

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

**RESOLUTION NO. 11-132**

**Approve the Independent Audits by PMB Helin Donovan, LPP,  
for the Fiscal Year Ending June 30, 2011**

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, the Audit Committee is authorized by Resolution No. 09-50 and Section 16 of the CTRMA Bylaws to exercise all powers and authority of the Board of Directors with respect to CTRMA finances, as set forth in Resolution No. 09-50; and


WHEREAS, the firm of PMB Helin Donovan, LLP was engaged to provide independent audit of the finances of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2011, and has presented that audit to the Audit Committee; and

WHEREAS, the Audit Committee has reviewed both the "Single Audit Report" and the "Financial Statements and Management Discussion and Analysis" prepared by PMB Helin Donovan, LLP, attached respectively as Attachments A and B to this Resolution, and has heard and considered the presentation on the audit by PMB Helin Donovan, LLP.

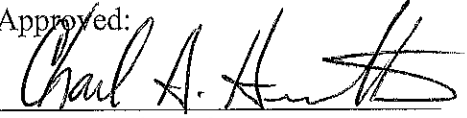
NOW THEREFORE, BE IT RESOLVED, that the Audit Committee accepts the attached independent audits of the Central Texas Regional Mobility Authority for the fiscal year ending on June 30, 2011.

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of October, 2011.

Submitted and reviewed by:

  
Andrew Martin  
General Counsel for the  
Central Texas Regional Mobility Authority

Approved:

  
Charles Heimsath,  
Chairman ProTem, Audit Committee  
Audit Committee Resolution: 11-132  
Date Passed: 10/26/11

**ATTACHMENT "A"**  
**TO**  
**AUDIT COMMITTEE RESOLUTION 11-132**

**SINGLE AUDIT REPORT**



**PMB Helin Donovan**  
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Single Audit Report  
Year Ended June 30, 2011

(With Independent Auditors' Report Thereon)



**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, 2011, and have issued our report thereon dated October 14, 2011. 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 Association'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*.

This report is intended solely for the information and use of management and Board of Directors of Central Texas Regional Mobility Authority and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

**PMB HELIN DONOVAN, LLP**  
DRAFT  
October 14, 2011



**Independent Auditors' Report on Compliance with Requirements  
That Could have a Direct and Material Effect on Each Major Program and  
on Internal Control Over Compliance in Accordance with OMB Circular A-  
133 and  
Schedule of Expenditures of Federal Awards**

To the Board of Directors  
Central Texas Regional Mobility Authority:

**Compliance**

We have audited the compliance of Central Texas Regional Mobility Authority (Authority) with the types of compliance requirements described in the U.S. Office of Management and Budget (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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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. 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. Our audit does not provide a legal determination of the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

**Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

#### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements as of and for the year ended June 30, 2011, and have issued our report thereon dated October 14, 2011. Our audit was performed for the purpose of forming an opinion on the combined financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the OMB Circular A-133 and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation the financial statements taken as a whole.

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

**PMB HELIN DONOVAN, LLP**

DRAFT

October 14, 2011

**Central Texas Regional Mobility Authority**  
 Schedule of Expenditures of Federal Awards  
 Year Ended June 30, 2011

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	CFDA	Grant Award Number	Federal Expenditures
<b>Highway Planning and Construction Cluster</b>			
<b>U.S. Department of Transportation</b>			
<i>Pass Through from Texas Department of Transportation</i>			
Highway Planning and Construction-ARRA	20.205	CSJ 0114-02-090	\$ 31,107,686
Highway Planning and Construction-ARRA	20.205	CSJ 0914-00-305	927,920
Highway Planning and Construction-ARRA	20.205	CSJ 0114-02-053	20,292,522
Highway Planning and Construction	20.205	CSJ 9001-14-013	<u>718,619</u>
<b>Total Federal Expenditures</b>			<b><u>\$ 53,046,747</u></b>

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

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2011

**(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, 2011

**Section I - Summary of Auditors' Results**

**A Financial Statements**

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

**B. Federal Awards**

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

Identification of major federal programs:

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

Dollar threshold used to distinguish programs:	<b>\$1,591,402</b>
Auditee qualified as low-risk auditee:	<b>No</b>

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2011

**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

**ATTACHMENT "B"**  
**TO**  
**AUDIT COMMITTEE RESOLUTION 11-132**

**FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS**



**PMB Helin Donovan**  
CONSULTANTS & CERTIFIED PUBLIC ACCOUNTANTS

**Central Texas Regional Mobility Authority**

Financial Statements and  
Management Discussion and Analysis

June 30, 2011 and 2010  
(With Independent Auditors' Report Thereon)

**Central Texas Regional Mobility Authority**  
Management's Discussion and Analysis  
Years Ended June 30, 2011 and 2010

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, 2011. Please read it in conjunction with the Authority financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

- Bonds payable were issued in 2005 and have an outstanding balance of \$172.8 million as of June 30, 2011. The bonds are repayable over the next 35 years.
- Bonds payable were issued in 2010 and have an outstanding balance of \$140.1 million as of June 30, 2011. The bonds are repayable over the next 30 years. A portion of these proceeds were used to refund and redeem \$15 million of notes which were previously issued in 2009.
- Bonds payable were issued in 2011 and have an outstanding balance of \$370.0 million as of June 30, 2011. The bonds are repayable over the next 30 years. A portion of these proceeds were used to repay a \$31.61 million loan from the State Infrastructure Bank (SIB) and \$60 million of notes which were previously issued in 2010.
- Investments increased by \$212.9 million from 2010 to 2011.
- Total operating expenses were approximately \$29.6 million in both 2011 and 2010.
- Total construction in progress was approximately \$202.9 million, \$69.0 million, and \$31.9 million as of June 30, 2011, 2010 and 2009, 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 and the notes to the financial statements.

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, 2011 and 2010**

**FINANCIAL ANALYSIS OF THE AUTHORITY**

**Net Assets**

The Authority's total net assets were approximately \$80.3 million, \$56.1 million, and \$59.5 million, as of June 30, 2011, 2010, and 2009, respectively (See Table A-1). In 2011, total assets increased 76.9% to \$886.6 million and total liabilities increased 81.2% to \$806.4 million resulting in a increase of 43.0% in total net assets. The increase of \$24.1 million is the result of 2011 operating income of \$35.8 million which was offset by net interest expense of \$11.9 million.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current assets	\$ 14,049	\$ 9,864	\$ 4,238
Restricted assets	433,409	185,367	53,837
Capital assets	423,060	295,013	265,320
Bond issuance cost	16,095	10,825	9,039
Total assets	<u>\$886,613</u>	<u>\$501,069</u>	<u>\$332,434</u>
Total liabilities	<u>\$806,361</u>	<u>\$444,951</u>	<u>\$272,934</u>
Net assets:			
Invested in capital assets	\$ 26,345	\$ 11,916	\$ 12,642
Restricted for other purposes	39,877	34,339	42,620
Unrestricted	14,030	9,863	4,238
Total net assets	<u>\$ 80,252</u>	<u>\$ 56,118</u>	<u>\$ 59,500</u>

**Central Texas Regional Mobility Authority**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2011 and 2010**

**Changes in Net Assets**

Changes in net assets as of June 30, 2011 and 2010 were approximately \$24.1 million and (\$3.4) million, respectively, a 43% increase in total net assets from 2010. The Authority's total revenues were \$53.7 million, an increase of 104% from 2010, and total expenses were \$29.6 million, which were consistent with 2010. See Table A-2.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>			
Toll revenue	\$21,458	\$20,216	\$17,404
Grants and contributions	31,989	5,675	-
Other revenue	243	371	868
Total revenues	<u>53,690</u>	<u>26,262</u>	<u>18,272</u>
<b>Expenses:</b>			
Administration	26,970	28,081	26,635
Professional services	2,586	1,563	2,856
Total expenses	<u>29,556</u>	<u>29,644</u>	<u>29,491</u>
Contributed capital	-	-	-
Change in net assets	24,134	(3,382)	(11,219)
Total net assets, beginning of the year	<u>56,118</u>	<u>59,500</u>	<u>70,719</u>
Total net assets, end of the year	<u>\$80,252</u>	<u>\$56,118</u>	<u>\$59,500</u>

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2011, and 2010, and 2009 the Authority had invested approximately \$202.9 million, \$69.0 million, and \$31.9 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>2011</u>	<u>2010</u>	<u>2009</u>
Property and equipment	\$ 9,701	\$ 9,632	\$ 9,583
Toll Road	241,474	240,135	240,005
Accumulated depreciation	(31,007)	(23,716)	(16,135)
Construction work in progress	<u>202,892</u>	<u>68,962</u>	<u>31,867</u>
Net capital assets	<u>\$423,060</u>	<u>\$295,013</u>	<u>\$265,320</u>

**Central Texas Regional Mobility Authority**  
Management's Discussion and Analysis  
Years Ended June 30, 2011 and 2010

**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 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. The maturity date of the TIFIA Bond is January 1, 2042. Interest on the TIFIA Bond accrues at an annual rate of 4.69% with interest payable each January 1 and July 1, commencing January 1, 2012.

The Authority issued its Revenue Notes, Taxable Series 2009, in an aggregate principal amount of \$15,000,000 (Series 2009 Notes) on May 1, 2009 to (i) pay a portion of the Costs of the 2009 Projects described in the Indenture and (ii) pay costs of issuance for the Series 2009 Notes. The 2009 Series Notes were refunded and redeemed in full during fiscal year ended June 30, 2010.

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 (Series 2009 Notes), (iii) pay capitalized interest with respect to the Series 2010 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 2010 Obligations.

On December 2, 2009, the Authority entered into an agreement to borrow \$31.61 million from the State Infrastructure Bank to finance the cost of right of way acquisition and partial final design funding for a portion of the 290 East Project (SIB Loan). The term of the loan is 30 years. Interest on the SIB Loan



**Central Texas Regional Mobility Authority**  
**Management's Discussion and Analysis**  
**Years Ended June 30, 2011 and 2010**

accrues at an interest rate of 2.95% per annum from December 2, 2009 until February 1, 2012, with such interest being compounded on each February 1 and August 1, commencing February 1, 2010. The Authority repaid the loan in full from proceeds of the Series 2011 Senior Lien Revenue Bonds issued by the Authority in 2011, as described below.

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 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.

As of June 30, 2011, the Authority had total bond debt outstanding of approximately \$761 million. See Table A-4.

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Series 2005, 2009, 2010 and 2011 Obligations			
Capital Appreciation Bonds	\$ 61,332	\$ 50,833	\$ 16,332
Current Interest Bonds	621,542	262,208	171,680
TIFIA Bond	77,627	74,110	70,753
SIB Loan	-	32,153	-
Net bond debt outstanding	\$760,501	\$419,304	\$258,765

**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, 301 Congress Avenue, Suite 650, Austin, TX 78701.



## Independent Auditors' Report

Members of the Central Texas Regional Mobility Authority:

We have audited the statements of net assets of the Central Texas Regional Mobility Authority (the Authority), as of June 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 5 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. The Supplemental Schedule – Bond Covenants Coverage Calculation on page 29 is presented for purposes of additional analysis and is not a required part of the financial statements. 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.

**PMB Helin Donovan, LLP**

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October 14, 2011

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Statements of Net Assets

June 30, 2011 and 2010

<b>Assets:</b>	<u>2011</u>	<u>2010</u>
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 343,397	\$ 124,518
Investments (note 2)	7,690,809	3,362,663
Due from other agencies	5,880,736	6,236,288
Accrued interest receivable	98,481	99,905
Prepaid expenses and other assets	35,554	40,609
<b>Total current assets</b>	<u>14,048,977</u>	<u>9,863,983</u>
<b>Restricted assets:</b>		
Cash and cash equivalents (note 2)	76,452,979	36,995,359
Investments (note 2)	356,955,630	148,371,858
<b>Total restricted assets</b>	<u>433,408,609</u>	<u>185,367,217</u>
Property, toll road and equipment, net (note 3)	220,167,912	226,051,265
Construction work in progress (note 3)	202,892,304	68,961,711
Bond issuance costs, net	16,095,508	10,825,177
<b>Total assets</b>	<u>\$ 886,613,310</u>	<u>\$ 501,069,353</u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 29,978,373	\$ 13,623,816
Accrued interest payable	8,549,247	7,641,363
Accrued expenses	436,231	416,381
<b>Total current liabilities</b>	<u>38,963,851</u>	<u>21,681,560</u>
<b>Noncurrent liabilities:</b>		
TIFIA bond (note 4)	77,626,562	74,110,047
State Infrastructure Loan (note 4)	-	32,153,244
Bonds payable - 2005 Series (note 4)	172,758,917	172,924,728
Bonds payable - 2010 Series (note 4)	140,083,302	140,116,204
Bonds payable - 2011 Series (note 4)	370,031,771	-
Accumulated accretion on capital appreciation bonds (note 4)	6,897,462	3,831,815
Retainage payable	-	134,317
<b>Total liabilities</b>	<u>806,361,865</u>	<u>444,951,915</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	26,344,659	11,915,783
Restricted for other purposes	39,876,643	34,337,672
Unrestricted	14,030,143	9,863,983
<b>Total net assets</b>	<u>80,251,445</u>	<u>56,117,438</u>
<b>Total liabilities and net assets</b>	<u>\$ 886,613,310</u>	<u>\$ 501,069,353</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, 2011 and 2010**

	<b>2011</b>	<b>2010</b>
<b>Operating Revenues</b>		
Tolls	\$ 21,458,000	\$ 20,216,374
Grants and contributions	31,989,492	5,675,189
Other	3,383	917
Total revenues	53,450,875	25,892,480
<b>Operating expenses</b>		
Salaries and wages	2,443,879	2,055,813
Other contractual services	3,049,833	3,232,206
Professional services	2,585,915	1,563,241
General and administrative	9,601,791	10,858,442
Total operating expenses	17,681,418	17,709,702
Total operating increase	35,769,457	8,182,778
<b>Nonoperating revenues/expenses</b>		
Interest income, net of interest capitalized, (note 2)	239,771	369,867
Interest expense	(11,875,221)	(11,934,768)
Change in net assets	24,134,007	(3,382,123)
Total net assets at beginning of the year	56,117,438	59,499,561
Total net assets at end of the year	\$ 80,251,445	\$ 56,117,438

See accompanying notes to financial statements.

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Statements of Cash Flows

For the years ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<b>Cash flows from operating activities:</b>		
Receipts from toll fees	\$ 21,813,552	\$ 14,675,345
Receipts from other fees	31,992,875	5,676,106
Receipts from interest income	241,195	487,929
Payments to vendors	(3,423,724)	(7,689,117)
Payments to professionals	(2,585,915)	(1,563,241)
Payments to employees	<u>(2,395,308)</u>	<u>(1,891,600)</u>
Net cash flows provided by operating activities	<u>45,642,675</u>	<u>9,695,422</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisitions of property and equipment	(1,407,644)	(179,063)
Payments on interest	(7,439,500)	(7,439,500)
Acquisitions of construction in progress	(121,295,208)	(31,094,063)
Payment of State Infrastructure Loan	(32,943,677)	-
Proceeds from Series 2010 Obligations	-	175,539,243
Proceeds from Series 2011 Bonds	370,031,771	-
Payment of Series 2009 Notes	<u>-</u>	<u>(15,000,000)</u>
Net cash flows provided by capital and related financing activities	<u>206,945,742</u>	<u>121,826,617</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(394,066,109)	(275,333,312)
Proceeds from sale or maturity of investments	<u>181,154,191</u>	<u>163,376,679</u>
Net cash flows used in provided by investing activities	<u>(212,911,918)</u>	<u>(111,956,633)</u>
Net increase in cash and cash equivalents	39,676,499	19,565,406
Cash and cash equivalents at beginning of year	<u>37,119,877</u>	<u>17,554,471</u>
Cash and cash equivalents at end of year (including \$76,452,979 for 2011 and \$36,995,359 for 2010 reported in restricted assets)	<u>\$ 76,796,376</u>	<u>\$ 37,119,877</u>
<b>Reconciliation of change in net assets to net cash used in operating activities:</b>		
Change in net assets	\$ <u>24,134,007</u>	\$ <u>(3,382,123)</u>
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	7,290,997	7,580,638
Nonoperating interest	7,439,500	7,439,500
Changes in assets and liabilities:		
Increase in prepaid expenses and other assets	5,055	2,649
(Increase) decrease in non-cash revenue (due from other agencies)	355,552	(5,541,029)
Increase in accounts payable	6,397,714	3,543,881
Increase in accrued expenses	<u>19,850</u>	<u>51,906</u>
Total adjustments	<u>21,508,668</u>	<u>13,077,545</u>
Net cash flows provided by operating activities	<u>\$ 45,642,675</u>	<u>\$ 9,695,422</u>

See accompanying notes to financial statements.

## CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2011 and 2010

### 1. Organization and Summary of Significant Accounting Policies

The financial statements of the Central Texas Regional 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 Authority applies the codification of Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. 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, 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 77<sup>th</sup> 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 year ending June 30, 2011, the Company reported revenue of \$53.5 million, and a change in net assets of approximately \$24.1 million. Management believes that it has cash on hand, anticipated 2012 operating results, and available credit facilities that are sufficient to fund its operations through June 30, 2012.

- 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

## CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

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.

Prior to the reclassification of the construction-in-progress related to the 183-A toll road to property and equipment, the majority of capitalized costs for the year ended June 30, 2011 and 2010 related to construction-in-progress. During fiscal years 2011 and 2010, computer and other types of equipment were obtained and depreciated using the straight-line method over periods ranging from 3 to 7 years.

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.

In addition, the Authority recognizes revenues, expenses, and changes in net assets relating to earnings from restricted grants.

## CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

- F. Grants and Contracts** - Revenues include charges paid by a related party for a sublease contract agreement. Revenues on grants and contributions including right-of-way property that is restricted to meeting the operational or capital requirements of a particular program. The Authority considers all grant and contributions to be 100% collectible.
- 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 statement of net asset 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. Bond issuance cost is amortized over the estimated life of the bonds. In the years ended June 30, 2011 and 2010, the Authority amortized \$298,307 and \$288,547 of issuance costs, respectively.
- 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.
- 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.



# CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

**M. 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, 2011, this date was October 14, 2011.

## 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, 2011 and 2010, the Authority had the following investments:

<u>Summary of Investments by Type</u>	<u>2011</u>	<u>2010</u>
TexSTAR Investment Pool	\$ 31,106,287	40,365,479
Certificates of Deposit	3,100,000	3,100,000
Guaranteed Investment Contract	266,522,987	100,209,006
U.S. Government Agency securities:		
Federal Home Loan Mortgage Corp.	63,917,165	8,060,036
Total investments	\$ <u>364,646,439</u>	<u>151,734,521</u>
Unrestricted investments	\$ 7,690,809	3,362,663
Restricted investments	356,955,630	148,371,858
Total investments	\$ <u>364,646,439</u>	<u>151,734,521</u>
Interest income	\$ 239,771	369,867
Total investment income	\$ <u>239,771</u>	<u>369,867</u>

## **CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

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

At June 30, 2011, the carrying amount of the Authority's cash and cash equivalents was \$76,796,376. The bank balance was \$350,931 as of June 30, 2011. The remaining amount was maintained in money market accounts. At June 30, 2010, the carrying amount of the Authority's cash and cash equivalents was \$37,119,877. The bank balance was \$139,977 as of June 30, 2010. 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 is fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended June 30, 2011.

#### **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.

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

As of June 30, 2011 and 2010, the Authority's portfolio consisted of the following:

	<u>2011</u>	<u>2010</u>
TexSTAR Investment Pool	8.5%	26.6%
Certificates of Deposit	0.9%	2.0%
Guaranteed Investment Contracts	73.1%	66.0%
United States Government Agency securities	17.5%	5.3%

***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, 2011 and 2010, all of the Authority's investments mature within one year. The weighted average maturity of the TexSTAR Investment Pool at June 30, 2011 and 2010 was 46 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, 2011 and 2010

(Continued)

**3. Capital Assets**

The following schedule summarizes the capital assets of the Authority as of June 30, 2011 and 2010:

Property, toll road and equipment as of June 30, 2011:

	<u>2010</u>	<u>Additions/ Disposals</u>	<u>Reclass</u>	<u>2011</u>
Property and equipment	\$ 9,632,022	69,284	-	\$ 9,701,306
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	1,094,546	338,360	-	1,432,906
Right of way	23,683,551	1,000,000	-	24,683,551
Accumulated depreciation	<u>(23,715,887)</u>	<u>(7,290,997)</u>	-	<u>(31,006,884)</u>
Net property and equipment	\$ <u>226,051,265</u>	<u>(5,883,353)</u>	-	\$ <u>220,167,912</u>

Property, toll road and equipment as of June 30, 2010:

	<u>2009</u>	<u>Additions/ Disposals</u>	<u>Reclass</u>	<u>2010</u>
Property and equipment	\$ 9,582,667	49,355	-	\$ 9,632,022
Toll Road				
Building and toll facilities	7,062,332	-	-	7,062,332
Highways and bridges	198,169,868	111,469	-	198,281,337
Toll equipment	4,382,721	-	-	4,382,721
Signs	5,630,643	-	-	5,630,643
Land improvements	1,078,913	15,633	-	1,094,546
Right of way	23,680,945	2,606	-	23,683,551
Accumulated depreciation	<u>(16,135,249)</u>	<u>(7,580,638)</u>	-	<u>(23,715,887)</u>
Net property and equipment	\$ <u>233,452,840</u>	<u>(7,401,575)</u>	-	\$ <u>226,051,265</u>

Construction in progress as of June 30, 2011:

	<u>2010</u>	<u>Additions/ Disposals</u>	<u>Reclass</u>	<u>2011</u>
Construction in progress				
Preliminary costs	\$ 48,231,054	122,040,776	-	\$ 170,271,830
Engineering	8,277	(8,277)	-	-
Construction	17,345,528	2,385,293	-	19,730,821
Collection system	69,828	-	-	69,828
Capitalized interest	3,307,024	9,512,801	-	12,819,825
Net construction in progress	\$ <u>68,961,711</u>	<u>133,930,593</u>	-	\$ <u>202,892,304</u>

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

Construction in progress as of June 30, 2010:

	<u>2009</u>	<u>Additions/ Disposals</u>	<u>Reclass</u>	<u>2010</u>
Construction in progress				
Preliminary costs	\$ 16,222,995	32,008,059	-	\$ 48,231,054
Engineering	215,177	(206,900)	-	8,277
Construction	15,365,680	1,979,848	-	17,345,528
Collection system	62,841	6,987	-	69,828
Capitalized interest	-	3,307,024	-	3,307,024
Net construction in progress	\$ <u>31,866,693</u>	<u>37,095,018</u>	-	\$ <u>68,961,711</u>

Depreciation expense for the years ended June 30, 2011 and 2010 was \$7,290,997 and \$7,580,638, respectively. No retirements of capital assets occurred during the years ended June 30, 2011 and 2010.

Capitalized interest consists of the following as of June 30, 2011:

	<u>Capitalized Interest</u>
Interest accrued on bonds	\$ 13,539,803
Plus: bond issuance cost amortization	<u>287,171</u>
Interest expense capitalized	13,826,974
Less: cumulative interest earned on bond proceeds invested	<u>(1,007,149)</u>
	\$ <u>12,819,825</u>

**4. Bonds Payable**

The following schedule summarizes the bonds payable as of June 30, 2011 and 2010:

Bonds Payable as of June 30, 2011:

	<u>2010</u>	<u>Additions/ Amortization</u>	<u>Payments</u>	<u>2011</u>
Series 2005 Bonds	\$ 172,924,728	(165,811)	-	\$ 172,758,917
TIFIA Bond	74,110,047	3,516,515	-	77,626,562
Series 2010 Obligations	140,116,204	(32,902)		140,083,302
State Infrastructure Bank Loan	32,153,244	790,433	(32,943,677)	-
Series 2010 Taxable Revenue Note (Interim Financing)	-	60,163,333	(60,163,333)	-
Series 2011 Obligations	-	370,031,771	-	370,031,771
Total	\$ <u>419,304,223</u>	<u>434,303,339</u>	<u>(93,107,010)</u>	\$ <u>760,500,552</u>

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

Bonds Payable as of June 30, 2010:

	<u>2009</u>	<u>Additions/ Amortization</u>	<u>Payments</u>	<u>2010</u>
Series 2005 Bonds	\$ 173,082,981	(158,253)	-	\$ 172,924,728
TIFIA Bond	70,752,832	3,357,215	-	74,110,047
Series 2009 Taxable Revenue Note	14,929,167	-	(14,929,167)	-
Series 2010 Obligations	-	140,116,204		140,116,204
State Infrastructure Bank Loan	-	32,153,244		32,153,244
Total	\$ <u>258,764,980</u>	<u>175,468,410</u>	<u>(14,929,167)</u>	\$ <u>419,304,223</u>

***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 are scheduled to mature on the dates and in the principal amounts shown below. Interest on the Series 2005 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 2005 CIBs is payable on each July 1 and January 1, commencing July 1, 2005.

The Series 2005 Convertible CABs are scheduled to mature on the dates shown below at an aggregated maturity amount of \$24,010,000. As of June 30, 2011, the aggregate maturity amount is \$21,063,781.

The principal amounts shown below for the Series 2005 Convertible CABs represent the total amount of outstanding principal plus the accreted and compounded interest as of June 30, 2011.

Interest on the Series 2005 Convertible CABs will accrete from the date of initial delivery until January 1, 2014 at the interest rates noted below and will compound on each July 1 and January 1, commencing July 1, 2005, and on January 1, 2014. From and after January 1, 2014, interest on the maturity amount of the Series 2005 Convertible CABs will accrue at the interest rates noted below and will be payable each July 1 and January 1.

Under the bond indenture relating to the Series 2005 Obligations, the debt service reserve fund for the Series 2005 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

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

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
Series 2005 Senior Lien Revenue Bonds					
Convertible Capital Appreciation Bonds	2015	4.20%	\$ 1,593,394	\$ -	\$ 1,593,394
Convertible Capital Appreciation Bonds	2016	4.25%	3,124,749	-	3,124,749
Convertible Capital Appreciation Bonds	2017	4.35%	2,738,819	-	2,738,819
Convertible Capital Appreciation Bonds	2018	4.45%	2,423,743	-	2,423,743
Convertible Capital Appreciation Bonds	2019	4.50%	2,177,004	-	2,177,004
Convertible Capital Appreciation Bonds	2020	4.55%	1,969,370	-	1,969,370
Convertible Capital Appreciation Bonds	2021	4.60%	2,305,532	-	2,305,532
Total Convertible Capital Appreciation Bonds			<u>16,332,611</u>	<u>-</u>	<u>16,332,611</u>
Current Interest Serial Bonds	2012	5.00%	1,495,000	12,530	1,507,530
Current Interest Serial Bonds	2013	5.00%	2,720,000	60,679	2,780,679
Current Interest Serial Bonds	2014	3.50%	3,100,000	(5,995)	3,094,005
Current Interest Serial Bonds	2022	5.00%	3,260,000	171,204	3,431,204
Current Interest Serial Bonds	2023	5.00%	3,115,000	161,434	3,276,434
Current Interest Serial Bonds	2024	5.00%	2,995,000	150,319	3,145,319
Current Interest Term Bonds	2025	4.50%	2,950,000	(16,709)	2,933,291
Current Interest Term Bonds	2026	4.50%	4,235,000	(24,494)	4,210,506
Current Interest Term Bonds	2027	4.50%	4,280,000	(25,216)	4,254,784
Current Interest Term Bonds	2028	4.50%	3,815,000	(22,848)	3,792,152
Current Interest Term Bonds	2029	4.50%	3,870,000	(23,521)	3,846,479
Current Interest Term Bonds	2030	5.00%	3,930,000	157,745	4,087,745
Current Interest Term Bonds	2031	5.00%	5,200,000	211,251	5,411,251
Current Interest Term Bonds	2032	5.00%	5,250,000	215,624	5,465,624
Current Interest Term Bonds	2033	5.00%	5,315,000	220,455	5,535,455
Current Interest Term Bonds	2034	5.00%	5,395,000	225,808	5,620,808
Current Interest Term Bonds	2035	5.00%	5,490,000	231,693	5,721,693
Current Interest Term Bonds	2036	5.00%	7,170,000	253,030	7,423,030
Current Interest Term Bonds	2037	5.00%	7,320,000	260,116	7,580,116
Current Interest Term Bonds	2038	5.00%	7,485,000	267,686	7,752,686
Current Interest Term Bonds	2039	5.00%	7,670,000	275,919	7,945,919
Current Interest Term Bonds	2040	5.00%	7,875,000	284,843	8,159,843
Current Interest Term Bonds	2041	5.00%	9,000,000	327,180	9,327,180
Current Interest Term Bonds	2042	5.00%	9,245,000	337,663	9,582,663
Current Interest Term Bonds	2043	5.00%	9,520,000	349,227	9,869,227
Current Interest Term Bonds	2044	5.00%	9,810,000	361,326	10,171,326
Current Interest Term Bonds	2045	5.00%	10,125,000	374,357	10,499,357
Total Current Interest Bonds			<u>151,635,000</u>	<u>4,791,306</u>	<u>156,426,306</u>
Total Series 2005 Senior Lien Revenue Bonds			<u>\$ 167,967,611</u>	<u>\$ 4,791,306</u>	<u>\$ 172,758,917</u>

The amount of accumulated accreted interest on the Series 2005 Convertible CABs as of June 30, 2011 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, 2005.

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Description	Maturity January 1	Interest Rate	Outstanding Principal	Accumulated Accretion	Total
Convertible Capital Appreciation Bonds	2015	4.20%	\$ 1,593,394	\$ 436,968	\$ 2,030,362
Convertible Capital Appreciation Bonds	2016	4.25%	3,124,749	868,310	3,993,059
Convertible Capital Appreciation Bonds	2017	4.35%	2,738,819	781,111	3,519,930
Convertible Capital Appreciation Bonds	2018	4.45%	2,423,743	709,058	3,132,801
Convertible Capital Appreciation Bonds	2019	4.50%	2,177,004	644,936	2,821,940
Convertible Capital Appreciation Bonds	2020	4.55%	1,969,370	590,694	2,560,064
Convertible Capital Appreciation Bonds	2021	4.60%	2,305,532	700,093	3,005,625
Total Convertible Capital Appreciation Bonds			\$ <u>16,332,611</u>	\$ <u>4,731,170</u>	\$ <u>21,063,781</u>

***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 (Series 2009 Notes), (iii) pay capitalized interest with respect to the Series 2010 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 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 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. As of June 30, 2011, the aggregate maturity amount is \$37,166,002.

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, 2011.

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



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(Continued)

On August 1, 2010, the Authority issued its Revenue Notes, Taxable Series 2010 (Build America Bonds – Direct Subsidy) in an aggregate 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.

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. The debt service reserve fund for the Series 2010 Subordinate Lien BABs requires an amount equal to the amounts set forth in the supplemental indenture relating thereto.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total
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			<u>34,999,710</u>	<u>-</u>	<u>34,999,710</u>
Current Interest Serial Bonds	2015	5.75%	140,000	6,809	146,809
Current Interest Serial Bonds	2017	5.75%	1,620,000	57,799	1,677,799
Current Interest Serial Bonds	2018	5.75%	3,475,000	100,423	3,575,423
Current Interest Serial Bonds	2019	5.75%	5,310,000	116,661	5,426,661
Current Interest Serial Bonds	2020	5.75%	7,240,000	111,771	7,351,771
Current Interest Term Bonds	2021	5.75%	8,530,000	(37,500)	8,492,500
Current Interest Term Bonds	2022	5.75%	9,365,000	(41,831)	9,323,169
Current Interest Term Bonds	2023	5.75%	10,215,000	(46,265)	10,168,735
Current Interest Term Bonds	2024	5.75%	11,075,000	(50,782)	11,024,218
Current Interest Term Bonds	2025	5.75%	2,910,000	(13,493)	2,896,507
Total Current Interest Bonds			<u>59,880,000</u>	<u>203,592</u>	<u>60,083,592</u>
Total Series 2010 Senior Lien Revenue Bonds			<u>94,879,710</u>	<u>203,592</u>	<u>95,083,302</u>

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Series 2010 Subordinate Lien BABs

Subordinate Lien BABs (Fixed Rate)	2015	11.625%	395,000	-	395,000
Subordinate Lien BABs (Fixed Rate)	2016	11.625%	425,000	-	425,000
Subordinate Lien BABs (Fixed Rate)	2017	11.625%	460,000	-	460,000
Subordinate Lien BABs (Fixed Rate)	2018	11.625%	490,000	-	490,000
Subordinate Lien BABs (Fixed Rate)	2019	11.625%	530,000	-	530,000
Subordinate Lien BABs (Fixed Rate)	2020	11.625%	570,000	-	570,000
Subordinate Lien BABs (Fixed Rate)	2021	11.625%	610,000	-	610,000
Subordinate Lien BABs (Fixed Rate)	2022	11.625%	660,000	-	660,000
Subordinate Lien BABs (Fixed Rate)	2023	11.625%	710,000	-	710,000
Subordinate Lien BABs (Fixed Rate)	2024	11.625%	760,000	-	760,000
Subordinate Lien BABs (Fixed Rate)	2025	11.625%	820,000	-	820,000
Subordinate Lien BABs (Fixed Rate)	2026	11.625%	880,000	-	880,000
Subordinate Lien BABs (Fixed Rate)	2027	11.625%	950,000	-	950,000
Subordinate Lien BABs (Fixed Rate)	2028	11.625%	1,020,000	-	1,020,000
Subordinate Lien BABs (Fixed Rate)	2029	11.625%	1,095,000	-	1,095,000
Subordinate Lien BABs (Fixed Rate)	2030	11.625%	1,180,000	-	1,180,000
Subordinate Lien BABs (Fixed Rate)	2031	11.625%	1,270,000	-	1,270,000
Subordinate Lien BABs (Fixed Rate)	2032	11.625%	1,455,000	-	1,455,000
Subordinate Lien BABs (Fixed Rate)	2033	11.625%	1,660,000	-	1,660,000
Subordinate Lien BABs (Fixed Rate)	2034	11.625%	1,880,000	-	1,880,000
Subordinate Lien BABs (Fixed Rate)	2035	11.625%	2,125,000	-	2,125,000
Subordinate Lien BABs (Fixed Rate)	2036	11.625%	2,385,000	-	2,385,000
Subordinate Lien BABs (Fixed Rate)	2037	11.625%	2,675,000	-	2,675,000
Subordinate Lien BABs (Fixed Rate)	2038	11.625%	2,985,000	-	2,985,000
Subordinate Lien BABs (Fixed Rate)	2039	11.625%	3,320,000	-	3,320,000
Subordinate Lien BABs (Fixed Rate)	2040	11.625%	3,690,000	-	3,690,000
Total Subordinate Lien BABs (Fixed Rate)			<u>35,000,000</u>	-	<u>35,000,000</u>
Subordinate Lien BABs (Variable Rate)	2015	variable	110,000	-	110,000
Subordinate Lien BABs (Variable Rate)	2016	variable	120,000	-	120,000
Subordinate Lien BABs (Variable Rate)	2017	variable	130,000	-	130,000
Subordinate Lien BABs (Variable Rate)	2018	variable	140,000	-	140,000
Subordinate Lien BABs (Variable Rate)	2019	variable	150,000	-	150,000
Subordinate Lien BABs (Variable Rate)	2020	variable	165,000	-	165,000
Subordinate Lien BABs (Variable Rate)	2021	variable	175,000	-	175,000
Subordinate Lien BABs (Variable Rate)	2022	variable	190,000	-	190,000
Subordinate Lien BABs (Variable Rate)	2023	variable	205,000	-	205,000
Subordinate Lien BABs (Variable Rate)	2024	variable	225,000	-	225,000
Subordinate Lien BABs (Variable Rate)	2025	variable	240,000	-	240,000
Subordinate Lien BABs (Variable Rate)	2026	variable	260,000	-	260,000
Subordinate Lien BABs (Variable Rate)	2027	variable	285,000	-	285,000
Subordinate Lien BABs (Variable Rate)	2028	variable	305,000	-	305,000
Subordinate Lien BABs (Variable Rate)	2029	variable	330,000	-	330,000
Subordinate Lien BABs (Variable Rate)	2030	variable	360,000	-	360,000
Subordinate Lien BABs (Variable Rate)	2031	variable	385,000	-	385,000
Subordinate Lien BABs (Variable Rate)	2032	variable	420,000	-	420,000
Subordinate Lien BABs (Variable Rate)	2033	variable	455,000	-	455,000
Subordinate Lien BABs (Variable Rate)	2034	variable	515,000	-	515,000
Subordinate Lien BABs (Variable Rate)	2035	variable	590,000	-	590,000
Subordinate Lien BABs (Variable Rate)	2036	variable	665,000	-	665,000
Subordinate Lien BABs (Variable Rate)	2037	variable	750,000	-	750,000
Subordinate Lien BABs (Variable Rate)	2038	variable	840,000	-	840,000
Subordinate Lien BABs (Variable Rate)	2039	variable	940,000	-	940,000
Subordinate Lien BABs (Variable Rate)	2040	variable	1,050,000	-	1,050,000
Total Subordinate Lien BABs (Variable Rate)			<u>10,000,000</u>	-	<u>10,000,000</u>
Total Series 2010 Subordinate Lien BABs			<u>45,000,000</u>	-	<u>45,000,000</u>
Total Series 2010 Obligations			\$ <u>139,879,710</u>	\$ <u>203,592</u>	\$ <u>140,083,302</u>

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The amount of accumulated accreted interest on the Series 2010 CABs as of June 30, 2011 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
Capital Appreciation Bonds	2025	7.20%	\$ 3,158,010	\$ 185,220	\$ 3,343,230
Capital Appreciation Bonds	2026	7.30%	3,516,022	209,118	3,725,140
Capital Appreciation Bonds	2027	7.40%	3,264,322	196,825	3,461,147
Capital Appreciation Bonds	2028	7.48%	3,171,378	193,228	3,364,606
Capital Appreciation Bonds	2029	7.56%	2,932,886	180,678	3,113,564
Capital Appreciation Bonds	2030	7.65%	2,702,667	168,566	2,871,233
Capital Appreciation Bonds	2031	7.71%	2,254,554	141,658	2,396,212
Capital Appreciation Bonds	2032	7.77%	2,103,884	133,302	2,237,186
Capital Appreciation Bonds	2033	7.78%	1,980,266	125,658	2,105,924
Capital Appreciation Bonds	2034	7.79%	1,860,557	118,193	1,978,750
Capital Appreciation Bonds	2035	7.80%	1,745,753	111,025	1,856,778
Capital Appreciation Bonds	2036	7.81%	1,418,625	90,361	1,508,986
Capital Appreciation Bonds	2037	7.82%	1,337,508	85,208	1,422,716
Capital Appreciation Bonds	2038	7.83%	1,258,995	80,445	1,339,440
Capital Appreciation Bonds	2039	7.84%	1,183,406	75,698	1,259,104
Capital Appreciation Bonds	2040	7.85%	1,110,877	71,109	1,181,986
Total Capital Appreciation Bonds			\$ 34,999,710	\$ 2,166,292	\$ 37,166,002

***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. The maturity date of the TIFIA Bond is January 1, 2042. Interest on the TIFIA bond accrues at an annual rate of 4.69% with interest payable each January 1 and July 1, commencing January 1, 2012. As of June 30, 2011, the Authority had a total of \$11,626,561 of interest accrued on the \$66,000,000 balance for a total of \$77,626,562 in outstanding principal and interest. As of June 30, 2010, the Authority had a total of \$8,110,047 of interest accrued on the \$66,000,000 balance for a total of \$74,110,047 in outstanding principal and interest.

***State Infrastructure Bank Loan***

On December 2, 2009, the Authority entered into an agreement to borrow \$31.61 million from the State Infrastructure Bank to finance the cost of right of way acquisition and partial final design funding for a portion of the 290 East Project (SIB Loan). The term of the loan is 30 years. Interest on the SIB Loan accretes at an interest rate of 2.95% per annum from December 2, 2009 until February 1, 2012, with such interest being compounded on each February 1 and August 1, commencing February 1, 2010.

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As of June 30, 2010, the balance of the SIB Loan was \$32,153,244 which included \$543,244 of accrued interest. As of June 30, 2011, the SIB Loan was paid in full from a portion of the proceeds of the Series 2011 Obligations, as described below.

### *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 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.

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. As of June 30, 2011, the aggregate maturity amount is \$9,999,944.

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, 2011.

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

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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.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total
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	(3,446,624)	1,183,376
Current Interest Term Bonds	2027	5.75%	7,725,000	(219,317)	7,505,683
Current Interest Term Bonds	2028	5.75%	8,170,000	(211,495)	7,958,505
Current Interest Term Bonds	2029	5.75%	8,645,000	(203,165)	8,441,835
Current Interest Term Bonds	2030	5.75%	9,140,000	(194,320)	8,945,680
Current Interest Term Bonds	2031	5.75%	9,665,000	(184,803)	9,480,197
Current Interest Term Bonds	2032	6.00%	10,225,000	(174,880)	10,050,120
Current Interest Term Bonds	2033	6.00%	10,835,000	(164,524)	10,670,476
Current Interest Term Bonds	2034	6.00%	11,485,000	(153,579)	11,331,421
Current Interest Term Bonds	2035	6.00%	12,175,000	(142,163)	12,032,837
Current Interest Serial Bonds	2036	6.00%	12,905,000	(130,259)	12,774,741
Current Interest Term Bonds	2037	6.00%	13,675,000	(117,708)	13,557,292
Current Interest Term Bonds	2038	6.00%	14,500,000	(104,622)	14,395,378
Current Interest Term Bonds	2039	6.00%	15,365,000	(90,842)	15,274,158
Current Interest Term Bonds	2040	6.00%	16,290,000	(76,481)	16,213,519
Current Interest Term Bonds	2041	6.00%	27,560,000	(98,169)	27,461,831
Current Interest Term Bonds	2042	6.25%	15,980,000	(41,544)	15,938,456
Current Interest Term Bonds	2043	6.25%	17,165,000	(33,343)	17,131,657
Current Interest Term Bonds	2044	6.25%	18,425,000	(24,541)	18,400,459
Current Interest Term Bonds	2045	6.25%	19,750,000	(15,105)	19,734,895
Current Interest Term Bonds	2046	6.25%	31,620,000	(70,689)	31,549,311
Total Current Interest Bonds			<u>295,930,000</u>	<u>(5,898,173)</u>	<u>290,031,827</u>
Total Series 2011 Senior Lien Revenue Bonds			<u>305,929,944</u>	<u>(5,898,173)</u>	<u>300,031,771</u>
Subordinate Lien Term Bonds	2023	6.75%	700,000	-	700,000
Subordinate Lien Term Bonds	2024	6.75%	1,900,000	-	1,900,000
Subordinate Lien Term Bonds	2025	6.75%	2,300,000	-	2,300,000
Subordinate Lien Term Bonds	2026	6.75%	2,500,000	-	2,500,000
Subordinate Lien Term Bonds	2027	6.75%	2,700,000	-	2,700,000
Subordinate Lien Term Bonds	2028	6.75%	2,800,000	-	2,800,000
Subordinate Lien Term Bonds	2029	6.75%	3,000,000	-	3,000,000
Subordinate Lien Term Bonds	2030	6.75%	3,200,000	-	3,200,000
Subordinate Lien Term Bonds	2031	6.75%	3,500,000	-	3,500,000
Subordinate Lien Term Bonds	2032	6.75%	3,600,000	-	3,600,000
Subordinate Lien Term Bonds	2033	6.75%	3,700,000	-	3,700,000
Subordinate Lien Term Bonds	2034	6.75%	3,900,000	-	3,900,000
Subordinate Lien Term Bonds	2035	6.75%	4,000,000	-	4,000,000
Subordinate Lien Term Bonds	2036	6.75%	4,100,000	-	4,100,000
Subordinate Lien Term Bonds	2037	6.75%	4,300,000	-	4,300,000

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

Subordinate Lien Term Bonds	2038	6.75%	4,400,000	-	4,400,000
Subordinate Lien Term Bonds	2039	6.75%	4,600,000	-	4,600,000
Subordinate Lien Term Bonds	2040	6.75%	4,700,000	-	4,700,000
Subordinate Lien Term Bonds	2041	6.75%	10,100,000	-	10,100,000
Total Series 2011 Subordinate Lien Term Bonds			<u>70,000,000</u>	<u>-</u>	<u>70,000,000</u>
Total Series 2011 Obligations			\$ <u>375,929,944</u>	\$ <u>(5,898,173)</u>	\$ <u>370,031,771</u>

The amount of accumulated accreted interest on the Series 2011 CABs as of June 30, 2011 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
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>

***Series 2005 Senior Lien Revenue Bonds, Series 2010 Obligations, Series 2011 Obligations and TIFIA Bond***

Future payments of principal and interest on the Series 2005 Senior Lien Revenue Bonds, Series 2010 Obligations, Series 2011 Obligations and the TIFIA Bond (based on the scheduled payments) as of June 30, 2011 are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total Amount
2012	\$ 100,000	\$ 42,938,969	\$ 43,038,969
2013	150,000	45,754,275	45,904,275
2014	200,000	46,033,326	46,233,326
2015	895,000	46,219,627	47,114,627
2016	2,019,404	39,621,981	41,641,385
2017 and thereafter	748,039,480	971,900,105	1,719,939,585
Total obligations	\$ <u>751,403,884</u>	\$ <u>1,192,468,283</u>	\$ <u>1,943,872,167</u>

Below is a reconciliation of the principal payments to the balance sheet as of June 30, 2011:

Total obligations	\$ 751,403,884
Add: Unamortized Premium / Discount	<u>9,096,668</u>
Total Series 2005 Senior Lien Revenue Bonds, Series 2010 Obligations, Series 2011 Obligations and TIFIA Bond	\$ <u>760,500,552</u>

## CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

### 5. **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, 2011.

### 6. **Risk Management**

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences, tort/liability claims, errors and omissions claims and professional liability claims. As a result of these exposures, the Authority carries insurance with a governmental risk pool under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2011 and 2010.

### 7. **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>.

*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 2011 and 2010, 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 14.50% and 14.50% of gross pay for 2011 and 2010, respectively, which totaled \$250,475 and \$224,930 for 2011 and 2010, respectively.

### 8. **Disaggregation of Receivable and Payable Balances**

Receivables are comprised of current intergovernmental receivables, representing 100% of the balance at June 30, 2011 and 2010. Payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2011 and 2010.

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

Notes to Financial Statements

June 30, 2011 and 2010

(Continued)

**9. 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 \$31,106,287 and \$40,365,479 in TexSTAR as of June 30, 2011 and 2010, respectively.

**10. Commitments and Contingent Liabilities**

On July 15, 2005, the Authority entered into a 7-year lease agreement for office space at 301 Congress Avenue, Austin, Texas. The aggregate future minimum lease payments are as follows:

2012	\$	106,491
2013		<u>62,120</u>
	\$	<u>168,611</u>

The Authority's total rental expense for fiscal years 2011 and 2010 amounted to \$185,771 and \$185,354, respectively.

**11. 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, 2011 and 2010, the receivable from the TxDot authority comprises approximately 88% and 94%, respectively, of the total balance due from other agencies, respectively, as follows.

	<u>2011</u>	<u>2010</u>
TxDot	\$ 5,158,130	\$ 5,874,267
Other Agencies	<u>722,606</u>	<u>362,021</u>
Total	\$ <u>5,880,736</u>	\$ <u>6,236,288</u>



**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**  
**Supplemental Schedule - Indenture Cash Flow and Debt Service Coverage**  
**For the year ended June 30, 2011**

Toll Revenues		\$ 21,458,000
Other Revenues		2,383 <sup>1</sup>
Interest Income Available to Pay Debt Service		239,771
Total Revenues		<u>21,700,154</u>
Less: System Operating Expenses		<u>(5,848,981)</u>
Revenues Available for Rate Covenant and Additional Bonds Tests		15,851,173
Net Senior Lien Debt Service	\$ 7,439,500	
Net Subordinate Lien Debt Service	-	
Total Net Debt Service	<u>7,439,500</u>	
Debt Service Coverage Ratio for Rate Covenant and Additional Bonds Test		
Senior Lien Obligations	2.13	
Senior and Subordinate Lien Obligations	2.13	
Less: System Maintenance Expenses		<u>(984,494)</u>
Revenues Available for Debt Service		14,866,679
Debt Service Coverage Ratios for Revenues Available for Debt Service		
Senior Lien Obligations	2.00	
Senior and Subordinate Lien Obligations	2.00	
Less: Total Net Debt Service		(7,439,500)
Less: Deposits to Renewal and Replacement Fund		-
Less: Debt Service Payments on Other Obligations		<u>(1,243,667) <sup>2</sup></u>
Annual Excess		<u><u>\$ 6,183,512</u></u>

<sup>1</sup> Grant revenues of approximately \$32 million is excluded from "Other Revenues" as such grant revenues are restricted for purposes other than debt service obligations.

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

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

**RESOLUTION NO. 11-133**

**APPROVING A SPONSORSHIP AND ADVERTISING AGREEMENT WITH HICKS  
CEDAR PARK LLC RELATING TO EVENTS AT THE CEDAR PARK CENTER**

WHEREAS, because of the proximity of the Cedar Park Center to the 183A Expressway, events at the Cedar Park Center such as the home games of the *Texas Stars Hockey Club* and the *Austin Toros* basketball team generate significant traffic and toll revenue from customers who travel to the event using the 183A Expressway; and

WHEREAS, some drivers who attend events at the Cedar Park Center may be unaware of the benefits of using the 183A Expressway to travel to and from the Cedar Park Center; and


WHEREAS, being a sponsor of the *Texas Stars* games and other events at the Cedar Park Center benefits the Central Texas Regional Mobility Authority by providing advertising and goodwill for the 183A Expressway.

NOW THEREFORE, BE IT RESOLVED that the proposed Sponsorship Agreement with Hicks Cedar Park LLC, is approved, in the form or substantially the form attached as Attachment A to this resolution; and


BE IT FURTHER RESOLVED that the Executive Director is authorized to finalize and execute the Sponsorship Agreement on behalf of CTRMA in the form or substantially the same form as Attachment A to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of October, 2011.

Submitted and reviewed by:

  
Andrew Martin  
General Counsel for the  
Central Texas Regional Mobility Authority

Approved:

  
Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 11-133  
Date Passed: 10/26/11

**ATTACHMENT "A" TO RESOLUTION 11-133**

**SPONSORSHIP AGREEMENT WITH HICKS CEDAR PARK LLC**

**[on the following 6 pages]**



## SPONSORSHIP AGREEMENT

THIS SPONSORSHIP AGREEMENT (the "Agreement") is entered into as of November 1, 2011 (the "Effective Date") between Hicks Cedar Park LLC ("HCP") and Central Texas Regional Mobility Authority ("Sponsor").

### RECITALS

- A. HCP has the right to market certain promotional opportunities for the Dallas Stars' minor league hockey team affiliate, the Texas Stars Hockey Club (the "Texas Stars"), which plays its home games ("Games") in the arena known as Cedar Park Center ("CPC"); and
- B. HCP has the right to market certain promotional opportunities for all events (the "Events") to be held at CPC, which shall include all Austin Toros home games and all third party events (e.g., concerts) open to the public, excluding the Games; and
- C. Sponsor desires to purchase from HCP the right to display certain advertising and to participate in certain promotions in conjunction with the Games and Events.

In consideration of the foregoing recitals, which are incorporated as substantive provisions of this Agreement, and for other valuable consideration, HCP and Sponsor hereby agree as follows:

1. **Grant of Advertising Rights.** HCP hereby grants to Sponsor, and Sponsor hereby accepts, the non-exclusive rights and obligations set forth in this paragraph 1 during the Term, subject to the terms and conditions of this Agreement. All Advertising Copy to be displayed as provided in this Agreement shall be limited to advertising for the following products or services (the "Products"): Central Texas Regional Mobility Authority services and products.
  - a) **LED Video Ring.** During Games and Events, Sponsor will receive identification of its Advertising Copy on the following Sign: the LED Video Ring. The Ring will run Advertising Copy during all Games and Events, subject to blackouts at reasonable times (e.g., when all CPC lighting is turned down at the beginning of some Games and Events). All Advertising Copy is subject to HCP's prior approval.
  - b) **Premium Giveaway.** During one (1) Game during the Term, Sponsor will have the right and obligation to distribute t-shirts as premium giveaway items. The premium items will be distributed to the first TBD number of fans of the mutually-agreed upon game. Sponsor will be responsible for the cost of producing the premium items, which cost is included in the Rights Fee. All premium items are subject to HCP's prior approval and AHL regulations.
  - c) **Community Event Participation.** During the Term, HCP agrees to have the Texas Stars represented in a TBD manner at the Mobility Authority's Blockhouse Creek community event, subject to player and Ice Girl availability and staffing discretion. HCP will use good faith efforts to mutually-agree with Sponsor on the manner and type of the Texas Stars' participation in the event. For the Community Event, HCP will also provide the following giveaway items:

- i. **Texas Stars Glass Seats.** During one (1) Texas Stars regular-season game during the Term, Sponsor will receive four (4) glass seats at CPC. In addition, Sponsor will receive food vouchers for four (4) hot dogs and four (4) sodas.
- ii. **Authentic Jersey.** Sponsor will receive one (1) team autographed, authentic, Texas Stars hockey jersey. Size and color of jersey are subject to HCP discretion and availability.
- iii. **Promotional Tickets.** During the Term, for Sponsor's promotional use, HCP will provide to Sponsor one-hundred (100) Texas Stars regular season tickets. Dates and seat locations will be at HCP's sole discretion. HCP must prior approve the manner of promotional use.

2. **Term of Agreement.** Subject to Force Majeure and other terms and conditions set forth in this Agreement, this Agreement will begin on November 1, 2011, and continue through June 30, 2012 unless terminated earlier pursuant to the terms of this Agreement (the "Term").

3. **Rights Fee.** Sponsor shall pay to HCP a fee of \$30,000.00 (the "Rights Fee"). The Rights Fee shall be payable within sixty (60) days following Sponsor's receipt of invoices sent to Sponsor by HCP in accordance with the following invoice schedule:

<b>11/15/2011</b>	<b>\$30,000.00</b>
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Rights Fee payment must be made by check or direct funds transfer. Credit card payments are allowed only with HCP's prior approval, in which instance, a 3% credit card fee will be added to the Rights Fee and any other amounts charged. The Rights Fee shall be net of any agency fees or commissions that may be payable by Sponsor to its advertising agencies. All taxes and other charges imposed on Sponsor in connection with this Agreement shall be borne by Sponsor and shall not be deducted from the Rights Fee. Any Rights Fee not paid to HCP by the dates required shall be subject to interest at the annual rate equal to 12%, compounded monthly. Sponsor shall, at all times and in the manner provided in this Agreement, pay the Rights Fee and any other monetary obligation owed to HCP pursuant to this Agreement without offset, abatement, demand, set-off or counter claim. Sponsor hereby irrevocably waives any right to claim offset, abatement, demand, set-off or counter claim other than as may be pursuant to a final judgment.

4. **Provisions Regarding Advertising Copy.** Sponsor shall produce the Advertising Copy in accordance with the deadlines and specifications established by HCP. Sponsor is solely responsible for the cost and administration of designing, preparing, installing, maintaining and removing the Advertising Copy described in paragraph 1. The design, layout, elevation, configuration and content of all Advertising Copy shall be subject to HCP's prior approval, which may be granted or withheld at HCP's reasonable discretion. HCP shall have the right to disapprove any Advertising Copy if, among other possible reasons for disapproval, HCP determines in good faith that such Advertising Copy (i) is of substandard technical quality; (ii) does not conform to HCP's specifications for the Signs, publications or stated design preferences, (iii) does not comply with applicable government standards or regulations or with applicable hockey league rules, regulations or policies, or (iv) is in bad taste or otherwise reasonably objectionable. Sponsor shall have the right to modify or change any Advertising Copy displayed as provided in this Agreement, subject to HCP's right of approval, at Sponsor's expense. HCP may need to cover certain Advertising Copy and Signs at CPC for certain Games and Events, which shall be at HCP's reasonable discretion.

5. **Trademarks.** Sponsor's trademarks, service marks, brand names, logos, label designs, Products identification, decals and artwork displayed on the Advertising Copy, and all trademark rights or copyrights in such Advertising Copy, shall remain the exclusive property of Sponsor. Notwithstanding the foregoing, HCP may use

Sponsor's corporate or trade names, trademarks, service marks, logos or other proprietary symbols of Sponsor to fulfill this Agreement, subject to Sponsor's approval, which shall not be unreasonably withheld. The Texas Stars' names, logos, trademarks and service marks shall be and remain the exclusive property of HCP. Sponsor shall not have the right to use or reproduce the corporate or trade names, trademarks, service marks, logos or other proprietary symbols of the Texas Stars without HCP's prior written consent, which may be withheld at HCP's discretion. All advertising or promotional materials displayed or distributed by Sponsor in conjunction with the Texas Stars' names, logos, trademarks or service marks shall be subject to HCP's prior written approval. During the Term, if either party becomes aware of any unauthorized use or other infringement of the other party's names, logos, trademarks and/or service marks, then such party shall promptly give written notice thereof to the other party.

6. **Default.** If either party breaches its obligations under this Agreement (other than a delay or interruption in fulfillment of HCP's obligations as a result of a Force Majeure as defined in paragraph 7 below), including without limitation a failure to make any payments as required by this Agreement, the non-defaulting party shall have the option to immediately cease all performance under this Agreement. If such default is the failure by Sponsor to pay the Rights Fee or any other monetary obligations when due under this Agreement, HCP may exercise its right to terminate this Agreement immediately and pursue any available remedies immediately upon written notice to Sponsor. In the case of any other breach under this Agreement, the non-defaulting party shall also have the right to terminate this Agreement by providing the defaulting party with written notice of the alleged default and 30 days within which to cure the default to the reasonable satisfaction of the non-defaulting party. If the defaulting party fails to cure the default to the reasonable satisfaction of the non-defaulting party within 30 days after the date such written notice is given, the non-defaulting party may, in addition to any other remedies which may be available to it under the circumstances, terminate this Agreement effective immediately by providing written notice of such termination to the defaulting party.

Notwithstanding anything to the contrary herein, HCP may terminate this Agreement with no penalty in order to enter into a naming rights agreement for CPC with another sponsor in the same or similar Products category to Sponsor, provided that HCP shall provide ten (10) days written notice to Sponsor and only the portion of the Rights Fees due through the termination date shall be due from Sponsor.

7. **Force Majeure.** For the purposes of this Agreement, a "Force Majeure" shall mean any event or cause beyond HCP's reasonable control, (including without limitation, construction delays, fire, flood, or other casualty, explosions, damage by third parties whether negligently or intentionally caused, strikes, work stoppages, picketing, lockouts and/or any other concerted action by any employees or any labor organization, acts of God or other casualties, or the laws or actions of any governmental authority), as a result of which at any time HCP is unable to grant any of the rights described in paragraph 1 of this Agreement or perform any of its obligations hereunder. If a Force Majeure occurs during the Term, HCP and Sponsor shall mutually agree on one of the following alternatives: (i) terminate this Agreement and return all or a pro-rata portion of the Rights Fee, as appropriate, to Sponsor or (ii) provide alternate advertising and promotional rights of substantially equivalent value to Sponsor either during or after the Term.

8. **Subservience.** Notwithstanding any other provision of this Agreement, this Agreement shall be subject and subordinate to all Laws, and to all leases, subleases and other agreements under which HCP shall occupy or operate CPC or by which HCP is bound (including, but not limited to, the Lease and Development Agreement between the City of Cedar Park and HCP dated February 20, 2008, as amended from time to time), either presently in existence or as may be enacted, made or enforced from time to time after the effective date of this Agreement, including the regulations and actions of all governmental agencies or commissions. Notwithstanding any other provisions of this Agreement, the promotional licensing rights and all other rights granted by HCP to Sponsor pursuant to this Agreement are subject and subordinate to any and all promotional licensing, advertising and sponsorship agreements entered into by the hockey league and/or any other authorized agent collectively on behalf of the member clubs of the hockey league. If applicable, this Agreement shall terminate prior to the expiration of the Term upon the effective date of any ruling, ordinance, rule or regulation of any local, state or federal governmental

agency or other governmental body having jurisdiction over either party, CPC, or the Products, or of the hockey league, declaring the advertising of the Products, the performance of the promotion or the display of the Advertising Copy as provided in this Agreement to be unlawful or prohibited. If this Agreement is terminated as provided in this paragraph 8, the Rights Fees paid by Sponsor shall be pro-rated and appropriate refunds shall be made by HCP, to be computed on the same basis as provided in paragraph 7.

9. **Release, Indemnification, No Representations, Insurance.** Sponsor assumes full responsibility and liability for the content of the Advertising Copy and for all other work performed or required to be performed by Sponsor under this Agreement, and agrees that all of the foregoing shall be at Sponsor's sole risk. To the extent permitted by law, Sponsor agrees to defend, indemnify, and hold harmless Hicks Cedar Park LLC, Dallas Stars, L.P., HSG Partnership Holdings, LLC, Hicks, Inc., Hicks Sports Group Holdings LLC, Hicks Sports Group LLC and the City of Cedar Park and each of their subsidiaries, affiliates, partners, officers, directors, employees, shareholders, agents, other representatives, successors and assigns, (collectively the "HCP Parties"), from and against any losses, liabilities, damages, and judgments (collectively, "Claims"), including, without limitation, attorneys' fees, arising out of: (i) the use of any trademark, service mark, logo, design and other intellectual property right materials provided by Sponsor; (ii) Sponsor's Advertising Copy and Products; (iii) any work performed by Sponsor or its agents; and (iv) any breach of this Agreement by Sponsor and all costs incurred by the HCP Parties (including but not limited to attorney's fees) as a result of any breach of this Agreement, the enforcement of this Agreement against Sponsor or the collection from Sponsor of any amounts due hereunder. Sponsor fully waives and releases the HCP Parties from any and all Claims arising out of or related to any matter described in clauses (i) through (iv) above, except as provided in Section 17. If requested by HCP, Sponsor shall present to HCP satisfactory proof of insurance (including general liability insurance for bodily injury or death or property damage) adequate by its terms to fully satisfy Sponsor's obligations hereunder, and Sponsor shall, if so requested by HCP, include the HCP Parties as additional insureds. Except as otherwise expressly provided herein, HCP has made no representations or warranties of any kind, either, expressed, implied or statutory, all of which are hereby waived by Sponsor.

10. **Assignment.** HCP may assign any of its rights and duties without Sponsor's approval or notice to Sponsor. Sponsor may not assign this Agreement without HCP's prior written consent, which may be granted or withheld at HCP's reasonable discretion. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

11. **Confidentiality.** Subject to Sponsor's obligations under the Texas Public Information Act, the Texas Open Meetings Act, and other laws, the parties acknowledge and agree that HCP assets that this Agreement and its terms are confidential, and contain proprietary commercial and financial information of HCP. Neither HCP nor Sponsor shall disclose copies of this Agreement or the terms without the prior written consent of the other party, unless the disclosure is made for a legitimate business purpose or compelled by legal process, including without limitation the Texas Public Information Act and Texas Open Meetings Act. Sponsor understands that HCP may provide copies of this Agreement and disclose the terms of this Agreement to the hockey league and consents to such disclosure.

12. **Governing Law & Exclusive Venue.** THIS AGREEMENT IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO CONFLICT-OF-LAWS PRINCIPLES. THE EXCLUSIVE VENUE FOR ANY PROCEEDING IN CONNECTION WITH THIS AGREEMENT SHALL BE IN WILLIAMSON COUNTY, TEXAS.

13. **Notices.** All notices or other communications which are required or contemplated by this Agreement ("Notices") shall be in writing. All Notices of or concerning default or termination of this Agreement shall be sent by United States certified or registered mail, return receipt requested. All other Notices may be sent by facsimile, hand delivery, e-mail or mail. Mailed notices shall be sent to:

If to HCP: Hicks Cedar Park LLC  
2100 Avenue of the Stars  
Cedar Park, Texas 78613  
Attention: Rebecca Miller, Director – Partnership Fulfillment  
With a copy to: David Webster – Legal Department

If to Sponsor: Central Texas Regional Mobile Authority  
301 Congress Avenue, Suite 650  
Austin, Texas 78701  
Attention: Mike Heiligenstein

14. [INTENTIONALLY DELETED]

15. **No Waiver.** No delay of or omission in the exercise of any right, power or remedy accruing to any party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of any future exercise of any right, power or remedy.

16. **Severability.** In case any provision of this Agreement shall be invalid, illegal or unenforceable, such provision shall be severed from this Agreement. The validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

17. **Attorneys' Fees.** Should either party to this Agreement commence legal proceedings against the other to enforce the terms and provisions of this Agreement, the party losing in such legal proceedings shall pay the reasonable attorneys' fees and expenses of the party prevailing in such legal proceedings as determined by the court.

18. **Relationship of Parties.** This Agreement does not create any agency, partnership, joint venture or employment relationship between the parties. The relationship of the parties shall be solely that of independent contractors. Each party shall be solely responsible for the conduct of its respective agents and employees.

19. **Integration Clause & Amendment.** This Agreement is the final and exclusive expression of the agreement among the parties hereto with relation to the subject matter of this Agreement, it being understood that there are no oral representations, understandings or agreements covering the same subject matter. This Agreement supersedes, and cannot be varied, contradicted or supplemented by evidence of any prior or contemporaneous discussions, correspondence, or oral or written agreement. This Agreement may only be amended by a written amendment, signed by both parties.

20. **Sophistication of Parties.** Each party represents that it is a sophisticated commercial party capable of understanding all of the terms of this Agreement, that it has had an opportunity to review this Agreement with its counsel, and that it enters this Agreement with full knowledge of the terms of the Agreement.

21. **Definitions.** For purposes of this Agreement, the terms listed below shall have the following meanings:

a) **Advertising Copy.** "Advertising Copy" means advertising of the Products, including any words, slogans, logos or designs constituting trademarks or service marks of Sponsor, whether or not registered, that are displayed pursuant to this Agreement.

b) **Laws.** "Laws" means any and all federal, state or local laws or governmental rules, regulations, ordinances or orders, and rules, regulations, orders, directives, bulletins, policies or restrictions.

c) **Season.** "Season" means all pre-season and regular hockey season Games played by Texas Stars at CPC.



d) **Post-Season.** "Post-Season" means all playoff Games played by the Texas Stars at CPC.

e) **Signs.** "Signs" means any advertising materials installed in advertising panels, as identified in paragraph 1 of this Agreement.

22. **Representations and Warranties of Sponsor.** Sponsor represents and warrants that (a) the execution of this Agreement has been duly authorized by all necessary parties, (b) this Agreement constitutes the legal and binding obligations of Sponsor and is enforceable against Sponsor in accordance with its terms, (c) Sponsor has the absolute and unrestricted right, power authority and capacity to execute this Agreement and to perform its obligations, (d) Sponsor owns or has the right to use all trademarks, brand logos, label designs, product identification, and artwork displayed in the Advertising Copy and on the Signs, (e) Sponsor is not subject to any restrictive obligations imposed by former clients or any other person that would impair its ability to exercise its best efforts in connection with this Agreement and (f) Sponsor's Advertising Copy and Products comply with all Laws.

Agreed to by:

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**HICKS CEDAR PARK LLC,  
a Texas limited liability company**

By: \_\_\_\_\_  
Authorized Representative

Date: \_\_\_\_\_

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

**RESOLUTION NO. 11-134**

**APPROVE A CHANGE ORDER WITH WEBBER LLC TO ADD A SHARED-USE  
PATH GAP PROJECT TO THE 183A PHASE II PROJECT.**

WHEREAS, by Resolution No. 09-81, dated December 17, 2009, the Board of Directors awarded a construction contract for the 183A Phase II Project (the "Project") to W.W. Webber LLC ("Webber"), and authorized and directed the Executive Director to finalize and execute a contract with Webber for provision of those services; and

WHEREAS, Contract No. 10183A24601C for construction of the Project (the "Contract") was fully executed by CTRMA and Webber and became effective on February 1, 2010; and

WHEREAS, CTRMA staff and its general engineering consultant have requested that Webber prepare and submit a proposal to connect a gap between the 183A Phase I shared use path and the Phase II shared use path for the Project; and

WHEREAS, because the additional cost of Change Order No. 18 exceeds \$150,000.00, the Board of Directors must approve this proposed change order.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors approves the proposed Change Order No. 18 for an additional amount not to exceed \$918,876.92, in the form or substantially the same form attached as Attachment "A;" and

BE IT FURTHER RESOLVED, that Change Order No. 18 may be finalized and executed by the Executive Director on behalf of CTRMA in the form or substantially the same form attached as Attachment "A."

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of October, 2011.

Submitted and reviewed by:



Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:



Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 11-134  
Date Passed: 10/26/11

**ATTACHMENT "A" TO RESOLUTION 11-134**  
**PROPOSED CHANGE ORDER NO. 18 WITH WEBBER LLC**

**[on the following 7 pages]**



Central Texas Regional  
Mobility Authority

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY  
CHANGE ORDER NUMBER: 18

Project Name	<u>183A Phase II</u>
Contract Name	<u>183A Phase II</u>
Contract Award Date	<u>December 21, 2009</u>
Contract Number	<u>10183A24601C</u>

1. CONTRACTOR: Webber LLC

2. Change Order Work Limits: SUP GAP Sta 322+19.27 to SUP GAP Sta 394+04.49  
SUP Phil Sta 337+00 SUP Phil Sta 601+00

3. Type of Change (on federal-aid non-exempt projects): N/A (Major/Minor)

4. Reasons: 3F (In order of importance - Primary first)

5. Describe the work being revised:

5a. Construction of Shared Use Path 183A Phase II GAP STA 322+19.27 to STA 394+04.49  
5b. SUP Design Criteria Updates (Plan Revision #41)

6. Work to be performed in accordance with Items: as noted in Table B attached

7. New or revised plan sheet(s) are attached and numbered: As provided via eBuilder Change Request #8 (5a), RFI #91 (5a), Transmittal #171 (5b)

8. New general notes to the contract are attached:  Yes  No

9. New Special Provisions to Items N/A No. N/A and Special Specification Items 1093 are attached.

Each signatory hereby warrants that each has the authority to execute this Change Order (CO).

<p>The contractor must sign the Change Order and, by doing so, agrees to waive any and all claims for additional compensation due to any and all other expenses; additional changes for time, overhead and profit; or loss of compensation as a result of this change.</p>	<p>The following information must be provided</p>								
<p>THE CONTRACTOR  Date <u>10/17/11</u></p>	<p>Time Ext. #: <u>N/A</u> Days added on this CO: <u>0</u></p>								
<p>By </p>	<p>Amount added by this change order: <u>\$918,876.92</u></p>								
<p>Typed/Printed Name <u>Ivan Svec</u></p>	<p>For CTRMA use only:</p>								
<p>Typed/Printed Title <u>Area Manager</u></p>	<table border="0"> <tr><td>Original Contract Amount</td><td><u>\$76,792,413.92</u></td></tr> <tr><td>Previous Change Orders #01- #17</td><td><u>\$26,529.19</u></td></tr> <tr><td>Amount added by this change order:</td><td><u>\$918,876.92</u></td></tr> <tr><td>Revised contract amount to-date:</td><td><u>\$76,736,820.03</u></td></tr> </table>	Original Contract Amount	<u>\$76,792,413.92</u>	Previous Change Orders #01- #17	<u>\$26,529.19</u>	Amount added by this change order:	<u>\$918,876.92</u>	Revised contract amount to-date:	<u>\$76,736,820.03</u>
Original Contract Amount	<u>\$76,792,413.92</u>								
Previous Change Orders #01- #17	<u>\$26,529.19</u>								
Amount added by this change order:	<u>\$918,876.92</u>								
Revised contract amount to-date:	<u>\$76,736,820.03</u>								

RECOMMENDED FOR EXECUTION:

10/17/11  
HNTB GEC Project Manager Date

10-17-11  
CTRMA, Director of Engineering Date

APPROVED  REQUEST APPROVAL

10/17/11  
HNTB GEC Construction Manager Date  
C. BILICH FOR M. ERBUMPT

10/17/11  
CTRMA, General Counsel Date

APPROVED  REQUEST APPROVAL

CTRMA, Executive Director Date  
 APPROVED  REQUEST APPROVAL

GENERAL PRICING BREAKDOWN  
1833A Phase II Project

CHANGE ORDER NUMBER: 78

TABLE B: Contract Items

EXTRA WORK ITEM	REASON CODE	DESCRIPTION	UNIT	ORIGINAL + PREVIOUSLY REBID				NEW				OVERLAP/ UNDERBID	
				QUANTITY	UNIT PRICE	ITEM COST	QUANTITY	UNIT PRICE	ITEM COST				
CONSTRUCTION OF SHARED USE PATH STA 322+19.27 TO STA 384+06.49 AND SUP DESIGN CRITERIA UPDATES													
100-2002	3F	PREPARING ROW FOR SHARED USE PATH	STA										
110-2001	3F	EXCAVATION (ROADWAY)	CY	689.836	\$4.30	2,966,294.50	822.136	\$4.30	\$3,535,894.80	71.85	\$	\$150,885.00	\$150,885.00
132-2001	3F	EMBANKMENT (EMALVARD COMP) (TY A)	CY	3,950.00	\$3.77	14,901.50	12,150.00	\$3.77	\$45,505.50	54.30	\$	\$2,037.00	\$9,896.00
161-2001	3F	COMPOST HAMP TOPSOIL (4")	SY	353,488.00	\$0.78	275,720.64	365,085.00	\$0.78	\$283,266.30	365,085.00	\$	\$283,266.30	\$7,456.65
162-2002	3F	BLOCK SOILING (BUFFALOBERMUDA)	SY		\$		2,912.00	\$	\$13,118.56	4.51	\$	\$13,118.56	\$13,118.56
164-2003	3F	CRACKCAST SEED (PERS) (URBAN) (CLAY)	SY	16,227.00	\$0.10	1,622.70	22,612.00	\$0.10	\$2,261.20	22,612.00	\$	\$2,261.20	\$668.40
164-2029	3F	CELL FBR M CH SEED (TEMP) (WARM)	SY	168,671.00	\$0.20	33,734.20	178,238.00	\$0.20	\$35,647.60	30.20	\$	\$6,065.60	\$1,919.40
164-2031	3F	CELL FBR M CH SEED (TEMP) (COOL)	SY	10,126.30	\$1.40	14,176.82	10,438.30	\$1.40	\$14,613.62	50.26	\$	\$70,456.60	\$1,919.40
168-2001	3F	VEGETATIVE WATERINGS	MG	2,657.00	\$0.95	2,524.15	2,657.00	\$0.95	\$2,524.15	2,657.00	\$	\$2,524.15	\$4,924.81
169-2003	3F	SOIL RETENTION BLANKETS (CL 1) (TY C)	SY	78,121.00	\$3.27	253,655.67	78,492.00	\$3.27	\$254,868.24	30.95	\$	\$100,364.62	\$4,924.81
247-2122	3F	EROSION CONTROL PROTECTION	LF	31,885.00	\$1.00	31,885.00	32,076.00	\$1.00	\$32,076.00	32,076.00	\$	\$32,076.00	\$81.00
420-2001	3F	RETAINING WALL (MSE)	DY	259,887.0	\$	17,140.00	26.0	\$	\$584.40	26.0	\$	\$17,784.60	\$584.40
423-2001	3F	RETAINING WALL (CB)	SF	5,924.0	\$26.26	155,245.62	299,834.0	\$26.26	\$7,874.60	299,834.0	\$	\$7,874.60	\$1,338.78
432-2001	3F	RIPPRAP CONCRETE (4")	CY	27.3	\$283.62	7,742.83	105.0	\$283.62	\$29,800.50	105.0	\$	\$29,800.50	\$29,800.50
432-2003	3F	RIPPRAP (STONE COMMON) (D) (12 IN)	CY	2,875.00	\$340.00	977,500.00	3,120.00	\$340.00	\$1,060,800.00	3,120.00	\$	\$1,060,800.00	\$48,950.00
450-2072	3F	SOIL HANDRAIL (TY A) (WOOD)	LF	5,251.00	\$24.00	126,024.00	5,251.00	\$24.00	\$126,024.00	5,251.00	\$	\$126,024.00	\$126,024.00
450-2073	3F	SOIL HANDRAIL (TY B) (WOOD)	LF	2,755.00	\$20.00	55,100.00	2,755.00	\$20.00	\$55,100.00	2,755.00	\$	\$55,100.00	\$55,100.00
450-2077	3F	SOIL HANDRAIL (TY C) (WOOD)	LF	2,895.00	\$24.00	69,540.00	2,895.00	\$24.00	\$69,540.00	2,895.00	\$	\$69,540.00	\$69,540.00
452-2003	3F	CONC BOX CH V (4 FT X 4 FT)	EA	0.0	\$		1.00	\$	\$60.00	1.00	\$	\$60.00	\$60.00
452-2004	3F	CONC BOX CH V (4 FT X 4 FT)	EA	0.0	\$		2.00	\$	\$120.00	2.00	\$	\$120.00	\$120.00
457-2011	3F	SET (TY A) (18 IN) (RCP) (4") (C)	EA	37.0	\$910.00	33,670.00	42.0	\$910.00	\$38,220.00	42.0	\$	\$38,220.00	\$4,550.00
457-2022	3F	SET (TY B) (18 IN) (RCP) (4") (C)	EA	5.0	\$1,730.00	8,650.00	11.0	\$1,730.00	\$19,030.00	11.0	\$	\$19,030.00	\$19,030.00
457-2023	3F	SET (TY C) (18 IN) (RCP) (4") (C)	EA	1.0	\$2,230.00	2,230.00	3.0	\$2,230.00	\$6,690.00	3.0	\$	\$6,690.00	\$6,690.00
472-2003	3F	REMOVE & RE-LAY PIPE (18 IN)	LF	0.0	\$0.00		28.0	\$25.00	\$700.00	28.0	\$	\$700.00	\$700.00
472-2005	3F	REMOVE & RE-LAY PIPE (24 IN)	LF	0.0	\$0.00		2.0	\$1,840.00	\$3,680.00	2.0	\$	\$3,680.00	\$3,680.00
470-2002	3F	REMOVE STR (SET)	EA	0.0	\$0.00		1.00	\$	\$0.00	1.00	\$	\$0.00	\$0.00
470-2004	3F	REMOVE STR (SET)	EA	0.0	\$0.00		1.00	\$	\$0.00	1.00	\$	\$0.00	\$0.00
500	3F	MOBILIZATION	LS	1,853.00	\$14.50	26,768.50	2,024.00	\$14.50	\$29,348.00	2,024.00	\$	\$29,348.00	\$29,348.00
500-2002	3F	ROCK FILTER DAMS (INSTALL) (TY 2)	LF	2,172.00	\$35.00	76,020.00	2,577.00	\$35.00	\$90,247.50	2,577.00	\$	\$90,247.50	\$90,247.50
500-2004	3F	TEMPORARY SEDIMENT CONTROL FENCE	LF	26,642.00	\$1.65	43,959.30	31,887.00	\$1.65	\$52,613.55	31,887.00	\$	\$52,613.55	\$2,007.50
525-2004	3F	CONC CURB & GUTTER (TY B)	LF	33,196.00	\$9.41	312,374.36	33,254.00	\$9.41	\$312,920.14	33,254.00	\$	\$312,920.14	\$6,547.78
531-2005	3F	DRAINWAYS (CONC)	SY	7,189.00	\$39.66	284,545.54	8,371.00	\$39.66	\$331,485.42	8,371.00	\$	\$331,485.42	\$46,939.88
531-2010	3F	CURB RAMPS (TY 1)	EA	8.00	\$3,600.00	28,800.00	8.00	\$3,600.00	\$28,800.00	8.00	\$	\$28,800.00	\$28,800.00
531-2015	3F	CONC SIDEWALK (4")	LF	15,895.00	\$31.61	502,472.56	24,006.00	\$31.61	\$759,021.66	24,006.00	\$	\$759,021.66	\$236,549.10
552	3F	WIRE FENCE (TY A) (REMOVE AND RESET)	LF		\$		3,600.00	\$	\$0.00	3,600.00	\$	\$0.00	\$0.00
552-2001	3F	ALUMINUM SIGNS (TY A)	SF	394.40	\$15.00	5,916.00	403.20	\$15.00	\$6,048.00	403.20	\$	\$6,048.00	\$1,132.00
544-2001	3F	RELOCATE SW RD SW SUP&AM TY 10B(R) (S4P)	EA	92.00	\$4,900.00	451,800.00	96.00	\$4,900.00	\$470,400.00	96.00	\$	\$470,400.00	\$2,020.00
644-2006	3F	RED SIG SEC (TY B) (INDICAT B T SEC)	EA	14.00	\$8,800.00	123,200.00	18.00	\$8,800.00	\$158,400.00	18.00	\$	\$158,400.00	\$158,400.00
682-2004	3F	RED SIG SEC (TY B) (INDICAT B T SEC)	EA	7.00	\$9,800.00	68,600.00	10.00	\$9,800.00	\$98,000.00	10.00	\$	\$98,000.00	\$98,000.00
682-2001	3F	RED SIG SEC (TY B) (INDICAT B T SEC)	EA	16.00	\$1,600.00	25,600.00	22.00	\$1,600.00	\$35,200.00	22.00	\$	\$35,200.00	\$35,200.00
682-2001	3F	TREE PROTECTION (PROTECTIVE FENCE) (PLASTIC)	EA		\$		624.00	\$	\$0.00	624.00	\$	\$0.00	\$0.00
682-2001	3F	FRKED BOLLARD S	EA		\$		7.00	\$	\$0.00	7.00	\$	\$0.00	\$0.00
682-2001	3F	12-IN DIA SDR 26 PVC WASTEWATER PIPE	LF	33.00	\$100.70	3,323.10	36.00	\$100.70	\$3,625.20	36.00	\$	\$3,625.20	\$3,625.20
682-2004	3F	STL CASING PIPE (24 IN)	LF	26.00	\$5,271.80	137,127.60	26.00	\$5,271.80	\$137,127.60	26.00	\$	\$137,127.60	\$137,127.60
682-2001	3F	INSTALL 4" DIA MANHOLE	EA		\$		1.00	\$	\$0.00	1.00	\$	\$0.00	\$0.00
682-2001	3F	REMOVE EXISTING WASTEWATER MANHOLE	EA		\$		1.00	\$	\$0.00	1.00	\$	\$0.00	\$0.00
531-2002	3F	SIDEWALK BRIDGE (WOOD)	LF		\$		14.00	\$	\$0.00	14.00	\$	\$0.00	\$0.00
TOTALS													\$14,552,624.63

## CHANGE ORDER REASON(S) CODE CHART

<p>1. Design Error or Omission</p>	<p>1A. Incorrect PS&amp;E 1B. Other</p>
<p>2. Differing Site Conditions (unforeseeable)</p>	<p>2A. Dispute resolution (expense caused by conditions and/or resulting delay) 2B. Unavailable material 2C. New development (conditions changing after PS&amp;E completed) 2D. Environmental remediation 2E. Miscellaneous difference in site conditions (unforeseeable)(Item 9) 2F. Site conditions altered by an act of nature 2G. Unadjusted utility (unforeseeable) 2H. Unacquired Right-of-Way (unforeseeable) 2I. Additional safety needs (unforeseeable) 2J. Other</p>
<p>3. CTRMA Convenience</p>	<p>3A. Dispute resolution (not resulting from error in plans or differing site conditions) 3B. Public relations improvement 3C. Implementation of a Value Engineering finding 3D. Achievement of an early project completion 3E. Reduction of future maintenance 3F. Additional work desired by the CTRMA 3G. Compliance requirements of new laws and/or policies 3H. Cost savings opportunity discovered during construction 3I. Implementation of improved technology or better process 3J. Price adjustment on finished work (price reduced in exchange for acceptance) 3K. Addition of stock account or material supplied by state provision 3L. Revising safety work/measures desired by the CTRMA 3M. Other</p>
<p>4. Third Party Accommodation</p>	<p>4A. Failure of a third party to meet commitment 4B. Third party requested work 4C. Compliance requirements of new laws and/or policies (impacting third party) 4D. Other</p>
<p>5. Contractor Convenience</p>	<p>5A. Contractor exercises option to change the traffic control plan 5B. Contractor requested change in the sequence and/or method of work 5C. Payment for Partnering workshop 5D. Additional safety work/measures desired by the contractor 5E. Other</p>
<p>6. Untimely ROW/Utilities</p>	<p>6A. Right-of-Way not clear (third party responsibility for ROW) 6B. Right-of-Way not clear (County responsibility for ROW) 6C. Utilities not clear 6D. Other</p>

**SPECIAL SPECIFICATION 531-XXX1**

**SIDEWALKS – SHARED USE PATH "GAP" CONSTRUCTION AND SHARED USE  
PATH DESIGN UPDATES**

**Description:** Work to be performed in accordance with plans for construction of the Shared Use Path "Gap" to connect the existing Shared Use Path at approximately RM 1431 to the Shared Use Path detailed in the original construction plans and incorporate work to be performed in association with design modifications for the construction of the Phase II Shared Use Path.

**Scope of Work:** Construct an additional Shared Use Path to connect the "Gap" between the 183A Phase I Shared Use Path and the 183A Phase II Shared Use Path as detailed in the original construction plans and update the Phase II Shared Use Path plans with new AASHTO design criteria. The construction of the Shared Use Path "Gap" and all design modifications shall be per the plans, specifications, and notes as provided to the contractor on 8/2/11 and 9/27/11, respectively, and as noted in this change order.

**Measurement and Payment:** Item will be paid via a fixed price change order to the work per Section 4.2 of the 183A Phase II contract.

**General Notes**

**Shared Use Path "Gap" STA 322+19.27 to STA 394+04.49**

The completion and Final Acceptance of the construction of the Shared Use Path "Gap" as shown in the plans provided to the contractor on 8/2/11 shall be required as a condition of project Final Acceptance to occur not later than 90 days after the contract Substantial Completion date. This only pertains to the Shared Use Path "Gap".



**SPECIAL SPECIFICATION**

1093

**Tree Protection in Construction Areas**

1. **Description.** Protect and assure the continued good health of existing trees identified on the plans or directed by the Engineer as "to be protected". Provide, install, maintain and remove upon completion of work, protective fences.

Protect all trees in the construction area identified to be retained in place as shown on the plans or as directed by the Engineer.

Protect all trees before any heavy equipment is allowed on the site and maintain protections in place for the duration of the project.
2. **Materials.** All materials shall meet the applicable requirements indicated below for the specified type of protection.
  - (1) **Protective Fence.** Furnish construction fence as shown on the plans or approved by the Engineer.
    - (a) Construction Fence shall be 4 ft. high orange plastic mesh or approved equivalent supported on steel T-post a minimum of 6 ft. long.
    - (b) **Wound Paint.** Wound paint shall be an approved tree dressing.
3. **Construction Methods.** Conduct all construction activities in such manner as to protect all trees identified in the plans for protection.
  - (1) **Protective Fence.** Unless otherwise shown on the plans or as directed by the Engineer, furnish construction fence.
  - (2) **Construction Fence.** Stretch smooth galvanized wire from post to post across the top of the fence and draw tight. Attach plastic mesh to the posts and top wire with aluminum tie wire or nylon ties, spaced at 3 ft. intervals. Drive T-posts into the ground a minimum of 18 in.
4. **Measurement.** Tree protection in construction will be measured by the methods as follows and as shown on the plans.

"Tree Protection (Protective Fence)(Plastic)" will be measured by the foot of protective fence measured at the bottom of the fabric along the fence from center to center of end posts complete in place.

5. **Payment.** The work performed and materials furnished in accordance with this Item and measured as provided under "Measurement" will be paid for at the unit price bid for "Tree Protection (Protective Fence)(Plastic)". This price shall be full compensation for all manipulations, labor, equipment, materials, accessories, and incidentals necessary to complete the work.

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

**RESOLUTION NO. 11-135**

**ACCEPT MONTHLY FINANCIAL REPORT**

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

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

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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of September, 2011, and has caused a Financial Report to be prepared which is attached to this resolution as Attachment "A."

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the Financial Report for September, 2011, attached as Attachment "A" to this resolution.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26th day of October, 2011.

Submitted and reviewed by:



Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

Approved:



Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 11-135  
Date Passed: 10/26/2011

**Exhibit A**

**Financial Report for September, 2011**

**Central Texas Regional Mobility Authority  
Balance Sheet**

As of	September 30, 2011	September 30, 2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash in Regions Operating Account	140,197	231,903
Cash In TexSTAR	41,806	57,720
Regions Payroll Account	4,288	1,162
<b>Restricted cash/cash equivalents</b>		
Fidelity Government MMA	16,332,278	4,688,500
Restricted Cash-TexStar	66,035,743	88,343,016
Regions SIB account	0	17,443,963
Overpayment accounts	21,345	12,057
<b>Total Cash and Cash Equivalents</b>	82,435,460	110,778,322
Accounts Receivable	48,514	102,428
Due From Other Funds	0	108,340
Due From TTA	(79,991)	566,906
Due From NTTA	37,399	32,432
Due From HCTRA	120,828	55,780
Due From TxDOT	5,859,614	5,562,171
Due From Federal Government	463,466	466,420
Interest Receivable	381,372	148,831
<b>Total Receivables</b>	6,831,200	7,043,309
<b>Short Term Investments</b>		
Treasuries	4,549,017	
Certificates of Deposit	3,000,000	3,100,000
Investment in Government Agencies	12,308,580.9	13,063,295
<b>Other Current Assets</b>		
Prepaid Expenses	1,655	
Prepaid Insurance	0	4,002
<b>Total Current Assets</b>	109,266,111	133,988,928
<b>Construction Work In Process</b>		
	231,055,636	92,919,670
<b>Fixed Assets</b>		
Computers(net)	29,590	41,052
Computer Software(net)	981,673	2,177,275
Furniture and Fixtures(net)	17,503	27,171
Equipment(net)	41,991	56,369
Autos and Trucks(net)	26,443	2,950
Buildings and Toll Facilities(net)	6,299,991	6,476,550
Highways and Bridges(net)	176,477,720	181,444,927
Communication Equipment(net)	1,094,559	1,274,802
Toll Equipment(net)	2,429,909	2,967,717
Signs(net)	5,055,776	5,189,044
Land Improvements(net)	1,161,903	933,825
Right of Way	24,683,553	23,683,553
Leasehold Improvements	64,384	63,945
<b>Total Fixed Assets</b>	218,364,995	224,339,180
<b>Long Term Investments</b>		
GIC (Restricted )	247,157,994	89,544,586
Agencies-LT	44,308,040	0
<b>Other Assets</b>		
Security Deposits	8,644	9,483
Intangible Assets	650	650
Total Bond Issuance Costs	15,944,458	11,011,783
<b>Total Assets</b>	866,106,527	551,814,280

## Liabilities

### Current Liabilities

Accounts Payable	183,088	188,813
Overpayments	22,024	12,442
Interest Payable	11,386,420	4,735,594
Due to other Funds	0	184,367
TCDRS Payable	29,207	34,717
Due to other Entities	10,379	0
Due to State of Texas	2,113	605
<b>Total Current Liabilities</b>	<b><u>11,633,231</u></b>	<b><u>5,156,539</u></b>

### Long Term Liabilities

Accrued Vac & Sick Leave Paybl	413,815	365,641
Retainage Payable	1,655	134,317
Tot Sr Lien Rev Bond Pay Pre/D	<u>1,253,365</u>	<u>5,144,531</u>
Subordinated Lien Bond 2010	45,000,000	45,000,000
Subordinated Lien Bond 2011	70,000,000	0
Sub Lien Bond 2011 Prem/Disc	(2,148,305)	
TIFIA note 2008	77,626,562	74,978,988
2010 Regions BAB's Payable	0	59,730,000
2009 State Infrastructure loan	0	32,389,798
<b>Total Long Term Liabilities</b>	<b><u>770,123,966</u></b>	<b><u>486,353,495</u></b>
<b>Total Liabilities</b>	<b><u>781,757,197</u></b>	<b><u>491,510,034</u></b>

### Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	61,930,780	37,756,819
Current Year Operations	<u>4,083,705</u>	<u>4,212,582</u>
<b>Total Net Assets</b>	<b><u>66,014,485</u></b>	<b><u>41,969,401</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>866,106,527</u></b>	<b><u>551,814,280</u></b>

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	21,395,350	3,903,368	18.24%	3,950,627
Toll Revenue-HCTRA-183A	656,250	178,812	27.25%	168,164
Toll Revenue-NTTA-183A	411,600	109,122	26.51%	98,107
Video Tolls	3,004,800	802,082	26.69%	812,894
Fee revenue	1,252,000	296,301	23.67%	318,169
<b>Total Operating Revenue</b>	<b>26,720,000</b>	<b>5,289,684</b>	<b>19.80%</b>	<b>5,347,960</b>
<b>Other Revenue</b>				
Interest Income	180,000	53,095	29.50%	115,649
Grant Revenue	800,000	4,571,489	571.44%	5,514,144
Misc Revenue	2,200	835,495	37977%	733
Gain/Loss on Sale of Asset	-	12,342		-
<b>Total Other Revenue</b>	<b>982,200</b>	<b>5,472,421</b>	<b>557.16%</b>	<b>5,630,526</b>
<b>Total Revenue</b>	<b>\$ 27,702,200</b>	<b>\$ 10,762,105</b>	<b>38.85%</b>	<b>\$ 10,978,486</b>
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,010,301	382,495	19.03%	386,012
Part Time Salary Expense	12,000	7,409	61.74%	4,391
Overtime Salary Expense	4,000	-	0.00%	-
Contractual Employees Expense	105,000	5,550	5.29%	20,225

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
TCDRS	304,235	54,529	17.92%	55,380
FICA	97,856	15,931	16.28%	15,388
FICA MED	30,715	5,473	17.82%	5,440
Health Insurance Expense	204,527	48,173	23.55%	30,968
Life Insurance Expense	5,374	1,026	19.10%	1,389
Auto Allowance Expense	9,000	1,912	21.24%	1,998
Other Benefits	171,305	17,960	10.48%	16,105
Unemployment Taxes	13,059	15	0.12%	-
Salary Reserve	91,871	-	0.00%	-
<b>Total Salaries and Wages</b>	<b>3,059,243</b>	<b>540,472</b>	<b>17.67%</b>	<b>537,294</b>
<b>Contractual Services</b>				
<u>Professional Services</u>				
Accounting	9,500	9,587	100.92%	1,741
Auditing	55,000	30,365	55.21%	14,513
General Engineering Consultant	1,250,000	99,872	7.99%	111,787
General System Consultant	175,000	25,862	14.78%	1,380
Image Processing	600,000	209,663	34.94%	178,226
Facility maintenance	20,000	2,741	13.71%	18,482
HERO	820,000	121,736	14.85%	198,916
Human Resources	80,000	3,042	3.80%	8,470
Legal	250,000	2,850	1.14%	-
Photography	15,000	-	0.00%	9,000
<b>Total Professional Services</b>	<b>3,274,500</b>	<b>505,718</b>	<b>15.44%</b>	<b>542,515</b>



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

Account Name	Budget	Actual	Percent	Actual	Actual
	Amount	Year to Date	of	Year to Date	Prior Year to Date
	FY 2012	9/30/2011	Budget	9/30/10	9/30/10
<u>Other Contractual Services</u>					
IT Services	45,000	15,104	33.56%	11,480	11,480
Graphic Design Services	10,000	-	0.00%	780	780
Website Maintenance	25,000	671	2.68%	1,805	1,805
Research Services	25,000	3,100	12.40%	18,067	18,067
Copy Machine	9,000	1,360	15.11%	2,928	2,928
Software Licenses	26,000	734	2.82%	6,653	6,653
ETC Maintenance Contract	840,000	138,923	16.54%	196,327	196,327
ETC Development	125,000	-	0.00%	2,483	2,483
ETC Testing	30,000	16,620	55.40%	-	-
Communications and Marketing	170,000	-	0.00%	34,149	34,149
Advertising Expense	40,000	1,000	2.50%	16,543	16,543
Direct Mail	5,000	-	0.00%	-	-
Video Production	5,000	1,946	38.91%	-	-
Radio	15,000	-	0.00%	-	-
Other Public Relations	2,500	-	0.00%	-	-
Law Enforcement	250,000	-	0.00%	18,336	18,336
Special assignments	5,000	-	0.00%	-	-
Traffic Management	84,000	13,791	16.42%	12,721	12,721
Emergency Maintenance	10,000	-	0.00%	-	-
Security Contracts	600	-	0.00%	-	-
Roadway Maintenance Contract	300,000	29,315	9.77%	27,720	27,720
Landscape Maintenance	280,000	27,861	9.95%	27,266	27,266
Signal & Illumination Maint	175,000	10,000	5.71%	33,665	33,665
Mowing and litter control	40,000	24,754	61.88%	34,858	34,858
Hazardous Material Cleanup	10,000	-	0.00%	-	-
Striping	75,000	16,600	22.13%	-	-

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
Graffiti removal	10,000	-	0.00%	-
Cell Phones	10,700	1,806	16.88%	1,743
Local Telephone Service	16,000	2,947	18.42%	1,408
Long Distance	600	-	0.00%	24
Internet	6,000	172	2.86%	306
Fiber Optic System	63,000	9,628	15.28%	5,324
Other Communication Expenses	1,500	47	3.10%	-
Subscriptions	1,850	-	0.00%	-
Memberships	29,100	3,045	10.47%	3,170
Continuing Education	2,000	472	23.61%	-
Professional Development	5,000	3,000	60.00%	-
Seminars and Conferences	32,500	2,325	7.15%	5,575
Staff-Travel	76,500	13,428	17.55%	5,936
Other Contractual Svcs	125,200	177	0.14%	-
TxTag Collection Fees	1,347,791	227,359	16.87%	232,359
Contractual Contingencies	140,500	3,309	2.36%	925
<b>Total Other Contractual Services</b>	<b>4,470,341</b>	<b>569,493</b>	<b>12.74%</b>	<b>702,552</b>
<b>Total Contractual Services</b>	<b>7,744,841</b>	<b>1,075,211</b>	<b>13.88%</b>	<b>1,245,066</b>
<b>Materials and Supplies</b>				
Books & Publications	16,000	-	0.00%	2,875
Office Supplies	10,000	1,012	10.12%	1,366
Computer Supplies	13,000	1,212	9.32%	1,258
Copy Supplies	2,200	18	0.81%	-
Annual Report printing	10,000	-	0.00%	-

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
Other Reports-Printing	20,000	-	0.00%	381
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	3,000	-	0.00%	900
Ice Control Materials	25,000	-	0.00%	-
Maintenance Supplies-Roadway	100,000	-	0.00%	-
Promotional Items	10,000	-	0.00%	1,491
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	6	0.55%	-
Misc Materials & Supplies	2,000	133	6.67%	6
<b>Total Materials and Supplies</b>	<b>252,200</b>	<b>2,380</b>	<b>0.94%</b>	<b>8,277</b>

**Operating Expenses**

Gasoline Expense	5,000	1,049	20.99%	402
Mileage Reimbursement	7,500	747	9.96%	651
Toll Tag Expense	4,100	674	16.45%	353
Parking	38,595	11,073	28.69%	10,237
Meeting Facilities	450	-	0.00%	100
Community Meeting/ Events	5,000	-	0.00%	500
Meeting Expense	6,750	938	13.89%	294
Public Notices	2,400	-	0.00%	-
Postage Expense	5,950	14	0.24%	265
Overnight Delivery Services	1,600	106	6.66%	31
Local Delivery Services	1,950	6	0.29%	26
Insurance Expense	90,000	24,228	26.92%	26,936
Repair & Maintenance-General	500	-	0.00%	-

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
Repair & Maintenance-Vehicles	100	325	325.00%	-
Repair & Maintenance Toll Equip	5,000	-	0.00%	-
Rent Expense	190,000	50,724	26.70%	46,983
Water	7,500	1,378	18.37%	442
Electricity	83,500	12,494	14.96%	7,416
Other Licenses	250	40	16.00%	-
Community Initiative Grants	65,000	-	0.00%	30,750
<b>Non Cash Operating Expenses</b>				
Amortization Expense	1,230,000	307,404	24.99%	307,404
Dep Exp- Furniture & Fixtures	16,500	2,342	14.20%	4,682
Dep Expense - Equipment	14,500	3,594	24.79%	3,594
Dep Expense - Autos & Trucks	5,000	1,150	22.99%	983
Dep Expense-Building & Toll Fac	177,000	44,140	24.94%	44,140
Dep Expense-Highways & Bridges	5,000,000	1,241,802	24.84%	1,241,802
Dep Expense-Communic Equip	195,000	47,717	24.47%	49,112
Dep Expense-Toll Equipment	465,000	115,445	24.83%	115,445
Dep Expense - Signs	135,000	33,317	24.68%	33,317
Dep Expense-Land Improvemnts	52,000	16,451	31.64%	12,896
Depreciation Expense-Computers	6,500	2,502	38.49%	2,422
<b>Total Operating Expenses</b>	<b>7,817,645</b>	<b>1,919,661</b>	<b>24.56%</b>	<b>1,941,183</b>
<b>Financing Expenses</b>				
Arbitrage Rebate Calculation	2,500	-	0.00%	-
Loan Fee Expense	12,500	-	0.00%	-
Rating Agency Expense	33,000	5,300	16.06%	5,000

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

Account Name	Budget Amount FY 2012	Actual Year to Date 9/30/2011	Percent of Budget	Actual Prior Year to Date 9/30/10
Trustee Fees	2,000	-	0.00%	-
Bank Fee Expense	7,500	1,325	17.67%	1,979
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	12,038,096	3,007,487	24.98%	2,953,153
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	385,707	126,565	32.81%	73,952
<b>Total Financing Expenses</b>	<b>12,500,303</b>	<b>3,140,677</b>	<b>25.12%</b>	<b>3,034,084</b>
<b>Other Gains or Losses</b>				
Total Other Gains or Losses	-	-	0.00%	-
<b>Total Expenses</b>	<b>\$ 31,374,232</b>	<b>\$ 6,678,401</b>	<b>21.29%</b>	<b>\$ 6,765,904</b>
Net Income	\$ (3,672,032)	\$ 4,083,705		\$ 4,212,582

**CTRMA INVESTMENT REPORT**

	Month Ending 9/30/11						Rate
	Balance 8/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 9/30/11	
<b>Amount in Trustee TexStar</b>							
183A/290E Project Acct	90.49			0.01	90.50	0.00	0.091%
2011 Senior Lien Construction Fund	8,281,496.09			494.25	4,738,451.23	3,543,539.11	0.091%
2010 Senior Lien Construction Fund	1.19					1.19	0.091%
2010-1 Sub Lien Projects General Fund	4,167.66	1,000,000.00		2.79		1,004,170.45	0.091%
Trustee Operating Fund	3,678,693.58	2,300,000.00		279.70		5,978,973.28	0.091%
Renewal & Replacement Fund	13,165.23	1,092,687.42		17.14		430,869.79	0.091%
TxDOT Grant Fund	659,784.33			49.14	675,000.00	659,833.47	0.091%
Revenue Fund	4,275,173.60	137,224.86		318.76		4,412,717.22	0.091%
Senior Lien Debt Service Reserve Fund	67.24			0.01		67.25	0.091%
2010 Senior Lien DSF	40,030,572.36			2,981.48		40,033,553.84	0.091%
2010 Senior Lien Debt Service Reserve Fund	0.15					0.15	0.091%
2010 Senior Lien Debt Service Reserve Fund	6,755,227.22			503.13		6,755,730.35	0.091%
2010-2Sub Lien Debt Service Reserve Fund	710,813.65			52.94		710,866.59	0.091%
2010-1Sub Lien Debt Service Reserve Fund	2,503,855.16			186.49		2,504,041.65	0.091%
2010 Senior Lien Capitalized Interest	842.18			0.06		842.24	0.091%
2010-1 Sub Lien Capitalized Interest	419.97			0.03		420.00	0.091%
2010-2 Sub Lien Capitalized Interest	126.75			0.01		126.76	0.091%
	<b>119,597,485.03</b>	<b>4,547,670.00</b>	<b>0.00</b>	<b>8,314.07</b>	<b>58,117,715.76</b>	<b>66,035,753.34</b>	
<b>Amount in TexStar Operating Fund</b>	<b>66,800.52</b>	<b>675,000.00</b>		<b>5.34</b>	<b>700,000.00</b>	<b>41,805.86</b>	<b>0.091%</b>

**CTRMA INVESTMENT REPORT**

	Month Ending 9/30/11					Rate Sept 11
	Balance 8/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	
<b>Fidelity Money Market Fund</b>						
Operating Fund	546,343.27			2.40	546,345.67	0.00
2010-2 183A/290E Project Acct	0.53	90.50			91.03	0.00
2010-1 Sub Lien Project Acct	1,047,192.75	91.03		8.89	1,017,330.57	0.001%
2010 Senior Lien Project Acct	1.17	9,151,073.45		0.93	9,151,074.31	0.001%
2011 Senior Lien Project Acct	4,189.13	4,738,451.23		4.60	4,720,051.50	0.001%
Other Obligations Fund	12,496.35			0.11	12,496.46	0.001%
2005 Debt Service Fund	1,392,673.59	619,958.33		9.28	2,012,641.20	0.001%
2011 Senior Lien Debt Service Acct	2,630.90			0.02	2,630.92	0.001%
Subordinate Lien TIFIA DS Fund	681,330.99	311,723.83		4.51	993,059.33	0.001%
2010-2 BABs Supplemental Security	213,135.85			0.76	213,136.61	0.001%
2010-2 Cap I Fund	2,817.78			0.02	2,817.80	0.001%
2010 CAP Interest Senior lien	2,081.70			0.02	2,081.72	0.001%
2010-1 CAP Interest	0.55				0.55	0.001%
2011 Sr Cap I Fund	256,276.65			2.18	256,278.83	0.001%
2011 Sub Debt CAP I	105,375.28			0.90	105,376.18	0.001%
2011 Sr Lien Bond Proceeds	9.72				9.72	0.001%
2010-1 Sub lien supplemental Security	13.66				13.66	0.001%
2010 Regions BABs Project Account	3,428.17			0.03	3,428.20	0.001%
2010 Regions BABs Debt Service Account	1.05				1.05	0.001%
2011 Senior Lien Cost of Issuance	6,000.03			0.04	6,000.07	0.001%
2011 Subordinate Lien Cost of Issuance	0.10				0.10	0.001%
2011 Subordinate Lien Project	0.00	0.10			0.10	0.001%
TxDOT Grant Fund	105,349.18			31,875.68	137,224.86	0.001%
Renewal and Replacement	0.66				0.66	0.001%
Revenue Fund	924,537.62	1,860,560.80		3.90	1,630,059.07	0.001%
General Fund	2,878,045.28	754,025.80		17.39	3,622,208.22	0.001%
2010 Senior Debt Service Reserve Fund	2,765,273.04			13.94	2,765,286.98	0.001%
2010-1 Debt Service Reserve Fund	1,324,982.00	18,952.57		11.20	1,343,945.77	0.001%
2010-2 Debt Service Reserve Fund	18,564.23	6,914.33		0.13	25,478.69	0.001%
2011 Sub Debt Debt Service Reserve Fund	7,000,063.30			59.46	7,000,122.76	0.001%
Senior Lien Debt Service Reserve Fund	477.75			254.80	732.55	0.001%
	19,293,292.28	65,397,294.51	0.00	32,271.19	68,781,773.37	
<b>Amount in Region's MMA SIB Loan</b>	<b>828.43</b>				<b>828.43</b>	<b>0.003%</b>

**CTRMA INVESTMENT REPORT**

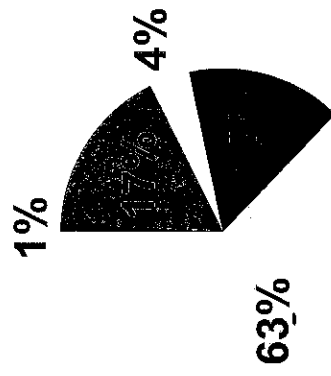
	Month Ending 9/30/11					Rate Sept 11
	Balance 8/31/11	Additions	Discount Amortization	Accrued Interest	Withdrawals	
<b>Amount in Bayerische Landesbank GIC</b>						
Subordinate Lien Cap-I 2010-1	1,316,617.07			548.59		0.500%
Subordinate Lien Cap-I 2010-2	339,634.61			141.52		0.500%
Senior Lien Cap-I 2010	5,118,578.92			3,753.62		0.880%
Senior Lien Project Fund 2010	40,403,508.85			30,296.06	9,151,073.45	0.850%
Senior Lien Project Fund 2011	161,096,419.51			39,602.87		0.295%
Subordinate Lien Project Fund 2011	47,948,022.28			11,787.22		0.295%
	<b>256,222,781.24</b>	<b>0.00</b>	<b>0.00</b>	<b>86,129.88</b>	<b>9,151,073.45</b>	
						<b>247,157,837.67</b>
<b>Amount in Fed Agencies</b>						
Amortized Principal	61,245,024.41		(79,804.17)			61,165,220.24
Accrued Interest	61,245,024.41	0.00	(79,804.17)	99,166.05	0.00	61,165,220.24
<b>Certificates of Deposit</b>						
Total in Pools	3,000,000.00	3,000,000.00		8,319.41	3,000,000.00	3,000,000.00
Total in Money Market	119,664,285.55	5,222,670.00		32,271.19	58,817,715.76	66,077,559.20
Total in Fed Agencies	19,294,120.71	65,397,294.51			68,782,601.80	15,941,084.61
Bayerische Landesbank GIC	61,245,024.41	0.00	(79,804.17)	86,129.88	0.00	61,165,220.24
	256,222,781.24	0.00			9,151,073.45	247,157,837.67
<b>Total Invested</b>	<b>459,426,211.91</b>	<b>73,619,964.51</b>	<b>(79,804.17)</b>	<b>126,720.48</b>	<b>139,751,391.01</b>	<b>393,341,701.72</b>

William Chapman, CFO

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



## Allocation of Funds



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

Amount of investments As of September 30, 2011

Agency	CUSIP #	COST	Book Value	Market Value	Yield to Maturity	Purchased	Matures	FUND	
Federal Farm Credit	31331J2B8	1,997,836.00	1,998,773.73	2,000,040.00	1.000280%	11/22/10	2/15/13	TxDOT Grant Fund	
San Antonio Water Utilities	79642BLM3	200,000.00	200,000.00	200,192.00	1.1090%	11/23/10	5/15/12	2010-2 DSRF	
San Antonio Water Utilities	79642BLN1	190,000.00	190,000.00	190,957.60	1.4570%	11/23/10	5/15/13	2010-2 DSRF	
Federal Home loan Bank	3137EABY4	3,064,452.00	3,025,780.80	3,027,180.00	0.4005%	12/23/10	3/23/12	TxDOT Grant Fund	
Fannie Mae	31398A6F4	2,319,702.34	2,318,918.61	2,317,315.00	0.2391%	6/29/11	12/28/12	2011 Sub Debt CAP I	
Federal Home loan Bank	3137EABM0	2,473,720.78	2,454,380.68	2,456,841.36	0.3930%	6/29/11	6/28/13	2011 Sub Debt CAP I	
Federal Home loan Bank	3134A4UL6	2,326,924.30	2,331,308.76	2,318,846.26	0.6300%	6/29/11	11/15/13	2011 Sub Debt CAP I	
Treasury	912828GC8	2,181,302.50	2,156,651.25	2,155,558.60	0.0240%	6/29/30	12/31/11	2011 Sub Debt CAP I	
Treasury	912828GW4	2,367,714.38	2,340,535.79	2,337,793.92	0.0730%	6/29/11	6/30/12	2011 Sub Debt CAP I	
Federal Home loan Bank	3134A4UL6	8,794,454.76	8,813,647.92	8,782,556.58	0.7190%	6/29/11	11/15/13	2011 Sr Debt CAP I	
Federal Home loan Bank	3137EABM0	9,351,457.81	9,280,275.58	9,304,002.08	0.4830%	6/29/11	6/28/13	2011 Sr Debt CAP I	
Treasury	912828NS5	8,776,228.75	8,766,671.56	8,768,058.72	0.1880%	6/29/11	6/30/12	2011 Sr Debt CAP I	
Treasury	912828GC8	8,614,419.84	8,517,709.92	8,514,052.05	0.0550%	6/29/11	12/31/11	2011 Sr Debt CAP I	
Fannie Mae	31398A6F4	8,771,478.75	8,770,565.62	8,774,766.00	0.3331%	6/29/11	12/28/12	2011 Sr Debt CAP I	
		61,429,692.21	61,165,220.22	61,148,160.17					

Agency	CUSIP #	COST	Cumulative Amortization	9/30/11 Book Value	Maturity Value	Interest Income September 2011		
						Accrued Interest	Amortization	
Federal Farm Credit	31331J2B8	1,997,836.00	937.73	1,998,773.73	2,000,000.00	883.33	72.13	955.46
San Antonio Water Utilities	79642BLM3	200,000.00	0.00	200,000.00	200,000.00	184.83		184.83
San Antonio Water Utilities	79642BLN1	190,000.00	0.00	190,000.00	190,000.00	230.69		230.69
Federal Home loan Bank	3137EABY4	3,064,452.00	38,671.20	3,025,780.80	3,000,000.00	5,312.50	(4,296.80)	1,015.70
Fannie Mae	31398A6F4	2,319,702.34	783.73	2,318,918.61	2,315,000.00	723.44	(261.24)	462.20
Federal Home loan Bank	3137EABM0	2,473,720.78	19,340.10	2,454,380.68	2,319,000.00	7,246.88	(6,446.70)	800.18
Federal Home loan Bank	3134A4UL6	2,326,924.30	4,384.46	2,331,308.76	2,362,000.00	1,461.49		1,461.49
Treasury	912828GC8	2,181,302.50	24,651.25	2,156,651.25	2,132,000.00	8,217.08	(8,217.08)	0.00
Treasury	912828GW4	2,367,714.38	27,178.59	2,340,535.79	2,259,000.00	9,177.19	(9,059.53)	117.66
Federal Home loan Bank	3134A4UL6	8,794,454.76	19,193.16	8,813,647.92	8,946,000.00	27,443.75	6,397.72	6,397.72
Federal Home loan Bank	3137EABM0	9,351,457.81	71,182.23	9,280,275.58	8,782,000.00	4,551.04	(23,727.41)	3,716.34
Treasury	912828NS5	8,776,228.75	9,557.19	8,766,671.56	8,738,000.00	32,455.94	(3,185.73)	1,365.31
Treasury	912828GC8	8,614,419.84	96,709.92	8,517,709.92	8,421,000.00	2,739.38	(32,236.64)	219.30
Fannie Mae	31398A6F4	8,771,478.75	913.13	8,770,565.62	8,766,000.00	99,166.05	(304.38)	2,435.00
		61,429,692.21	313,502.69	61,165,220.22	60,430,000.00	99,166.05	(79,804.17)	19,361.88

**September 2011 Certificates of Deposit Outstanding**

Bank	CUSIP #	COST	Yield to Maturity	Purchased	Matures	September 2011 Interest	FUND
Regions Bank	CDRB37495	3,000,000	0.10%	6/1/11	10/2/11	\$ 254.80	Debt Service Reserve Fund 05
		<u>3,000,000</u>				<u>\$ 254.80</u>	

**INVESTMENTS by FUND**

		Balance			
		September 30, 2011			
<b>Renewal &amp; Replacement Fund</b>				TexSTAR	66,077,559.20
TexSTAR	659,833.47			CD's	3,000,000.00
Fidelity	0.66			Fidelity	15,941,084.61
Agencies		659,834.13		SIB	0.00
<b>TxDOT Grant Fund</b>				Agencies	61,165,220.24
TexSTAR	4,412,717.22			Bayerische GIC	247,157,837.67
Fidelity	0.00				
Agencies	5,024,554.53	9,437,271.75			
<b>Subordinate Lien DS Fund 05</b>					\$ 393,341,701.72
Fidelity	993,059.33	993,059.33			
<b>Debt Service Reserve Fund 05</b>					
TexSTAR	40,033,553.84				
Fidelity	732.55				
CD's	3,000,000.00				
Agencies		43,034,286.39			
<b>Debt Service Fund 05</b>					
Fidelity	2,012,641.20	2,012,641.20			
<b>2011 Debt Service Acct</b>					
Fidelity	2,630.92	2,630.92			
<b>2010 Senior Lien DSF</b>					
TexSTAR	0.15				
Fidelity	0.00	0.15			
<b>2011 Sub Debt DSRF</b>					
Fidelity	7,000,122.76	7,000,122.76			
<b>Operating Fund</b>					
TexSTAR	41,805.86				
TexSTAR-Trustee	430,869.79				
Fidelity	0.00				
Reglon's SIB Loan MMA	0.00	472,675.65			
<b>Revenue Fund</b>					
TexSTAR	67.25				
Fidelity	1,155,043.25	1,155,110.50			
<b>General Fund</b>					
TexSTAR	5,978,973.28				
Fidelity	9,880.25	5,988,853.53			
<b>2010 Senior Lien Capitalized Interest</b>					
Fidelity	2,081.72				
TexSTAR	842.24				
Bayerische GIC	5,122,332.54	5,125,256.50			
<b>2010-1 Sub Lien Capitalized Interest</b>					
Fidelity	0.55				
TexSTAR	420.00				
Bayerische GIC	1,317,165.66	1,317,586.21			
<b>2010-2 Sub Lien Capitalized Interest</b>					
TexSTAR	126.76				
Fidelity	2,817.80				
Bayerische GIC	339,776.13	342,720.69			
<b>2011 Sr Capitalized Interest Fund</b>					
Fidelity	256,278.83				
Agencies	44,148,870.62	44,405,149.45			
<b>2011 Sub Capitalized Interest Fund</b>					
Fidelity	105,376.18				
Agencies	11,601,795.09	11,707,171.27			
<b>2010-1 Sub BABs subsidy</b>					
Fidelity	13.66	13.66			
<b>2010-2 Sub BABs subsidy</b>					
Fidelity	213,136.61	213,136.61			
<b>2010 Senior Lien Debt Service Reserve Fund</b>					
TexSTAR	6,755,730.35				
Fidelity	2,765,286.98				
Agencies		9,521,017.33			
<b>2010-2Sub Lien Debt Service Reserve Fund</b>					
TexSTAR	710,866.59				
Fidelity	25,478.69				
Agencies	390,000.00	1,126,345.28			
<b>2010-1Sub Lien Debt Service Reserve Fund</b>					
TexSTAR	2,504,041.65				
Fidelity	1,343,945.77				
Agencies		3,847,987.42			
<b>2010-1 Sub Lien Projects Fund</b>					
TexSTAR	1,004,170.45				
Fidelity	29,962.10	1,034,132.55			
<b>2010 Senior Lien Construction Fund</b>					
TexSTAR	1.19				
Fidelity	1.24				
Bayerische GIC	31,282,731.46	31,282,733.89			
<b>2011 Sub Debt Project fund</b>					
Bayerische GIC	47,959,809.50				
Fidelity	0.10	47,959,809.60			
<b>2011 Senior Lien Project Fund</b>					
TexSTAR	3,543,539.11				
Fidelity	22,593.46				
Bayerische GIC	161,136,022.38	164,702,154.95			
		<u>\$ 393,341,701.72</u>			



## Monthly Newsletter - September 2011

### Performance

#### As of September 30, 2011

Current Invested Balance	\$5,218,150,511.94
Weighted Average Maturity (1)	40 Days
Weighted Average Maturity (2)	67 Days
Net Asset Value	1.000100
Total Number of Participants	741
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$558,364.49
Management Fee Collected	\$198,730.06
% of Portfolio Invested Beyond 1 Year	5.02%
Standard & Poor's Current Rating	AAAm

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

#### September Averages

Average Invested Balance	\$4,835,986,113.35
Average Monthly Yield, on a simple basis	0.0906%
Average Weighted Average Maturity (1)*	46 Days
Average Weighted Average Maturity (2)*	76 Days

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

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

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

### New Participants

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

- |            |                 |                                   |                                |
|------------|-----------------|-----------------------------------|--------------------------------|
| ★ Anna ISD | ★ City of Bangs | ★ Bella Vista MUD                 | ★ Lake Forest Utility District |
|            | ★ Latexo ISD    | ★ Nueces County Hospital District |                                |

### Holiday Reminder

Please note that in observance of the Columbus Day holiday, TexSTAR will be closed Monday, October 10, 2011. All ACH transactions initiated on Friday, October 7th will settle on Tuesday, October 11th.

In observance of the Veterans Day holiday, TexSTAR will be closed Friday, November 11, 2011. All ACH transactions initiated on Thursday, November 10th will settle on Monday, November 14th.

Please plan accordingly for your liquidity needs.

### Economic Commentary

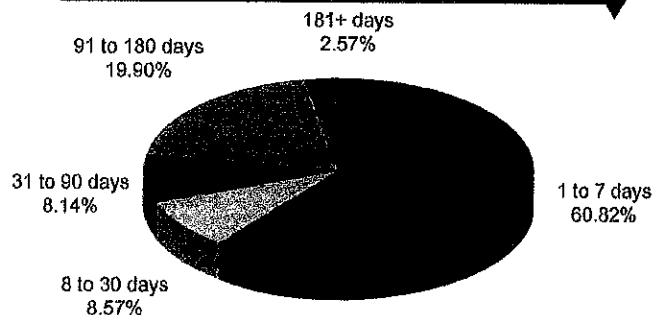
While the first half of the year was tumultuous, the third quarter proved to be equally unsettled. Investors were on edge as uncertainty over global economic growth and worries over the inability of policymakers in the U.S. and Europe to tackle sovereign debt woes caused significant volatility in markets. Congress brought the country to the brink of default as both political parties only agreed to increase the debt limit at the last minute. However, this was not enough to keep S&P from downgrading the U.S. sovereign rating one notch, from AAA to AA+. The Fed made important announcements at the August and September FOMC meetings, which were met by dissent. At the August meeting, the Fed explicitly stated that policy rates would be held "exceptionally low" through at least mid-2013. In September, the Fed announced "Operation Twist," in an effort to "put downward pressure on longer-term interest rates and make broader financial conditions more accommodative." By the end of June 2012, the Fed will purchase \$400 billion of Treasuries with maturities between 6 and 30 years and sell an equal amount of Treasuries with maturities of 3 years or less. The Fed went further, announcing it will reinvest principal payments from its agency debt and agency MBS holdings back into agency MBS in an effort to "support conditions in mortgage markets." Economic activity and confidence data appear to be diverging. This implies that policy action must begin to have a positive impact on the real economy or consumer spending will decline. Market dynamics are most concerning, with risk aversion approaching levels not seen since the fourth quarter of 2008. In the U.S., the political parties are at polar opposites in their approach to reigning in the budget deficit through tax increases and/or spending cuts. This is particularly worrisome as lawmakers approach an upcoming due date of November 18th for the Super Committee's deficit reduction recommendations. Given evidence of contagion from the European sovereign debt crisis, as well as fiscal retrenchment domestically, expected anemic GDP growth puts the U.S. precariously close to recession, the probability of which increases in 2012.

This information is an excerpt from an economic report dated September 2011 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

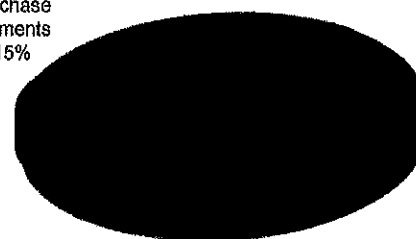
*For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).*

## Information at a Glance

### Portfolio by Type of Investment As of September 30, 2011



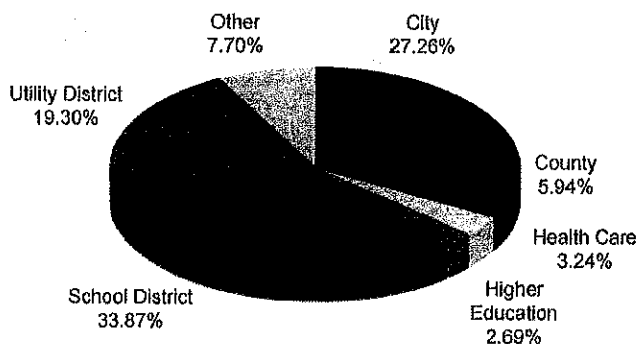
Repurchase  
Agreements  
54.15%



Treasuries  
2.81%

Agencies  
43.04%

### Portfolio by Maturity As of September 30, 2011



### Distribution of Participants by Type As of September 30, 2011

## Historical Program Information

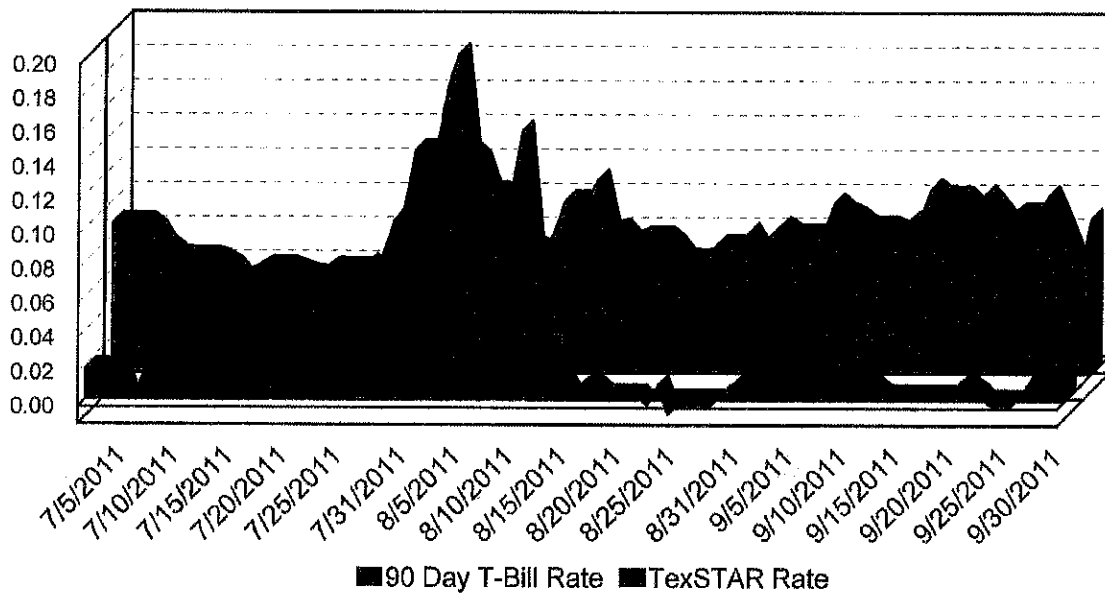
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Sept 11	0.0906%	\$5,218,150,511.94	\$5,218,680,416.17	1.000100	46	76	741
Aug 11	0.0940%	4,773,149,074.88	4,773,628,030.81	1.000100	45	69	735
Jul 11	0.0746%	4,990,872,181.48	4,991,025,373.13	1.000030	38	55	735
Jun 11	0.0889%	5,280,726,280.87	5,281,501,501.41	1.000146	50	69	733
May 11	0.0863%	5,566,580,016.75	5,567,478,247.07	1.000161	46	66	732
Apr 11	0.1108%	5,661,130,480.00	5,662,108,871.87	1.000172	50	72	731
Mar 11	0.1408%	5,949,037,975.79	5,949,804,553.22	1.000128	50	73	730
Feb 11	0.1476%	6,548,224,886.40	6,548,880,605.37	1.000100	48	71	729
Jan 11	0.1637%	6,541,049,111.05	6,541,464,771.26	1.000063	39	66	726
Dec 10	0.1713%	5,593,134,506.98	5,593,670,681.79	1.000091	47	79	723
Nov 10	0.1883%	5,143,274,228.56	5,143,635,927.81	1.000070	52	81	721
Oct 10	0.2002%	5,024,200,466.22	5,024,647,553.30	1.000088	49	74	719

## Portfolio Asset Summary as of September 30, 2011

	Book Value	Market Value
Uninvested Balance	\$ 648.10	\$ 648.10
Accrual of Interest Income	599,468.05	599,468.05
Interest and Management Fees Payable	(567,835.29)	(567,835.29)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,825,682,000.00	2,825,682,000.00
Government Securities	2,392,436,231.08	2,392,966,135.31
<b>Total</b>	<b>\$ 5,218,150,511.94</b>	<b>\$ 5,218,680,416.17</b>

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

# TexSTAR versus 90-Day Treasury Bill



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness September be subject to change. The TexSTAR management fee September 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 September 2011

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
9/1/2011	0.0854%	0.000002340	\$4,737,569,832.71	1.000098	49	77
9/2/2011	0.0811%	0.000002223	\$4,737,119,950.82	1.000094	46	74
9/3/2011	0.0811%	0.000002223	\$4,737,119,950.82	1.000094	46	74
9/4/2011	0.0811%	0.000002223	\$4,737,119,950.82	1.000094	46	74
9/5/2011	0.0811%	0.000002223	\$4,737,119,950.82	1.000094	46	74
9/6/2011	0.0992%	0.000002719	\$4,682,428,872.51	1.000107	47	76
9/7/2011	0.0939%	0.000002573	\$4,705,615,151.67	1.000102	50	78
9/8/2011	0.0910%	0.000002493	\$4,745,659,101.66	1.000089	49	77
9/9/2011	0.0858%	0.000002351	\$4,790,220,460.69	1.000070	46	78
9/10/2011	0.0858%	0.000002351	\$4,790,220,460.69	1.000070	46	78
9/11/2011	0.0858%	0.000002351	\$4,790,220,460.69	1.000070	46	78
9/12/2011	0.0831%	0.000002278	\$4,798,623,249.66	1.000085	49	79
9/13/2011	0.0887%	0.000002430	\$4,825,382,625.83	1.000077	48	79
9/14/2011	0.0910%	0.000002493	\$4,775,154,687.54	1.000079	50	81
9/15/2011	0.1078%	0.000002954	\$4,802,470,722.90	1.000090	49	79
9/16/2011	0.1031%	0.000002826	\$4,791,849,650.75	1.000102	47	78
9/17/2011	0.1031%	0.000002826	\$4,791,849,650.75	1.000102	47	78
9/18/2011	0.1031%	0.000002826	\$4,791,849,650.75	1.000102	47	78
9/19/2011	0.0968%	0.000002651	\$4,780,623,468.09	1.000103	47	78
9/20/2011	0.1043%	0.000002857	\$4,765,600,137.63	1.000116	49	79
9/21/2011	0.0975%	0.000002672	\$4,758,152,186.80	1.000118	49	79
9/22/2011	0.0894%	0.000002448	\$4,792,979,189.20	1.000096	48	78
9/23/2011	0.0939%	0.000002572	\$4,884,739,228.26	1.000120	45	75
9/24/2011	0.0939%	0.000002572	\$4,884,739,228.26	1.000120	45	75
9/25/2011	0.0939%	0.000002572	\$4,884,739,228.26	1.000120	45	75
9/26/2011	0.1039%	0.000002846	\$4,876,302,626.87	1.000119	45	75
9/27/2011	0.0898%	0.000002460	\$4,905,537,806.07	1.000127	45	75
9/28/2011	0.0736%	0.000002017	\$5,318,525,470.18	1.000127	41	68
9/29/2011	0.0594%	0.000001627	\$5,241,899,936.75	1.000119	41	69
9/30/2011	0.0906%	0.000002483	\$5,218,150,511.94	1.000100	40	67
Average	0.0906%	0.000002483	\$4,835,986,113.35		46	76

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



### **TexSTAR Board Members**

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

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ [www.texstar.org](http://www.texstar.org)

**FirstSouthwest**   
A PlainsCapital Company

**J.P.Morgan**  
Asset Management