

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending November 30, 2022

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
REVENUE				
Operating Revenue				
Toll Revenue Kansas 183A	61,100	33,627	55.04%	23,101
Toll Revenue Oklahoma 183A	145,500	64,933	44.63%	65,559
Toll Revenue-TxTag-183A	39,337,900	18,727,908	47.61%	17,127,341
Toll Revenue-HCTRA-183A	5,818,000	2,776,518	47.72%	2,409,013
Toll Revenue-NTTA-183A	4,294,300	2,316,043	53.93%	1,676,964
Toll Revenue-TxTag-MoPac ML	5,304,300	2,951,504	55.64%	2,169,673
Toll Revenue-Kansas MoPAC ML	6,300	7,125	113.09%	2,321
Toll Revenue Oklahoma MoPac ML	16,400	9,126	55.64%	6,724
Toll Revenue-HCTRA MoPac ML	765,100	436,548	57.06%	290,002
Toll Revenue-NTTA-Mopac ML	749,000	464,396	62.00%	277,453
Toll Revenue-TxTag-Manor	14,900,400	6,993,251	46.93%	6,173,915
Toll Revenue-Kansas Manor	56,100	25,678	45.77%	16,782
Toll Revenue Oklahoma Manor	101,500	49,687	48.95%	45,366
Toll Revenue-HCTRA Manor	4,862,000	2,327,647	47.87%	1,939,615
Toll Revenue-NTTA-Manor	1,888,000	993,484	52.62%	703,973
Toll Revenue-TxTag-71E	4,153,500	2,057,456	49.54%	1,917,637
Toll Revenue-Kansas 71E	14,100	6,193	43.93%	5,201
Toll Revenue Oklahoma 71E	29,500	16,370	55.49%	15,234
Toll Revenue-HCTRA 71E	2,076,300	1,002,920	48.30%	918,550
Toll Revenue-NTTA-71E	574,800	317,755	55.28%	233,951
Toll Revenue TxTAG 45SW	3,497,400	1,734,500	49.59%	1,479,536
Toll Revenue Kansas 45SW	3,400	2,427	71.39%	1,258
Toll Revenue Oklahoma 45SW	7,400	3,324	44.92%	3,287
Toll Revenue HCTRA 45SW	445,500	212,993	47.81%	176,611
Toll Revenue NTTA 45SW	314,300	175,838	55.95%	120,283
Toll Revenue TxTAG 183S	21,566,600	10,722,399	49.72%	8,442,616
Toll Revenue Kansas 183S	53,400	30,625	57.35%	17,815
Toll Revenue Oklahoma 183S	130,500	83,168	63.73%	56,976
Toll Revenue HCTRA 183S	5,491,800	2,856,831	52.02%	1,968,828
Toll Revenue NTTA 183S	2,946,400	1,625,198	55.16%	1,014,504
Video Tolls 183A	18,165,900	10,193,316	56.11%	6,900,315
Video Tolls Manor Expressway	8,678,700	4,552,532	52.46%	3,067,435
Video Tolls MoPac ML	2,381,300	1,518,839	63.78%	834,227
Video Tolls 71E	2,726,100	1,501,999	55.10%	1,062,206
Video Tolls 183S	13,036,800	7,447,431	57.13%	4,251,363

Video Tolls 45SW	1,754,500	1,017,348	57.99%	613,085
Fee Revenue 183A	4,285,200	1,430,631	33.39%	1,907,730
Fee Revenue Manor Expressway	3,291,500	1,064,895	32.35%	1,362,625
Fee Revenue MoPac ML	477,600	163,541	34.24%	216,645
Fee Revenue 71E	884,700	280,295	31.68%	396,139
Fee Revenue 183S	4,472,300	1,455,912	32.55%	1,674,839
Fee Revenue 45SW	434,600	135,811	31.25%	167,776
Total Operating Revenue	180,200,000	89,788,024.85	49.83%	71,754,472

Other Revenue

Interest Income	3,190,301	8,625,345	270.36%	491,165
Grant Revenue	1,359,833	-	-	20,995
Misc Revenue	130,000	12,156	9.35%	112,516
Gain/Loss on Sale of Asset	-	-	-	6,568
Total Other Revenue	4,680,134	8,637,501	184.56%	631,244

TOTAL REVENUE	\$184,880,134	\$98,425,526	53.24%	72,385,717
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EXPENSES

Salaries and Benefits

Salary Expense-Regular	4,621,321	1,363,042	29.49%	1,456,161
Salary Reserve	80,000	-	-	-
TCDRS	1,046,269	258,227	24.68%	337,514
FICA	232,304	56,313	24.24%	68,840
FICA MED	67,009	20,058	29.93%	22,230
Health Insurance Expense	580,271	163,860	28.24%	166,159
Life Insurance Expense	5,972	1,946	32.58%	2,435
Auto Allowance Expense	10,200	3,613	35.42%	3,825
Other Benefits	126,590	26,374	20.83%	48,968
Unemployment Taxes	4,608	32	0.70%	3,752
Total Salaries and Benefits	6,774,544	1,893,466	27.95%	2,109,883

Administrative

Administrative and Office Expenses

Accounting	9,500	3,302	34.75%	3,514
Auditing	190,000	138,655	72.98%	100,975
Financial Advisors	108,000	82,800	76.67%	10,800
Human Resources	30,000	36,812	122.71%	13,498
Legal	70,000	16,963	24.23%	-
IT Services	350,000	242,819	69.38%	58,363
Internet	150	-	-	-
Software Licenses	557,500	344,666	61.82%	202,411
Cell Phones	24,200	6,387	26.39%	8,259
Local Telephone Service	10,000	40,603	406.03%	37,114
Overnight Delivery Services	250	40	16.06%	51
Copy Machine	15,500	6,360	41.03%	5,088
Repair & Maintenance-General	8,000	-	-	2,273
Meeting Expense	12,750	5,048	39.60%	266
Toll Tag Expense	3,000	200	6.67%	540
Parking / Local Ride Share	2,800	444	15.84%	-
Mileage Reimbursement	3,950	635	16.08%	67
Insurance Expense	651,250	226,588	34.79%	240,012
Rent Expense	731,203	310,033	42.40%	238,326
Building Parking	3,500	798	22.80%	207
Legal Services	443,000	107,622	24.29%	175,094
Total Administrative and Office Expenses	3,224,553	1,570,775	48.71%	1,096,857

Office Supplies

Books & Publications	3,250	1,048	32.24%	1,490
Office Supplies	7,750	1,376	17.75%	780
Misc Office Equipment	4,500	8,470	188.21%	732
Computer Supplies	221,950	186,696	84.12%	19,983
Other Reports-Printing	5,000	-	-	-
Office Supplies-Printed	3,100	849	27.39%	-
Postage Expense	550	122	22.20%	112
Total Office Supplies	246,100	198,560	80.68%	23,097

Communications and Public Relations

Graphic Design Services	75,000	-	-	-
Website Maintenance	111,500	28,136	25.23%	25,390
Research Services	140,000	-	-	10,109
Communications and Marketing	400,000	-	-	12,827
Advertising Expense	500,000	84,314	16.86%	104,991
Direct Mail	65,000	-	-	-
Video Production	82,500	29,097	35.27%	8,820
Photography	25,000	9,135	36.54%	199
Radio	50,000	-	-	-
Other Public Relations	2,500	-	-	-
Promotional Items	520,000	12,682	2.44%	-
Annual Report printing	1,500	-	-	780
Direct Mail Printing	26,000	-	-	-
Other Communication Expenses	15,000	18,333	122.22%	11,600
Total Communications and Public Relations	2,014,000	181,697	9.02%	174,715

Employee Development

Subscriptions	50,700	834	1.64%	123
Agency Memberships	78,550	1,360	1.73%	310
Continuing Education	4,800	-	-	185
Professional Development	19,150	375	1.96%	-
Other Licenses	1,900	497	26.15%	514
Seminars and Conferences	118,500	38,098	32.15%	1,735
Travel	93,500	1,197	1.28%	7,796
Total Employee Development	367,100	42,360	11.54%	10,662

Financing and Banking Fees

Trustee Fees	60,000	36,000	60.00%	30,275
Bank Fee Expense	3,240	407	12.55%	1,514
Continuing Disclosure	7,000	-	-	-
Arbitrage Rebate Calculation	15,000	16,300	108.67%	12,905
Rating Agency Expense	50,000	31,000	62.00%	12,000
Total Financing and Banking Fees	135,240	83,707	61.89%	56,694

Total Administrative	5,986,993	2,077,097	34.69%	1,362,025
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Operations and Maintenance

Operations and Maintenance Consulting

GEC-Trust Indenture Support	763,997	364,794	47.75%	297,368
GEC-Financial Planning Support	275,000	106,334	38.67%	70,644
GEC-Toll Ops Support	2,550,000	272,253	10.68%	342,357
GEC-Roadway Ops Support	1,411,139	465,651	33.00%	256,006
GEC-Technology Support	654,369	187,157	28.60%	281,757
GEC-Public Information Support	200,000	67,618	33.81%	89,483
GEC-General Support	1,360,000	291,628	21.44%	396,773
General System Consultant	1,159,640	402,922	34.75%	483,812
Traffic Modeling	150,000	-	-	99,977
Traffic and Revenue Consultant	500,000	411,863	82.37%	209,958
Total Operations and Maintenance Consulting	9,024,145	2,570,221	28.48%	2,528,134

Roadway Operations and Maintenance

Roadway Maintenance	1,868,052	2,144,461	114.80%	305,233
Landscape Maintenance	2,949,320	2,232,458	75.69%	599,145
Maintenance Supplies-Roadway	300,000	-	-	26,210
Tools & Equipment Expense	25,000	444	1.78%	26
Gasoline	30,000	7,895	26.32%	6,265
Repair & Maintenance - Vehicles	10,000	1,042	10.42%	(3,329)
Natural Gas	2,500	2,310	92.40%	2,087
Electricity - Roadways	250,000	111,445	44.58%	72,908
Total Roadway Operations and Maintenance	5,434,872	4,500,056	82.80%	1,008,544

Toll Processing and Collection Expense

Image Processing	4,208,340	1,378,618	32.76%	1,590,002
Tag Collection Fees	8,453,846	4,113,318	48.66%	3,587,934
Court Enforcement Costs	10,000	-	-	-
DMV Lookup Fees	200	-	-	-
Total Processing and Collection Expense	12,672,387	5,491,936	43.34%	5,177,936

Toll Operations Expense

Generator Fuel	3,000	-	-	-
Fire and Burglar Alarm	500	206	41.12%	123
Refuse	2,180	803	36.84%	679
Telecommunications	-	1,120	-	-
Water - Irrigation	7,500	4,018	53.57%	2,926
Electricity	500	322	64.34%	310
ETC spare parts expense	200,000	-	-	(33,850)
Repair & Maintenance Toll Equip	50,000	65,966	131.93%	5,197
Law Enforcement	500,000	172,368	34.47%	134,227
ETC Maintenance Contract	6,000,000	1,142,698	19.04%	43,900
Transaction Processing Maintenance Contract	1,500,000	-	-	-
ETC Toll Management Center System Operatio	875,000	211,140	24.13%	93,750
ETC Development	559,000	11,738	2.10%	143,224
ETC Testing	275,000	-	-	-
Total Toll Operations Expense	9,972,680	1,610,378	16.15%	390,486

Total Operations and Maintenance **37,104,083** **14,172,592** **38.20%** **9,105,101**

Other Expenses**Special Projects and Contingencies**

HERO	149,000	61,595	41.34%	61,595
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	1,324,641	26.49%	1,101,925
Customer Relations	3,000	-	-	-
Technology Initiatives	75,000	43,834	58.45%	41,395
Other Contractual Svcs	370,000	122,340	33.06%	86,000
Contingency	300,000	-	-	-
Total Special Projects and Contingencies	5,997,000	1,552,411	25.89%	1,290,915

Non Cash Expenses

Amortization Expense	2,020,950	533,455	26.40%	582,964
Amort Expense - Refund Savings	9,073,105	2,217,129	24.44%	2,661,566
Dep Exp - Furniture & Fixtures	2,178	1,089	50.00%	1,089
Dep Expense - Equipment	-	-	-	1,042
Dep Expense - Autos & Trucks	46,496	22,229	47.81%	9,559
Dep Expense - Buildng & Toll Fac	176,748	73,645	41.67%	73,645
Dep Expense - Highways & Bridges	53,479,102	21,092,310	39.44%	21,092,310
Dep Expense - Toll Equipment	4,736,604	1,587,645	33.52%	1,697,680
Dep Expense - Signs	1,052,717	423,571	40.24%	423,571
Dep Expense - Land Improvements	884,934	368,723	41.67%	368,723
Depreciation Expense - Computers	64,319	63,189	98.24%	78,784
Total Non Cash Expenses	71,537,153	26,382,985	36.88%	26,990,932

Total Other Expenses **77,534,153** **27,935,396** **36.03%** **28,281,846**

Non Operating Expenses

Bond Issuance Expense	1,250,000	220,123	17.61%	4,705,217
Loan Fee Expense	14,500	48,000	331.03%	14,500
Interest Expense	83,664,454	32,508,127	38.86%	33,437,974
CAMPO RIF Payment	-	-	-	5,000,000
Community Initiatives	150,000	-	-	17,550

Total Non Operating Expenses	\$85,078,954	\$32,776,250	38.52%	\$43,175,241
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TOTAL EXPENSES	212,478,727	78,854,801	37.11%	84,034,097
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Net Income	\$ (27,598,593)	\$ 19,570,725		\$ (11,648,380)
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Central Texas Regional Mobility Authority
Balance Sheet
as of November 30, 2022

	as of 11/30/2022	as of 11/30/2021
ASSETS		
Current Assets		
Cash		
Regions Operating Account	\$ 1,774,668	\$ 738,503
Cash in TexStar	43,160	1,040,235
Regions Payroll Account	266,635	251,755
Restricted Cash		
Goldman Sachs FSGF 465	1,122,689,751	667,376,749
Restricted Cash - TexSTAR	12,972,854	11,425,159
Overpayments account	291,066	626,590
Total Cash and Cash Equivalents	<u>1,138,038,134</u>	<u>681,458,993</u>
Accounts Receivable		
Accounts Receivable	2,770,089	2,770,089
Due From Other Agencies	68,013	74,577
Due From TTA	538,429	5,258,977
Due From NTTA	1,145,355	1,247,932
Due From HCTRA	2,048,068	3,534,183
Due From TxDOT	164,602	0
Interest Receivable	693,342	2,133,060
Total Receivables	<u>7,427,898</u>	<u>15,018,818</u>
Short Term Investments		
Treasuries	(0)	328,438,470
Agencies	(0)	169,148,271
Total Short Term Investments	<u>(0)</u>	<u>497,586,741</u>
Total Current Assets	<u>1,145,466,032</u>	<u>1,194,064,552</u>
Total Construction in Progress	322,655,027	237,551,632
Fixed Assets (Net of Depreciation and Amortization)		
Computers	35,318	208,804
Computer Software	1,265,172	2,218,640
Furniture and Fixtures	1,089	3,703
Equipment	9,624	11,082
Autos and Trucks	71,653	114,104
Buildings and Toll Facilities	4,343,374	4,520,121
Highways and Bridges	1,696,088,289	1,744,968,176
Toll Equipment	18,575,603	20,778,363
Signs	12,787,585	13,321,781
Land Improvements	5,830,546	6,715,480
Right of way	88,149,606	88,149,606
Leasehold Improvements	25,485	71,628
Total Fixed Assets	<u>1,827,183,344</u>	<u>1,881,081,489</u>
Other Assets		
Intangible Assets-Net	173,075,055	184,790,617
2005 Bond Insurance Costs	3,213,801	3,558,471
Prepaid Insurance	490,309	424,512
Deferred Outflows (pension related)	675,913	641,074
Pension Asset	2,549,818	591,247
Total Other Assets	<u>180,004,897</u>	<u>190,005,920</u>
Total Assets	<u><u>\$ 3,475,309,300</u></u>	<u><u>\$ 3,502,703,592</u></u>

Central Texas Regional Mobility Authority
Balance Sheet
as of November 30, 2022

	as of 11/30/2022	as of 11/30/2021	
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 45,203,537	\$ 45,529,532	
Construction Payable	5,214,919	8,489,905	
Overpayments	294,629	629,946	
Interest Payable	34,081,707	38,214,294	
TCDRS Payable	68,018	59,472	
Medical Reimbursement Payable	(6,446)	-	
Due to other Agencies	9,414	16,306	
Due to TTA	689,644	-	
Due to NTTA	-	91,166	
Due to HCTRA	149,018	155,151	
Due to Other Entities	318,684	1,190,502	
71E TxDOT Obligation - ST	3,142,749	2,625,615	
Total Current Liabilities		89,165,872	97,001,889
Long Term Liabilities			
Compensated Absences	240,954	285,301	
Deferred Inflows (pension related)	1,481,361	109,052	
Long Term Payables		1,722,315	394,353
Bonds Payable			
Senior Lien Revenue Bonds:			
Senior Lien Revenue Bonds 2010	90,375,783	83,880,662	
Senior Lien Revenue Bonds 2011	19,334,700	19,052,119	
Senior Refunding Bonds 2013	3,475,000	7,080,000	
Senior Lien Revenue Bonds 2015	10,000,000	10,000,000	
Senior Lien Refunding Revenue Bonds 2016	70,790,000	81,395,000	
Senior Lien Revenue Bonds 2018	44,345,000	44,345,000	
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000	
Senior Lien Refunding Bonds 2020B	55,600,000	56,205,000	
Senior Lien Refunding Bonds 2020C	138,435,000	138,435,000	
Senior Lien Revenue Bonds 2020E	167,160,000	167,160,000	
Senior Lien Revenue Bonds 2021B	255,075,000	255,075,000	
Senior Lien Refunding Bonds 2021D	274,625,000	274,625,000	
Senior Lien Refunding Bonds 2021E	335,610,000	340,765,000	
Sn Lien Rev Bnd Prem/Disc 2013	149,093	1,938,210	
Senior Lien Premium 2016 Revenue Bonds	7,237,607	8,291,182	
Sn Lien Revenue Bond Premium 2018	3,038,719	3,305,292	
Senior Lien Revenue Bond Premium 2020A	11,276,903	11,423,045	
Senior Lien Refunding Bond Premium 2020B	11,548,708	12,083,783	
Senior Lien Revenue Bonds Premium 2020E	25,141,178	26,856,564	
Senior Lien Revenue Bonds Premium 2021B	53,339,372	53,676,258	
Senior Lien Refunding Bonds Premium 2021D	44,687,775	44,960,315	
Total Senior Lien Revenue Bonds		1,671,509,836	1,690,817,431

Central Texas Regional Mobility Authority
Balance Sheet
as of November 30, 2022

	as of 11/30/2022	as of 11/30/2021
Sub Lien Revenue Bonds:		
Sub Lien Refunding Bonds 2013	2,725,000	5,320,000
Sub Lien Refunding Bonds 2016	72,605,000	73,055,000
Sub Lien Refunding Bonds 2020D	98,580,000	99,705,000
Subordinated Lien BANS 2020F	110,875,000	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinated Lien BANS 2021C	244,185,000	244,185,000
Sub Refunding 2013 Prem/Disc	31,812	413,560
Sub Refunding 2016 Prem/Disc	5,451,207	6,269,554
Subordinated Lien BANS 2020F Premium	8,339,301	12,342,166
Subordinated Lien Refunding Bonds Premium 2020G	6,999,898	7,403,870
Sub Lien BANS 2021C Premium	31,081,016	38,692,693
Total Sub Lien Revenue Bonds	642,443,234	659,831,844
Other Obligations		
TIFIA Note 2021	354,537,348	346,930,199
71E TxDOT Obligation - LT	55,077,264	57,263,411
Regions 2017 MoPAC Note	-	24,990,900
Regions 2022 MoPac Loan	24,690,900	-
Total Other Obligations	434,305,512	429,184,510
Total Long Term Liabilities	2,749,980,898	2,780,228,138
Total Liabilities	2,839,146,770	2,877,230,027
NET ASSETS		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	494,532,189	515,659,579
Current Year Operations	20,168,237	(11,648,118)
Total Net Assets	636,162,530	625,473,565
Total Liabilities and Net Assets	\$ 3,475,309,300	\$ 3,502,703,592

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of November 2022

Cash flows from operating activities:

Receipts from toll revenues	\$ 95,438,132
Payments to vendors	(18,534,799)
Payments to employees	(1,980,107)
Net cash flows provided by (used in) operating activities	74,923,226

Cash flows from capital and related financing activities:

Issuance Expense	(220,123)
Payments on bonds / loans	(300,000)
Interest payments	(39,904,215)
RIF Contribution	(5,000,000)
Acquisition of capital assets - non project	(1,621,841)
Acquisitions of construction in progress	(34,910,541)
Net cash flows provided by (used in) capital and related financing activities	(81,956,720)

Cash flows from investing activities:

Interest Receivable	2,018
Interest income	8,626,028
Purchase of investments	(34,662,062)
Proceeds from sale or maturity of investments	142,044,443
Net cash flows provided by (used in) investing activities	116,010,427
Net increase (decrease) in cash and cash equivalents	108,976,933
Cash and cash equivalents at beginning of period	1,029,061,201
Cash and cash equivalents at end of period	\$ 1,138,038,134

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

Operating income	\$ 44,144,610
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	26,382,985
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	4,848,975
(Increase) decrease in prepaid expenses and other assets	(362,245)
(Decrease) increase in accounts payable	(848,860)
Increase (decrease) in accrued expenses	757,762
Total adjustments	30,778,616
Net cash flows provided by (used in) operating activities	\$ 74,923,226

Reconciliation of cash and cash equivalents:

Unrestricted cash and cash equivalents	\$ 191,084,880
Restricted cash and cash equivalents	946,953,254
Total	\$ 1,138,038,134

INVESTMENTS by FUND

		Balance November 30, 2022		
Renewal & Replacement Fund				
TexSTAR	1,815.50			13,016,013.78
Goldman Sachs	7,056.87			1,117,367,502.58
Agencies/ Treasuries			8,872.37	-
Grant Fund				\$ 1,130,383,516.36
TexSTAR	460,014.58			
Goldman Sachs	9,705,867.71			
Agencies/ Treasuries	MATURED		10,165,882.29	
Senior Debt Service Reserve Fund				
TexSTAR	998,375.03			
Goldman Sachs	107,904,832.70			
Agencies/ Treasuries	MATURED		108,903,207.73	
2010 Senior Lien Debt Service Account				
Goldman Sachs	61,223.35		61,223.35	
2011 Sr Debt Service Account				
Goldman Sachs	3,439,475.32		3,439,475.32	
2013 Sr Debt Service Account				
Goldman Sachs	3,277,208.45		3,277,208.45	
2013 Sub Debt Service Account				
Goldman Sachs	2,569,994.45		2,569,994.45	
2013 Sub Debt Service Reserve Fund				
Goldman Sachs	124.44		790,151.07	
TexSTAR	790,026.63			
2015 Sr Debt Service Account				
Goldman Sachs	4,523,495.88		4,523,495.88	
2016 Sr Lien Rev Refunding Debt Service Account				
Goldman Sachs	12,394,416.75		12,394,416.75	
2016 Sub Lien Rev Refunding Debt Service Account				
Goldman Sachs	2,455,339.16		2,455,339.16	
2016 Sub Lien Rev Refunding DSR				
Goldman Sachs	7,062,860.52		7,062,860.52	
Agencies/ Treasuries	-			
Operating Fund				
TexSTAR	43,160.04			
TexSTAR-Trustee	7,570,091.39			
Goldman Sachs	8,008,704.54		15,621,955.97	
Revenue Fund				
Goldman Sachs	13,493,460.22		13,493,460.22	
General Fund				
TexSTAR	1,152,064.71			
Goldman Sachs	135,189,205.70			
Agencies/ Treasuries	-		136,341,270.41	
71E Revenue Fund				
Goldman Sachs	26,089,128.81		26,089,128.81	
MoPac Revenue Fund				
Goldman Sachs	-		0.00	
MoPac General Fund				
Goldman Sachs	9,605,997.88		9,605,997.88	
MoPac Operating Fund				
Goldman Sachs	444,672.12		444,672.12	
MoPac Loan Repayment Fund				
Goldman Sachs	723,601.38		723,601.38	
2015B Project Account				
Goldman Sachs	42,376,854.53			
TexSTAR	354,091.32		42,730,945.85	
2015 TIFIA Project Account				
Goldman Sachs	37,917,152.50			
TexSTAR	703,458.28			
Agencies/ Treasuries	-		38,620,610.78	
2011 Sr Financial Assistance Fund				
Goldman Sachs	982,453.79		982,469.81	
TexSTAR	16.02			
2018 Sr Lien Debt Service Account				
Goldman Sachs	759,738.74		759,738.74	
2018 Sr Lien Project Cap I				
Goldman Sachs	201,667.37		201,667.37	
2018 Sr Lien Project Account				
Goldman Sachs	11,196,196.76			
TexSTAR	942,900.28		12,139,097.04	
2020A Senior Lien Debt Service Account				
Goldman Sachs	1,164,626.17		1,164,626.17	
2020B Senior Lien Debt Service Account				
Goldman Sachs	1,706,893.21		1,706,893.21	
2020C Senior Lien Debt Service Account				
Goldman Sachs	1,580,751.03		1,580,751.03	
2020D Sub Lien Debt Service Account				
Goldman Sachs	2,292,798.65		2,292,798.65	
2020D Sub Debt Service Reserve Fund				
Goldman Sachs	8,198,448.22		8,198,448.22	
2020E Senior Lien Project Account				
Goldman Sachs	152,957,681.13		152,957,681.13	
2020E Senior Lien Project Cap Interest				
Goldman Sachs	21,913,521.55		21,913,521.55	
2020F Sub Lien Project Account				
Goldman Sachs	17,002,583.89		17,002,583.89	
2020F Sub Lien Deb Service Account				
Goldman Sachs	2,318,851.96		2,318,851.96	
2020G Sub Lien Debt Service Account				
Goldman Sachs	1,067,707.13		1,067,707.13	
2020G Sub Lien Debt Service Reserve Account				
Goldman Sachs	2,960,154.48		2,960,154.48	
2021A Sub Lien Debt Service Reserve Account				
Goldman Sachs	12,768,509.55		12,768,509.55	31,780,123.84
2021A Sub Debt Service Account				
Goldman Sachs	96.65		96.65	
2021B Senior Lien Cap I Project Fund				
Goldman Sachs	46,413,273.35		46,413,273.35	
2021B Senior Lien Project Account				
Goldman Sachs	231,953,828.96			
Agencies/ Treasuries	MATURED		231,953,828.96	
2021C Sub Lien Cap I Project Fund				
Goldman Sachs	1,349.02		1,349.02	
2021C Sub Lien Project Account				
Goldman Sachs	155,572,831.59		155,572,831.59	
2021C Sub Lien Debt Service Account				
Goldman Sachs	5,106,342.89		5,106,342.89	
2021D Senior Lien Debt Service Account				
Goldman Sachs	5,129,898.77		5,129,898.77	
2021E Senior Lien Debt Service Account				
Goldman Sachs	6,866,624.44		6,866,624.44	
				\$ 1,130,383,516.36

CTRMA INVESTMENT REPORT

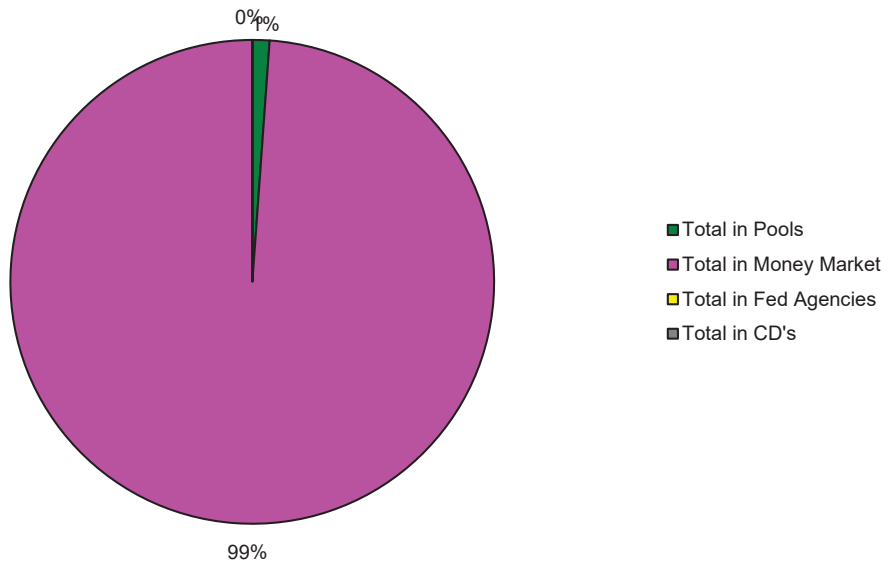
	Month Ending 11/30/2022					Balance 11/30/2022	Rate November
	Balance 11/1/2022	Additions	Discount Amortization	Accrued Interest	Withdrawals		
Amount in Trustee TexStar							
2011 Sr Lien Financial Assist Fund	16.01			0.01		16.02	3.5588%
2013 Sub Lien Debt Service Reserve General Fund	787,722.52			2,304.11		790,026.63	3.5588%
Trustee Operating Fund	1,148,704.72			3,359.99		1,152,064.71	3.5588%
Renewal and Replacement	6,049,999.19	4,000,000.00		20,092.20	2,500,000.00	7,570,091.39	3.5588%
Grant Fund	1,810.21			5.29		1,815.50	3.5588%
Senior Lien Debt Service Reserve Fund	458,672.95			1,341.63		460,014.58	3.5588%
2015B Sr Ln Project	995,463.28			2,911.75		998,375.03	3.5588%
2015C TIFIA Project	353,058.62			1,032.70		354,091.32	3.5588%
2018 Sr Lien Project Account	701,406.63			2,051.65		703,458.28	3.5588%
	940,150.33			2,749.95		942,900.28	3.5588%
	11,437,004.46	4,000,000.00		35,849.28	2,500,000.00	12,972,853.74	
Amount in TexStar Operating Fund							
	43,034.16	2,500,000.00		125.88	2,500,000.00	43,160.04	3.5588%
Goldman Sachs							
Operating Fund	7,927,521.59	4,077,199.11		19,983.84	4,016,000.00	8,008,704.54	3.6500%
2020A Senior Lien Debt Service Account	1,063,239.16	98,815.62		2,571.39		1,164,626.17	3.6500%
2020B Senior Lien Debt Service Account	1,427,176.16	276,450.46		3,266.59		1,706,893.21	3.6500%
2020C Senior Lien Debt Service Account	1,263,450.50	314,498.42		2,802.11		1,580,751.03	3.6500%
2020D Sub Lien Debt Service Account	1,946,399.50	341,898.96		4,500.19		2,292,798.65	3.6500%
2020D Sub Debt Service Reserve Fund	8,177,693.33			20,754.89		8,198,448.22	3.6500%
2020E Sr Lien Project Account	152,570,459.17			387,221.96		152,957,681.13	3.6500%
2020E Sr Ln Project Cap Interest	21,858,046.10			55,475.45		21,913,521.55	3.6500%
2020F Sub Lien Project Account	21,417,259.06			55,680.58	4,470,355.75	17,002,583.89	3.6500%
2020F Sub Lien Debt Service Account	1,853,384.46	461,357.03		4,110.47		2,318,851.96	3.6500%
2020G Sub Lien Debt Service Account	853,384.28	212,430.20		1,892.65		1,067,707.13	3.6500%
2020G Sub Debt Service Reserve Fund	2,857,162.81	95,863.53		7,128.14		2,960,154.48	3.6500%
2021A Sub Debt Service Reserve Fund	12,190,487.48	547,787.33		30,234.74		12,768,509.55	3.6500%
2021A Sub Debt Service Account	96.41			0.24		96.65	3.6500%
2021B Senior Lien Cap I Project Fund	46,295,775.24			117,498.11		46,413,273.35	3.6500%
2021B Senior Lien Project Account	231,366,594.02			587,234.94		231,953,828.96	3.6500%
2021C Sub Lien Cap I Project Fund	1,345.60			3.42		1,349.02	3.6500%
2021C Sub Lien Project Account	157,224,254.48	3,645,257.26		400,532.86	5,697,213.01	155,572,831.59	3.6500%
2021C Sub Lien Debt Service Account	4,081,069.53	1,016,222.72		9,050.64		5,106,342.89	3.6500%
2021D Senior Lien Debt Service Account	4,147,596.25	973,027.48		9,275.04		5,129,898.77	3.6500%
2021E Senior Lien Debt Service Account	5,790,345.68	1,062,950.10		13,328.66		6,866,624.44	3.6500%
2011 Sr Financial Assistance Fund	979,966.49			2,487.30		982,453.79	3.6500%
2010 Senior DSF	61,068.35			155.00		61,223.35	3.6500%
2011 Senior Lien Debt Service Account	3,121,557.40	310,394.25		7,523.67		3,439,475.32	3.6500%
2013 Senior Lien Debt Service Account	2,966,376.23	303,693.80		7,138.42		3,277,208.45	3.6500%
2013 Sub Debt Service Reserve Fund	124.12			0.32		124.44	3.6500%
2013 Subordinate Debt Service Account	2,326,228.73	238,167.79		5,597.93		2,569,994.45	3.6500%
2015A Sr Lien Debt Service Account	4,512,043.65			11,452.23		4,523,495.88	3.6500%
2015B Project Account	42,269,568.14			107,286.39		42,376,854.53	3.6500%
2015C TIFIA Project Account	37,957,739.99			96,889.40	137,476.89	37,917,152.50	3.6500%
2016 Sr Lien Rev Refunding Debt Service Account	11,688,294.66	677,326.81		28,795.28		12,394,416.75	3.6500%
2016 Sub Lien Rev Refunding Debt Service Account	2,079,308.43	371,230.70		4,800.03		2,455,339.16	3.6500%
2016 Sub Lien Rev Refunding DSR	7,044,979.32			17,881.20		7,062,860.52	3.6500%
2018 Sr Lien Project Cap I	201,156.84			510.53		201,667.37	3.6500%
2018 Sr Lien Debt Service Account	606,978.22	151,414.77		1,345.75		759,738.74	3.6500%
2018 Sr Lien Project Account	11,018,519.24	155,294.84		27,975.34	5,592.66	11,196,196.76	3.6500%
Grant Fund	9,681,294.68			24,573.03		9,705,867.71	3.6500%
Renewal and Replacement	87,088.96			191.05	80,223.14	7,056.87	3.6500%
Revenue Fund	8,548,613.10	23,598,006.89		19,227.78	18,672,387.55	13,493,460.22	3.6500%
General Fund	129,017,742.37	5,867,389.21		325,214.34	21,140.22	135,189,205.70	3.6500%
Senior Lien Debt Service Reserve Fund	107,631,645.77			273,186.93		107,904,832.70	3.6500%
71E Revenue Fund	25,089,871.34	1,055,676.64		62,737.04	119,156.21	26,089,128.81	3.6500%
MoPac Revenue Fund	109,545.63	1,343,061.74		1,176.11	1,453,783.48	0.00	3.6500%
MoPac General Fund	8,585,875.83	1,009,815.23		20,899.55	10,592.73	9,605,997.88	3.6500%
MoPac Operating Fund	465,000.83	350,410.62		478.05	371,217.38	444,672.12	3.6500%
MoPac Loan Repayment Fund	578,445.66	143,968.25		1,187.47		723,601.38	3.6500%
	1,100,941,774.79	48,699,609.76		2,781,257.05	35,055,139.02	1,117,367,502.58	
Amount in Fed Agencies and Treasuries							
Amortized Principal	0.00				0.00	0.00	
	0.00					0.00	
Certificates of Deposit							
Total in Pools	11,480,038.62	6,500,000.00		35,975.16	5,000,000.00	13,016,013.78	
Total in GS FSGF	1,100,941,775.79	48,699,609.76		2,781,257.05	35,055,139.02	1,117,367,502.58	
Total in Fed Agencies and Treasuries	0.00				0.00	0.00	
Total Invested	1,112,421,814.41	55,199,609.76		2,817,232.21	40,055,139.02	1,130,383,516.36	

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

José Hernández, CFO

11/30/2022

Allocation of Funds



ESCROW FUNDS

Travis County Escrow Fund - Elroy Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	3,740,510.35		9,546.00	33,338.97	3,716,717.38

Travis County Escrow Fund - Ross Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	114,123.31		102,292.97	3,798.95	212,617.33

Travis County Escrow Fund - Old San Antonio Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	45,446.31		119.29	1,955.95	43,609.65

Travis County Escrow Fund - Old Lockhart Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	264,063.98		670.19		264,734.17

Travis County Escrow Fund - County Line Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	320,399.54		816.43		321,215.97

Travis County Escrow Fund - South Pleasant Valley Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	321,797.80		822.03	2,470.97	320,148.86

Travis County Escrow Fund - Thaxton Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	136,693.00		350.94	2,018.89	135,025.05

Travis County Escrow Fund - Pearce Lane Road

	Balance		Accrued		Balance
	11/1/2022	Additions	Interest	Withdrawals	11/30/2022
Goldman Sachs	310,760.85		793.37	3,375.16	308,179.06



**MONTHLY
NEWSLETTER
NOVEMBER
2022**



PERFORMANCE

As of November 30, 2022

Current Invested Balance	\$ 8,393,118,851.17
Weighted Average Maturity (1)	5 Days
Weighted Average Life (2)	44 Days
Net Asset Value	0.999722
Total Number of Participants	998
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$24,583,284.70
Management Fee Collected	\$407,729.33
% of Portfolio Invested Beyond 1 Year	4.70%
Standard & Poor's Current Rating	AAAm

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

November Averages

Average Invested Balance	\$8,268,022,338.42
Average Monthly Yield, on a simple basis	3.5588%
Average Weighted Maturity (1)	6 Days
Average Weighted Life (2)	47 Days

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

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

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

NEW PARTICIPANTS

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

* Gunter Independent School District * City of Kemah

HOLIDAY REMINDER

In observance of the Christmas holiday, **TexSTAR will be closed Monday, December 26, 2022**. All ACH transactions initiated on Friday, December 23rd will settle on Tuesday, December 27th. In observance of the New Year's Day holiday, **TexSTAR will be closed Monday, January 2, 2023**. All ACH transactions initiated on Friday, December 30th will settle on Tuesday, January 3rd. Notification of any early transaction deadlines on the business day preceding the holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

TEXSTAR IS NOW PAPERLESS

As of December 1, 2022, participants are no longer required to send original documentation for requests that have been submitted by email to texstar@hilltopsecurities.com or by fax to 214.953.8878. The TexSTAR Operating Procedures have been updated to reflect this process and can be accessed on the website at www.texstar.org. Please be aware that you will receive a call from a TexSTAR Participant Services Representative for verbal confirmation when making certain changes to your account. Some of our forms have been updated so please check our website for the most current version. For questions, please contact 1-800-839-7827.

ECONOMIC COMMENTARY

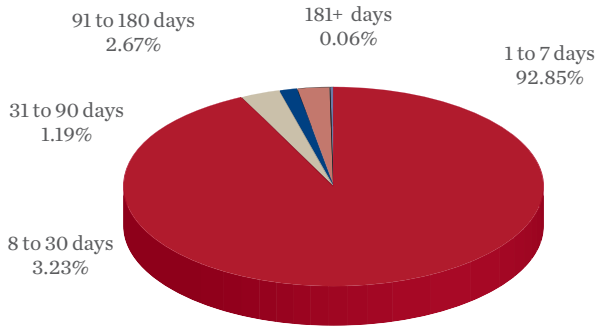
Market review

Front-end yields rose, and the Treasury curve flattened as the Federal Reserve (Fed) prepared markets for a slowdown in the pace of rate hikes but also indicated that the terminal rate is likely to be higher than previously forecasted in September. Meanwhile, October inflation data surprised to the downside, prompting a large Treasury rally in yields beyond 12-months as expectations for Fed monetary policy moved lower. Year-to-date, persistent inflationary pressures have pushed the Fed to accelerate its rate hiking trajectory. At its November meeting, the FOMC announced another 0.75% increase in the federal funds rate to a range of 3.75%-4.00%. The committee's tone remained hawkish and inflation-vigilant, but investors took initial relief at new statement language acknowledging the significant amount of tightening the Fed has already delivered and the lags with which it will affect the economy and inflation. However, while suggesting that the Fed will likely slow the pace of future rate hikes, Chair Powell also emphasized that the ultimate level of rates will be higher than previously anticipated.

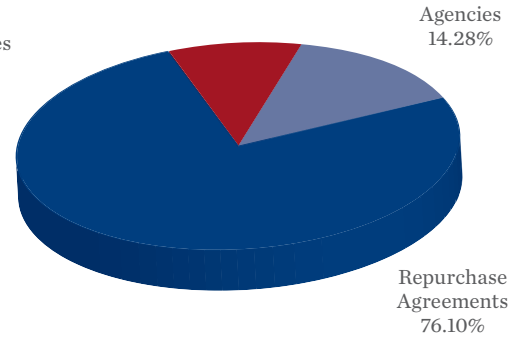
(continued page 4)

INFORMATION AT A GLANCE

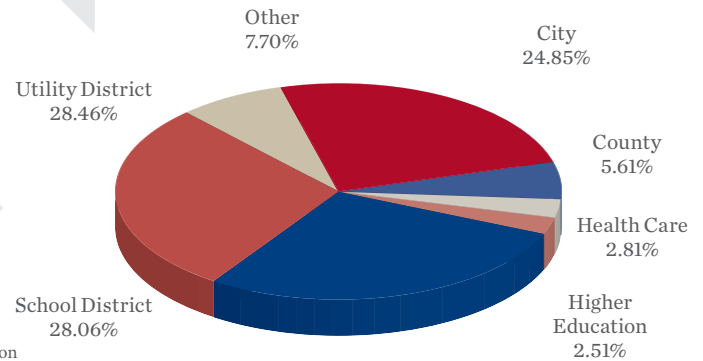
PORTFOLIO BY TYPE OF INVESTMENT AS OF NOVEMBER 30, 2022



Treasuries
9.62%



PORTFOLIO BY MATURITY AS OF NOVEMBER 30, 2022 (1)



DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF NOVEMBER 30, 2022

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

HISTORICAL PROGRAM INFORMATION

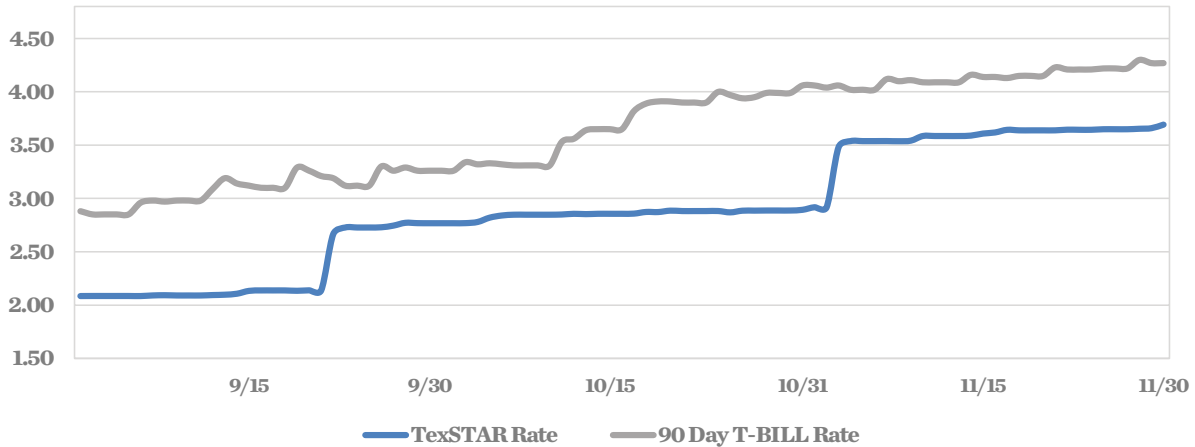
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Nov 22	3.5588%	\$8,393,118,851.17	\$8,390,786,906.73	0.999722	6	47	998
Oct 22	2.8531%	8,388,414,626.87	8,384,901,873.82	0.999581	10	46	996
Sep 22	2.2941%	8,448,258,598.47	8,444,307,157.72	0.999510	16	43	994
Aug 22	1.9469%	8,988,292,520.61	8,983,610,837.50	0.999479	27	50	991
Jul 22	1.4010%	9,799,798,062.32	9,793,880,215.07	0.999396	34	49	990
Jun 22	0.9850%	9,799,299,684.61	9,793,062,348.93	0.999363	42	57	989
May 22	0.6459%	9,701,777,049.61	9,700,243,468.41	0.999841	43	61	988
Apr 22	0.3225%	8,985,925,505.16	8,984,338,322.90	0.999818	39	60	986
Mar 22	0.1070%	9,050,970,696.95	9,050,137,013.72	0.999907	27	38	981
Feb 22	0.0104%	9,779,113,455.23	9,778,353,196.78	0.999922	26	32	979
Jan 22	0.0100%	9,399,813,099.48	9,399,092,954.95	0.999923	31	38	977
Dec 21	0.0139%	8,763,539,414.27	8,763,577,847.71	1.000011	40	52	977

PORTFOLIO ASSET SUMMARY AS OF NOVEMBER 30, 2022

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 196.98	\$ 196.98
Accrual of Interest Income	4,252,437.80	4,252,437.80
Interest and Management Fees Payable	(24,520,330.56)	(24,520,330.56)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	6,401,956,999.75	6,401,956,999.75
Government Securities	2,011,429,547.20	2,009,097,602.76
TOTAL	\$ 8,393,118,851.17	\$ 8,390,786,906.73

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

TEXSTAR VERSUS 90-DAY TREASURY BILL



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

DAILY SUMMARY FOR NOVEMBER 2022

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
11/1/2022	2.9169%	0.000079914	\$8,471,662,417.05	0.999574	8	46
11/2/2022	2.9154%	0.000079874	\$8,433,486,636.51	0.999570	8	47
11/3/2022	3.4802%	0.000095349	\$8,388,643,133.48	0.999580	8	47
11/4/2022	3.5370%	0.000096904	\$8,347,945,289.29	0.999606	7	46
11/5/2022	3.5370%	0.000096904	\$8,347,945,289.29	0.999606	7	46
11/6/2022	3.5370%	0.000096904	\$8,347,945,289.29	0.999606	7	46
11/7/2022	3.5375%	0.000096918	\$8,340,261,004.08	0.999629	7	46
11/8/2022	3.5360%	0.000096877	\$8,333,625,407.95	0.999623	7	46
11/9/2022	3.5412%	0.000097018	\$8,264,071,372.70	0.999633	7	47
11/10/2022	3.5848%	0.000098213	\$8,229,665,274.08	0.999652	7	47
11/11/2022	3.5848%	0.000098213	\$8,229,665,274.08	0.999652	7	47
11/12/2022	3.5848%	0.000098213	\$8,229,665,274.08	0.999652	7	47
11/13/2022	3.5848%	0.000098213	\$8,229,665,274.08	0.999652	7	47
11/14/2022	3.5886%	0.000098317	\$8,315,587,762.03	0.999677	6	47
11/15/2022	3.6077%	0.000098840	\$8,313,598,637.03	0.999696	6	47
11/16/2022	3.6180%	0.000099124	\$8,277,093,984.69	0.999673	6	47
11/17/2022	3.6428%	0.000099802	\$8,217,090,079.33	0.999663	6	48
11/18/2022	3.6378%	0.000099665	\$8,151,226,947.48	0.999674	6	48
11/19/2022	3.6378%	0.000099665	\$8,151,226,947.48	0.999674	6	48
11/20/2022	3.6378%	0.000099665	\$8,151,226,947.48	0.999674	6	48
11/21/2022	3.6379%	0.000099669	\$8,180,400,963.36	0.999691	6	47
11/22/2022	3.6442%	0.000099842	\$8,190,491,253.22	0.999701	6	47
11/23/2022	3.6432%	0.000099814	\$8,145,605,380.13	0.999704	6	47
11/24/2022	3.6432%	0.000099814	\$8,145,605,380.13	0.999704	6	47
11/25/2022	3.6483%	0.000099954	\$8,220,853,984.09	0.999706	5	46
11/26/2022	3.6483%	0.000099954	\$8,220,853,984.09	0.999706	5	46
11/27/2022	3.6483%	0.000099954	\$8,220,853,984.09	0.999706	5	46
11/28/2022	3.6528%	0.000100077	\$8,257,033,624.77	0.999711	5	45
11/29/2022	3.6581%	0.000100222	\$8,294,554,506.07	0.999706	5	45
11/30/2022	3.6914%	0.000101133	\$8,393,118,851.17	0.999722	5	44
Average	3.5588%	0.000097501	\$8,268,022,338.42		6	47



ECONOMIC COMMENTARY (cont.)

The cumulative effect of the Fed's aggressive tightening this year appears to be finally having an impact on inflation. After multiple upside surprises, the October US Consumer Price Index (CPI) came in below market expectations at 7.7% year on year – the first time CPI has fallen below 8% in the last eight months. Headline inflation rose by 0.4% month-over-month (m/m) (vs. consensus 0.6%) and core inflation rose by 0.3% m/m (vs. consensus 0.5%), with the core annual rate down to 6.3%. One important observation was the deceleration in shelter inflation, which makes up around one-third of headline inflation. The shelter component of inflation tends to be sticky so the deceleration could signal a downward trend rather than a temporary change. October PCE also confirmed the cooling in inflation, with the headline and core measures rising a modest 0.3% m/m and 0.2% m/m, respectively.

Other economic data provided mixed signals. Business surveys were generally weak including the ISM services survey's headline composite, which declined from 56.7 in September to 54.4 in October, and the flash purchasing manager index (PMI) data for November. The headline composite for the PMI manufacturing survey fell from 50.4 to 47.6, and the headline activity index for the services survey declined from 47.8 to 46.1. Yet, the October durable goods report showed more favorable news. Total orders for durable goods increased 1.0% in October, with other key details beating expectations, including core capital goods up 0.7% and core capital goods shipments up 1.3%. Notably, this strength eased concerns that businesses were starting to pull back on capital expenditures. Meanwhile, both retail sales and labor market data underscored economic resilience. U.S. consumers continue to spend as retail sales grew 1.3% m/m in October, the strongest in 8 months, although higher prices were a factor. The U.S. labor market remained tight in November, despite some evidence of cooling. The October Job Openings and Labor Turnover Survey (JOLTS) report highlighted that there are still more open jobs than Americans looking – now at a 1.7 openings per available worker down from the peak of 2 jobs for every 1 earlier this year. Nonetheless, this remains elevated compared to the pre-pandemic average of 0.6 to 1. Postings on Indeed also continue to be robust, hovering 49% above their pre-pandemic norm. The quits rate fell slightly from 2.7% to 2.6%, suggesting that employees are growing less confident in being able to find alternate jobs. Layoff announcements in November, according to Challenger, Gray and Christmas, hit their highest level since January 2021, weekly gains in staffing employment have slowed, according to the American Staffing Association and the employment component of the ISM manufacturing index fell in November, hitting its second weakest level of the year.

Shifting to the November Jobs report, it was strong at surface level with payroll employment surpassing expectations (+263K vs. +200K consensus) as did average hourly earnings (+0.6 vs. +0.3% m/m consensus) with the unemployment rate unchanged at 3.7%. Beneath the surface, we saw the second consecutive monthly decline in household employment and a fall in temporary workers, both flashing signs of weakness. Though these monthly reports can be volatile and labor market turning points are difficult to capture, it does appear that tightening is having an impact on job creation and pay gains. Adding it all up, it looks clear that employment growth is continuing to lose momentum as 2022 draws to a close.

In this environment, the U.S. Treasury yield curve inverted further between the three-month Treasury bill and 10-year note yields, ending the month at -74 bps. In the money market space, the three-month Treasury bill yield increased 28 bps on the month to end at 4.35%, while the six-month and 12-month Treasury bill yields rose 14 bps and 8 bps to end at 4.68% and 4.71%, respectively. Two-year and 10-year note yields declined -17 bps and -44 bps to end at 4.31% and 3.61%, respectively.

Outlook

The Fed was slow out of the gates, but its aggressive hiking policy seems to be finally working; the multiple 75 bp rate increases have slowed economic growth enough to bring down both headline and core CPI—at least tentatively. The market has reacted positively to the downward trend in U.S. inflation, reflecting more confidence in the Fed's ability to bring inflation back down to target, its ultimate policy goal.

While the Fed could take some solace in the latest 0.3% m/m Core CPI and 0.2% m/m Core PCE prints, this labor report is a reminder that they are not out of the woods yet and will need to stay vigilant. The speed at which the labor market is declining is likely too slow for their comfort, which will cause concern about services inflation and inflation expectations down the road. Additionally, there is now added importance for the November CPI report to show further cooling, lest the market begin re-pricing the higher terminal rate scenarios.



ECONOMIC COMMENTARY (cont.)

Looking to the December meeting, a 50 bp hike seems all but assured now, and the speed at which inflation and wages decline will determine the magnitude of the February hike (25 bps vs 50 bps) and how much higher they will hike thereafter. The terminal rate is currently priced at 4.95% in May. However, we continue to maintain our view of a terminal rate in the 5%-5.25% range.

This information is an excerpt from an economic report dated November 2022 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

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