting Parties.

The governing body, by resolution or ordinance, dated _____ has authorized the Local Government to obtain the services described in **Attachment A**.

This contract incorporates the provisions of **Attachment A**, Scope of Services; **Attachment B**, Budget; **Attachment C**, General Terms and Conditions; **Attachment D**, Resolution or Ordinance; and **Attachment E**, Location Map for Showing Project(s).

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

By _____ Date _____
Authorized Signature

Typed or Printed Name and Title

FOR THE STATE OF TEXAS

Executed for the Executive Director and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.

By _____ Date _____
Janice Mullenix
Director of Contract Services

ATTACHMENT A
Scope of Services

The Texas Department of Transportation (TxDOT) agrees to perform material inspection and testing, independent assurance testing and permeability testing of hot mix asphalt services as requested by the Local Government, and subject to the terms set forth below. Material inspection and testing, independent assurance testing and permeability testing of hot mix asphalt services to be performed by TxDOT consists of the following:

- Various inspected materials fabricated off-site (structural steel bridge components, pre-cast concrete stressed/non-stressed products, and miscellaneous fabricated products).
- Other materials inspection and testing, independent assurance testing and permeability testing of hot mix asphalt services as agreed upon in writing by TxDOT and the Local Government.

Inspections will be performed in compliance with the specifications and instructions supplied by the Local Government and are subject to the terms and conditions described below. Written inspection or test reports will be provided to the Local Government in accordance with TxDOT's existing policies as inspection and testing services are performed by TxDOT.

Prior to the commencement of material inspection and testing, independent assurance testing and permeability testing of hot mix asphalt services, the Local Government shall provide TxDOT with a single point of contact for this scope of services. TxDOT will direct all invoices, test reports, questions and other issues to this point of contact. The Local Government shall provide an email address to which invoices will be sent. The Local Government shall provide written notification of a change to the point of contact.

INSPECTED MATERIALS

The Local Government will provide TxDOT a list of the materials requiring inspection. Estimated quantities of each material will also be provided. The types of products and the extent of the inspections will be as agreed upon prior to commencement of any inspections. The level of inspection and documentation furnished for Local Government inspections will be as provided for typical TxDOT projects.

TxDOT will only perform inspection services for the Local Government at structural steel fabrication plants, commercial precast prestressed and non-stressed concrete product plants, and other miscellaneous fabrication plants where TxDOT routinely provides such inspection and testing services for its own highway materials or for others. Out-of-state inspections for Local Government will be performed only when TxDOT has employees scheduled to conduct inspections for TxDOT projects at the requested locations, unless agreed upon otherwise. All out-of-state inspections will require reimbursement of the additional costs for travel (airfare, lodging, per diem, vehicle rentals, and other miscellaneous costs). Reimbursement will be requested through invoices from TxDOT.

TxDOT reserves the right to prioritize or reschedule any inspection and testing services according to the following:

- Inspection and testing services may be cancelled or deferred due to unavailability of TxDOT personnel to perform the necessary inspection.
- Inspections for the Local Government will be given lower priority than inspections performed by TxDOT for TxDOT projects.
- Inspections for the Local Government may be rescheduled to coincide with the inspection of products for TxDOT projects.

The Local Government and its fabricators will abide by the Nonconformance Report (NCR) process utilized by TxDOT for disposition of products that do not meet the requirements of the Local Government's specifications provided.

WORK REQUESTS

A minimum of two (2) weeks prior to TxDOT performing any inspection, the Local Government will submit Work Requests to TxDOT. Submit one Work Request per Fabricator and include the following:

- Project information (i.e. contract number, CSJ, etc)
- Work description
- Type and estimated quantity of material(s) to be inspected
- Fabricator information (Name, contact person, phone number, physical location)
- Desired date of inspection
- Name, title, signature, and telephone number of the Local Government's authorized representative
- Specification Item or Special Specification to be used for inspection
- List of the Local Government's amendments to Specification Item
- Local Governments Special Specifications
- Complete set of necessary design drawings, material specifications, and shop drawings files in Adobe .pdf format to perform inspection of the material

Incomplete Work Requests will not be accepted. E-mail completed Work Requests, with attachments, as an Adobe .pdf format to CST_Structuralcorrespondence@txdot.gov and include "Work Request" in the subject line.

TEST REPORTS

TxDOT will send test reports and pertinent information to the Local Government's designated point of contact for services performed as attachments to invoices for services.

INDEPENDENT ASSURANCE TESTING

TxDOT to perform Independence Assurance testing as requested by the Local Government per the specific Project's TxDOT approved Quality Assurance Plan.

PERMEABILITY TEST OF HOT MIX ASPHALT

TxDOT to perform permeability testing of hot mix asphalt in accordance with TEX-246-F.

ATTACHMENT B
Texas Department of Transportation Inspection & Testing Rates

TxDOT will only perform inspection and testing services outlined in Attachment A.

Charges will be based on rates at the time inspection and testing are performed. Rates will be revised periodically. TxDOT Inspection and Testing Rates that are not listed below can be found on TxDOT's website at the following link: http://ftp.dot.state.tx.us/pub/txdot-info/cst/inspection_testing.pdf

Invoices will be sent to the Local Government on a weekly basis. Payments are due within 30 days of date of invoice and will be mailed to the following address:

Texas Department of Transportation
P.O. Box 149001
Austin, Texas 78714-9001

INDEPENDENT ASSURANCE TESTING RATES

PROJECT TYPE	UNIT	CURRENT RATE
Projects less than 1 year in length	Month	\$500
Projects greater than 1 year in length	Month	\$1000
Sampling for Split and Proficiency Testing	Hourly	\$48

PERMEABILITY TEST OF HOT MIX ASPHALT RATES

TEST	UNIT	CURRENT RATE
Permeability of Hot Mix Asphalt	Each	\$85

Individual tests will be performed by the District Independent Assurance laboratory at the same contract rate when applicable.



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #6 SUMMARY

Discussion and possible action regarding the region's future utilization of MOKAN as a transportation corridor.

Strategic Plan Relevance: Regional Mobility

Department: Administrative

Associated Costs: Not Applicable

Funding Source: Not Applicable

Board Action Required: Yes

Description of Matter:

Information will be provided at the meeting.

Reference documentation:

None

Contact for further information:

Mike Heiligenstein, Executive Director



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #7 SUMMARY

Authorize negotiation of an extension to interim financing from Region's Bank.

Department: Finance

Associated Costs: Interest on loan varies based on draw schedule

Funding Source: FAA with TxDOT and General Fund

Board Action Required: YES

Description of Matter: In 2011 the Mobility Authority entered into a \$5 million interim financing loan with Region's Bank. The Authority has been drawing down on this note to reimburse expenditures on various projects as well as paying down on the principal from proceeds received through the \$13.6 million multi-project Financial Assistance Agreement (FAA) with TxDOT. The expiration date defined in the original Region's loan agreement is December 15, 2013. The Authority is seeking an extension of this date as well as an increase in the amount of the loan with the provision not to exceed future proceeds under the multi-project FAA.

Attached documentation for reference:

Draft Resolution

Contact for further information:

Bill Chapman, Chief Financial Officer

Cindy Demers, Controller

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

RESOLUTION NO. 13-___

**AUTHORIZING NEGOTIATION OF AN EXTENSION
TO INTERIM FINANCING FROM REGIONS BANK.**

WHEREAS, in Resolution No. 11-143, dated December 7, 2011, the Board of Directors authorized the borrowing of funds in installments and from time to time, not to exceed \$5,000,000.00, from Regions Bank for the purpose of providing funds to pay all or a portion of the expenses of studying the cost and feasibility of certain transportation projects, and authorized other provisions in connection with that transaction (the "Loan Agreement"); and

WHEREAS, the power of the Mobility Authority to draw funds under the Loan Agreement expires on December 15, 2013; and

WHEREAS, the Executive Director recommends negotiating with Regions Bank to extend the expiration date and to increase funds available to the Mobility Authority under the Loan Agreement.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the Executive Director to negotiate with Regions Bank to extend the expiration date, increase the amount of available funds, and modify such other terms and conditions established by Loan Agreement as the Executive Director, after consulting with the Chief Financial Officer and Controller, determines is in the interest of the Mobility Authority; and

BE IT FURTHER RESOLVED, that any proposed modifications to the Loan Agreement must be authorized by future Board action.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 13-___
Date Passed: 10/2/2013



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #8 SUMMARY

Approve 2014 Plan Year Changes to the CTRMA Plan with the Texas County and District Retirement System.

Strategic Plan Relevance: Sustainability
Department: Finance
Associated Costs: \$250,000
Funding Source: Operating Fund
Board Action Required: Yes

Description of Matter:

The Mobility Authority provides retirement benefits to its employees through the Texas County and District Retirement System (TCDRS). Each year certain plan provisions must be adopted and approved by the Board. This action continues the Mobility Authority employer contribution rate of 14% for FY 2014.

Attached documentation for reference:

Draft Resolution
TCDRS Plan Rate for FY 2014

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. 13-____

**APPROVING THE TEXAS COUNTY AND DISTRICT RETIREMENT SYSTEM PLAN
PROVISIONS FOR PLAN YEAR 2014.**

WHEREAS, in Resolution No. 04-19, dated May 5, 2004, the Board of Directors approved participation by the Central Texas Regional Mobility Authority (“Mobility Authority”) in the Texas County & District Retirement System (“TCDRS”) to provide benefits to Mobility Authority employees under the Central Texas Regional Mobility Authority TCDRS Plan (the “Plan”); and

WHEREAS, the Plan requires certain authorizations from time to time by the Board of Directors regarding certain ongoing provisions of and/or changes to the Plan; and

WHEREAS, the Board of Directors has reviewed the “Central Texas Regional Mobility Authority, #712 Authorization to maintain TCDRS plan provisions Plan Year 2014” form provided by TCDRS and attached to this resolution as Exhibit 1 (the “2014 TCDRS Form”), completed with respect to Items 2, 3, and 4 as recommended to the Board of Directors by the Chief Financial Officer.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors hereby approves and adopts the 2014 TCDRS Form in the form attached as Exhibit 1 to this resolution; and

BE IT FURTHER RESOLVED that the Chairman of the Board of Directors is hereby authorized to complete, execute, and deliver to TCDRS the approved 2014 TCDRS Form consistent with this Resolution and to take such further action as may be required to fulfill TCDRS requirements regarding the same.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number 13-____
Date Passed 10/2/13

Exhibit 1

**Central Texas Regional Mobility Authority, #712 Authorization to
maintain TCDRS plan provisions Plan Year 2014**

[shown on the following page]

Central Texas Regional Mobility Authority, #712
Authorization to maintain TCDRS plan provisions
Plan Year 2014

With respect to the participation of Central Texas Regional Mobility Authority in the Texas County & District Retirement System (TCDRS) for the 2014 plan year, the following order was adopted:

1. Central Texas Regional Mobility Authority makes no change in the plan provisions for non-retirees.
- * 2. With respect to benefit payments being paid to retirees or their beneficiaries, Central Texas Regional Mobility Authority (**check one box**):
 - does not adopt a cost-of-living adjustment (COLA).
 - adopts a ____% CPI-based COLA.
 - adopts a ____% flat-rate COLA.
- * 3. The required employer contribution rate for Plan Year 2014 will be the following:

(a) Required rate without COLA:	12.15%
(b) COLA rate:	+ <u>0</u> (enter 0 if not adopting a COLA)
(c) Total required rate (a + b):	= <u>12.15</u>
- * 4. Employers may elect to pay a rate greater than the **total required rate** listed above. Central Texas Regional Mobility Authority adopts for Plan Year 2014 (**check one box**):
 - to maintain the elected rate of 14.00%.
 - to change the elected rate to _____%.
 - to eliminate the current elected rate and pay the **total required rate** listed above.
5. In the event the 2014 total required rate as set out above exceeds 11%, and if a current waiver of that limit is not on file with TCDRS, the Governing Board of Central Texas Regional Mobility Authority hereby waives the 11% limit on the rate of employer contributions and such waiver will remain effective with respect to future plan years until properly revoked by official action.

Certification

I certify that the foregoing authorization concerning the participation of Central Texas Regional Mobility Authority in TCDRS for Plan Year 2014 truly and accurately reflects the official action taken during a properly posted and noticed meeting on _____, 2013, by the Governing Board of Central Texas Regional Mobility Authority as such action is recorded in the official minutes.

Authorized Signature, Central Texas Regional Mobility Authority

Printed Name

Dated: _____

* Please fill in the required information for items 2, 3 and 4 before signing and sending this document to TCDRS.



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #9 SUMMARY

Accept the monthly financial reports for July and August 2013.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

Presentation and acceptance of the monthly financial reports for July and August 2013

Attached documentation for reference:

Draft Resolution

Draft Financial Reports for July and August 2013

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. 13-___

ACCEPT THE FINANCIAL REPORTS FOR JULY AND AUGUST 2013.

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 months of July and August 2013, and has caused Financial Reports to be prepared and attached to this resolution as Attachments A and B.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Reports for July and August 2013, attached as Attachments A and B.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 2nd day of October, 2013.

Submitted and reviewed by:

Approved:

Andrew Martin
General Counsel for the Central
Texas Regional Mobility Authority

Ray A. Wilkerson
Chairman, Board of Directors
Resolution Number: 13-___
Date Passed: 10/2/2013

Attachment A

Financial Reports for July 2013

**Central Texas Regional Mobility Authority
Balance Sheet**

As of

July 31, 2013

July 31, 2012

Assets

Current Assets

Cash in Regions Operating Account	379,634		118,345
Cash In TexSTAR	59,782		149,468
Regions Payroll Account	25,169		10,731
Restricted cash/cash equivalents			
Fidelity Government MMA	128,441,402		50,785,251
Restricted Cash-TexStar	24,456,593		52,841,908
Overpayment accounts	35,774		31,438
Total Cash and Cash Equivalents		153,398,355	103,937,140

Accounts Receivable	28,582		100,661
Due From Employees	0		643
Due From TTA	154,497		466,080
Due From NTTA	168,552		50,937
Due From HCTRA	175,256		81,858
Due From TxDOT	8,157,762		116,598
Due From Federal Government	0		154,489
Interest Receivable	292,595		563,706
Total Receivables		8,977,244	1,534,972

Short Term Investments

Treasuries	0		4,549,017
Short Term Investments		96,479,444	168,629,720

Other Current Assets

Prepaid Insurance		19,682	10,842
Total Current Assets		258,899,569	274,112,674

Construction Work In Process

	295,135,222		244,745,508
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Fixed Assets

Computers(net)	38,520		26,845
Computer Software(net)	453,587		133,748
Furniture and Fixtures(net)	0		11,776
Equipment(net)	19,385		37,561
Autos and Trucks(net)	13,797		20,695
Buildings and Toll Facilities(net)	5,995,131		6,152,860
Highways and Bridges(net)	326,487,767		279,490,034
Communication Equipment(net)	751,775		935,541
Toll Equipment(net)	12,173,442		9,601,243
Signs(net)	8,808,796		6,065,390
Land Improvements(net)	7,294,855		3,386,889
Right of Way	46,642,851		24,800,630
Leasehold Improvements	154,190		56,887
Total Fixed Assets		408,834,096	330,720,099

Long Term Investments

Other Assets

Security Deposits		0	8,644
Intangible Assets		15,032,417	650
2005 Bond Insurance Costs		5,337,706	

Total Assets

	983,239,011		882,778,586
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Liabilities

Current Liabilities

Accounts Payable	1,800,532	1,861,075
Overpayments	37,064	32,355
Interest Payable	5,058,853	3,606,473
TCDRS Payable	37,915	33,306
Due to other Entities	558,752.18	0
Other	0	17,178
Due to State of Texas	(0)	0
Total Current Liabilities	7,493,116	5,550,388

Long Term Liabilities

Accrued Vac & Sick Leave Paybl	189,089	189,089
Senior Lien Revenue Bonds 2005	0	172,628,655
Senior Lien Revenue Bonds 2010	104,944,787	101,705,441
Senior Lien Revenue Bonds 2011	307,317,939	306,627,253
Senior Refunding Bonds 2013	185,810,000	0
Sn Lien Rev Bnd Prem/Disc 2010	128,834	165,779
Sn Lien Rev Bnd Prem/Disc 2011	(3,706,840)	(3,870,216)
Sn Lien Rev Bnd Prem/Disc 2013	19,320,990	0
Subordinated Lien Bond 2010	0	45,000,000
Subordinated Lien Bond 2011	70,000,000	70,000,000
Subordinated Refunding Bonds 2013	103,960,000	
Sub Lien Bond 2011 Prem/Disc	(1,976,838)	(2,066,654)
Sub Lien Bond 2013 Prem/Disc	4,245,348	
TIFIA note 2008	0	77,656,077
2011 Regions Draw Down Note	1,780,012	400,000
2013 American Bank Loan	5,300,000	
Total Long Term Liabilities	797,313,319	773,056,182
Total Liabilities	804,806,436	778,606,570

Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	153,384,260	86,019,147
Current Year Operations	6,713,470	(181,976)
Total Net Assets	160,097,729	85,837,171
Total Liabilities and Net Assets	983,239,011	882,778,586

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 7/31/2013	Percent of Budget	Actual Prior Year to Date 7/31/12
Revenue				
Operating Revenue				
Toll Revenue-TxTag-Manor	1,188,228	168,005	14.14%	-
Toll Revenue-TxTag-183A	29,507,860	1,735,201	5.88%	1,656,134
Toll Revenue-HCTRA-183A	884,163	116,897	13.22%	81,858
Toll Revenue-HCTRA Manor	173,689	38,434	22.13%	-
Toll Revenue-NTTA-183A	580,498	78,338	13.49%	50,937
Toll Revenue-NTTA-Manor	77,633	9,076	11.69%	-
Video Tolls 183A	4,243,980	346,730	8.17%	284,490
Video Tolls Manor Expressway	452,664	50,759	11.21%	-
Fee revenue 183A	1,661,750	116,039	6.98%	95,085
Fee revenue Manor Expressway	179,820	29,306	16.30%	-
Total Operating Revenue	38,950,285	2,688,786	6.90%	2,168,505
Other Revenue				
Interest Income	180,000	15,359	8.53%	19,028
Grant Revenue	1,236,000	6,961,931	563.26%	67,414
Reimbursed Expenditures	-	-	0.00%	34,774
Misc Revenue	92,500	3,702	4.00%	-
Unrealized Loss	-	-	0.00%	42,708
Total Other Revenue	1,508,500	6,980,992	462.78%	163,924
Total Revenue	\$ 40,458,785	\$ 9,669,777	23.90%	\$ 2,332,429
Expenses				
Salaries and Wages				
Salary Expense-Regular	2,185,005	120,663	5.52%	108,824
Part Time Salary Expense	12,000	-	0.00%	-
Overtime Salary Expense	3,000	-	0.00%	-
Contractual Employees Expense	5,000	-	0.00%	950
TCDRS	317,550	16,957	5.34%	15,317
FICA	102,241	6,029	5.90%	5,767
FICA MED	31,900	1,743	5.46%	1,569
Health Insurance Expense	193,060	5,728	2.97%	13,696
Life Insurance Expense	5,874	113	1.93%	127
Auto Allowance Expense	10,200	-	0.00%	-
Other Benefits	190,261	6,447	3.39%	6,766
Unemployment Taxes	12,960	4	0.03%	-
Salary Reserve	50,000	-	0.00%	-

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 7/31/2013	Percent of Budget	Actual Prior Year to Date 7/31/12
Total Salaries and Wages	3,119,051	157,684	5.06%	153,015
Contractual Services				
<u>Professional Services</u>				
Accounting	12,000	1,013	8.44%	122
Auditing	65,000	-	0.00%	-
General Engineering Consultant	460,000	-	0.00%	(52,718)
GEC-Trust Indenture Support	75,000	-	0.00%	-
GEC-Financial Planning Support	50,000	-	0.00%	-
GEC-Toll Ops Support	5,000	-	0.00%	-
GEC-Roadway Ops Support	325,000	-	0.00%	-
GEC-Technology Support	50,000	-	0.00%	-
GEC-Public Information Support	10,000	-	0.00%	-
GEC-General Support	275,000	-	0.00%	-
General System Consultant	175,000	-	0.00%	-
Image Processing - 183A	1,140,000	61,833	5.42%	33,237
Image Processing - Manor	120,000	16,300	13.58%	-
Facility maintenance	-	247	#DIV/0!	192
HERO	1,629,000	(994)	0.00%	-
Special Projects	-	(4,000)	0.00%	-
Human Resources	50,000	-	0.00%	-
Legal	250,000	-	0.00%	-
Photography	10,000	-	0.00%	-
Traffic and Revenue Consultants	5,000	-	0.00%	-
Total Professional Services	4,706,000	74,399	1.58%	(19,167)
<u>Other Contractual Services</u>				
IT Services	63,000	595	0.94%	373
Graphic Design Services	40,000	-	0.00%	-
Website Maintenance	35,000	-	0.00%	1,097
Research Services	50,000	-	0.00%	-
Copy Machine	10,000	400	4.00%	362
Software Licenses	17,200	-	0.00%	6,653
ETC Maintenance Contract	1,291,625	-	0.00%	(68,760)
ETC Development	125,000	-	0.00%	-
ETC Testing	30,000	-	0.00%	-
Communications and Marketing	140,000	-	0.00%	-
Advertising Expense	60,000	394	0.66%	1,000
Direct Mail	5,000	-	0.00%	-

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 7/31/2013	Percent of Budget	Actual Prior Year to Date 7/31/12
Video Production	20,000	-	0.00%	-
Radio	10,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	-	0.00%	-
Special assignments	5,000	-	0.00%	-
Emergency Maintenance	10,000	-	0.00%	-
Generator Maintenance	20,000	-	0.00%	-
Generator Fuel	9,000	-	0.00%	-
Fire and Burglar Alarm	3,660	-	0.00%	-
Elevator Maintenance	2,640	-	0.00%	-
Refuse	780	-	0.00%	-
Pest Control	1,536	-	0.00%	-
Custodial	4,440	-	0.00%	-
Roadway Maintenance Contract	750,000	(74,726)	0.00%	-
Landscape Maintenance	250,000	-	0.00%	-
Signal & Illumination Maint	-	-	0.00%	(6,732)
Cell Phones	10,000	664	6.64%	186
Local Telephone Service	25,000	1,486	5.94%	1,175
Internet	6,000	-	0.00%	-
Fiber Optic System	30,000	5,439	18.13%	2,286
Other Communication Expenses	1,000	-	0.00%	50
Subscriptions	1,850	(250)	0.00%	-
Memberships	34,600	1,388	4.01%	889
Continuing Education	7,300	20	0.27%	-
Professional Development	14,000	-	0.00%	-
Seminars and Conferences	32,000	7,760	24.25%	2,000
Staff-Travel	89,000	5,932	6.67%	9,466
Other Contractual Svcs	200	-	0.00%	-
Tag Collection Fees	2,013,000	160,981	8.00%	4,243
Court Enforcement Costs	15,000	-	0.00%	-
Contractual Contingencies	130,500	-	0.00%	-
Total Other Contractual Services	5,615,831	110,082	1.96%	(45,711)
Total Contractual Services	10,321,831	184,481	1.79%	(64,878)

Materials and Supplies

Books & Publications	6,500	-	0.00%	-
Office Supplies	10,000	812	8.12%	254
Computer Supplies	12,500	2,180	17.44%	2,860

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 7/31/2013	Percent of Budget	Actual Prior Year to Date 7/31/12
Copy Supplies	2,200	-	0.00%	-
Annual Report printing	7,000	-	0.00%	-
Other Reports-Printing	10,000	-	0.00%	-
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	2,500	162	6.50%	-
Maintenance Supplies-Roadway	9,175	-	0.00%	-
Promotional Items	10,000	-	0.00%	-
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	-	0.00%	-
Misc Materials & Supplies	3,000	-	0.00%	-
Total Materials and Supplies	113,875	3,154	2.77%	3,114
Operating Expenses				
Gasoline	5,500	332	6.04%	388
Mileage Reimbursement	6,750	57	0.84%	158
Toll Tag Expense	2,700	30	1.11%	331
Parking	3,175	334	10.52%	9
Meeting Facilities	250	-	0.00%	-
CommunityMeeting/ Events	5,000	-	0.00%	-
Meeting Expense	17,300	181	1.05%	438
Public Notices	2,000	-	0.00%	-
Postage Expense	5,650	18	0.32%	65
Overnight Delivery Services	1,700	-	0.00%	9
Local Delivery Services	1,150	-	0.00%	12
Insurance Expense	90,000	6,351	7.06%	5,080
Repair & Maintenance-General	500	-	0.00%	-
Repair & Maintenance-Vehicles	500	62	12.32%	30
Repair & Maintenance Toll Equip	5,000	-	0.00%	-
Rent Expense	400,000	36,146	9.04%	-
Water	7,500	396	5.28%	444
Electricity	180,000	6,549	3.64%	4,416
Other Licenses	700	-	0.00%	-
Community Initiative Grants	65,000	10,000	15.38%	-
Non Cash Operating Expenses				
Amortization Expense	25,000	7,688	30.75%	34,144
Amort Expense - Refund Savings	-	85,655	#DIV/0!	-
Dep Exp- Furniture & Fixtures	14,000	-	0.00%	134
Dep Expense - Equipment	17,000	1,750	10.29%	1,408

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 7/31/2013	Percent of Budget	Actual Prior Year to Date 7/31/12
Dep Expense - Autos & Trucks	7,000	575	8.21%	575
Dep Expense-Buildng & Toll Fac	100,000	14,760	14.76%	14,713
Dep Expense-Highways & Bridges	9,000,000	750,519	8.34%	413,934
Dep Expense-Communic Equip	175,000	16,343	9.34%	15,902
Dep Expense-Toll Equipment	986,000	128,873	13.07%	38,482
Dep Expense - Signs	175,000	20,231	11.56%	11,106
Dep Expense-Land Improvemts	160,000	19,015	11.88%	5,484
Depreciation Expense-Computers	11,000	1,207	10.97%	929
Total Operating Expenses	11,470,375	1,107,071	9.65%	548,189
Financing Expenses				
Arbitrage Rebate Calculation	6,000	-	0.00%	-
Loan Fee Expense	5,000	-	0.00%	-
Rating Agency Expense	50,000	-	0.00%	11,000
Trustee Fees	8,000	-	0.00%	-
Bank Fee Expense	8,000	484	6.05%	535
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	20,796,755	1,503,434	7.23%	1,827,149
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	400,000	-	0.00%	36,281
Total Financing Expenses	21,292,755	1,503,918	7.06%	1,874,964
Other Gains or Losses				
Total Other Gains or Losses	-	-	0.00%	-
Total Expenses	\$ 46,317,887	\$ 2,956,308	6.38%	\$ 2,514,405
Net Income	\$ (5,859,102)	\$ 6,713,470		\$ (181,976)

INVESTMENTS by FUND

		Balance		
		July 31, 2013		
Renewal & Replacement Fund				
TexSTAR	661,202.63		TexSTAR	24,516,375.60
Regions Sweep	0.66		CD's	8,000,000.00
Agencies		661,203.29	Regions Sweep	128,441,401.90
TxDOT Grant Fund			Agencies	88,478,373.42
TexSTAR	3,181,628.73			
Regions Sweep	230,864.70			
CD's	3,000,000.00			
Agencies	3,040,001.33	9,452,494.76		
Debt Service Reserve Fund 05				\$ 249,436,150.92
TexSTAR	8,032,754.99			
Regions Sweep	1,489,831.78			
Agencies	29,045,383.93	38,567,970.70		
2010 Senior Lien DSF				
Regions Sweep	286,925.00			
TexSTAR	0.00	286,925.00		
2011 Debt Service Acct				
Regions Sweep	0.33	0.33		
2013 Sr Debt Service Acct				
Regions Sweep	903,941.07	903,941.07		
2013 Sub Debt Serrvice Account				
Regions Sweep	473,613.57	473,613.57		
2011 Sub Debt DSRF				
Regions Sweep	2,022,979.19			
CD's	5,000,000.00	7,022,979.19		
Operating Fund				
TexSTAR	59,782.41			
TexSTAR-Trustee	2,052,100.74			
Regions Sweep	0.00	2,111,883.15		
Revenue Fund				
TexSTAR	1.00			
Regions Sweep	2,265,679.55	2,265,680.55		
General Fund				
TexSTAR	53.78			
Regions Sweep	13,730,687.17	13,730,740.95		
2011 Sr Capitalized Interest Fund				
Regions Sweep	37,761.79			
Agencies	8,943,734.85	8,981,496.64		
2011 Sub Capitalized Interest Fund				
Regions Sweep	584.90			
Agencies	2,361,025.73	2,361,610.63		
2010 Senior Lien Debt Service Reserve Fund				
TexSTAR	5,561,795.41			
Regions Sweep	65,889.45			
Agencies	3,904,514.25	9,532,199.11		
2013 Sub Debt Service Reserve Fund				
Regions Sweep	8,416,633.37	8,416,633.37		
MoPac Construction Fund				
Regions Sweep	47,357,551.94	47,357,551.94		
2010-1 Sub Lien Projects Fund				
TexSTAR	797,668.88			
Regions Sweep	0.00	797,668.88		
2010 Senior Lien Construction Fund				
TexSTAR	1.19			
Regions Sweep	159,464.63	159,465.82		
2011 Sub Debt Project fund				
TexSTAR	4,169,266.18			
Agencies				
Regions Sweep	43,947,064.83	48,116,331.01		
2011 Sr Financial Assistance Fund				
Regions Sweep	31.73	31.73		
2011 Senior Lien Project Fund				
TexSTAR	119.66			
Regions Sweep	7,051,896.24			
Agencies	41,183,713.33	48,235,729.23		
		<u>\$ 249,436,150.92</u>		

CTRMA INVESTMENT REPORT

Month Ending 7/31/13						
Balance 7/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/13	Rate July 13
Amount in Trustee TexStar						
2011 Sub Lien Construction Fund			172.30		4,169,266.18	0.058%
2011 Senior Lien Construction Fund					119.66	0.058%
2010 Senior Lien Construction Fund					1.19	0.058%
2010-1 Sub Lien Projects			32.99	2,217.17	797,668.88	0.058%
General Fund					53.78	0.058%
Trustee Operating Fund	1,100,000.00		66.40	300,000.00	2,052,100.74	0.058%
Renewal and Replacement			27.33		661,202.63	0.058%
TxDOT Grant Fund			131.50		3,181,628.73	0.058%
Revenue Fund					1.00	0.058%
Senior Lien Debt Service Reserve Fund			331.94		8,032,754.99	0.058%
2010 Senior Lien Debt Service Reserve Fund			229.85		5,561,795.41	0.058%
23,657,818.05	1,100,000.00		992.31	302,217.17	24,456,593.19	
Amount in TexStar Operating Fund						
345,710.73	514,060.08		11.60	800,000.00	59,782.41	0.058%

CTRMA INVESTMENT REPORT

Month Ending 7/31/13							Rate July 13
Balance 7/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/13		
Regions Sweep Money Market Fund							
Operating Fund	0.00	1,100,000.00			1,100,000.00	0.00	0.150%
2010-1 Sub Lien Project Acct	0.00	2,217.17			2,217.17	0.00	0.150%
2010 Senior Lien Project Acct	166,620.51			20.95	7,176.83	159,464.63	0.150%
2011 Sub Lien Project Acct	43,943,706.04			3,358.79		43,947,064.83	0.150%
2011 Senior Lien Project Acct	7,701,527.30	7,750,000.00		1,784.72	8,401,415.78	7,051,896.24	0.150%
2011 Sr Financial Assistance Fund	31.73					31.73	0.150%
2010 Senior DSF	1,722,492.34	285,789.17		193.49	1,721,550.00	286,925.00	0.150%
2011 Senior Lien Debt Service Acct	0.33	8,946,606.25			8,946,606.25	0.33	0.150%
2011 Sub Debt Service Fund	0.00	2,362,500.00			2,362,500.00	0.00	0.150%
2013 Senior Lien Debt Service Acct	1,080,868.75	903,845.97		95.10	1,080,868.75	903,941.07	0.150%
2013 Subordinate Debt Service Acct	647,650.00	473,393.47		220.10	647,650.00	473,613.57	0.150%
2011 Sr Cap I Fund	8,984,253.10			114.94	8,946,606.25	37,761.79	0.150%
2011 Sub Debt CAP I	2,363,055.70			29.20	2,362,500.00	584.90	0.150%
TxDOT Grant Fund	230,836.24			28.46		230,864.70	0.150%
Renewal and Replacement	0.66					0.66	0.150%
Revenue Fund	516,712.56	4,885,438.52		169.37	3,136,640.90	2,265,679.55	0.150%
General Fund	14,726,993.78	131,361.11		1,078.45	1,128,746.17	13,730,687.17	0.150%
2010 Senior Debt Service Reserve Fund	65,881.33			8.12		65,889.45	0.150%
2011 Sub Debt Debt Service Reserve Fund	2,022,729.81			249.38		2,022,979.19	0.150%
2005 Senior Lien Debt Service Reserve Fund	1,479,663.82			10,167.96		1,489,831.78	0.150%
2013 Sub Debt Service Reserve Fund	8,415,595.83			1,037.54		8,416,633.37	0.150%
MoPac Managed Lane Construction Fund	31,148,603.96	16,500,000.00		3,847.47	294,899.49	47,357,551.94	0.150%
	125,217,223.79	43,341,151.66	0.00	22,404.04	40,139,377.59	128,441,401.90	
Amount in Fed Agencies and Treasuries							
Amortized Principal	88,536,681.82		(58,308.40)			88,478,373.42	
Accrued Interest				63,351.05			
	88,536,681.82	0.00	(58,308.40)		0.00	88,478,373.42	
Certificates of Deposit							
Total in Pools	3,000,000.00	5,000,000.00			0.00	8,000,000.00	
Total in Money Market	24,003,528.78	1,614,060.08		1,003.91	1,102,217.17	24,516,375.60	
Total in Fed Agencies	125,217,223.79	43,341,151.66		22,404.04	40,139,377.59	128,441,401.90	
	88,536,681.82	0.00	(58,308.40)		0.00	88,478,373.42	

CTRMA INVESTMENT REPORT

Month Ending 7/31/13					
Balance 7/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/13
240,757,434.39	49,955,211.74	(58,308.40)	23,407.95	41,241,594.76	249,436,150.92

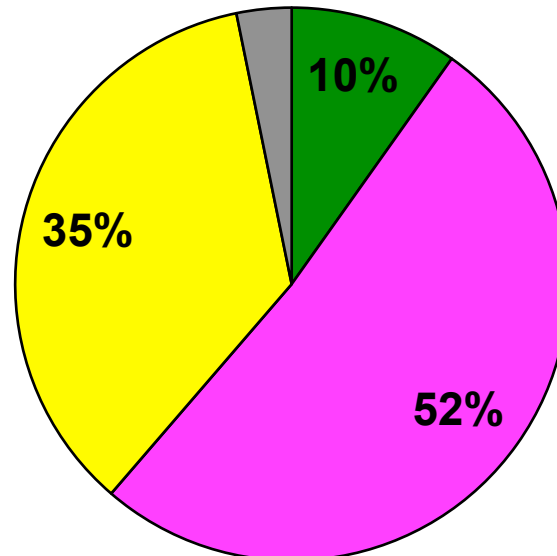
Rate
July 13

Total Invested

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

William Chapman, CFO

Allocation of Funds



■ Total in Pools ■ Total in Money Market ■ Total in Fed Agencies ■ Total in CD's

Amount of investments A: July 31, 2013

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchase	Matures	FUND
Freddie Mac	3134G2U42	1,000,000.00	1,000,000.00	1,000,590.00	0.3750%	3/15/12	10/15/13	TxDOT Grant Fund
Federal Home loan Bank	3134A4UL6	2,326,924.30	2,361,025.73	2,357,370.48	0.6300%	6/29/11	11/15/13	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	8,794,454.76	8,943,734.85	8,928,465.84	0.7190%	6/29/11	11/15/13	2011 Sr Debt CAP I
Fannie Mae	31398A3L4	3,883,198.70	3,834,433.22	3,835,055.60	0.2605%	2/7/12	9/17/13	2005 Sr DSRF
Fannie Mae	31398A3L4	3,954,171.00	3,904,514.25	3,905,148.00	0.2605%	2/7/12	9/17/13	2010 Sr DSRF
Federal Home Loan Bank	3133XR88	7,370,650.00	7,041,183.33	7,026,600.00	0.2990%	3/30/12	9/6/13	2011 Sr Project
Federal Home Loan Bank	313378U41	12,009,480.00	12,001,580.00	12,005,160.00	0.2970%	3/30/12	9/30/13	2011 Sr Project
Freddie Mac	3134G3BF6	12,054,960.00	12,011,450.00	12,023,880.00	0.3592%	3/30/12	12/23/13	2011 Sr Project
Federal Home Loan Bank	3133XWKV0	10,388,500.00	10,129,500.00	10,138,700.00	0.3791%	3/30/12	3/14/14	2011 Sr Project
Freddie Mac	3137EADD8	1,004,940.00	1,003,458.00	1,003,330.00	0.2290%	12/3/12	4/17/15	TxDOT Grant Fund
Northside ISD	66702RAG7	1,057,700.00	1,036,543.33	1,039,370.00	0.3580%	12/5/12	2/15/15	TxDOT Grant Fund
Fannie Mae	3135G0BY8	8,081,952.00	8,057,543.46	8,059,200.00	0.2150%	2/8/13	8/28/14	2005 DSRF
Fannie Mae	313560TW3	4,999,250.00	4,999,400.00	4,993,000.00	0.4060%	2/8/13	7/30/15	2005 DSRF
Federal Home Loan Bank	313371W51	12,217,422.00	12,154,007.25	12,145,080.00	0.2646%	2/8/13	12/12/14	2005 DSRF
		<u>62,787,278.76</u>	<u>88,478,373.42</u>	<u>88,460,949.92</u>				

Agency	CUSIP #	COST	Cumulative Amortization	7/31/13		Interest Income July 31, 2013		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Freddie Mac	3134G2U42	1,000,000.00	-	1,000,000.00	1,000,000.00	312.50		312.50
Federal Home loan Bank	3134A4UL6	2,326,924.30	34,101.43	2,361,025.73	2,362,000.00		243.58	243.58
Federal Home loan Bank	3134A4UL6	8,794,454.76	149,280.09	8,943,734.85	8,946,000.00		1,066.29	1,066.29
Fannie Mae	31398A3L4	3,883,198.70	48,765.48	3,834,433.22	3,830,000.00	3,590.63	(2,216.61)	1,374.02
Fannie Mae	31398A3L4	3,954,171.00	49,656.75	3,904,514.25	3,900,000.00	3,656.25	(2,257.13)	1,399.12
Federal Home Loan Bank	3133XR88	7,370,650.00	329,466.67	7,041,183.33	7,000,000.00	23,333.33	(20,591.70)	2,741.63
Federal Home Loan Bank	313378U41	12,009,480.00	7,900.00	12,001,580.00	12,000,000.00	3,500.00	(526.67)	2,973.33
Freddie Mac	3134G3BF6	12,054,960.00	43,510.00	12,011,450.00	12,000,000.00	6,250.00	(2,290.00)	3,960.00
Federal Home Loan Bank	3133XWKV0	10,388,500.00	259,000.00	10,129,500.00	10,000,000.00	19,791.67	(16,187.50)	3,604.17
Freddie Mac	3137EADD8	1,004,940.00	1,482.00	1,003,458.00	1,000,000.00	416.67	(164.67)	252.00
Northside ISD	66702RAG7	1,057,700.00	21,156.67	1,036,543.33	1,000,000.00	2,500.00	(1,923.33)	576.67
Fannie Mae	3135G0BY8	8,081,952.00	24,408.54	8,057,543.46	8,000,000.00	5,833.33	(4,426.42)	1,406.91
Fannie Mae	313560TW3	4,999,250.00	(150.00)	4,999,400.00	500,000.00	1,666.67	25.00	1,691.67
Federal Home Loan Bank	313371W51	12,217,422.00	63,414.75	12,154,007.25	12,000,000.00	12,500.00	(9,059.25)	3,440.75
		<u>89,143,602.76</u>	<u>1,031,992.38</u>	<u>88,478,373.42</u>	<u>83,538,000.00</u>	<u>63,351.05</u>	<u>(58,308.41)</u>	<u>18,503.31</u>

July 31, 2013

Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	July 31, 2013 Interest	FUND
Compass Bank	CD9932129	3,000,000	0.35%	8/27/12	2/27/14	\$ 863.01	TxDOT Grant Fund
Compass Bank	CD 02636	5,000,000	0.35%	2/5/13		\$ 1,458.33	2011 Sub DSRF
		<u>8,000,000</u>				<u>\$ 2,321.34</u>	



Monthly Newsletter - July 2013

Performance

As of July 31, 2013

Current Invested Balance	\$4,833,856,137.70
Weighted Average Maturity (1)	54 Days
Weighted Average Maturity (2)	58 Days
Net Asset Value	1.000095
Total Number of Participants	776
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$433,969.40
Management Fee Collected	\$219,801.60
% of Portfolio Invested Beyond 1 Year	0.00%
Standard & Poor's Current Rating	AAA-

July Averages

Average Invested Balance	\$5,175,831,500.61
Average Monthly Yield, on a simple basis	0.0487%
Average Weighted Average Maturity (1)*	52 Days
Average Weighted Average Maturity (2)*	56 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 July 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 entity who joined the TexSTAR program in July:

- ★ Nassau Bay Redevelopment Authority

Holiday Reminder

In observance of Labor Day, TexSTAR will be closed on Monday, September 2, 2013. All ACH transactions initiated on Friday, August 30th, will settle on Tuesday, September 3rd. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

Economic Commentary

Global risk market volatility decreased in July as investors became more comfortable with the possibility of the Federal Reserve scaling back asset purchases. Markets also reacted to positive economic data in Europe that pointed toward a broader recovery. Most markets retraced at least some of the losses they experienced in June. Equity markets soared to new highs, with the Standard & Poor's 500 Index returning 5.09% for the month. U.S. market movements were consistent with reassuring messages from Federal Reserve members indicating that monetary policy would remain accommodative and would be dependent on economic data. Chairman Bernanke focused on making a clear distinction that a slowdown in asset purchases is not the same as raising interest rates. While the former may go away completely by mid 2014, the latter is likely to stay in place much longer, until at least early 2015. The yield of the three-month U.S. Treasury bill increased 1 bp during the month to 0.04% at the end of July.

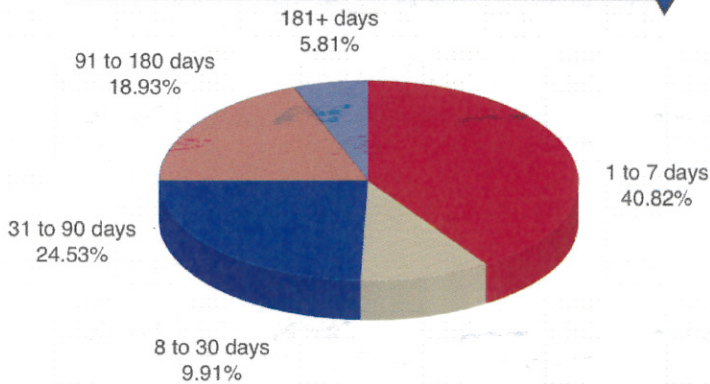
Despite modest gains in leading economic indicators, analysis continues to suggest that headwinds to economic growth will persist in the second half of 2013 and fall short of optimistic consensus expectations. While the growth rate in payrolls has remained steady, the quality of jobs created remains lackluster. Aggregate income growth levels are tepid, and it remains to be seen whether consumers will continue to draw down their savings to support spending patterns. Recent purchasing manager indices suggest manufacturing activity and business investment will likely pick up in the second half of 2013. However, with weakening global growth and tepid domestic spending, companies will likely have little incentive to increase capacity. Sequestration fiscal spending cuts that were implemented in the middle of July are also likely to dampen economic activity. In addition, tighter financial conditions from higher mortgage rates are likely to suppress the pace of housing activity. Wage inflation should remain muted in nominal terms, likely the result of excess supply and changing dynamics in the labor markets, such as a shift toward part-time workers ahead of the Affordable Care Act. Cost inflation is not anticipated to be material over the next several quarters especially as commodity prices have fallen. The Fed appears set to begin tapering quantitative easing in September, barring a significant slowdown in activity, while we expect policy rates to remain low into 2015.

This information is an excerpt from an economic report dated July 2013 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

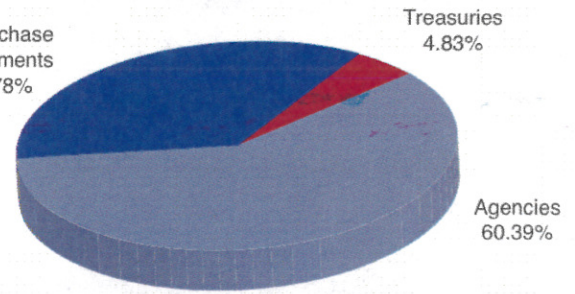
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

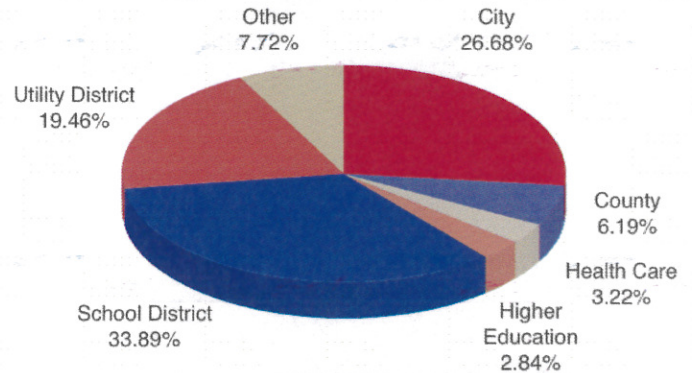
Portfolio by Type of Investment As of July 31, 2013



Repurchase Agreements
34.78%



Portfolio by Maturity As of July 31, 2013



Distribution of Participants by Type As of July 31, 2013

Historical Program Information

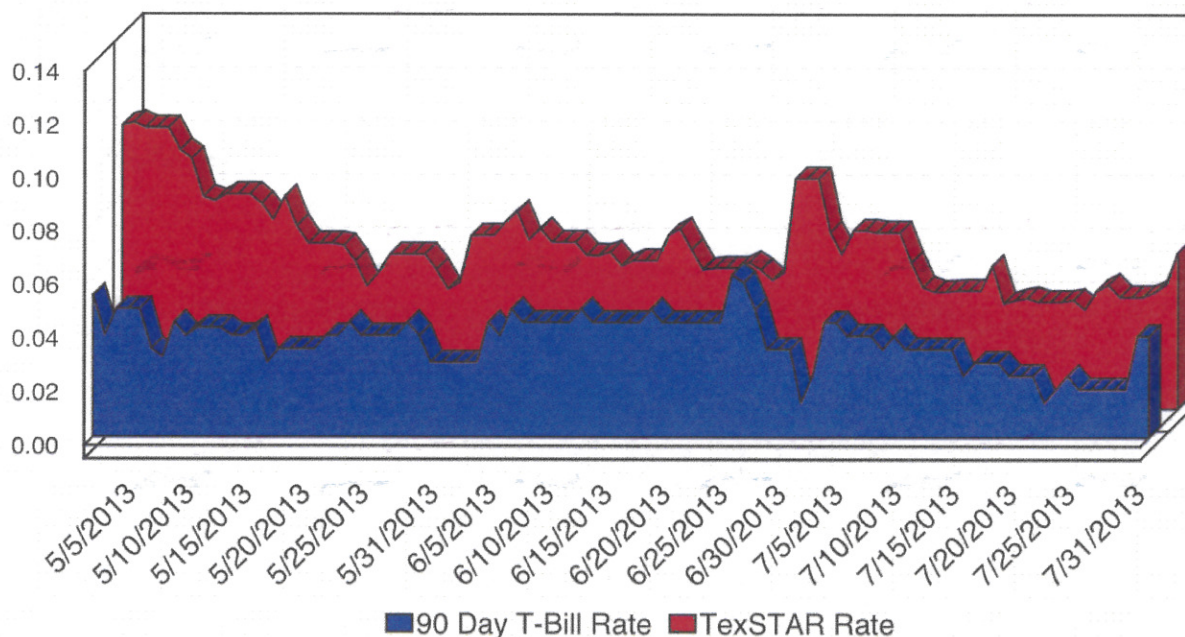
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jul 13	0.0487%	\$4,833,856,137.70	\$4,834,318,370.27	1.000095	52	56	776
Jun 13	0.0614%	5,173,585,142.53	5,173,948,421.52	1.000070	54	58	775
May 13	0.0723%	5,474,920,318.32	5,475,469,836.81	1.000100	54	59	773
Apr 13	0.1038%	5,496,240,712.35	5,496,953,468.88	1.000129	51	57	773
Mar 13	0.1125%	5,635,357,483.25	5,636,069,051.83	1.000126	52	60	770
Feb 13	0.0996%	6,248,843,373.19	6,249,277,988.81	1.000069	51	58	768
Jan 13	0.1103%	6,030,821,287.69	6,031,600,682.90	1.000129	48	57	767
Dec 12	0.1647%	5,411,874,896.68	5,412,541,199.28	1.000123	49	60	767
Nov 12	0.1720%	4,745,368,285.66	4,745,870,906.22	1.000105	51	63	765
Oct 12	0.1746%	4,755,942,789.56	4,756,394,096.44	1.000094	45	60	763
Sep 12	0.1574%	4,659,065,730.90	4,659,684,743.38	1.000132	46	63	759
Aug 12	0.1326%	4,724,281,980.85	4,724,862,450.42	1.000122	49	67	759

Portfolio Asset Summary as of July 31, 2013

	Book Value	Market Value
Uninvested Balance	\$ 389.81	\$ 389.81
Accrual of Interest Income	955,984.19	955,984.19
Interest and Management Fees Payable	(497,754.92)	(497,754.92)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	1,680,955,000.00	1,680,955,000.00
Government Securities	3,152,442,518.62	3,152,904,751.19
Total	\$ 4,833,856,137.70	\$ 4,834,318,370.27

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 July 2013

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
7/1/2013	0.0659%	0.000001806	\$5,144,987,115.98	1.000065	54	58
7/2/2013	0.0576%	0.000001579	\$5,311,000,353.82	1.000067	52	56
7/3/2013	0.0665%	0.000001821	\$5,295,660,969.45	1.000071	51	55
7/4/2013	0.0665%	0.000001821	\$5,295,660,969.45	1.000071	51	55
7/5/2013	0.0658%	0.000001804	\$5,271,821,941.72	1.000064	50	53
7/6/2013	0.0658%	0.000001804	\$5,271,821,941.72	1.000064	50	53
7/7/2013	0.0658%	0.000001804	\$5,271,821,941.72	1.000064	50	53
7/8/2013	0.0545%	0.000001492	\$5,263,302,540.86	1.000076	49	52
7/9/2013	0.0453%	0.000001241	\$5,308,006,579.69	1.000075	49	52
7/10/2013	0.0436%	0.000001195	\$5,266,223,234.92	1.000072	50	53
7/11/2013	0.0437%	0.000001197	\$5,224,191,993.55	1.000081	50	53
7/12/2013	0.0441%	0.000001207	\$5,257,565,564.95	1.000081	52	55
7/13/2013	0.0441%	0.000001207	\$5,257,565,564.95	1.000081	52	55
7/14/2013	0.0441%	0.000001207	\$5,257,565,564.95	1.000081	52	55
7/15/2013	0.0533%	0.000001461	\$5,243,675,747.85	1.000084	52	55
7/16/2013	0.0392%	0.000001074	\$5,272,147,869.12	1.000086	53	56
7/17/2013	0.0405%	0.000001109	\$5,228,267,272.38	1.000084	54	57
7/18/2013	0.0413%	0.000001131	\$5,217,443,248.34	1.000085	54	57
7/19/2013	0.0399%	0.000001092	\$5,181,598,399.37	1.000084	53	55
7/20/2013	0.0399%	0.000001092	\$5,181,598,399.37	1.000084	53	55
7/21/2013	0.0399%	0.000001092	\$5,181,598,399.37	1.000084	53	55
7/22/2013	0.0406%	0.000001111	\$5,150,910,697.93	1.000086	55	58
7/23/2013	0.0370%	0.000001014	\$5,176,637,935.93	1.000086	54	57
7/24/2013	0.0440%	0.000001205	\$5,084,704,691.38	1.000080	55	58
7/25/2013	0.0463%	0.000001269	\$5,102,164,325.89	1.000091	53	56
7/26/2013	0.0417%	0.000001143	\$5,013,982,545.40	1.000095	54	57
7/27/2013	0.0417%	0.000001143	\$5,013,982,545.40	1.000095	54	57
7/28/2013	0.0417%	0.000001143	\$5,013,982,545.40	1.000095	54	57
7/29/2013	0.0435%	0.000001191	\$4,974,682,696.82	1.000097	54	57
7/30/2013	0.0465%	0.000001273	\$4,882,346,783.43	1.000095	54	58
7/31/2013	0.0584%	0.000001600	\$4,833,856,137.70	1.000095	54	58
Average	0.0487%	0.000001333	\$5,175,831,500.61		52	56

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>Kenneth Huewitt</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>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Eric Cannon</i>	<i>Town of Addison</i>	<i>Advisory Board</i>
<i>Nicole Conley</i>	<i>Austin ISD</i>	<i>Advisory Board</i>
<i>Pamela Moon</i>	<i>City of Lubbock</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</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 & Santow</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

FirstSouthwest 

J.P.Morgan
Asset Management

Attachment B
Financial Reports for August 2013

**Central Texas Regional Mobility Authority
Balance Sheet**

As of

August 31, 2013

August 31, 2012

Assets

Current Assets

Cash in Regions Operating Account	722,285	177,089	
Cash In TexSTAR	59,786	24,477	
Regions Payroll Account	143,065	5,810	
Restricted cash/cash equivalents			
Fidelity Government MMA	130,753,422	47,518,296	
Restricted Cash-TexStar	24,657,200	53,047,863	
Overpayment accounts	37,527	33,270	
Total Cash and Cash Equivalents	156,373,286	100,806,806	

Accounts Receivable	17,724	304,153	
Due From Employees	0	(357)	
Due From TTA	100,238	578,470	
Due From NTTA	134,726	52,359	
Due From HCTRA	139,718	83,937	
Due From TxDOT	992,036	3,194,088	
Due From Federal Government	0	308,978	
Interest Receivable	328,267	755,369	
Total Receivables	1,712,710	5,276,997	

Short Term Investments

Treasuries	0	4,549,017	
Short Term Investments	96,421,135		171,494,299

Other Current Assets

Prepaid Insurance	13,331	5,761	
Total Current Assets	254,545,307	277,583,863	

Construction Work In Process

304,204,207	247,551,765
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Fixed Assets

Computers(net)	104,430	29,684	
Computer Software(net)	445,900	100,616	
Furniture and Fixtures(net)	0	11,642	
Equipment(net)	17,635	36,153	
Autos and Trucks(net)	13,222	20,120	
Buildings and Toll Facilities(net)	5,980,372	6,138,146	
Highways and Bridges(net)	325,737,249	279,076,100	
Communication Equipment(net)	735,432	919,639	
Toll Equipment(net)	12,044,569	9,562,762	
Signs(net)	8,788,565	6,054,285	
Land Improvements(net)	7,248,258	3,381,405	
Right of Way	46,642,851	24,800,630	
Leasehold Improvements	164,813	55,875	
Total Fixed Assets	407,923,294	330,187,057	

Long Term Investments

Other Assets

Security Deposits	0	8,644	
Intangible Assets	15,032,417	650	
2005 Bond Insurance Costs	5,337,706		

Total Assets

987,042,931	888,467,787
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Liabilities

Current Liabilities

Accounts Payable	215,411	727,574
Overpayments	38,843	34,213
Interest Payable	8,381,150	7,213,613
TCDRS Payable	37,110	33,306
Due to other Entities	673,208.45	7,446
Other	0	143,134
Due to State of Texas	(0)	0
Total Current Liabilities	9,345,722	8,159,286

Long Term Liabilities

Accrued Vac & Sick Leave Paybl	189,089	189,089
Senior Lien Revenue Bonds 2005	0	172,628,655
Senior Lien Revenue Bonds 2010	105,228,214	101,968,478
Senior Lien Revenue Bonds 2011	307,377,178	306,682,955
Senior Refunding Bonds 2013	185,810,000	0
Sn Lien Rev Bnd Prem/Disc 2010	125,640	162,757
Sn Lien Rev Bnd Prem/Disc 2011	(3,695,059)	(3,856,435)
Sn Lien Rev Bnd Prem/Disc 2013	19,139,539	0
Subordinated Lien Bond 2010	0	45,000,000
Subordinated Lien Bond 2011	70,000,000	70,000,000
Subordinated Refunding Bonds 2013	103,960,000	
Sub Lien Bond 2011 Prem/Disc	(1,968,673)	(2,058,489)
Sub Lien Bond 2013 Prem/Disc	4,204,516	
TIFIA note 2008	0	77,656,077
2011 Regions Draw Down Note	2,380,581	400,000
2013 American Bank Loan	5,300,000	
Total Long Term Liabilities	798,051,025	773,384,237
Total Liabilities	807,396,747	781,543,523

Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	153,684,260	86,019,147
Current Year Operations	7,627,079	2,570,272
Total Net Assets	161,311,338	88,589,419

Total Liabilities and Net Assets

987,042,931	888,467,787
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Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 8/31/2013	Percent of Budget	Actual Prior Year to Date 8/31/12
Revenue				
Operating Revenue				
Toll Revenue-TxTag-Manor	1,188,228	338,034	28.45%	-
Toll Revenue-TxTag-183A	29,507,860	3,672,428	12.45%	3,431,098
Toll Revenue-HCTRA-183A	884,163	237,805	26.90%	164,562
Toll Revenue-HCTRA Manor	173,689	43,232	24.89%	-
Toll Revenue-NTTA-183A	580,498	147,067	25.33%	103,159
Toll Revenue-NTTA-Manor	77,633	15,514	19.98%	-
Video Tolls 183A	4,243,980	843,442	19.87%	778,373
Video Tolls Manor Expressway	452,664	124,831	27.58%	-
Fee revenue 183A	1,661,750	322,544	19.41%	283,143
Fee revenue Manor Expressway	179,820	82,387	45.82%	-
Total Operating Revenue	38,950,285	5,827,284	14.96%	4,760,335
Other Revenue				
Interest Income	180,000	30,173	16.76%	38,344
Grant Revenue	1,236,000	7,944,478	642.76%	3,514,275
Reimbursed Expenditures	-	-	0.00%	34,774
Misc Revenue	92,500	3,702	4.00%	44,585
Unrealized Loss	-	-	0.00%	42,708
Total Other Revenue	1,508,500	7,978,353	528.89%	3,674,686
Total Revenue	\$ 40,458,785	\$ 13,805,637	34.12%	\$ 8,435,020
Expenses				
Salaries and Wages				
Salary Expense-Regular	2,185,005	291,999	13.36%	264,286
Part Time Salary Expense	12,000	-	0.00%	-
Overtime Salary Expense	3,000	-	0.00%	-
Contractual Employees Expense	5,000	-	0.00%	1,202
TCDRS	317,550	41,049	12.93%	37,198
FICA	102,241	13,481	13.19%	12,638
FICA MED	31,900	4,219	13.23%	3,811
Health Insurance Expense	193,060	31,095	16.11%	29,832
Life Insurance Expense	5,874	270	4.59%	3,309
Auto Allowance Expense	10,200	-	0.00%	-
Other Benefits	190,261	16,095	8.46%	14,071
Unemployment Taxes	12,960	13	0.10%	-
Salary Reserve	50,000	-	0.00%	-

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 8/31/2013	Percent of Budget	Actual Prior Year to Date 8/31/12
Total Salaries and Wages	3,119,051	398,220	12.77%	366,346
Contractual Services				
<u>Professional Services</u>				
Accounting	12,000	2,080	17.34%	549
Auditing	65,000	22,335	34.36%	35,300
General Engineering Consultant	460,000	-	0.00%	20,137
GEC-Trust Indenture Support	75,000	-	0.00%	-
GEC-Financial Planning Support	50,000	-	0.00%	-
GEC-Toll Ops Support	5,000	-	0.00%	-
GEC-Roadway Ops Support	325,000	-	0.00%	-
GEC-Technology Support	50,000	-	0.00%	-
GEC-Public Information Support	10,000	-	0.00%	-
GEC-General Support	275,000	-	0.00%	-
General System Consultant	175,000	17,810	10.18%	-
Image Processing - 183A	1,140,000	170,443	14.95%	137,631
Image Processing - Manor	120,000	44,400	37.00%	-
Facility maintenance	-	1,364		1,418
HERO	1,629,000	112,450	6.90%	85,458
Special Projects	-	(4,000)	0.00%	-
Human Resources	50,000	2,675	5.35%	71
Legal	250,000	2,319	0.93%	-
Photography	10,000	-	0.00%	-
Traffic and Revenue Consultant	5,000	7,386	147.72%	-
Communications and Marketing	-	-	0.00%	9,331
Total Professional Services	4,706,000	379,263	8.06%	289,895
<u>Other Contractual Services</u>				
IT Services	63,000	5,233	8.31%	2,709
Graphic Design Services	40,000	-	0.00%	-
Website Maintenance	35,000	-	0.00%	1,147
Research Services	50,000	-	0.00%	-
Copy Machine	10,000	800	8.00%	724
Software Licenses	17,200	-	0.00%	6,653
ETC Maintenance Contract	1,291,625	-	0.00%	68,798
ETC Development	125,000	-	0.00%	-
ETC Testing	30,000	-	0.00%	-
Communications and Marketing	140,000	100	0.07%	-
Advertising Expense	60,000	394	0.66%	1,000

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 8/31/2013	Percent of Budget	Actual Prior Year to Date 8/31/12
Direct Mail	5,000	-	0.00%	-
Video Production	20,000	-	0.00%	-
Radio	10,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	19,300	7.72%	19,127
Special assignments	5,000	-	0.00%	-
Emergency Maintenance	10,000	-	0.00%	-
Generator Maintenance	20,000	-	0.00%	-
Generator Fuel	9,000	-	0.00%	-
Fire and Burglar Alarm	3,660	-	0.00%	-
Elevator Maintenance	2,640	-	0.00%	-
Refuse	780	-	0.00%	-
Pest Control	1,536	-	0.00%	-
Custodial	4,440	-	0.00%	-
Roadway Maintenance Contract	750,000	(63,636)	0.00%	36,671
Landscape Maintenance	250,000	20,679	8.27%	20,025
Mowing and litter control	-	-	0.00%	8,840
Graffiti removal	-	-	0.00%	225
Cell Phones	10,000	1,722	17.22%	910
Local Telephone Service	25,000	2,439	9.75%	2,370
Internet	6,000	-	0.00%	-
Fiber Optic System	30,000	10,879	36.26%	4,573
Other Communication Expenses	1,000	98	9.78%	50
Subscriptions	1,850	(250)	0.00%	-
Memberships	34,600	1,388	4.01%	1,393
Continuing Education	7,300	116	1.59%	265
Professional Development	14,000	51	0.36%	-
Seminars and Conferences	32,000	8,150	25.47%	4,600
Staff-Travel	89,000	13,929	15.65%	20,789
Other Contractual Svcs	200	-	0.00%	-
Tag Collection Fees	2,013,000	168,753	8.38%	114,547
Court Enforcement Costs	15,000	-	0.00%	-
Contractual Contingencies	130,500	-	0.00%	-
Total Other Contractual Services	5,615,831	190,143	3.39%	315,417
Total Contractual Services	10,321,831	569,406	5.52%	605,312
Materials and Supplies				
Books & Publications	6,500	369	5.67%	1,058
Office Supplies	10,000	2,825	28.25%	321

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 8/31/2013	Percent of Budget	Actual Prior Year to Date 8/31/12
Computer Supplies	12,500	2,401	19.21%	2,860
Copy Supplies	2,200	-	0.00%	44
Annual Report printing	7,000	-	0.00%	-
Other Reports-Printing	10,000	-	0.00%	-
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	2,500	484	19.38%	-
Maintenance Supplies-Roadway	9,175	-	0.00%	-
Promotional Items	10,000	-	0.00%	-
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	-	0.00%	-
Misc Materials & Supplies	3,000	30	0.99%	-
Total Materials and Supplies	113,875	6,109	5.36%	4,283
Operating Expenses				
Gasoline	5,500	586	10.66%	766
Mileage Reimbursement	6,750	747	11.07%	409
Toll Tag Expense	2,700	35	1.28%	550
Parking	3,175	697	21.95%	5,962
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	5,000	-	0.00%	-
Meeting Expense	17,300	563	3.26%	594
Public Notices	2,000	-	0.00%	-
Postage Expense	5,650	72	1.28%	65
Overnight Delivery Services	1,700	30	1.77%	9
Local Delivery Services	1,150	-	0.00%	12
Insurance Expense	90,000	12,703	14.11%	10,161
Repair & Maintenance-General	500	-	0.00%	403
Repair & Maintenance-Vehicles	500	84	16.88%	64
Repair & Maintenance Toll Equip	5,000	170	3.40%	400
Rent Expense	400,000	17,636	4.41%	36,271
Water	7,500	761	10.15%	833
Electricity	180,000	15,007	8.34%	10,114
Other Licenses	700	-	0.00%	-
Community Initiative Grants	65,000	10,000	15.38%	10,000
Non Cash Operating Expenses				
Amortization Expense	25,000	15,376	61.50%	68,289
Amort Expense - Refund Savings	-	171,310		-

Central Texas Regional Mobility Authority
Income Statement
All Operating Departments

Account Name	Budget Amount FY 2014	Actual Year to Date 8/31/2013	Percent of Budget	Actual Prior Year to Date 8/31/12
Dep Exp- Furniture & Fixtures	14,000	-	0.00%	267
Dep Expense - Equipment	17,000	3,499	20.58%	2,815
Dep Expense - Autos & Trucks	7,000	1,150	16.42%	1,150
Dep Expense-Buildng & Toll Fac	100,000	29,519	29.52%	29,426
Dep Expense-Highways & Bridges	9,000,000	1,501,038	16.68%	827,868
Dep Expense-Communic Equip	175,000	32,686	18.68%	31,804
Dep Expense-Toll Equipment	986,000	257,746	26.14%	76,964
Dep Expense - Signs	175,000	40,461	23.12%	22,211
Dep Expense-Land Improvemts	160,000	65,612	41.01%	10,967
Depreciation Expense-Computers	11,000	3,352	30.47%	1,965
Total Operating Expenses	11,470,375	2,180,841	19.01%	1,150,338
Financing Expenses				
Arbitrage Rebate Calculation	6,000	-	0.00%	-
Loan Fee Expense	5,000	-	0.00%	-
Rating Agency Expense	50,000	-	0.00%	11,000
Trustee Fees	8,000	-	0.00%	-
Bank Fee Expense	8,000	967	12.08%	1,009
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	20,796,755	3,005,042	14.45%	3,653,897
Contingency	15,000	-	0.00%	-
Non Cash Financing Expenses				
Bond issuance expense	400,000	17,975	4.49%	72,562
Total Financing Expenses	21,292,755	3,023,984	14.20%	3,738,468
Other Gains or Losses				
Total Other Gains or Losses	-	-	0.00%	-
Total Expenses	\$ 46,317,887	\$ 6,178,558	13.34%	\$ 5,864,748
Net Income	\$ (5,859,102)	\$ 7,627,079		\$ 2,570,272

INVESTMENTS by FUND

		Balance		
			August 31, 2013	
Renewal & Replacement Fund				
TexSTAR	661,229.24			24,716,985.59
Regions Sweep	0.66			8,000,000.00
Agencies		661,229.90		130,454,162.50
TxDOT Grant Fund				88,420,065.05
TexSTAR	3,181,756.84			
Regions Sweep	245,894.11			
CD's	3,000,000.00			
Agencies	3,037,913.33	9,465,564.28		\$ 251,591,213.14
Senior Debt Service Reserve Fund				
TexSTAR	8,033,078.40			
Regions Sweep	1,525,020.39			
Agencies	29,029,706.64	38,587,805.43		
2010 Senior Lien DSF				
Regions Sweep	573,870.11			
TexSTAR	0.00	573,870.11		
2011 Debt Service Acct				
Regions Sweep	0.33	0.33		
2013 Sr Debt Service Acct				
Regions Sweep	1,807,916.73	1,807,916.73		
2013 Sub Debt Serrvice Account				
Regions Sweep	947,079.99	947,079.99		
2011 Sub Debt DSRF				
Regions Sweep	2,023,236.91			
CD's	5,000,000.00	7,023,236.91		
Operating Fund				
TexSTAR	59,786.09			
TexSTAR-Trustee	2,252,181.69			
Regions Sweep	0.00	2,311,967.78		
Revenue Fund				
TexSTAR	1.00			
Regions Sweep	1,714,389.58	1,714,390.58		
General Fund				
TexSTAR	53.78			
Regions Sweep	14,760,486.88	14,760,540.66		
2011 Sr Capitalized Interest Fund				
Regions Sweep	37,766.60			
Agencies	8,944,801.14	8,982,567.74		
2011 Sub Capitalized Interest Fund				
Regions Sweep	584.97			
Agencies	2,361,269.32	2,361,854.29		
2010 Senior Lien Debt Service Reserve Fund				
TexSTAR	5,562,019.34			
Regions Sweep	65,897.84			
Agencies	3,902,257.12	9,530,174.30		
2013 Sub Debt Service Reserve Fund				
Regions Sweep	8,417,705.63	8,417,705.63		
MoPac Construction Fund				
Regions Sweep	40,018,900.52	40,018,900.52		
2010-1 Sub Lien Projects Fund				
TexSTAR	797,324.33			
Regions Sweep	0.00	797,324.33		
2010 Senior Lien Construction Fund				
TexSTAR	1.19			
Regions Sweep	147,244.58	147,245.77		
2011 Sub Debt Project fund				
TexSTAR	4,169,434.03			
Agencies				
Regions Sweep	43,952,663.57	48,122,097.60		
2011 Sr Financial Assistance Fund				
Regions Sweep	31.73	31.73		
2011 Senior Lien Project Fund				
TexSTAR	119.66			
Regions Sweep	14,215,471.37			
Agencies	41,144,117.50	55,359,708.53		
		<u>55,359,708.53</u>		
		<u>\$ 251,591,213.14</u>		

CTRMA INVESTMENT REPORT

Month Ending 8/31/13						
Balance 8/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 8/31/13	Rate Aug 13
Amount in Trustee TexStar						
2011 Sub Lien Construction Fund			167.85		4,169,434.03	0.049%
2011 Senior Lien Construction Fund					119.66	0.049%
2010 Senior Lien Construction Fund					1.19	0.049%
2010-1 Sub Lien Projects			32.10	376.65	797,324.33	0.049%
General Fund					53.78	0.049%
Trustee Operating Fund	1,100,000.00		80.95	900,000.00	2,252,181.69	0.049%
Renewal and Replacement			26.61		661,229.24	0.049%
TxDOT Grant Fund			128.11		3,181,756.84	0.049%
Revenue Fund					1.00	0.049%
Senior Lien Debt Service Reserve Fund			323.41		8,033,078.40	0.049%
2010 Senior Lien Debt Service Reserve Fund			223.93		5,562,019.34	0.049%
24,456,593.19	1,100,000.00		982.96	900,376.65	24,657,199.50	
Amount in TexStar Operating Fund						
59,782.41	900,000.00		3.68	900,000.00	59,786.09	0.049%

CTRMA INVESTMENT REPORT

Month Ending 8/31/13							Rate Aug 13
Balance 8/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 8/31/13		
Regions Sweep Money Market Fund							
Operating Fund	0.00	1,100,000.00			1,100,000.00	0.00	0.150%
2010-1 Sub Lien Project Acct	0.00	376.65			376.65	0.00	0.150%
2010 Senior Lien Project Acct	159,464.63			20.55	12,240.60	147,244.58	0.150%
2011 Sub Lien Project Acct	43,947,064.83			5,598.74		43,952,663.57	0.150%
2011 Senior Lien Project Acct	7,051,896.24	7,750,000.00		1,242.40	587,667.27	14,215,471.37	0.150%
2011 Sr Financial Assistance Fund	31.73					31.73	0.150%
2010 Senior DSF	286,925.00	286,925.00		20.11		573,870.11	0.150%
2011 Senior Lien Debt Service Acct	0.33					0.33	0.150%
2011 Sub Debt Service Fund	0.00					0.00	0.150%
2013 Senior Lien Debt Service Acct	903,941.07	903,912.50		63.16		1,807,916.73	0.150%
2013 Subordinate Debt Service Acct	473,613.57	473,433.33		33.09		947,079.99	0.150%
2011 Sr Cap I Fund	37,761.79			4.81		37,766.60	0.150%
2011 Sub Debt CAP I	584.90			0.07		584.97	0.150%
TxDOT Grant Fund	230,864.70			15,029.41		245,894.11	0.150%
Renewal and Replacement	0.66					0.66	0.150%
Revenue Fund	2,265,679.55	3,552,952.52		171.72	4,104,414.21	1,714,389.58	0.150%
General Fund	13,730,687.17	1,431,575.38		1,812.33	403,588.00	14,760,486.88	0.150%
2010 Senior Debt Service Reserve Fund	65,889.45			8.39		65,897.84	0.150%
2011 Sub Debt Debt Service Reserve Fund	2,022,979.19			257.72		2,023,236.91	0.150%
Senior Lien Debt Service Reserve Fund	1,489,831.80			35,188.59		1,525,020.39	0.150%
2013 Sub Debt Service Reserve Fund	8,416,633.37			1,072.26		8,417,705.63	0.150%
MoPac Managed Lane Construction Fund	47,357,551.94			4,967.61	7,343,619.03	40,018,900.52	0.150%
	128,441,401.92	15,499,175.38	0.00	65,490.96	13,551,905.76	130,454,162.50	
Amount in Fed Agencies and Treasuries							
Amortized Principal	88,478,373.42		(58,308.37)			88,420,065.05	
Accrued Interest				63,351.05			
	88,478,373.42	0.00	(58,308.37)		0.00	88,420,065.05	
Certificates of Deposit							
Total in Pools	3,000,000.00	5,000,000.00			0.00	8,000,000.00	
Total in Money Market	24,516,375.60	2,000,000.00		986.64	1,800,376.65	24,716,985.59	
Total in Fed Agencies	128,441,401.92	15,499,175.38		65,490.96	13,551,905.76	130,454,162.50	
	88,478,373.42	0.00	(58,308.37)		0.00	88,420,065.05	

CTRMA INVESTMENT REPORT

Total Invested

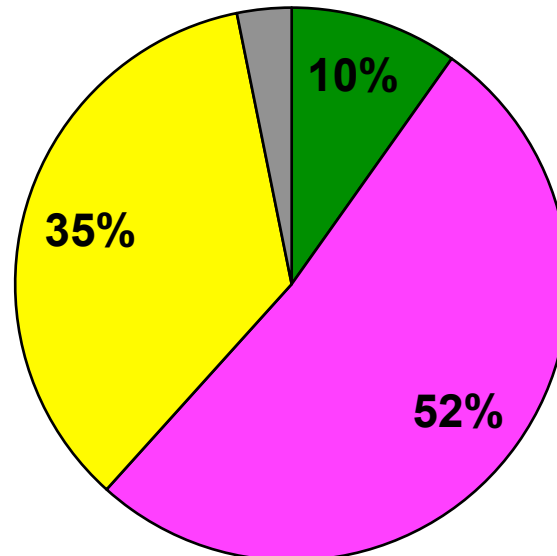
Month Ending 8/31/13					
Balance 8/1/13	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 8/31/13
244,436,150.94	22,499,175.38	(58,308.37)	66,477.60	15,352,282.41	251,591,213.14

Rate
Aug 13

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

William Chapman, CFO

Allocation of Funds



■ Total in Pools ■ Total in Money Market ■ Total in Fed Agencies ■ Total in CD's

Amount of investments As August 31, 2013

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND
Freddie Mac	3134G2U42	1,000,000.00	1,000,000.00	1,000,340.00	0.3750%	3/15/12	10/15/13	TxDOT Grant Fund
Federal Home loan Bank	3134A4UL6	2,326,924.30	2,361,269.32	2,358,787.68	0.6300%	6/29/11	11/15/13	2011 Sub Debt CAP I
Federal Home loan Bank	3134A4UL6	8,794,454.76	8,944,801.14	8,933,833.44	0.7190%	6/29/11	11/15/13	2011 Sr Debt CAP I
Fannie Mae	31398A3L4	3,883,198.70	3,832,216.60	3,831,570.30	0.2605%	2/7/12	9/17/13	2005 Sr DSRF
Fannie Mae	31398A3L4	3,954,171.00	3,902,257.12	3,901,599.00	0.2605%	2/7/12	9/17/13	2010 Sr DSRF
Federal Home Loan Bank	3133XR88	7,370,650.00	7,020,591.67	7,002,310.00	0.2990%	3/30/12	9/6/13	2011 Sr Project
Federal Home Loan Bank	313378U41	12,009,480.00	12,001,053.33	12,002,400.00	0.2970%	3/30/12	9/30/13	2011 Sr Project
Freddie Mac	3134G3BF6	12,054,960.00	12,009,160.00	12,018,840.00	0.3592%	3/30/12	12/23/13	2011 Sr Project
Federal Home Loan Bank	3133XWKV0	10,388,500.00	10,113,312.50	10,119,700.00	0.3791%	3/30/12	3/14/14	2011 Sr Project
Freddie Mac	3137EADD8	1,004,940.00	1,003,293.33	1,002,410.00	0.2290%	12/3/12	4/17/15	TxDOT Grant Fund
Northside ISD	66702RAG7	1,057,700.00	1,034,620.00	1,037,230.00	0.3580%	12/5/12	2/15/15	TxDOT Grant Fund
Fannie Mae	3135G0BY8	8,081,952.00	8,053,117.04	8,054,320.00	0.2150%	2/8/13	8/28/14	2005 DSRF
Fannie Mae	313560TW3	4,999,250.00	4,999,425.00	4,989,550.00	0.4060%	2/8/13	7/30/15	2005 DSRF
Federal Home Loan Bank	313371W51	12,217,422.00	12,144,948.00	12,133,320.00	0.2646%	2/8/13	12/12/14	2005 DSRF
		<u>62,787,278.76</u>	<u>88,420,065.05</u>	<u>88,386,210.42</u>				

Agency	CUSIP #	COST	Cumulative Amortization	8/31/13		Interest Income August 31, 2013		
				Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
Freddie Mac	3134G2U42	1,000,000.00	-	1,000,000.00	1,000,000.00	312.50		312.50
Federal Home loan Bank	3134A4UL6	2,326,924.30	34,345.02	2,361,269.32	2,362,000.00		243.58	243.58
Federal Home loan Bank	3134A4UL6	8,794,454.76	150,346.38	8,944,801.14	8,946,000.00		1,066.29	1,066.29
Fannie Mae	31398A3L4	3,883,198.70	50,982.10	3,832,216.60	3,830,000.00	3,590.63	(2,216.61)	1,374.02
Fannie Mae	31398A3L4	3,954,171.00	51,913.88	3,902,257.12	3,900,000.00	3,656.25	(2,257.13)	1,399.12
Federal Home Loan Bank	3133XR88	7,370,650.00	350,058.33	7,020,591.67	7,000,000.00	23,333.33	(20,591.70)	2,741.63
Federal Home Loan Bank	313378U41	12,009,480.00	8,426.67	12,001,053.33	12,000,000.00	3,500.00	(526.67)	2,973.33
Freddie Mac	3134G3BF6	12,054,960.00	45,800.00	12,009,160.00	12,000,000.00	6,250.00	(2,290.00)	3,960.00
Federal Home Loan Bank	3133XWKV0	10,388,500.00	275,187.50	10,113,312.50	10,000,000.00	19,791.67	(16,187.50)	3,604.17
Freddie Mac	3137EADD8	1,004,940.00	1,646.67	1,003,293.33	1,000,000.00	416.67	(164.67)	252.00
Northside ISD	66702RAG7	1,057,700.00	23,080.00	1,034,620.00	1,000,000.00	2,500.00	(1,923.33)	576.67
Fannie Mae	3135G0BY8	8,081,952.00	28,834.96	8,053,117.04	8,000,000.00	5,833.33	(4,426.42)	1,406.91
Fannie Mae	313560TW3	4,999,250.00	(175.00)	4,999,425.00	500,000.00	1,666.67	25.00	1,691.67
Federal Home Loan Bank	313371W51	12,217,422.00	72,474.00	12,144,948.00	12,000,000.00	12,500.00	(9,059.25)	3,440.75
		<u>89,143,602.76</u>	<u>1,092,920.51</u>	<u>88,420,065.05</u>	<u>83,538,000.00</u>	<u>63,351.05</u>	<u>(58,308.41)</u>	<u>18,503.31</u>

August 31, 2013 Certificates of Deposit Outstanding

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	August 31, 2013 Interest	FUND
Compass Bank	CD9932129	3,000,000	0.35%	8/27/12	2/27/14	\$ 863.01	TxDOT Grant Fund
Compass Bank	CD 02636	5,000,000	0.35%	2/5/13		\$ 1,458.33	2011 Sub DSRF
		<u>8,000,000</u>				<u>\$ 2,321.34</u>	



Monthly Newsletter - August 2013

Performance

As of August 31, 2013

Current Invested Balance	\$4,682,919,318.35
Weighted Average Maturity (1)	49 Days
Weighted Average Maturity (2)	60 Days
Net Asset Value	1.000091
Total Number of Participants	777
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$396,561.02
Management Fee Collected	\$203,620.98
% of Portfolio Invested Beyond 1 Year	0.53%
Standard & Poor's Current Rating	AAAM

August Averages

Average Invested Balance	\$4,794,814,898.48
Average Monthly Yield, on a simple basis	0.0474%
Average Weighted Average Maturity (1)*	52 Days
Average Weighted Average Maturity (2)*	59 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 August 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 entity who joined the TexSTAR program in August:

★ Live Oak County

Holiday Reminder

Please note that in observance of the Columbus Day holiday, **TexSTAR will be closed Monday, October 14, 2013.** All ACH transactions initiated on Friday, October 11th will settle on Tuesday, October 15th. This is an unusual holiday where the investment markets are open but the banks are closed. Please plan accordingly for your liquidity needs.

Economic Commentary

Equity and bond markets were weaker in August as investors continued to reduce risk in front of a busy September, with the FOMC meeting being the most anticipated event. However, better economic data out of Europe helped offset some of investors' concerns, while geopolitical risks caused some angst at the end of August due to a possible U.S. strike against Syria. To the extent investors hoped for clarity on Fed policy, the minutes of its July meeting did not provide it. Most of the market continues to expect an announcement on reduced asset purchases at the next FOMC meeting on September 18th. The initial readings on U.S. economic activity suggest a loss of momentum as we progressed through the third quarter. Growth is expected to remain tepid, making it challenging to achieve consensus forecasts for the second half of the year. The leading source of growth is expected to shift to the manufacturing sector as global and domestic headwinds experienced in the first half of the year recede. Consumer sentiment has remained positive, but consumers have been unable to monetize rising asset prices, keeping consumption dependent on income growth. Growth is expected to remain weak as the structure and composition of the labor market shifts toward part-time and low wage employment. Corporations lack the incentive to hire with productivity levels depressed, final sales subdued and the global environment uncertain. Finally, it is believed that credit availability will continue to be limited. Any impetus for inflation, albeit temporary, could come from supply constraints in the resource markets. Energy prices and energy price volatility are likely to increase as geopolitical risks rise around potential military action in the Middle East. Fiscal policy is expected to add another layer of uncertainty in the months ahead as the 2014 budget and the debt ceiling debate are likely to grab news headlines.

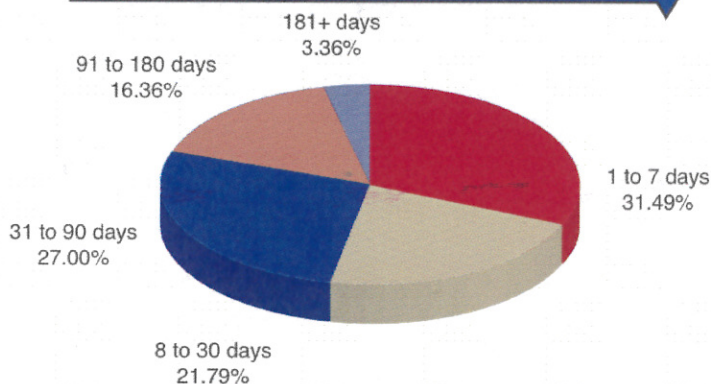
With the expected removal of asset purchases from its tool kit, the Fed has effectively limited policy action to forward rate guidance. Additionally, a great deal of uncertainty has risen regarding the new leadership at the Fed in 2014. Larry Summers is now the presumptive leading candidate for chairperson, and it is likely that Janet Yellen will step down, opening up a fifth potential Fed appointee for President Obama. It is believed that a Fed led by Larry Summers will remain extremely accommodative on monetary policy and that the market is currently pricing in uncertainty regarding the transition rather than a shift in the term structure of policy rates.

This information is an excerpt from an economic report dated August 2013 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

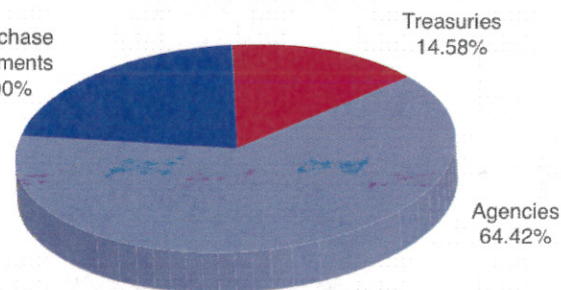
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

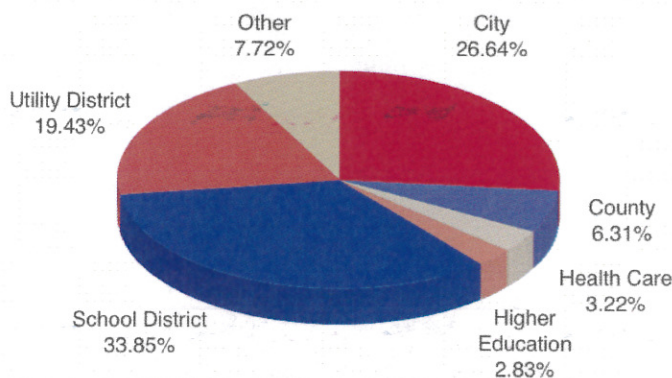
Portfolio by Type of Investment As of August 31, 2013



Repurchase Agreements
21.00%



Portfolio by Maturity As of August 31, 2013



Distribution of Participants by Type As of August 31, 2013

Historical Program Information

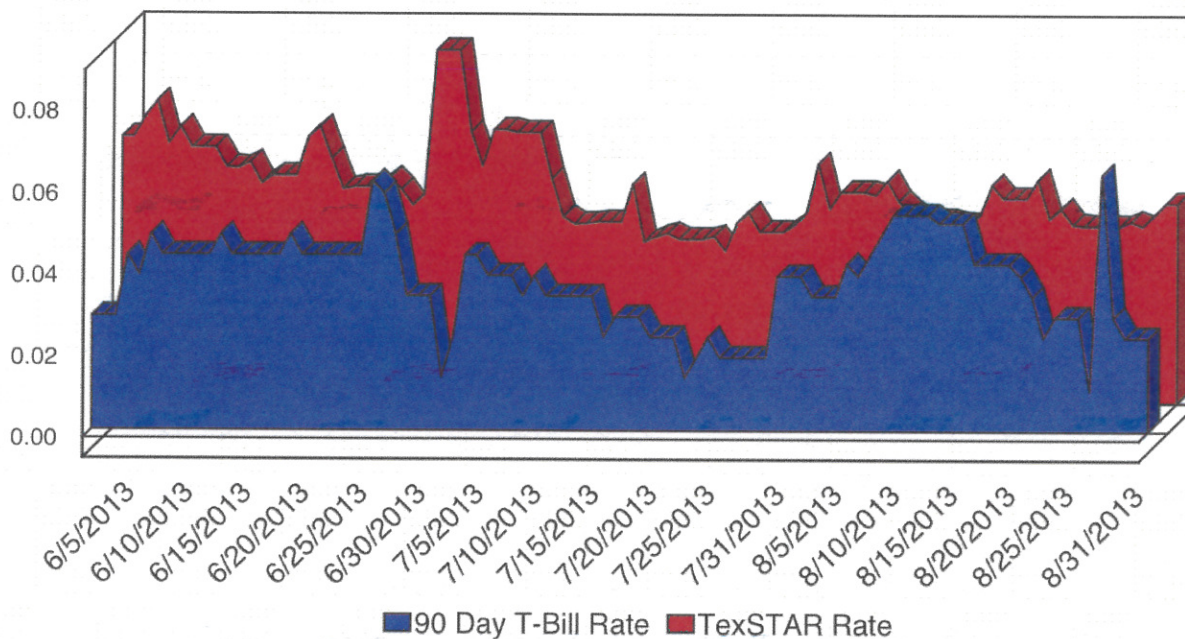
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Aug 13	0.0474%	\$4,682,919,318.35	\$4,683,351,916.02	1.000091	52	59	777
Jul 13	0.0487%	4,833,856,137.70	4,834,318,370.27	1.000095	52	56	776
Jun 13	0.0614%	5,173,585,142.53	5,173,948,421.52	1.000070	54	58	775
May 13	0.0723%	5,474,920,318.32	5,475,469,836.81	1.000100	54	59	773
Apr 13	0.1038%	5,496,240,712.35	5,496,953,468.88	1.000129	51	57	773
Mar 13	0.1125%	5,635,357,483.25	5,636,069,051.83	1.000126	52	60	770
Feb 13	0.0996%	6,248,843,373.19	6,249,277,988.81	1.000069	51	58	768
Jan 13	0.1103%	6,030,821,287.69	6,031,600,682.90	1.000129	48	57	767
Dec 12	0.1647%	5,411,874,896.68	5,412,541,199.28	1.000123	49	60	767
Nov 12	0.1720%	4,745,368,285.66	4,745,870,906.22	1.000105	51	63	765
Oct 12	0.1746%	4,755,942,789.56	4,756,394,096.44	1.000094	45	60	763
Sep 12	0.1574%	4,659,065,730.90	4,659,684,743.38	1.000132	46	63	759

Portfolio Asset Summary as of August 31, 2013

	Book Value	Market Value
Uninvested Balance	\$ 480.20	\$ 480.20
Accrual of Interest Income	664,556.85	664,556.85
Interest and Management Fees Payable	(473,568.54)	(473,568.54)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	983,567,000.00	983,567,000.00
Government Securities	3,699,160,849.84	3,699,593,447.51
Total	\$ 4,682,919,318.35	\$ 4,683,351,916.02

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 August 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 August 2013

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
8/1/2013	0.0474%	0.000001298	\$4,885,108,632.31	1.000094	54	58
8/2/2013	0.0515%	0.000001411	\$4,884,475,277.85	1.000091	53	56
8/3/2013	0.0515%	0.000001411	\$4,884,475,277.85	1.000091	53	56
8/4/2013	0.0515%	0.000001411	\$4,884,475,277.85	1.000091	53	56
8/5/2013	0.0508%	0.000001393	\$4,901,366,864.04	1.000088	52	55
8/6/2013	0.0542%	0.000001484	\$4,879,328,954.37	1.000086	53	56
8/7/2013	0.0493%	0.000001350	\$4,874,072,425.08	1.000085	53	57
8/8/2013	0.0466%	0.000001278	\$4,869,463,499.61	1.000087	54	57
8/9/2013	0.0447%	0.000001226	\$5,000,532,393.76	1.000081	51	54
8/10/2013	0.0447%	0.000001226	\$5,000,532,393.76	1.000081	51	54
8/11/2013	0.0447%	0.000001226	\$5,000,532,393.76	1.000081	51	54
8/12/2013	0.0440%	0.000001206	\$4,984,402,824.83	1.000078	51	54
8/13/2013	0.0438%	0.000001201	\$4,933,890,454.70	1.000800	53	56
8/14/2013	0.0460%	0.000001260	\$4,778,707,712.77	1.000080	54	62
8/15/2013	0.0533%	0.000001460	\$4,632,445,984.75	1.000077	54	65
8/16/2013	0.0500%	0.000001370	\$4,626,264,088.98	1.000073	52	63
8/17/2013	0.0500%	0.000001370	\$4,626,264,088.98	1.000073	52	63
8/18/2013	0.0500%	0.000001370	\$4,626,264,088.98	1.000073	52	63
8/19/2013	0.0546%	0.000001495	\$4,616,986,446.29	1.000770	51	62
8/20/2013	0.0450%	0.000001233	\$4,656,195,309.59	1.000077	51	61
8/21/2013	0.0475%	0.000001301	\$4,648,947,730.70	1.000082	51	62
8/22/2013	0.0437%	0.000001196	\$4,642,837,868.85	1.000090	52	63
8/23/2013	0.0433%	0.000001186	\$4,793,375,129.28	1.000083	48	59
8/24/2013	0.0433%	0.000001186	\$4,793,375,129.28	1.000083	48	59
8/25/2013	0.0433%	0.000001186	\$4,793,375,129.28	1.000083	48	59
8/26/2013	0.0432%	0.000001183	\$4,808,447,331.14	1.000092	51	61
8/27/2013	0.0444%	0.000001217	\$4,791,911,987.08	1.000092	51	62
8/28/2013	0.0433%	0.000001187	\$4,747,760,040.44	1.000091	51	62
8/29/2013	0.0459%	0.000001258	\$4,707,608,480.09	1.000096	52	63
8/30/2013	0.0489%	0.000001339	\$4,682,919,318.35	1.000091	49	60
8/31/2013	0.0489%	0.000001339	\$4,682,919,318.35	1.000091	49	60
Average	0.0474%	0.000001299	\$4,794,814,898.48		52	59

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>Kenneth Huewitt</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>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Eric Cannon</i>	<i>Town of Addison</i>	<i>Advisory Board</i>
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<i>Pamela Moon</i>	<i>City of Lubbock</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</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 & Santow</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

FirstSouthwest 

J.P.Morgan
Asset Management



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #10 SUMMARY

Policy for locating monument signs on
Mobility Authority right-of-way.

Strategic Plan Relevance: Regional Mobility

Department: Engineering

Associated Costs: None

Funding Source: N/A

Board Action Required: No

Description of Matter: Gateway Monuments are freestanding structures or signs that are non-integral to the operation of a roadway facility and usually communicate the name of a city, county, or township (Local Entity). They are typically planned, designed, funded, and maintained by the Local Entity.

Several Transportation Agencies have adopted policies on Gateway Monuments that are summarized in the attached memorandum. Mobility Authority staff will present these policies to the Board in order to get feedback from the Board on revisions to Mobility Authority policies relating to Gateway Monuments.

Reference documentation: Informational Paper on Supplemental Signs and Gateway Monuments

Contact for further information:

Sean Beal, P.E., Engineering Manager

Gateway Monuments Informational Paper

OBJECTIVE:

The Mobility Authority is currently considering policies to uniformly address the implementation of supplemental signing on their facilities. The objective of this memorandum is to address gateway monuments which are freestanding structures used to welcome travelers to a city or community. These monuments are often decorative and unique serving to express a community's sense of identity.

In relation to gateway monuments, this memorandum will:

- Summarize research conducted to determine how other transportation agencies address this issue through their associated policies/procedures
- Assess the research information to determine if industry standard approaches exist in relation to the subject issue
- Provide conclusions regarding specific elements included in the policies reviewed

SUMMARY OF RESEARCH:

Policy information for several transportation and toll agencies throughout the country was reviewed. While many of these organizations had no written policies on memorials, we did find five State Departments of Transportation which have formal policies in place. These included the Departments of Transportation from California, Louisiana, New York, Texas, and Utah. The North Texas Toll Authority (NTTA) was the only toll agency found to have a written policy which prohibits the inclusion of gateway monuments within their facility corridors. Attachment A provides a summary matrix containing the key policy elements related to the use of gateway monuments for each entity.

ASSESSMENT OF RESEARCH:

Numerous elements of these policies were assessed to identify the commonalities within the research data set and determine if there were truly standard approaches across the majority of the group. Following is a brief narrative regarding the key policy element similarities and differences between the agencies.

Proposal:

All of the policies include a permitting process that is initiated by the local entity. The majority of these policies required submittals from a licensed professional engineer, architect, or landscape architect. Required elements of the submittals typically include:

- Shop Drawings and Specifications for all proposed materials
- Traffic Control Plans (as needed)
- Landscape Irrigation and Lighting Plans (as needed)

- Construction Schedule
- Cost Estimate
- Proposed Maintenance Plan and Schedule
- Environmental Documentation

Design of Monument:

Requirements for the design of the monument were given by most of the policies. These requirements were put in place to ensure an aesthetically pleasing and non-obtrusive element.

- Size:
 - Commonly, monuments were limited to dimensions of 20' in width and 20' in height above finished grade.
 - Additional parameters typically included total volume not to exceed 353 cubic feet and a maximum monument face of 400 square feet.
 - The monument must be freestanding.
- Materials:
 - Materials which are durable for the projected life of the monument.
- Content
 - Monuments are generally required to incorporate the official community name, logo graphic seal, or slogan that has been historically associated with the community.
 - Include anti-graffiti coating.
 - Shall not contain any religious, political, special interest, private, or commercial messages of any sort (in all cases).

Location Requirements:

- Lateral Offset:
 - In all cases the placement of the monument was limited to areas outside of the clear recovery zone for both mainlane and frontage road traffic.
 - A limit of one monument per community in each direction of travel (north, south, east, and west) was also usually imposed.
- Safety and Maintenance:
 - The monument generally must be located where maintenance can be safely performed and accessed.
 - The monument must always be placed to not interfere or obstruct any existing regulatory or warning sign.

CONCLUSION & RECOMMENDATIONS:

Considering the five policies reviewed from State Departments of Transportation, these policies were found to have similar regulations and requirements. The focus of these policies being to establish financial responsibility (as the Local Entity's); provide components to be included in the proposal process; and define regulations related to the design, installation, and maintenance

of the monument.

In review of several toll agencies (Harris County Toll Road Authority in Houston, Texas; State Road & Tollway Authority in Atlanta, Georgia; Orlando-Orange County Expressway Authority in Orlando, Florida; New Jersey Turnpike Authority; etc.), it was found that standing policies for gateway monuments are not in effect. As previously stated, NTTA is the only agency among the research data set that has an explicit policy regarding gateway monuments. It is the practice of the NTTA to prohibit the placement of monuments within their right-of-way. The reason for this policy, as well as the lack of policies addressing gateway monuments for other toll agencies may be due to the fact that these agencies own and operate roads that are within urban city limits. Hence there is little need for community gateway monuments in these areas. Additionally, there are an increased (relative to a non-tolled roadway) number of signs present on the roadway which are necessary to communicate tolling rates and policies. Allowing gateway monuments on tolled facilities can cause an overly crowded right-of-way and pose issues in obstructing signage which is essential to the operation of the facility. For these reasons it is recommended that the Mobility Authority adopts a policy which allows gateway monuments to be placed only outside of the frontage roads.

Attachment [1]

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
RESEARCH SUMMARY REGARDING GATEWAY MONUMENTS POLICY ELEMENTS OF OTHER AGENCIES

ATTACHMENT A

Agency	Size	Placement	Maintenance	Installation	Financial Responsibility	Proposal Requirements
California DOT	Maximum size shall fit within 353 cubic feet. Shall not exceed 20 feet in width or height above existing grade.	Placement outside of the Departments ROW should be considered as first option. Must be located well outside of clear recovery zone.	To be maintained by the local entity. Must provide regularly scheduled maintenance.	Will be installed by local entity.	Will be borne by local entity.	Proposal for monument must include submittal from licensed Professional engineer, architect, or landscape architect.
TxDOT	Monument face shall not exceed 400 square feet. Shall not exceed 20 feet in width or height above existing grade.	Must be located well outside of clear recovery zone for main lane and frontage road traffic. Must be located where maintenance can be safely performed in conformance with TxDoT procedures.	To be maintained by the local entity. Must provide regularly scheduled maintenance.	Will be installed by local entity.	Will be borne by local entity.	Proposal for monument must include submittal from licensed Professional engineer, architect, or landscape architect.
NYDOT	The maximum size shall not exceed 32 square feet. It shall be sized and located to not obstruct the view of any regulatory or warning sign.	Outside of clear zone and outside of deflection distance of any rail or barrier for rural highways. Minimum 12' from edge of roadway. Minimum 6' from edge of shoulder, Minimum 2' from curb face. Outside of deflection distance for Urban highways.	To be maintained by the local entity. Must be performed under an annual maintenance highway work permit.	Will be installed by local entity.	Will be borne by local entity.	Request for Decorative Community Gateway Signing Permit must be submitted.
Louisiana DOT	Not specified/ As approved by the District Traffic Operations Engineer.	Must be installed outside of clear zone or an breakaway support. As approved by the District Traffic Operations Engineer.	To be maintained by the local entity.	Will be installed by local entity.	Will be borne by local entity.	Must be signed by local government official. Must include shop drawings, lighting plan and landscape plan (if applicable).
Utah DOT	Not specified	Sufficient ROW must available for installation of the monument or gateway feature while maintaining safety features of the highway.	To be maintained by the local agency in an aesthetically pleasing condition.	Will be installed by local entity.	Not Specified.	Must include list/map of location, drawing, and description of monument including building materials.

Note: The NTTA's (North Texas Toll Authority) Supplemental Signing Policy prohibits the placement of gateway monuments within their Right-of-Way.



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #11 SUMMARY

Monthly status report on the MoPac Improvement Project.

Strategic Plan Relevance: Regional Mobility

Department: Engineering

Associated Costs: N/A Briefing Only

Funding Source: N/A

Board Action Required: No

Description of Matter:

The briefing is an update of the activities on the MoPac Improvement Project from September 2013.

Reference documentation:

GEC Monthly Board Presentation

Contact for further information:

Wesley M. Burford, P.E., Director of Engineering



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #12 SUMMARY

Executive Director's Report.

Department: Administrative

Associated Costs: None

Funding Source: None

Board Action Required: No

Description of Matter:

The Executive Director's Report is attached for review and reference.

A. Project Status Updates.

Attached documentation for reference:

Executive Director's Report

Contact for further information:

Mike Heiligenstein, Executive Director



REPORT TO THE BOARD OF DIRECTORS OCTOBER 2, 2013

MIKE HEILIGENSTEIN - EXECUTIVE DIRECTOR

PRIORITY ISSUES



MoPac Improvement Project
Ground Breaking - October 18th



SH 45SW Open House - Bailey
Middle School, 5 pm - 8 pm.

ADMINISTRATION

IBTTA ANNUAL MEETING

I was elected President of the International Bridge Tunnel and Turnpike Association (IBTTA) at the IBTTA Annual Meeting and Exposition in Vancouver, British Columbia, Canada. I will serve as the President of IBTTA for one year. I previously served as the First Vice President of the association. Being chosen for this position by my colleagues is not only an honor but an acknowledgment of what the Mobility Authority has accomplished in the ten years since it was created.

PROJECT DEVELOPMENT

MANOR EXPRESSWAY

PHASE II PROJECT

Central Texas Mobility Constructors (CTMC) continues to focus construction efforts on completion of the frontage roads and intersections. Construction of the Giles Road/Johnny Morris Road intersection is currently underway. To facilitate construction, the intersection was closed and is expected to be reopened by the end of September. The mainlane bridges at the Arterial "A" intersection are also being constructed. Upon completion of these bridges, the Arterial "A" intersection will be opened, facilitating the turnaround for the Chimney Hills neighborhood. Final asphalt pavement on the frontage roads continues, mainly at night. Nightly lane closures to support this activity will continue through October.

In addition to the work on the frontage roads and intersections, CTMC continues mainlane construction in several areas. Embankment is

currently progressing between the Giles Road/Johnny Morris Road intersection and the Harris Branch Parkway intersection. Additionally, mainlane concrete pavement construction near the SH 130 interchange is occurring.

MO PAC IMPROVEMENT PROJECT

PROJECT DEVELOPMENT

The MoPac Improvement Project remains on schedule. CH2M Hill continues to work on final design and anticipates completing the first segment of 100% plans on October 10th. Some design changes have required a re-evaluation of the environmental assessment. The design changes were presented to the public at an Open House on September 5th at O. Henry Middle School. Approximately 90 people attended. Public comments were received through the website, by letter, or at the open house. Most were in favor of the design changes.

One of the design changes presented was a striping and signing change, allowing express lane traffic to access both downtown via Cesar Chavez and 5th Street. There was significant public comment in opposition to this change, primarily from the OWANA neighborhood, but an even larger number of comments in favor of the access change. The revised environmental document is anticipated to be completed and submitted to FHWA for approval in October.

Some residents continue to object to the soundwall planned for the Allendale Neighborhood continues. We have met with several representatives of the neighborhood and presented information and answered questions

at their September 26th neighborhood association meeting.

BERGSTROM EXPRESSWAY PROJECT DEVELOPMENT

Public involvement activities continue, and the team will have completed the second round of stakeholder meetings by early October. The team continues to coordinate and support TxDOT with the Environmental activities and are planning for the second Context Sensitive Solutions Open House on October 10th, at SW Key, 6002 Jaime Lanes. The Public Hearing is scheduled for mid 2014.

The team continues to coordinate with TxDOT, FHWA and other agencies in support of the schematic development, utility coordination and advanced funding agreements. As part of the advanced funding agreement, we are looking to expedite the relocation of utilities that have the potential to impact the construction schedule. The results of the latest design led to a significant cost savings to the project, and the team continues to work with our finance team to evaluate and update project financing and delivery alternatives.

OAK HILL PARKWAY PROJECT DEVELOPMENT

The team continues to refine the various concepts as it reaches out to the neighborhoods and affected businesses. At the same time, we are developing preliminary screening criteria that will serve to narrow the amount of concepts from further evaluation that do not meet the purpose and need of the project.

On September 30th, a Design and Evaluation Workshop was held at Covington Middle School from 6 pm -8 pm to discuss and seek detailed comments on each of the concepts and begin reviewing the screening criteria being proposed.

This meeting will help us prepare for the next Open House scheduled for October 22nd at Covington Middle School from 5 pm -8 pm. This meeting will also have the Virtual Open House option for those who are unable to attend in person. We will

continue outreach efforts through the end of the year as we refine and narrow the alternatives.

183 NORTH ENVIRONMENTAL STUDY PROJECT DEVELOPMENT

CP&Y has begun data collection and public involvement activities, as well as schematic efforts. The study team met with Capital Metro to discuss transit opportunities for this and other projects. The first open house will be held in January 2014.

MO PAC SOUTH AND INTERSECTIONS ENVIRONMENTAL STUDY

PROJECT DEVELOPMENT

Jacobs continues data collection and public involvement activities, as well as schematic efforts. The team continues adjacent project coordination regarding approach to traffic modeling and agency coordination, as well as coordination with CH2M HILL regarding “tie in” design on the north end of Lady Bird Lake for better connectivity between projects. Stakeholder outreach in advance of public events this fall is ongoing. A Store Front “Meet and Greet” Event for the Intersections Study will be held October 24th from 10 am - 7 pm at Parkside Village, 5701 Slaughter Lane, Austin TX 78749 (Suite B between BurgerFi and Matthew Horne Dentistry). An Open House for the MoPac South Environmental Study will be held November 7th at Bowie High School. The website, MoPacSouth.com, launched this month.

SH 45 SW ENVIRONMENTAL STUDY PROJECT DEVELOPMENT

The Mobility Authority has been assisting TxDOT with the preparation of outreach tools and stakeholder outreach in advance of the Open House at Bailey Middle School on October 8th. The Mobility Authority will launch a Virtual Open House on October 9-18 on the project website, www.SH45SW.com.



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #13 SUMMARY

EXECUTIVE SESSION

Executive Session:

Discuss acquisition of one or more parcels or interests in real property needed for the Manor Expressway Project and related legal issues, pursuant to §551.072 (Deliberation Regarding Real Property; Closed Meeting) and §551.071 (Consultation with Attorney; Closed Meeting).



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #14 SUMMARY

EXECUTIVE SESSION

Executive Session:

Discuss legal issues related to claims by or against the Mobility Authority, pending or contemplated litigation and any related settlement offers; or other matters as authorized by §551.071 (Consultation with Attorney; Closed Meeting).



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #15 SUMMARY

EXECUTIVE SESSION

Executive Session:

Discuss legal issues relating to procurement and financing of Mobility Authority transportation projects, as authorized by §551.071 (Consultation with Attorney; Closed Meeting).



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #16 SUMMARY

EXECUTIVE SESSION

Executive Session:

Discuss legal issues relating to legislation proposed to the 83rd Texas Legislature that could affect the Mobility Authority or its operations, pursuant to §551.071 (Consultation with Attorney; Closed Meeting).



**CENTRAL TEXAS
Regional Mobility Authority**

AGENDA ITEM #17 SUMMARY

Right of Way

Authorize negotiation and execution of a purchase contract, a settlement agreement, or both in a pending eminent domain proceeding to acquire the following described parcel or property interest for the 183A Turnpike Project:

- A. Parcel 42 of the Manor Expressway Toll Project, a 4.709 acre tract in Travis County, at the southeast corner of US 290 East and Johnny Morris Road, owned by H. Dalton Wallace.

- B. Parcel 22AC of the Manor Expressway Toll Project, a control of access across the entire 118.30 linear feet of frontage to a 0.823 acre tract in Travis County, north of US 290 east and west of Chimney Hill Boulevard, owned by Wayne Allan Barbee.