



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

May 31, 2023  
AGENDA ITEM #3

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Accept the financial statements for  
April 2023

Strategic Plan Relevance: Stewardship  
Department: Finance  
Contact: José Hernández, Chief Financial Officer  
Associated Costs: N/A  
Funding Source: N/A  
Action Requested: Consider and act on draft resolution

**Project Description/Background:** Presentation and acceptance of the financial statements for April 2023.

**Previous Actions & Brief History of the Program/Project:** N/A

**Financing:** N/A

**Action requested/Staff Recommendation:** Accept the financial statements for April 2023.

**Backup provided:** Draft Resolution  
Draft financial statements for April 2023

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

**RESOLUTION NO. 23-0XX**

**ACCEPT THE FINANCIAL STATEMENTS FOR APRIL 2023**

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 April 2023 and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the financial statements for April 2023, attached hereto as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 31<sup>st</sup> day of May 2023.

Submitted and reviewed by:

Approved:

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James M. Bass  
Executive Director

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Nikelle Meade  
Vice Chair, Board of Directors

**Exhibit A**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending April 30, 2023**

	Budget Amount	Actual Year to	Percent of	Actual Prior
	FY 2023	Date	Budget	Year to Date
<b>REVENUE</b>				
<b>Operating Revenue</b>				
Toll Revenue	119,610,800	119,210,240	99.67%	96,010,392
Video Tolls	46,743,300	53,393,575	114.23%	38,027,936
Fee Revenue	13,845,900	10,800,014	78.00%	11,468,248
<b>Total Operating Revenue</b>	<b>180,200,000</b>	<b>183,403,829</b>	<b>101.78%</b>	<b>145,506,575</b>
<b>Other Revenue</b>				
Interest Income	3,190,301	27,653,024	866.78%	913,459
Grant Revenue	1,359,833	344,737	25.35%	553,991
Misc Revenue	130,000	18,519	14.25%	211,845
Gain/Loss on Sale of Asset	-	-	-	6,568
<b>Total Other Revenue</b>	<b>4,680,134</b>	<b>28,016,280</b>	<b>598.62%</b>	<b>1,685,863</b>
<b>TOTAL REVENUE</b>	<b>184,880,134</b>	<b>211,420,108</b>	<b>114.36%</b>	<b>147,192,438</b>
<b>EXPENSES</b>				
<b>Salaries and Benefits</b>				
Salary Expense-Regular	4,621,321	3,048,072	65.96%	3,053,982
Salary Reserve	80,000	-	-	-
TCDRS	1,046,269	782,723	74.81%	609,786
FICA	232,304	146,243	62.95%	155,254
FICA MED	67,009	44,254	66.04%	45,309
Health Insurance Expense	580,271	353,743	60.96%	323,935
Life Insurance Expense	5,972	3,276	54.86%	4,752
Auto Allowance Expense	10,200	7,863	77.08%	8,075
Other Benefits	126,590	72,951	57.63%	120,642
Unemployment Taxes	4,608	(1,538)	-33.38%	4,362
<b>Total Salaries and Benefits</b>	<b>6,774,544</b>	<b>4,457,588</b>	<b>65.80%</b>	<b>4,326,098</b>
<b>Administrative</b>				
<b>Administrative and Office Expenses</b>				
Accounting	9,500	6,916	72.80%	7,160
Auditing	190,000	152,155	80.08%	100,975
Financial Advisors	108,000	169,200	156.67%	41,400
Human Resources	30,000	49,911	166.37%	18,644
Legal	70,000	28,969	41.38%	3,245
IT Services	350,000	314,231	89.78%	113,152
Internet	150	-	-	-
Software Licenses	557,500	604,862	108.50%	381,990
Cell Phones	24,200	13,957	57.67%	16,838
Local Telephone Service	10,000	78,596	785.96%	74,035

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending April 30, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Overnight Delivery Services	250	48	19.24%	57
Copy Machine	15,500	12,720	82.06%	11,448
Repair & Maintenance-General	8,000	-	-	2,273
Meeting Facilities	-	-	-	1,300
Meeting Expense	12,750	8,069	63.28%	4,920
Toll Tag Expense	3,000	400	13.33%	1,920
Parking / Local Ride Share	2,800	559	19.95%	37
Mileage Reimbursement	3,950	731	18.49%	207
Insurance Expense	651,250	471,742	72.44%	452,977
Rent Expense	731,203	467,657	63.96%	533,258
Building Parking	3,500	1,323	37.79%	1,600
Legal Services	443,000	180,306	40.70%	216,864
<b>Total Administrative and Office Expenses</b>	<b>3,224,553</b>	<b>2,562,349</b>	<b>79.46%</b>	<b>1,984,300</b>
<b>Office Supplies</b>				
Books & Publications	3,250	2,326	71.57%	3,028
Office Supplies	7,750	2,021	26.08%	1,274
Misc Office Equipment	4,500	9,370	208.21%	732
Computer Supplies	221,950	204,012	91.92%	71,239
Copy Supplies	-	-	-	117
Other Reports-Printing	5,000	-	-	-
Office Supplies-Printed	3,100	1,142	36.84%	171
Postage Expense	550	495	89.91%	464
<b>Total Office Supplies</b>	<b>246,100</b>	<b>219,365</b>	<b>89.14%</b>	<b>77,026</b>
<b>Communications and Public Relations</b>				
Graphic Design Services	75,000	-	-	-
Website Maintenance	111,500	38,796	34.79%	48,337
Research Services	140,000	-	-	10,109
Communications and Marketing	400,000	20,198	5.05%	15,327
Advertising Expense	500,000	237,441	47.49%	163,176
Direct Mail	65,000	-	-	-
Video Production	82,500	29,097	35.27%	8,820
Photography	25,000	12,960	51.84%	199
Radio	50,000	-	-	-
Other Public Relations	2,500	1,200	48.00%	-
Promotional Items	520,000	12,682	2.44%	-
Annual Report printing	1,500	-	-	780
Direct Mail Printing	26,000	-	-	-
Other Communication Expenses	15,000	(30)	-0.20%	13,105
<b>Total Communications and Public Relations</b>	<b>2,014,000</b>	<b>352,345</b>	<b>17.49%</b>	<b>259,852</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending April 30, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Employee Development</b>				
Subscriptions	50,700	1,653	3.26%	123
Agency Memberships	78,550	46,314	58.96%	37,320
Continuing Education	4,800	1,354	28.21%	1,729
Professional Development	19,150	4,912	25.65%	240
Other Licenses	1,900	577	30.36%	554
Seminars and Conferences	118,500	49,512	41.78%	7,318
Travel	93,500	18,877	20.19%	15,992
<b>Total Employee Development</b>	<b>367,100</b>	<b>123,199</b>	<b>33.56%</b>	<b>63,276</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	60,000	56,500	94.17%	53,538
Bank Fee Expense	3,240	1,477	45.58%	2,737
Continuing Disclosure	7,000	11,525	164.64%	6,184
Arbitrage Rebate Calculation	15,000	16,300	108.67%	13,967
Rating Agency Expense	50,000	43,000	86.00%	12,000
<b>Total Financing and Banking Fees</b>	<b>135,240</b>	<b>128,802</b>	<b>95.24%</b>	<b>88,425</b>
<b>Total Administrative</b>	<b>5,986,993</b>	<b>3,386,060</b>	<b>56.56%</b>	<b>2,472,878</b>
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
GEC-Trust Indenture Support	763,997	468,008	61.26%	384,392
GEC-Financial Planning Support	275,000	224,284	81.56%	185,149
GEC-Toll Ops Support	2,550,000	726,441	28.49%	650,793
GEC-Roadway Ops Support	1,411,139	639,352	45.31%	715,003
GEC-Technology Support	654,369	373,565	57.09%	401,540
GEC-Public Information Support	200,000	130,455	65.23%	144,760
GEC-General Support	1,360,000	652,442	47.97%	776,623
General System Consultant	1,159,640	896,278	77.29%	846,440
Traffic Modeling	150,000	-	-	26,546
Traffic and Revenue Consultant	500,000	748,952	149.79%	415,209
<b>Total Operations and Maintenance Consulting</b>	<b>9,024,145</b>	<b>4,859,776</b>	<b>53.85%</b>	<b>4,546,454</b>
<b>Roadway Operations and Maintenance</b>				
Roadway Maintenance	1,868,052	1,305,501	69.89%	3,040,771
Landscape Maintenance	2,949,320	2,592,009	87.88%	555,542
Maintenance Supplies-Roadway	300,000	(44,576)	-14.86%	93,118
Tools & Equipment Expense	25,000	598	2.39%	138
Gasoline	30,000	14,825	49.42%	10,386
Repair & Maintenance - Vehicles	10,000	(21,094)	-210.94%	4,019
Natural Gas	2,500	5,197	207.87%	3,921
Electricity - Roadways	250,000	230,038	92.02%	155,807
<b>Total Roadway Operations and Maintenance</b>	<b>5,434,872</b>	<b>4,082,497</b>	<b>75.12%</b>	<b>3,863,702</b>

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending April 30, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Toll Processing and Collection Expense</b>				
Image Processing	4,208,340	2,723,840	64.72%	2,807,131
Tag Collection Fees	8,453,846	8,359,189	98.88%	7,093,831
Court Enforcement Costs	10,000	-	-	-
DMV Lookup Fees	200	-	-	-
<b>Total Processing and Collection Expense</b>	<b>12,672,387</b>	<b>11,083,029</b>	<b>87.46%</b>	<b>9,900,962</b>
<b>Toll Operations Expense</b>				
Generator Fuel	3,000	1,252	41.74%	-
Fire and Burglar Alarm	500	411	82.24%	370
Refuse	2,180	1,826	83.76%	1,476
Telecommunications	-	3,360	-	-
Water - Irrigation	7,500	5,941	79.21%	4,063
Electricity	500	547	109.40%	511
ETC spare parts expense	200,000	-	-	(33,850)
Repair & Maintenance Toll Equip	50,000	192,085	384.17%	5,197
Law Enforcement	500,000	357,954	71.59%	340,169
ETC Maintenance Contract	6,000,000	5,373,903	89.57%	2,024,130
Transaction Processing Maintenance Contract	1,500,000	248,740	16.58%	-
ETC Toll Management Center System Operation	875,000	473,380	54.10%	474,446
ETC Development	559,000	70,473	12.61%	179,939
ETC Testing	275,000	41,922	15.24%	-
<b>Total Toll Operations Expense</b>	<b>9,972,680</b>	<b>6,771,794</b>	<b>67.90%</b>	<b>2,996,451</b>
<b>Total Operations and Maintenance</b>	<b>37,104,083</b>	<b>26,797,097</b>	<b>72.22%</b>	<b>21,307,569</b>
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	149,000	123,191	82.68%	123,191
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	1,651,370	33.03%	1,331,694
Customer Relations	3,000	-	-	-
Technology Initiatives	75,000	43,784	58.38%	41,395
Other Contractual Svcs	370,000	316,720	85.60%	192,425
Contingency	300,000	-	-	-
<b>Total Special Projects and Contingencies</b>	<b>5,997,000</b>	<b>2,135,066</b>	<b>35.60%</b>	<b>1,688,704</b>
<b>Non Cash Expenses</b>				
Amortization Expense	2,020,950	1,060,471	52.47%	1,165,928
Amort Expense - Refund Savings	9,073,105	4,609,960	50.81%	7,442,358
Dep Exp - Furniture & Fixtures	2,178	2,178	100.01%	2,178
Dep Expense - Equipment	-	-	-	2,083
Dep Expense - Autos & Trucks	46,496	41,428	89.10%	27,987

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending April 30, 2023**

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Dep Expense - Buildng & Toll Fac	176,748	147,290	83.33%	147,290
Dep Expense - Highways & Bridges	53,479,102	42,184,620	78.88%	42,184,620
Dep Expense - Toll Equipment	4,736,604	2,967,314	62.65%	3,395,361
Dep Expense - Signs	1,052,717	847,142	80.47%	847,142
Dep Expense - Land Improvements	884,934	737,445	83.33%	737,445
Depreciation Expense - Computers	64,319	63,996	99.50%	157,568
<b>Total Non Cash Expenses</b>	<b>71,537,153</b>	<b>52,661,844</b>	<b>73.61%</b>	<b>56,109,959</b>
<b>Total Other Expenses</b>	<b>77,534,153</b>	<b>54,796,910</b>	<b>70.67%</b>	<b>57,798,663</b>
<b>Non Operating Expenses</b>				
Bond Issuance Expense	1,250,000	440,247	35.22%	4,794,179
Loan Fee Expense	14,500	32,000	220.69%	14,500
Interest Expense	83,664,454	64,467,840	77.06%	65,235,397
CAMPO RIF Payment	-	5,000,000	-	5,000,000
Community Initiatives	150,000	42,696	28.46%	52,670
<b>Total Non Operating Expenses</b>	<b>85,078,954</b>	<b>69,982,783</b>	<b>82.26%</b>	<b>75,096,746</b>
<b>TOTAL EXPENSES</b>	<b>212,478,727</b>	<b>159,420,436</b>	<b>75.03%</b>	<b>161,001,955</b>
<b>Net Income</b>	<b>(27,598,593)</b>	<b>51,999,672</b>		<b>(13,809,516)</b>



**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of April 30, 2023**

	as of 04/30/2023		as of 04/30/2022	
	<b>ASSETS</b>			
<b>Current Assets</b>				
<b>Cash</b>				
Regions Operating Account	\$ 212,365		\$ 2,707,504	
Cash in TexStar	549,814		540,509	
Regions Payroll Account	105,045		22,718	
<b>Restricted Cash</b>				
Goldman Sachs FSGF 465	1,093,973,557		704,487,204	
Restricted Cash - TexSTAR	14,510,445		190,261,233	
Overpayments account	290,958		582,040	
<b>Total Cash and Cash Equivalents</b>		1,109,642,183		898,601,208
<b>Accounts Receivable</b>				
Accounts Receivable	2,770,089		2,770,089	
Due From Other Agencies	100,061		93,578	
Due From TTA	1,034,649		5,338,077	
Due From NTTA	1,459,474		1,463,125	
Due From HCTRA	2,286,532		2,039,308	
Due From TxDOT	1,327,652		4,050,733	
Interest Receivable	693,342		1,433,792	
<b>Total Receivables</b>		9,671,798		17,188,702
<b>Short Term Investments</b>				
Treasuries	-		78,987,529	
Agencies	-		153,812,289	
<b>Total Short Term Investments</b>		-		232,799,818
<b>Total Current Assets</b>		1,119,313,981		1,148,589,728
<b>Total Construction in Progress</b>		362,145,006		269,492,951
<b>Fixed Assets (Net of Depreciation and Amortization)</b>				
Computers	34,511		130,020	
Computer Software	824,439		1,654,902	
Furniture and Fixtures	-		2,614	
Equipment	9,624		10,040	
Autos and Trucks	52,455		102,774	
Buildings and Toll Facilities	4,269,729		4,446,477	
Highways and Bridges	1,675,348,123		1,724,030,386	
Toll Equipment	20,022,674		20,510,781	
Signs	13,143,310		13,281,324	
Land Improvements	5,461,824		6,346,758	
Right of way	88,149,606		88,149,606	
Leasehold Improvements	12,699		52,402	
<b>Total Fixed Assets</b>		1,807,328,992		1,858,718,083
<b>Other Assets</b>				
Intangible Assets-Net	170,682,224		180,009,824	
2005 Bond Insurance Costs	2,993,678		3,469,509	
Prepaid Insurance	245,154		213,439	
Deferred Outflows (pension related)	675,913		641,074	
Pension Asset	2,549,818		591,247	
<b>Total Other Assets</b>		177,146,787		184,925,093
<b>Total Assets</b>		<b>\$ 3,465,934,766</b>		<b>\$ 3,461,725,855</b>

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of April 30, 2023**

as of 04/30/2023

as of 04/30/2022

**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$ 41,294,222	\$ 34,377,682
Construction Payable	5,077,403	5,684,317
Overpayments	294,629	585,473
Interest Payable	26,077,053	38,569,170
TCDRS Payable	80,037	68,880
Due to other Agencies	16,948	3,820
Due to TTA	668,086	618,549
Due to HCTRA	156,095	144,132
Due to Other Entities	133,523	1,084,376
71E TxDOT Obligation - ST	1,475,681	782,449

**Total Current Liabilities**

75,273,677

81,918,847

**Long Term Liabilities**

Compensated Absences	240,954	283,554
Deferred Inflows (pension related)	1,481,361	109,052

**Long Term Payables**

1,722,315

392,606

**Bonds Payable**

**Senior Lien Revenue Bonds:**

Senior Lien Revenue Bonds 2010	93,233,767	86,533,211
Senior Lien Revenue Bonds 2011	16,036,110	18,648,070
Senior Refunding Bonds 2013	-	3,475,000
Senior Lien Revenue Bonds 2015	10,000,000	10,000,000
Senior Lien Refunding Revenue Bonds 2016	59,340,000	70,790,000
Senior Lien Revenue Bonds 2018	44,345,000	44,345,000
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000
Senior Lien Refunding Bonds 2020B	54,970,000	55,600,000
Senior Lien Refunding Bonds 2020C	138,435,000	138,435,000
Senior Lien Revenue Bonds 2020E	167,160,000	167,160,000
Senior Lien Revenue Bonds 2021B	255,075,000	255,075,000
Senior Lien Refunding Bonds 2021D	274,625,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	1,192,745
Senior Lien Premium 2016 Revenue Bonds	6,475,937	7,748,010
Sn Lien Revenue Bond Premium 2018	2,927,647	3,194,220
Senior Lien Revenue Bond Premium 2020A	11,199,265	11,368,242
Senior Lien Refunding Bond Premium 2020B	11,325,760	11,860,835
Senior Lien Revenue Bonds Premium 2020E	24,426,433	26,141,820
Senior Lien Revenue Bonds Premium 2021B	53,107,294	53,578,936
Senior Lien Refunding Bonds Premium 2021D	44,006,046	44,876,807

**Total Senior Lien Revenue Bonds**

1,649,538,258

1,670,522,894

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of April 30, 2023**

	as of 04/30/2023	as of 04/30/2022
<b>Sub Lien Revenue Bonds:</b>		
Sub Lien Refunding Bonds 2013	-	2,725,000
Sub Lien Refunding Bonds 2016	71,435,000	72,605,000
Sub Lien Refunding Bonds 2020D	97,440,000	98,580,000
Subordinated Lien BANs 2020F	110,875,000	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinated Lien BANs 2021C	244,185,000	244,185,000
Sub Refunding 2013 Prem/Disc	-	254,498
Sub Refunding 2016 Prem/Disc	5,122,743	5,928,057
Subordinated Lien BANs 2020F Premium	6,671,441	10,674,306
Subordinated Lien Refunding Bonds Premium 2020G	6,831,576	7,235,548
Sub Lien BANS 2021C Premium	27,909,484	35,521,161
<b>Total Sub Lien Revenue Bonds</b>	632,040,244	650,153,571
<b>Other Obligations</b>		
TIFIA Note 2021	357,756,924	348,530,106
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2017 MoPAC Note	-	24,990,900
Regions 2022 MoPac Loan	24,690,900	-
<b>Total Other Obligations</b>	434,366,044	428,598,271
<b>Total Long Term Liabilities</b>	2,717,666,862	2,749,667,341
<b>Total Liabilities</b>	<b>2,792,940,539</b>	<b>2,831,586,188</b>
<b>NET ASSETS</b>		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	499,532,189	522,486,817
Current Year Operations	51,999,934	(13,809,254)
<b>Total Net Assets</b>	<b>672,994,227</b>	<b>630,139,667</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,465,934,766</b>	<b>\$ 3,461,725,855</b>

**Central Texas Regional Mobility Authority**  
**Statement of Cash Flow**  
**as of April 2023**

**Cash flows from operating activities:**

Receipts from toll revenues	186,008,904
Receipts from Other Sources (AR)	363,256
Payments to vendors	(47,947,612)
Payments to employees	(4,488,802)
Net cash flows provided by (used in) operating activities	133,935,746

**Cash flows from capital and related financing activities:**

Prepaid payment on Intangible assets	(4,609,960)
Issuance Expense	(4,991,958)
Payments on bonds / loans	(34,187,615)
RIF Contribution	(5,000,000)
Acquisition of capital assets - non project	(5,767,328)
Acquisitions of construction in progress	(74,132,275)
Net cash flows provided by (used in) capital and related financing activities	(128,689,137)

**Cash flows from investing activities:**

Interest income	27,651,615
Purchase of investments	(256,907,791)
Proceeds from sale or maturity of investments	189,546,270
Net cash flows provided by (used in) investing activities	(39,709,905)

Net increase (decrease) in cash and cash equivalents	(34,463,297)
Cash and cash equivalents at beginning of period	1,153,777,279
Cash and cash equivalents at end of period	1,119,313,982

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

Operating income	51,999,671
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	52,661,844
Changes in assets and liabilities:	
Decrease in accounts receivable	2,605,075
Increase in prepaid expenses and other assets	(117,091)
Decrease in accrued expenses	(10,543,165)
Decrease in Interest expense	64,982,783
Increase in interest receivable	(27,653,634)
Difference between Operating statement and Trial balance	263
Total adjustments	81,936,075
Net cash flows provided by (used in) operating activities	\$ 133,935,746

**Reconciliation of cash and cash equivalents:**

Unrestricted cash and cash equivalents	10,829,980
Restricted cash and cash equivalents	1,108,484,002
Total	1,119,313,981

INVESTMENTS by FUND

		Balance March 31, 2023		
Renewal & Replacement Fund				
TexSTAR	8.63		TexSTAR	15,060,258.19
Goldman Sachs	42,868.96		Goldman Sachs	1,088,859,149.41
Agencies/ Treasuries			Agencies & Treasury Notes	
Grant Fund		42,877.59		\$ 1,103,919,407.60
TexSTAR	468,497.79		Balance below:	1,103,919,407.60
Goldman Sachs	9,873,746.40		Difference:	\$ -
Agencies/ Treasuries				
MATURED		10,342,244.19		
Senior Debt Service Reserve Fund				
TexSTAR	1,016,786.28			
Goldman Sachs	109,771,221.49			
Agencies/ Treasuries				
MATURED		110,788,007.77		
2010 Senior Lien Debt Service Account				
Goldman Sachs	62,282.33	62,282.33		
2011 Sr Debt Service Account				
Goldman Sachs	2,432,732.82	2,432,732.82		
2013 Sr Debt Service Account				
Goldman Sachs	41,283.55	41,283.55		
2013 Sub Debt Service Account				
Goldman Sachs	32,491.44	32,491.44		
2013 Sub Debt Service Reserve Fund				
Goldman Sachs	126.60	804,722.25		
TexSTAR	804,595.65			
2015 Sr Debt Service Account				
Goldman Sachs	4,349,078.11	4,349,078.11		
2016 Sr Lien Rev Refunding Debt Service Account				
Goldman Sachs	5,393,619.15	5,393,619.15		
2016 Sub Lien Rev Refunding Debt Service Account				
Goldman Sachs	1,887,792.19	1,887,792.19		
2016 Sub Lien Rev Refunding DSR				
Goldman Sachs	7,185,024.13	7,185,024.13		
Agencies/ Treasuries				
Operating Fund				
TexSTAR	549,813.52			
TexSTAR-Trustee	9,009,889.28			
Goldman Sachs	8,580,376.67	18,140,079.47		
Revenue Fund				
Goldman Sachs	10,251,976.79	10,251,976.79		
General Fund				
TexSTAR	1,173,310.19			
Goldman Sachs	158,698,606.78			
Agencies/ Treasuries		159,871,916.97		
71E Revenue Fund				
Goldman Sachs	26,276,804.46	26,276,804.46		
MoPac Revenue Fund				
Goldman Sachs	91,486.96	91,486.96		
MoPac General Fund				
Goldman Sachs	13,241,308.73	13,241,308.73		
MoPac Operating Fund				
Goldman Sachs	513,918.82	513,918.82		
MoPac Loan Repayment Fund				
Goldman Sachs	1,049,144.60	1,049,144.60		
2015B Project Account				
Goldman Sachs	42,789,538.96			
TexSTAR	360,621.21	43,150,160.17		
2015 TIFIA Project Account				
Goldman Sachs	38,519,649.47			
TexSTAR	716,430.92			
Agencies/ Treasuries		39,236,080.39		
2011 Sr Financial Assistance Fund				
Goldman Sachs	507,970.79	507,986.99		
TexSTAR	16.20			
2018 Sr Lien Debt Service Account				
Goldman Sachs	745,440.82	745,440.82		
2018 Sr Lien Project Cap I				
Goldman Sachs	731.29	731.29		
2018 Sr Lien Project Account				
Goldman Sachs	12,736,705.50			
TexSTAR	960,288.52	13,696,994.02		
2020A Senior Lien Debt Service Account				
Goldman Sachs	846,124.09	846,124.09		
2020B Senior Lien Debt Service Account				
Goldman Sachs	1,119,434.16	1,119,434.16		
2020C Senior Lien Debt Service Account				
Goldman Sachs	1,457,725.87	1,457,725.87		
2020D Sub Lien Debt Service Account				
Goldman Sachs	2,338,570.43	2,338,570.43		
2020D Sub Debt Service Reserve Fund				
Goldman Sachs	8,340,241.11	8,340,241.11		
2020E Senior Lien Project Account				
Goldman Sachs	155,603,097.88	155,603,097.88		
2020E Senior Lien Project Cap Interest				
Goldman Sachs	18,534,254.88	18,534,254.88		
2020F Sub Lien Project Account				
Goldman Sachs	2,320,391.69	2,320,391.69		
2020F Sub Lien Deb Service Account				
Goldman Sachs	1,863,600.62	1,863,600.62		
2020G Sub Lien Debt Service Account				
Goldman Sachs	858,088.27	858,088.27		
2020G Sub Lien Debt Service Reserve Account				
Goldman Sachs	3,478,540.91	3,478,540.91		
2021A Sub Lien Debt Service Reserve Account				
Goldman Sachs	15,798,892.65	15,798,892.65	35,607,421.05	
2021A Sub Debt Service Account				
Goldman Sachs	98.32	98.32		
2021B Senior Lien Cap I Project Fund				
Goldman Sachs	41,286,677.53	41,286,677.53		
2021B Senior Lien Project Account				
Goldman Sachs	235,964,588.04			
Agencies/ Treasuries		235,964,588.04		
2021C Sub Lien Cap I Project Fund				
Goldman Sachs	1,372.34	1,372.34		
2021C Sub Lien Project Account				
Goldman Sachs	131,633,849.61	131,633,849.61		
2021C Sub Lien Debt Service Account				
Goldman Sachs	4,104,148.93	4,104,148.93		
2021D Senior Lien Debt Service Account				
Goldman Sachs	3,932,158.70	3,932,158.70		
2021E Senior Lien Debt Service Account				
Goldman Sachs	4,301,365.57	4,301,365.57		
		\$ 1,103,919,407.60		

**CTRMA INVESTMENT REPORT**

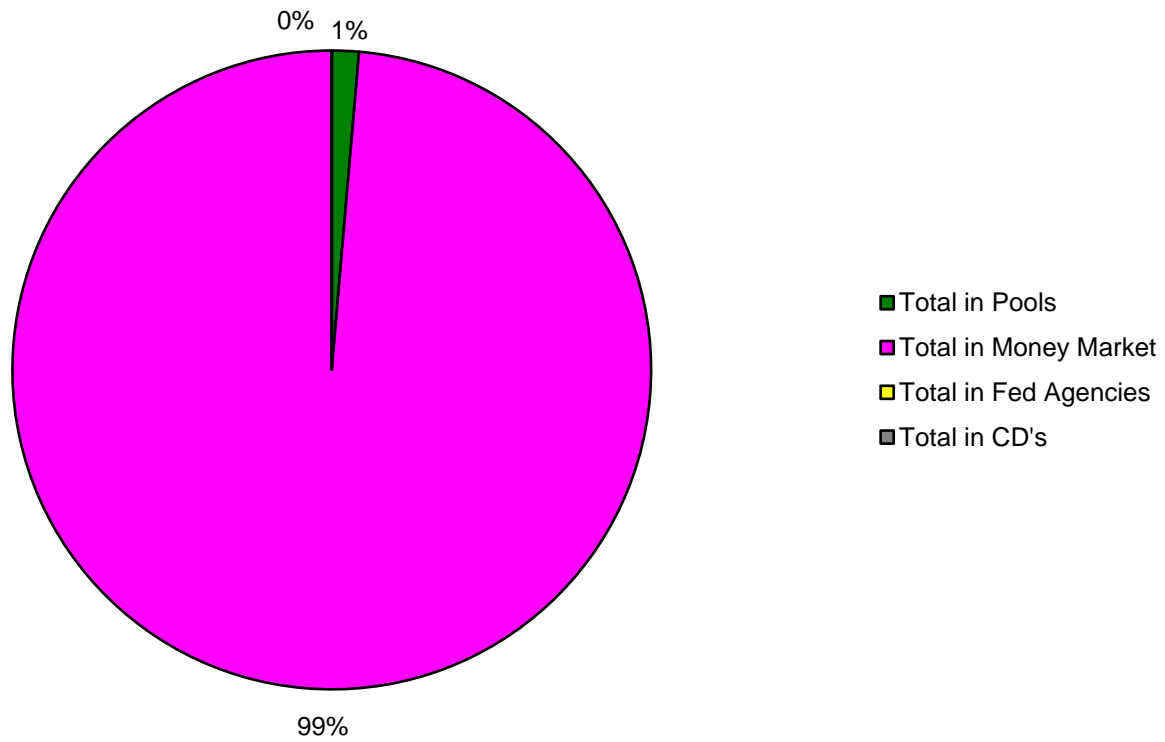
Month Ending 4/30/2023						
Balance 4/1/2023	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 4/30/2023	Rate April
<b>Amount in Trustee TexStar</b>						
2011 Sr Lien Financial Assist Fund	16.16		0.04		16.20	4.8292%
2013 Sub Lien Debt Service Reserve General Fund	801,415.52 1,168,672.69		3,180.13 4,637.50		804,595.65 1,173,310.19	4.8292%
Trustee Operating Fund	9,976,901.75	4,000,000.00	32,987.53	5,000,000.00	9,009,889.28	4.8292%
Renewal and Replacement	8.63		-		8.63	4.8292%
TxDOT Grant Fund	466,646.06		1,851.73		468,497.79	4.8292%
Senior Lien Debt Service Reserve Fund	1,012,767.45		4,018.83		1,016,786.28	4.8292%
2015B Sr Ln Project	359,195.86		1,425.35		360,621.21	4.8292%
2015C TIFIA Project	713,599.23		2,831.69		716,430.92	4.8292%
2018 Sr Lien Project Account	956,493.00		3,795.52		960,288.52	4.8292%
	<b>15,455,716.35</b>	<b>4,000,000.00</b>	<b>54,728.32</b>	<b>5,000,000.00</b>	<b>14,510,444.67</b>	
<b>Amount in TexStar Operating Fund</b>	<b>47,304.51</b>	<b>5,000,000.00</b>	<b>2,509.01</b>	<b>4,500,000.00</b>	<b>549,813.52</b>	<b>4.8292%</b>
<b>Goldman Sachs</b>						
Operating Fund	8,370,589.81	4,177,435.36	32,351.50	4,000,000.00	8,580,376.67	4.7500%
2020A Senior Lien Debt Service Account	637,111.94	207,058.12	1,954.03		846,124.09	4.7500%
2020B Senior Lien Debt Service Account	842,815.92	274,033.61	2,584.63		1,119,434.16	4.7500%
2020C Senior Lien Debt Service Account	1,095,444.25	358,929.03	3,352.59		1,457,725.87	4.7500%
2020D Sub Lien Debt Service Account	1,757,319.09	575,873.28	5,378.06		2,338,570.43	4.7500%
2020D Sub Debt Service Reserve Fund	8,308,132.78		32,108.33		8,340,241.11	4.7500%
2020E Sr Lien Project Account	155,004,055.77		599,042.11		155,603,097.88	4.7500%
2020E Sr Ln Project Cap Interest	18,462,901.55		71,353.33		18,534,254.88	4.7500%
2020F Sub Lien Project Account	2,375,480.05		21,396.19	76,484.55	2,320,391.69	4.7500%
2020F Sub Lien Debt Service Account	1,401,219.01	458,090.68	4,290.93		1,863,600.62	4.7500%
2020G Sub Lien Debt Service Account	645,186.30	210,926.23	1,975.74		858,088.27	4.7500%
2020G Sub Debt Service Reserve Fund	3,373,524.86	92,204.74	12,811.31		3,478,540.91	4.7500%
2021A Sub Debt Service Reserve Fund	15,179,881.10	561,724.77	57,286.78		15,798,892.65	4.7500%
2021A Sub Debt Service Account	97.94		0.38		98.32	4.7500%
2021B Senior Lien Cap I Project Fund	41,127,731.73		158,945.80		41,286,677.53	4.7500%
2021B Senior Lien Project Account	235,056,169.59		908,418.45		235,964,588.04	4.7500%
2021C Sub Lien Cap I Project Fund	1,367.06		5.28		1,372.34	4.7500%
2021C Sub Lien Project Account	140,942,048.10		546,011.79	9,854,210.28	131,633,849.61	4.7500%
2021C Sub Lien Debt Service Account	3,085,756.56	1,008,943.25	9,449.12		4,104,148.93	4.7500%
2021D Senior Lien Debt Service Account	2,957,300.52	965,799.61	9,058.57		3,932,158.70	4.7500%
2021E Senior Lien Debt Service Account	3,239,458.58	1,051,969.46	9,937.53		4,301,365.57	4.7500%
2011 Sr Financial Assistance Fund	506,014.99		1,955.80		507,970.79	4.7500%
2010 Senior DSF	62,042.53		239.80		62,282.33	4.7500%
2011 Senior Lien Debt Service Account	1,832,014.67	595,098.21	5,619.94		2,432,732.82	4.7500%
2013 Senior Lien Debt Service Account	41,124.60		158.95		41,283.55	4.7500%
2013 Sub Debt Service Reserve Fund	126.11		0.49		126.60	4.7500%
2013 Subordinate Debt Service Account	32,366.34		125.10		32,491.44	4.7500%
2015A Sr Lien Debt Service Account	4,332,333.20		16,744.91		4,349,078.11	4.7500%
2015B Project Account	42,645,419.25		165,102.38	20,982.67	42,789,538.96	4.7500%
2015C TIFIA Project Account	38,371,340.33		148,309.14		38,519,649.47	4.7500%
2016 Sr Lien Rev Refunding Debt Service	4,200,296.31	1,179,985.17	13,337.67		5,393,619.15	4.7500%
2016 Sub Lien Rev Refunding Debt Service	1,420,252.18	463,187.73	4,352.28		1,887,792.19	4.7500%
2016 Sub Lien Rev Refunding DSR	7,157,360.20		27,663.93		7,185,024.13	4.7500%
2018 Sr Lien Project Cap I	728.47		2.82		731.29	4.7500%
2018 Sr Lien Debt Service Account	560,572.10	183,151.81	1,716.91		745,440.82	4.7500%
2018 Sr Lien Project Account	12,687,671.62		49,033.88		12,736,705.50	4.7500%
TxDOT Grant Fund	9,835,730.30		38,016.10		9,873,746.40	4.7500%
Renewal and Replacement	330.01	523,000.00	1.92	480,462.97	42,868.96	4.7500%
Revenue Fund	6,932,585.86	18,912,397.26	43,919.45	15,636,925.78	10,251,976.79	4.7500%
General Fund	157,734,820.97	1,631,519.58	593,902.67	1,261,636.44	158,698,606.78	4.7500%
Senior Lien Debt Service Reserve Fund	109,348,578.08		422,643.41		109,771,221.49	4.7500%
71E Revenue Fund	24,998,771.24	1,235,927.63	98,505.02	56,399.43	26,276,804.46	4.7500%
MoPac Revenue Fund	85,304.12	1,356,434.61	745.87	1,350,997.64	91,486.96	4.7500%
MoPac General Fund	12,527,992.87	808,119.92	46,736.48	141,540.54	13,241,308.73	4.7500%
MoPac Operating Fund	145,814.69	535,196.47	696.75	167,789.09	513,918.82	4.7500%
MoPac Loan Repayment Fund	903,272.65	142,877.72	2,994.23		1,049,144.60	4.7500%
	<b>1,080,226,456.20</b>	<b>37,509,884.25</b>	<b>0.00</b>	<b>4,170,238.35</b>	<b>33,047,429.39</b>	<b>1,088,859,149.41</b>
<b>Amount in Fed Agencies and Treasuries</b>						
Amortized Principal	0.00			0.00	0.00	
	0.00				0.00	
<b>Certificates of Deposit</b>						
Total in Pools	14,649,076.43	9,000,000.00	57,237.33	9,500,000.00	15,060,258.19	
Total in GS FSGF	1,074,143,360.66	37,509,884.25	4,170,238.35	33,047,429.39	1,088,859,149.41	
Total in Fed Agencies and Treasuries	0.00			0.00	0.00	
Total Invested	<b>1,088,792,437.09</b>	<b>46,509,884.25</b>	<b>4,227,475.68</b>	<b>42,547,429.39</b>	<b>1,103,919,407.60</b>	

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256

José Hernández, CFO  
Ann Zigmond, Controller

3/31/2023

## Allocation of Funds



## Goldman Sachs Escrow Funds

	<b>Balance 4/1/2023</b>	<b>Additions</b>	<b>Accrued Interest</b>	<b>Withdrawals</b>	<b>Balance 4/30/2023</b>
Travis County Escrow Fund - Elroy Road	3,709,609.35		14,373.35		3,723,982.70
Travis County Escrow Fund - Ross Road	212,255.31		821.30		213,076.61
Travis County Escrow Fund - Old San Antonio Road	36,896.41		153.36		37,049.77
Travis County Escrow Fund - Old Lockhart Road	131,381.34		532.44		131,913.78
Travis County Escrow Fund - County Line Road	264,465.39		1,044.04	7,625.21	257,884.22
Travis County Escrow Fund - South Pleasant Valley Road	315,895.49		1,222.51		317,118.00
Travis County Escrow Fund - Thaxton Road	130,605.26		506.06		131,111.32
Travis County Escrow Fund - Pearce Lane Road	301,103.30		1,167.79		302,271.09





### PERFORMANCE

#### As of April 30, 2023

Current Invested Balance	\$ 10,940,711,794.05
Weighted Average Maturity (1)	18 Days
Weighted Average Life (2)	43 Days
Net Asset Value	1.000031
Total Number of Participants	1017
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$44,502,864.68
Management Fee Collected	\$546,134.95
% of Portfolio Invested Beyond 1 Year	2.86%
Standard & Poor's Current Rating	AAAm

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

#### April Averages

Average Invested Balance	\$11,074,644,145.30
Average Monthly Yield, on a simple basis	4.8292%
Average Weighted Maturity (1)	17 Days
Average Weighted Life (2)	42 Days

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

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

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

### NEW PARTICIPANTS

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

- \* Brownsville Navigation District
- \* Fort Bend County Municipal Utility District No. 200
- \* Gatesville Independent School District
- \* Presidio County Underground Water District
- \* Tri Special Utility District

### HOLIDAY REMINDER

In observance of **Memorial Day, TexSTAR will be closed on Monday, May 29, 2023.** All ACH transactions initiated on Friday, May 26th will settle on Tuesday, May 30th. 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

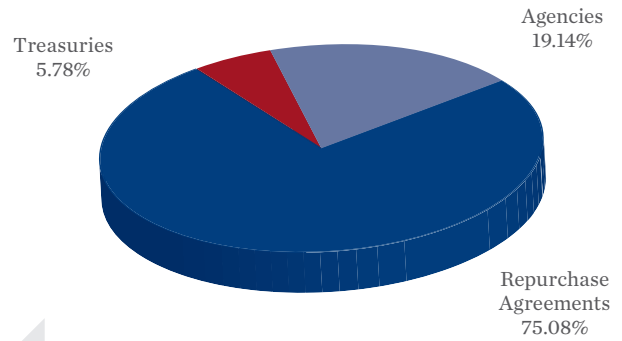
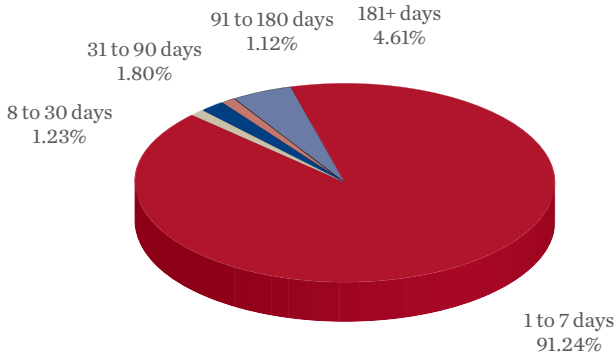
#### Market review

The market's focus shifted back to economic data in April, as banking sector stresses cooled. Much of the data reinforced the view that the economy is slowing down. However, as the month ended, First Republic Bank (FRC) overtook Silicon Valley Bank's spot as the second biggest bank failure in U.S. history. After being taken over by the Federal Deposit Insurance Corporation (FDIC), it was quickly sold to JPMorgan Chase & Company to end the turmoil. With the U.S. in the final stages of the economic cycle, investors assessed how much longer the Federal Reserve (Fed) will be able to raise interest rates and tighten financial conditions. This assessment is closely linked to the progress being made to bring down inflation. The March consumer price index (CPI) report was cooler than expected with headline CPI rising by 0.1% month-over-month (m/m) and 5.0% year-over-year (y/y), marking the smallest year-over-year increase since May 2021, while core CPI rose by 0.4% m/m and 5.6% y/y. The release supported the view that inflation has come down steadily from its peak, with six-month annualized inflation declining from a high of 8% last June to 3.7% this March. The sticky shelter CPI component may also finally be starting to moderate, while forward-looking measures of inflation and inflation expectations are pointing to downward pressure. Similarly, the headline personal consumption expenditures price index (PCE) eased to 0.1% m/m while core PCE remained at 0.3% m/m. Overall, this report suggests that headline CPI should fall below 4.0% y/y by June.

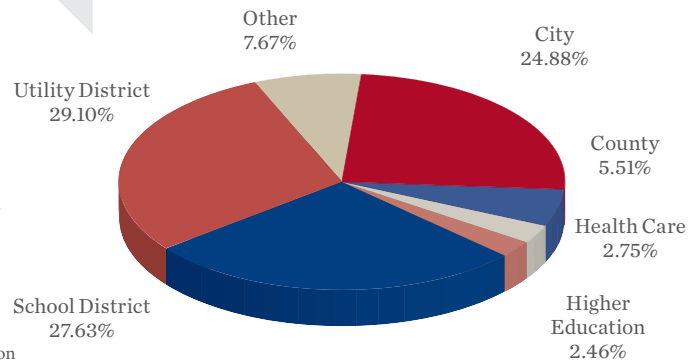
Real GDP grew by a 1.1% annualized rate in 1Q23, a sharp deceleration compared to last quarter's 2.6% pace. Consumption and government spending looked strong, growing at annualized rates of 3.7% and 4.7%, respectively. However, most of the consumption gains were attributed to a strong January. These gains were partially offset by declines in private inventories and residential fixed investment. In particular, equipment spending fell sharply, indicating a slowdown in business investment spending. Looking ahead, normalizing inventory levels should support growth, but a strained consumer, tighter lending conditions and weaker business spending remain headwinds in the coming months. *(continued page 4)*

## INFORMATION AT A GLANCE

### PORTFOLIO BY TYPE OF INVESTMENT AS OF APRIL 30, 2023



### PORTFOLIO BY MATURITY AS OF APRIL 30, 2023 (1)



### DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF APRIL 30, 2023

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

## HISTORICAL PROGRAM INFORMATION

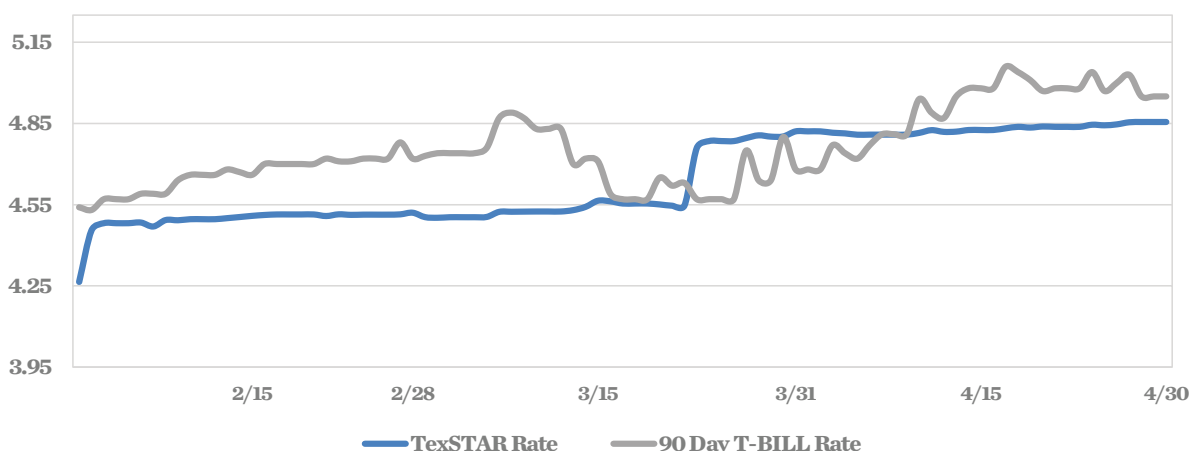
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Apr 23	4.8292%	\$10,940,711,794.05	\$10,941,057,413.24	1.000031	17	42	1017
Mar 23	4.6066%	11,042,113,205.98	11,042,864,910.32	1.000029	11	39	1012
Feb 23	4.4919%	10,962,890,240.57	10,961,778,645.78	0.999898	9	38	1008
Jan 23	4.2515%	10,451,037,339.95	10,450,044,625.54	0.999905	6	41	1003
Dec 22	3.9681%	9,016,826,910.67	9,015,709,981.89	0.999855	5	43	999
Nov 22	3.5588%	8,393,118,851.17	8,390,786,906.73	0.999722	6	47	998
Oct 22	2.8531%	8,388,414,626.87	8,384,901,873.82	0.999581	10	46	996
Sep 22	2.2941%	8,448,258,598.47	8,444,307,157.72	0.999510	16	43	994
Aug 22	1.9469%	8,988,292,520.61	8,983,610,837.50	0.999479	27	50	991
Jul 22	1.4010%	9,799,798,062.32	9,793,880,215.07	0.999396	34	49	990
Jun 22	0.9850%	9,799,299,684.61	9,793,062,348.93	0.999363	42	57	989
May 22	0.6459%	9,701,777,049.61	9,700,243,468.41	0.999841	43	61	988

## PORTFOLIO ASSET SUMMARY AS OF APRIL 30, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 7,489,713.54	\$ 7,489,713.54
Accrual of Interest Income	13,019,250.21	13,019,250.21
Interest and Management Fees Payable	(44,479,613.71)	(44,479,613.71)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	8,232,195,999.78	8,232,195,999.78
Government Securities	2,732,486,444.23	2,732,832,063.42
<b>TOTAL</b>	<b>\$ 10,940,711,794.05</b>	<b>\$ 10,941,057,413.24</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 historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

### DAILY SUMMARY FOR APRIL 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
4/1/2023	4.8206%	0.000132072	\$11,042,113,205.98	1.000029	12	39
4/2/2023	4.8206%	0.000132072	\$11,042,113,205.98	1.000029	12	39
4/3/2023	4.8155%	0.000131932	\$11,091,684,903.61	1.000027	12	39
4/4/2023	4.8131%	0.000131867	\$11,090,365,644.27	1.000071	12	42
4/5/2023	4.8082%	0.000131731	\$11,127,114,399.23	1.000107	15	41
4/6/2023	4.8085%	0.000131739	\$11,135,978,883.69	1.000101	15	40
4/7/2023	4.8085%	0.000131739	\$11,135,978,883.69	1.000101	15	40
4/8/2023	4.8085%	0.000131739	\$11,135,978,883.69	1.000101	15	40
4/9/2023	4.8085%	0.000131739	\$11,135,978,883.69	1.000101	15	40
4/10/2023	4.8149%	0.000131916	\$11,102,882,851.72	1.000043	15	42
4/11/2023	4.8251%	0.000132195	\$11,187,729,689.50	1.000047	18	43
4/12/2023	4.8187%	0.000132018	\$11,162,719,534.47	1.000077	18	43
4/13/2023	4.8196%	0.000132045	\$11,138,872,889.27	1.000080	18	43
4/14/2023	4.8256%	0.000132209	\$11,135,957,430.27	1.000065	17	42
4/15/2023	4.8256%	0.000132209	\$11,135,957,430.27	1.000065	17	42
4/16/2023	4.8256%	0.000132209	\$11,135,957,430.27	1.000065	17	42
4/17/2023	4.8318%	0.000132379	\$11,213,825,060.61	1.000053	17	42
4/18/2023	4.8373%	0.000132529	\$11,182,922,348.90	1.000053	19	43
4/19/2023	4.8346%	0.000132454	\$11,144,928,635.25	1.000044	19	45
4/20/2023	4.8386%	0.000132565	\$11,066,288,335.72	1.000043	19	45
4/21/2023	4.8373%	0.000132528	\$11,028,561,025.00	1.000044	19	45
4/22/2023	4.8373%	0.000132528	\$11,028,561,025.00	1.000044	19	45
4/23/2023	4.8373%	0.000132528	\$11,028,561,025.00	1.000044	19	45
4/24/2023	4.8451%	0.000132743	\$10,968,900,020.40	1.000044	19	45
4/25/2023	4.8430%	0.000132686	\$10,944,592,695.73	1.000054	19	45
4/26/2023	4.8464%	0.000132777	\$10,924,670,484.17	1.000041	19	44
4/27/2023	4.8542%	0.000132991	\$10,947,994,171.53	1.000033	19	44
4/28/2023	4.8552%	0.000133020	\$10,940,711,794.05	1.000031	18	43
4/29/2023	4.8552%	0.000133020	\$10,940,711,794.05	1.000031	18	43
4/30/2023	4.8552%	0.000133020	\$10,940,711,794.05	1.000031	18	43
<b>Average</b>	<b>4.8292%</b>	<b>0.000132307</b>	<b>\$11,074,644,145.30</b>		<b>17</b>	<b>42</b>



## *ECONOMIC COMMENTARY (cont.)*

As growth moderated, the March employment report highlighted a labor market that remains tight but is losing momentum. Nonfarm payroll employment rose by 236K, a sharp deceleration compared to last month, while the unemployment rate slipped below consensus to 3.5%. Average hourly earnings grew by 0.3% m/m and 4.2% y/y, signaling easing inflationary pressures. Labor demand also cooled with the March Job Openings and Labor Turnover Survey (JOLTS) report showing the number of job openings falling 384,000 to 9.59 million, resulting in the lowest level since April 2021. The March ratio of job openings-to-unemployed persons also moved down to 1.6, after peaking at 2.0 a year ago, but still above the 1.0-1.2 range consistent with a less inflationary job market. Overall, these reports confirm that the economy, while gradually losing momentum, was not in a recession in the first quarter.

Finally, concerns regarding the debt ceiling limit increased as April tax revenues were lower than expected causing markets to anticipate an earlier X-date than originally anticipated. In communications since January, Secretary Yellen has made it clear that considerable uncertainty surrounds the actual date on which the government will no longer be able to pay its bills, commonly referred to as the “X-date”. Part of that uncertainty is due to the difficulty in projecting annual tax payments and refunds which are processed around the mid-April tax filing deadline. Given recent information, we are likely talking about a date in June, and possibly early July, because the government typically makes substantial payments at the start of each month. However, because of the variability of daily cash flows, the Treasury Department is unlikely to know the precise X-date until a few days before.

The legislative process to raise or re-suspend the debt limit has not and will not be swift, perhaps not seeing resolution until very close to the x-date. While not our base case, if a political resolution is not reached in time and payments are ultimately delayed on a Treasury security, the “technical default” would be limited to the specific maturity date/coupon date (there is no cross default for other Treasury securities). The effected bonds would continue to trade in the secondary market (assuming Treasury notified markets one day prior to the delay) and would be paid once the debt ceiling limit is raised. Treasury bills within the potential X-date range cheapened as their yields rose, while one-month T-bill yields significantly declined by -35 bps to 4.18% as demand for shorter maturities away from the X-date was robust. Three-month T-bill yields increased 31 bps to 5.06% and 6-month T-bill yield increase 14 bps to 5.02%. Meanwhile longer Treasury yields declined with the two-year note yield down -2 bps to 4.01%.

### **Outlook**

With market volatility subsiding, real economic growth resilient, and wages and inflation still elevated, the Fed hiked rates another 25 bps at its FOMC meeting on May 3rd, noting that they have a long way to bring down inflation. The statement maintained that the “U.S. banking system is sound and resilient” but that tighter credit conditions “are likely to weigh on economic activity, hiring and inflation.”

Following early March’s regional bank stress, bond market volatility has generally eased. Economic data have been mixed, but the picture still broadly shows a resilient U.S. economy. While 1Q GDP growth disappointed, coming in below consensus, with a sharp decline in inventory accumulation, continued contraction in housing and slowing business fixed investment, consumption growth was strong. April’s business surveys continue to show a divergence between weakness in manufacturing and strength in services. Turning to the labor market, March’s jobs report showed job creation slowing but still tight, with ongoing moderation in wage growth for all workers to 4.2% y/y. Meanwhile, the Fed’s main inflation target, the headline PCE deflator, retreated to a year-over-year rate of 4.2% in March, down from a peak of 7.0% y/y last June.

Now that the Fed has hiked 25 bps at its May meeting, the question now is whether this will be the last one, and more importantly, when rate cuts might begin. We believe the Fed will pause to consider the lagged effects of its fastest rate hiking cycle in decades. The banking turmoil in March highlights the fact that banks will likely be tightening lending standards further, posing a drag on economic growth. We believe that a recession is coming and as such the Fed will likely begin easing sometime in the fourth quarter of this year.

This information is an excerpt from an economic report dated April 2023 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.



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