



**CENTRAL TEXAS  
Regional Mobility Authority**

## AGENDA ITEM #13 SUMMARY

Accept the monthly financial report for July, 2012.

Department: Finance

Associated Costs: None

Funding Source: None

Board Action Required: YES

Description of Matter:

Presentation and acceptance of the monthly financial report for July, 2012

Attached documentation for reference:

Draft Resolution and Financial Reports for July, 2012.

Contact for further information: Bill Chapman, Chief Financial Officer

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

**RESOLUTION NO. 12-\_\_\_**

**ACCEPT THE FINANCIAL REPORTS FOR JULY, 2012.**

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

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

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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of July, 2012, and has caused a Financial Report to be prepared and attached to this resolution as Attachment A.

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Directors accepts the Financial Report for July, 2012, attached as Attachment A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 29<sup>th</sup> day of August, 2012.

Submitted and reviewed by:

Approved:

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Andrew Martin  
General Counsel for the Central  
Texas Regional Mobility Authority

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Ray A. Wilkerson  
Chairman, Board of Directors  
Resolution Number: 12-\_\_\_  
Date Passed: 8/29/2012

**Attachment A**  
**Financial Report for July, 2012**



## Liabilities

### Current Liabilities

Accounts Payable	1,790,960	16,422,905
Overpayments	32,355	20,132
Interest Payable	3,606,474	4,101,229
TCDRS Payable	33,244	51,260
Medical Reimbursement Payable	63	0
Due to other Entities	0	3,617
Other	17,178	17,178
Due to State of Texas	0	2,098
<b>Total Current Liabilities</b>	<b>5,480,273</b>	<b>20,618,419</b>

### Long Term Liabilities

Accrued Vac & Sick Leave Paybl	413,815	413,815
Retainage Payable	0	1,655
Senior Lien Revenue Bonds 2005	172,628,655	172,698,781
Senior Lien Revenue Bonds 2010	100,294,481	97,290,136
Senior Lien Revenue Bonds 2011	306,627,253	305,982,874
Sn Lien Rev Bnd Prem/Disc 2005	4,620,757	4,776,998
Sn Lien Rev Bnd Prem/Disc 2010	165,779	200,732
Tot Sr Lien Rev Bond Pay Pre/D	865,463	904,138
Subordinated Lien Bond 2010	45,000,000	45,000,000
Subordinated Lien Bond 2011	70,000,000	70,000,000
Sub Lien Bond 2011 Prem/Disc	(2,066,654)	(2,164,635)
TIFIA note 2008	77,526,562	77,626,562
2010 Regions BAB's Payable	0	0
2011 Regions Draw Down Note	400,000	0
Total Long Term Liabilities	<b>771,689,575</b>	<b>767,753,325</b>
<b>Total Liabilities</b>	<b>777,169,849</b>	<b>788,371,744</b>

### Net Assets Section

Contributed Capital	18,334,846	18,334,846
Net Assets beginning	86,129,628	61,916,602
Current Year Operations	(387,668)	(206,932)
<b>Total Net Assets</b>	<b>85,741,960</b>	<b>61,709,670</b>

### Total Liabilities and Net Assets

<b>881,246,654</b>	<b>868,416,260</b>
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**Central Texas Regional Mobility Authority**  
**Income Statement**  
**All Operating Departments**

Account Name	Budget Amount FY 2013	Actual Year to Date 7/31/2012	Percent of Budget	Actual Prior Year to Date 7/31/2011
<b>Revenue</b>				
<b>Operating Revenue</b>				
Toll Revenue-TxTag-183A	23,891,717	1,656,134	6.93%	1,270,013
Toll Revenue-HCTRA-183A	756,067	81,858	10.83%	58,760
Toll Revenue-NTTA-183A	453,640	50,937	11.23%	34,953
Video Tolls	3,629,122	284,490	7.84%	217,422
Fee revenue	1,512,134	95,085	6.29%	77,238
<b>Total Operating Revenue</b>	<b>30,242,680</b>	<b>2,168,505</b>	<b>7.17%</b>	<b>1,658,387</b>
<b>Other Revenue</b>				
Interest Income	180,000	19,028	10.57%	18,234
Grant Revenue	1,236,000	67,414	5.45%	-
Misc Revenue	2,500	-	0.00%	183
<b>Total Other Revenue</b>	<b>1,418,500</b>	<b>86,442</b>	<b>6.09%</b>	<b>18,418</b>
<b>Total Revenue</b>	<b>\$ 31,661,180</b>	<b>\$ 2,254,947</b>	<b>7.12%</b>	<b>\$ 1,676,804</b>
<b>Expenses</b>				
<b>Salaries and Wages</b>				
Salary Expense-Regular	2,115,939	108,824	5.14%	104,283
Part Time Salry Expense	12,000	-	0.00%	1,984
Overtime Salary Expense	3,000	-	0.00%	-
Contractual Employees Expense	5,000	950	19.00%	-
TCDRS	307,536	15,317	4.98%	15,038
FICA	96,433	5,767	5.98%	4,978
FICA MED	30,899	1,569	5.08%	1,505
Health Insurance Expense	186,370	13,696	7.35%	16,605
Life Insurance Expense	5,684	127	2.24%	282
Auto Allowance Expense	10,200	-	0.00%	212
Other Benefits	185,610	6,766	3.65%	3,884
Unemployment Taxes	12,960	-	0.00%	-
Salary Reserve	50,000	-	0.00%	-
<b>Total Salaries and Wages</b>	<b>3,021,631</b>	<b>153,015</b>	<b>5.06%</b>	<b>148,771</b>

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

Account Name	Budget Amount FY 2013	Actual Year to Date 7/31/2012	Percent of Budget	Actual Prior Year to Date 7/31/2011
<b>Contractual Services</b>				
<u>Professional Services</u>				
Accounting	12,000	122	1.01%	40
Auditing	65,000	-	0.00%	-
General Engineering Consultant	1,250,000	-	0.00%	(12,594)
General System Consultant	175,000	-	0.00%	-
Image Processing	780,000	33,237	4.26%	50,387
Facility maintenance	41,954	192	0.46%	122
HERO	1,629,000	-	0.00%	(822)
Human Resources	25,000	-	0.00%	-
Legal	270,000	-	0.00%	-
Photography	15,000	-	0.00%	-
<b>Total Professional Services</b>	<b>4,262,954</b>	<b>33,551</b>	<b>0.79%</b>	<b>37,133</b>
<u>Other Contractual Services</u>				
IT Services	65,000	373	0.57%	8,576
Graphic Design Services	10,000	-	0.00%	-
Website Maintenance	35,000	1,097	3.13%	-
Research Services	50,000	-	0.00%	-
Copy Machine	10,000	362	3.62%	328
Software Licenses	17,200	6,653	38.68%	-
ETC Maintenance Contract	1,029,900	-	0.00%	-
ETC Development	125,000	-	0.00%	-
ETC Testing	30,000	-	0.00%	-
Communications and Marketing	140,000	-	0.00%	-
Advertising Expense	60,000	1,000	1.67%	-
Direct Mail	5,000	-	0.00%	-
Video Production	5,000	-	0.00%	-
Radio	10,000	-	0.00%	-
Other Public Relations	2,500	-	0.00%	-
Law Enforcement	250,000	-	0.00%	-
Special assignments	5,000	-	0.00%	-
Emergency Maintenance	10,000	-	0.00%	-
Security Contracts	600	-	0.00%	-
Roadway Maintenance Contract	640,000	-	0.00%	-

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

Account Name	Budget Amount FY 2013	Actual Year to Date 7/31/2012	Percent of Budget	Actual Prior Year to Date 7/31/2011
Landscape Maintenance	280,000	-	0.00%	-
Cell Phones	9,700	186	1.92%	75
Local Telephone Service	18,000	1,175	6.53%	450
Internet	4,500	-	0.00%	-
Fiber Optic System	63,000	2,286	3.63%	-
Other Communication Expenses	11,500	50	0.44%	-
Subscriptions	1,850	-	0.00%	-
Memberships	33,959	889	2.62%	1,535
Continuing Education	7,300	-	0.00%	-
Professional Development	14,000	-	0.00%	-
Seminars and Conferences	33,000	2,000	6.06%	-
Staff-Travel	76,000	9,466	12.46%	-
Other Contractual Svcs	200	-	0.00%	-
TxTag Collection Fees	1,434,788	4,243	0.30%	2,988
Contractual Contingencies	250,500	-	0.00%	-
<b>Total Other Contractual Services</b>	<b>4,738,497</b>	<b>29,781</b>	<b>0.63%</b>	<b>13,952</b>
<b>Total Contractual Services</b>	<b>9,001,451</b>	<b>63,332</b>	<b>0.70%</b>	<b>51,084</b>
<b>Materials and Supplies</b>				
Books & Publications	12,500	-	0.00%	-
Office Supplies	11,000	254	2.31%	-
Computer Supplies	12,500	2,860	22.88%	-
Copy Supplies	2,200	-	0.00%	-
Annual Report printing	7,000	-	0.00%	-
Other Reports-Printing	10,000	-	0.00%	-
Direct Mail Printing	5,000	-	0.00%	-
Office Supplies-Printed	2,500	-	0.00%	-
Maintenance Supplies-Roadway	9,175	-	0.00%	-
Promotional Items	10,000	-	0.00%	-
Displays	5,000	-	0.00%	-
ETC spare parts expense	30,000	-	0.00%	-
Tools & Equipment Expense	1,000	-	0.00%	-
Misc Materials & Supplies	3,000	-	0.00%	-
<b>Total Materials and Supplies</b>	<b>120,875</b>	<b>3,114</b>	<b>2.58%</b>	<b>-</b>



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

Account Name	Budget Amount FY 2013	Actual Year to Date 7/31/2012	Percent of Budget	Actual Prior Year to Date 7/31/2011
<b>Operating Expenses</b>				
Gasoline Expense	5,000	388	7.76%	-
Mileage Reimbursement	5,950	158	2.66%	13
Toll Tag Expense	3,120	331	10.61%	-
Parking	41,175	9	0.02%	3,511
Meeting Facilities	250	-	0.00%	-
Community Meeting/ Events	5,000	-	0.00%	-
Meeting Expense	9,800	438	4.47%	150
Public Notices	2,200	-	0.00%	-
Postage Expense	5,650	65	1.15%	-
Overnight Delivery Services	1,600	9	0.54%	-
Local Delivery Services	1,250	12	0.96%	-
Insurance Expense	90,000	5,080	5.64%	7,922
Repair & Maintenance-General	500	-	0.00%	-
Repair & Maintenance-Vehicles	500	30	5.94%	-
Repair & Maintenance Toll Equip	5,000	-	0.00%	-
Rent Expense	250,000	-	0.00%	16,908
Water	7,500	444	5.92%	-
Electricity	178,500	4,416	2.47%	-
Other Licenses	640	-	0.00%	-
Community Initiative Grants	65,000	-	0.00%	-
<b>Non Cash Operating Expenses</b>				
Amortization Expense	76,000	34,144	44.93%	102,468
Dep Exp- Furniture & Fixtures	9,000	134	1.49%	781
Dep Expense - Equipment	26,400	1,408	5.33%	1,198
Dep Expense - Autos & Trucks	7,000	575	8.21%	-
Dep Expense-Buildng & Toll Fac	177,000	14,713	8.31%	14,713
Dep Expense-Highways & Bridges	8,000,000	413,934	5.17%	413,934
Dep Expense-Communic Equip	195,000	15,902	8.15%	15,913
Dep Expense-Toll Equipment	965,000	38,482	3.99%	38,482
Dep Expense - Signs	135,000	11,106	8.23%	11,106
Dep Expense-Land Improvemts	67,000	5,484	8.18%	5,484
Depreciation Expense-Computers	10,000	929	9.29%	850
<b>Total Operating Expenses</b>	<b>10,346,035</b>	<b>548,189</b>	<b>5.30%</b>	<b>633,433</b>

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

Account Name	Budget Amount FY 2013	Actual Year to Date 7/31/2012	Percent of Budget	Actual Prior Year to Date 7/31/2011
<b>Financing Expenses</b>				
Arbitrage Rebate Calculation	6,000	-	0.00%	-
Loan Fee Expense	12,500	-	0.00%	-
Rating Agency Expense	35,000	11,000	31.43%	5,300
Trustee Fees	6,000	-	0.00%	-
Bank Fee Expense	8,000	535	6.68%	463
Continuing Disclosure	4,000	-	0.00%	-
Interest Expense	20,318,015	1,827,149	8.99%	1,002,496
Contingency	15,000	-	0.00%	-
<u>Non Cash Financing Expenses</u>				
Bond issuance expense	300,000	36,281	12.09%	42,188
<b>Total Financing Expenses</b>	<b>20,704,515</b>	<b>1,874,964</b>	<b>9.06%</b>	<b>1,050,447</b>
<b>Other Gains or Losses</b>				
<b>Total Other Gains or Losses</b>	-	-	0.00%	-
<b>Total Expenses</b>	<b>\$ 43,194,507</b>	<b>\$ 2,642,615</b>	<b>6.12%</b>	<b>\$ 1,883,736</b>
<b>Net Income</b>	<b>\$ (11,533,327)</b>	<b>\$ (387,668)</b>		<b>\$ (206,932)</b>

**CTRMA INVESTMENT REPORT**

Month Ending 7 /31/12						
Balance 6/30/2012	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/2012	Rate July 12
<b>Amount in Trustee TexStar</b>						
2011 Sub Lien Construction Fund			480.73		4,164,367.84	0.139%
2011 Senior Lien Construction Fund			0.01		119.66	0.139%
2010 Senior Lien Construction Fund					1.19	0.139%
2010-1 Sub Lien Projects			129.17	72,371.71	1,095,273.99	0.139%
General Fund			52.78	1,068,135.10	53.78	0.139%
Trustee Operating Fund	1,000,000.00		60.37	500,000.00	700,463.51	0.139%
Renewal and Replacement			76.25		660,425.79	0.139%
TxDOT Grant Fund			625.61		5,419,315.17	0.139%
Revenue Fund					1.00	0.139%
Senior Lien Debt Service Reserve Fund			3,550.17		30,753,232.68	0.139%
2010 Senior Lien DSF					0.15	0.139%
2010 Senior Lien Debt Service Reserve Fund			641.30		5,555,260.89	0.139%
2010-2Sub Lien Debt Service Reserve Fund			89.90		778,795.00	0.139%
2010-1Sub Lien Debt Service Reserve Fund			226.74		1,964,220.88	0.139%
2010 Senior Lien Capitalized Interest			203.02	1,721,550.00	1,704,391.47	0.139%
2010-2 Sub Liien Capitalized Interest			6.05	204,631.15	45,985.03	0.139%
<b>55,402,453.89</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>6,142.10</b>	<b>3,566,687.96</b>	<b>52,841,908.03</b>	
<b>Amount in TexStar Operating Fund</b>						
<b>14,035.36</b>	<b>635,428.91</b>		<b>4.78</b>	<b>500,000.00</b>	<b>149,469.05</b>	<b>0.139%</b>

**CTRMA INVESTMENT REPORT**

Month Ending 7 /31/12						
Balance 6/30/2012	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 7/31/2012	Rate July 12
<b>Regions Sweep Money Market Fund</b>						
Operating Fund	1,000,000.00			1,000,000.00	0.00	0.150%
2010-1 Sub Lien Project Acct	72,371.71			72,371.71	0.00	0.150%
2010 Senior Lien Project Acct	5,764,258.06		724.22	1,438,373.92	4,326,608.36	0.150%
2011 Sub Lien Project Acct	50,000.00		0.14		50,000.14	0.150%
2011 Senior Lien Project Acct	15,805,130.52	25,000,000.00	142,446.15	10,866,674.86	30,080,901.81	0.150%
2011 Sub Debt Service Account	0.00	2,362,500.00		2,362,500.00	0.00	0.150%
2005 Debt Service Fund	5,043,330.60	840,395.83	573.43	3,682,375.00	2,201,924.86	0.150%
2010 Senior DSF	0.00	1,722,952.50		1,721,550.00	1,402.50	0.150%
2011 Senior Lien Debt Service Acct	2,631.75	8,943,974.50	0.32	8,946,606.25	0.32	0.150%
2010-1 Debt Service Fund	1,412,481.81	1,051,094.14	174.14	2,034,375.00	429,375.09	0.150%
Subordinate Lien TIFIA DS Fund	1,886,184.00	317,664.34	213.98	1,811,084.00	392,978.32	0.150%
2010-2 BABs Supplemental Security	185,167.35		19.79	185,167.35	19.79	0.150%
2010-2 Debt Service Fund	139,243.65	471,279.16	1.14	529,043.17	81,480.78	0.150%
2010-2 Cap I Fund	1.03	204,631.15		204,632.17	0.01	0.150%
2010 CAP Interest Senior lien	531.49	1,721,550.00	0.07	1,721,550.00	531.56	0.150%
2011 Sr Cap I Fund	215,524.09	8,738,000.00	27,312.73	8,943,974.50	36,862.32	0.150%
2011 Sub Debt CAP I	48,639.48	2,314,063.12	0.70	2,362,500.00	203.30	0.150%
2010-1 Sub lien BABs supplemental Security	712,031.64		76.08	712,031.64	76.08	0.150%
TxDOT Grant Fund	3,034,560.79		374.12		3,034,934.91	0.150%
Renewal and Replacement	0.66				0.66	0.150%
Revenue Fund	1,164,934.49	2,768,610.41	217.22	2,617,803.30	1,315,958.82	0.150%
General Fund	5,819,399.14	2,871,596.70	417.72	3,674,035.10	5,017,378.46	0.150%
2010 Senior Debt Service Reserve Fund	21,943.45		2.71		21,946.16	0.150%
2010-1 Debt Service Reserve Fund	9,000.14		0.06		9,000.20	0.150%
2010-2 Debt Service Reserve Fund	202,494.34		1.66		202,496.00	0.150%
2011 Sub Debt Debt Service Reserve Fund	3,508,806.77		431.66		3,509,238.43	0.150%
2005 Senior Lien Debt Service Reserve Fund	71,924.87		7.00		71,931.87	0.150%
<b>45,098,220.12</b>	<b>60,400,683.56</b>	<b>0.00</b>	<b>172,995.04</b>	<b>54,886,647.97</b>	<b>50,785,250.75</b>	
<b>Amount in Fed Agencies and Treasuries</b>						
Amortized Principal	211,922,669.97	(155,671.53)		25,000,000.00	186,766,998.44	
Accrued Interest			226,703.94			
<b>211,922,669.97</b>	<b>0.00</b>	<b>(155,671.53)</b>		<b>25,000,000.00</b>	<b>186,766,998.44</b>	

**CTRMA INVESTMENT REPORT**

<b>Month Ending 7 /31/12</b>					
<b>Balance 6/30/2012</b>	<b>Additions</b>	<b>Discount Amortization</b>	<b>Accrued Interest</b>	<b>Withdrawals</b>	<b>Balance 7/31/2012</b>
<b>Certificates of Deposit</b>	<b>0.00</b>			<b>0.00</b>	<b>0.00</b>
<b>Total in Pools</b>	<b>55,416,489.25</b>	<b>1,635,428.91</b>		<b>6,146.88</b>	<b>4,066,687.96</b>
<b>Total in Money Market</b>	<b>45,098,220.12</b>	<b>60,400,683.56</b>		<b>172,995.04</b>	<b>54,886,647.97</b>
<b>Total in Fed Agencies</b>	<b>211,922,669.97</b>	<b>0.00</b>	<b>(155,671.53)</b>		<b>25,000,000.00</b>
<b>Total Invested</b>	<b>312,437,379.34</b>	<b>62,036,112.47</b>	<b>(155,671.53)</b>	<b>179,141.92</b>	<b>83,953,335.93</b>
					<b>290,543,626.27</b>

Rate  
July 12

Certificates of Deposit  
Total in Pools  
Total in Money Market  
Total in Fed Agencies

Total Invested

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

William Chapman, CFO



## Monthly Newsletter - July 2012

### Performance

#### As of July 31, 2012

Current Invested Balance	\$5,189,684,471.14
Weighted Average Maturity (1)	43 Days
Weighted Average Maturity (2)	63 Days
Net Asset Value	1.000120
Total Number of Participants	757
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$813,248.86
Management Fee Collected	\$218,316.58
% of Portfolio Invested Beyond 1 Year	3.37%
Standard & Poor's Current Rating	AAAm

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

#### July Averages

Average Invested Balance	\$5,154,788,129.90
Average Monthly Yield, on a simple basis	0.1359%
Average Weighted Average Maturity (1)*	46 Days
Average Weighted Average Maturity (2)*	66 Days

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

- (1) This weighted average maturity calculation uses the SEC Rule 2a-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This Rule specifies that a variable rate 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 entity who joined the TexSTAR program in July:

★ Katy Development Authority

### Holiday Reminder

In observance of **Labor Day, TexSTAR will be closed on Monday, September 3, 2012.** All ACH transactions initiated on Friday, August 31st, will settle on Tuesday, September 4th. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

### Economic Commentary

The recent themes of decelerating global growth and turmoil in the euro zone kept markets on edge in July. Nevertheless, given all the disappointing economic data in the U.S. (weak retail sales, manufacturing surveys, payrolls and GDP), Europe (recession in the periphery and core) and China (declining manufacturing surveys and GDP), risk assets held up well even as "safe haven" bond markets rallied. In the U.S., dovish statements from Fed members set market expectation for another asset purchase program to be announced at the September meeting. The People's Bank of China took more actions in response to the growth slowdown in that country, such as cutting bank lending and deposit rates, easing first-time homebuyer restrictions, and providing tax relief for small and medium size businesses. Investors' expectations that global central banks (the ECB and the Fed, especially) would take meaningful action in response to weak data and market stresses helped bolster risk assets. Economic growth in the U.S. continued to decelerate, based on data released in July, particularly in the labor market and consumer spending. The data indicates that, with lower gasoline prices and relatively stable spending growth rates, consumers retrenched during the second quarter to replenish savings.

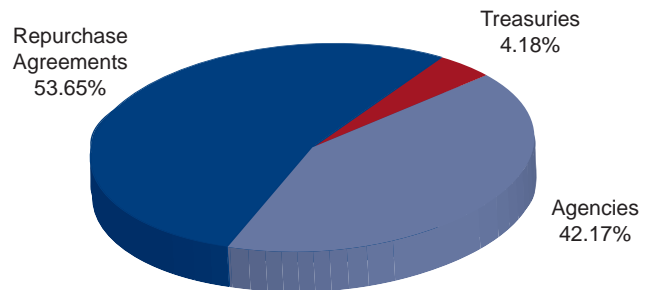
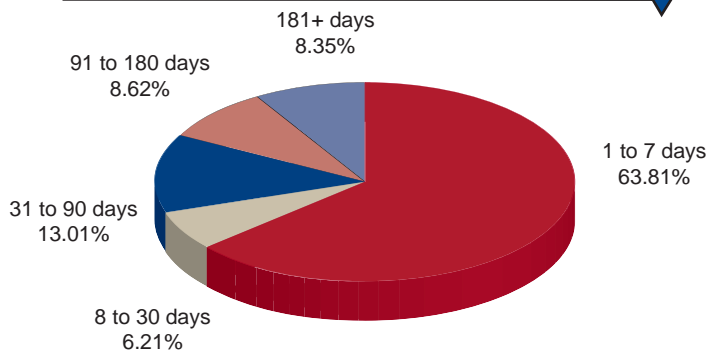
While Congress has agreed in principle to a stopgap funding measure, which would keep the government funded through March 31, 2013, primary risks remain from the "fiscal cliff" of automatic spending cuts via sequestration and expiring income tax cuts, payroll tax cuts and Medicare reimbursement rates for doctors after 2012. The fiscal cliff appears to already have had a negative impact on growth, and this effect should increase as 2013 approaches. Chairman Bernanke and other members of the FOMC have warned policymakers with regard to these risks, although it appears unlikely that any action will be taken ahead of the November elections. It is expected that the FOMC will downgrade its growth expectations at its next meeting in September, and therefore assign a greater than 50% probability that the FOMC will embark on another quantitative easing program following its September meeting. Given previous communications from committee members, it is believed that such a program may include purchases of mortgage-backed securities.

This information is an excerpt from an economic report dated July 2012 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

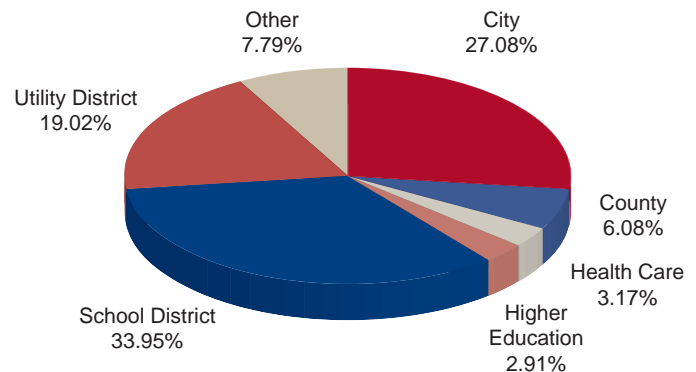
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

## Portfolio by Type of Investment As of July 31, 2012



## Portfolio by Maturity As of July 31, 2012



## Distribution of Participants by Type As of July 31, 2012

# Historical Program Information

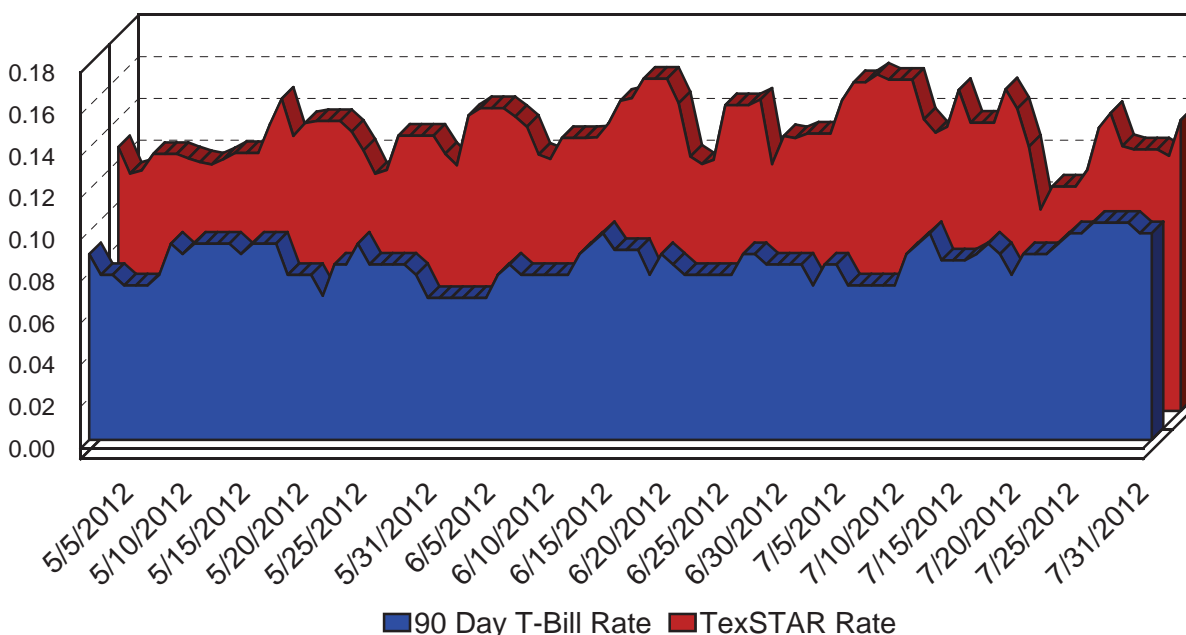
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Jul 12	0.1359%	\$5,189,684,471.14	\$5,190,308,464.19	1.000120	46	66	757
Jun 12	0.1379%	4,983,255,681.46	4,983,767,166.12	1.000102	48	70	756
May 12	0.1273%	5,178,606,480.90	5,179,224,581.51	1.000119	47	70	754
Apr 12	0.1098%	5,255,005,296.99	5,255,613,981.07	1.000115	46	69	752
Mar 12	0.1148%	5,668,145,582.64	5,668,844,552.57	1.000123	48	71	751
Feb 12	0.0986%	6,014,562,468.35	6,015,309,681.45	1.000124	48	70	751
Jan 12	0.0902%	6,122,141,791.23	6,122,989,120.67	1.000138	46	73	750
Dec 11	0.0815%	5,164,291,074.36	5,164,844,831.26	1.000107	48	79	749
Nov 11	0.0973%	4,964,174,535.92	4,964,899,185.74	1.000145	48	80	747
Oct 11	0.0807%	5,191,742,744.46	5,192,081,793.52	1.000065	47	74	745
Sep 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

# Portfolio Asset Summary as of July 31, 2012

	Book Value	Market Value
Uninvested Balance	\$ 361.96	\$ 361.96
Accrual of Interest Income	2,450,612.00	2,450,612.00
Interest and Management Fees Payable	(919,315.62)	(919,315.62)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	2,783,754,000.00	2,783,754,000.00
Government Securities	2,404,398,812.80	2,405,022,805.85
<b>Total</b>	<b>\$ 5,189,684,471.14</b>	<b>\$ 5,190,308,464.19</b>

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

# TexSTAR versus 90-Day Treasury Bill



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

## Daily Summary for July 2012

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
7/1/2012	0.1329%	0.000003641	\$4,983,255,681.46	1.000102	47	69
7/2/2012	0.1489%	0.000004080	\$5,112,429,667.12	1.000101	46	67
7/3/2012	0.1575%	0.000004316	\$5,111,317,116.81	1.000103	45	67
7/4/2012	0.1575%	0.000004316	\$5,111,317,116.81	1.000103	45	67
7/5/2012	0.1612%	0.000004416	\$5,136,849,313.03	1.000102	48	69
7/6/2012	0.1587%	0.000004349	\$5,133,823,917.99	1.000100	46	69
7/7/2012	0.1587%	0.000004349	\$5,133,823,917.99	1.000100	46	68
7/8/2012	0.1587%	0.000004349	\$5,133,823,917.99	1.000100	46	67
7/9/2012	0.1397%	0.000003827	\$5,089,978,767.79	1.000104	47	68
7/10/2012	0.1333%	0.000003651	\$5,084,144,361.78	1.000098	48	69
7/11/2012	0.1361%	0.000003729	\$5,104,697,084.99	1.000098	48	69
7/12/2012	0.1538%	0.000004214	\$5,096,063,036.79	1.000091	50	71
7/13/2012	0.1381%	0.000003783	\$5,139,277,470.56	1.000092	48	69
7/14/2012	0.1381%	0.000003783	\$5,139,277,470.56	1.000092	48	69
7/15/2012	0.1381%	0.000003783	\$5,139,277,470.56	1.000092	48	69
7/16/2012	0.1541%	0.000004223	\$5,158,273,577.92	1.000106	48	68
7/17/2012	0.1448%	0.000003967	\$5,168,132,954.50	1.000111	48	68
7/18/2012	0.1266%	0.000003468	\$5,176,137,239.13	1.000121	47	67
7/19/2012	0.0965%	0.000002643	\$5,145,338,970.59	1.000135	48	68
7/20/2012	0.1075%	0.000002945	\$5,125,810,843.33	1.000130	46	66
7/21/2012	0.1075%	0.000002945	\$5,125,810,843.33	1.000130	46	66
7/22/2012	0.1075%	0.000002945	\$5,125,810,843.33	1.000130	46	66
7/23/2012	0.1155%	0.000003164	\$5,161,793,336.84	1.000117	46	65
7/24/2012	0.1357%	0.000003719	\$5,221,082,493.40	1.000110	45	53
7/25/2012	0.1427%	0.000003910	\$5,220,321,207.96	1.000110	45	64
7/26/2012	0.1269%	0.000003478	\$5,284,723,309.47	1.000105	44	63
7/27/2012	0.1253%	0.000003432	\$5,258,571,117.95	1.000099	42	61
7/28/2012	0.1253%	0.000003432	\$5,258,571,117.95	1.000099	42	61
7/29/2012	0.1253%	0.000003432	\$5,258,571,117.95	1.000099	42	61
7/30/2012	0.1222%	0.000003349	\$5,270,442,270.03	1.000106	42	61
7/31/2012	0.1393%	0.000003816	\$5,189,684,471.14	1.000120	43	63
<b>Average</b>	<b>0.1359%</b>	<b>0.000003724</b>	<b>\$5,154,788,129.90</b>		<b>46</b>	<b>66</b>



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>Joni Freeman</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>Plano 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)**



**J.P.Morgan**  
Asset Management