

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

**RESOLUTION NO. 17-018**

**APPROVE INITIAL PAYMENT TO THE  
REGIONAL INFRASTRUCTURE FUND FROM THE MOBILITY  
AUTHORITY GENERAL FUND**

WHEREAS, by Resolution No. 12-038 dated June 27, 2012, the Board approved an Interlocal Agreement (ILA) with the Capital Area Municipal Planning Organization for the MoPac Improvement Project establishing a Regional Infrastructure Fund (RIF) and;

WHEREAS, in accordance to the terms of the ILA the Mobility Authority agreed to make escalating annual payments to the RIF; and

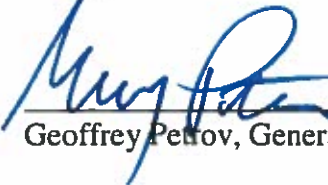
WHEREAS, the first annual payment of \$2,000,000 to the RIF by the Mobility Authority is due on September 1, 2017; and

WHEREAS, the Executive Director recommends the Mobility Authority use funding from the Mobility Authority's general fund to make the initial payment to the RIF.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves an initial payment in the amount of \$2,000,000 to the Regional Infrastructure Fund from the Mobility Authority's general fund.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
\_\_\_\_\_  
Geoffrey Petrov, General Counsel

Approved:

  
\_\_\_\_\_  
Ray A. Willkerson  
Chairman, Board of Directors

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

**RESOLUTION NO. 17-019**

**APPROVING A LETTER OF ENGAGEMENT FOR  
INDEPENDENT AUDITING SERVICES**

WHEREAS, as authorized by the Board of Directors in Resolution No. 15-017, dated March 25, 2015, the Executive Director negotiated and executed a contract with RSM US L.L.P. (formerly Padgett, Stratemann & Co., L.L.P.) to provide independent auditing services to the Mobility Authority; and

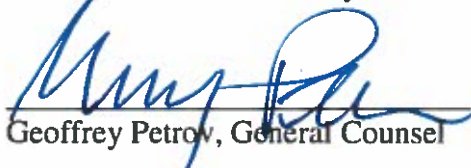
WHEREAS, the Mobility Authority is required to have an annual financial and compliance audit of its books and records in accordance with 43 *Texas Administrative Code* §26.62; and

WHEREAS, the Chief Financial Officer has accepted a letter of engagement from RSM US L.L.P. to provide an independent audit of the finances of the Mobility Authority for the fiscal year ending on June 30, 2017.

NOW THEREFORE, BE IT RESOLVED, that the Audit Committee approves the letter of engagement with RSM US L.L.P., which is attached hereto as Exhibit A.

Adopted by the Audit Committee of the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
\_\_\_\_\_  
Geoffrey Petrov, General Counsel

Approved:

  
\_\_\_\_\_  
David Singleton  
Chairman, Audit Committee

**Exhibit A**



RSM US LLP

811 Barton Springs Rd  
Fifth Floor  
Austin, TX 78704

T +1 512 476 0717

[www.rsmus.com](http://www.rsmus.com)

March 23, 2017

William Chapman, CFO  
Central Texas Regional Mobility Authority  
3300 North IH-35, Suite 300  
Austin, Texas 78704

Dear Mr. Chapman:

### **The Objective and Scope of the Audit of the Financial Statements**

You have requested that we audit the financial statements of Central Texas Regional Mobility Authority's (the Mobility Authority) business-type activities as of and for the year ending June 30, 2017, which comprise the basic financial statements. Management is responsible for the preparation of the required supplementary information (RSI) and supplementary information presented in relation to the financial statements as a whole in accordance with accounting principles generally accepted in the United States of America. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

We will also perform the audit of the Mobility Authority as of June 30, 2017 so as to satisfy the audit requirements imposed by the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State of Texas Single Audit Circular and the Uniform Grant Management Standards.

### **The Responsibilities of the Auditor**

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS); *Government Auditing Standards* issued by the Comptroller General of the United States (GAS); the provisions of the Single Audit Act; Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the U.S. Office of Management and Budget's (OMB) Compliance Supplement and the State of Texas Uniform Grant Management Standards (UGMS). Those standards, regulations and guides require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS. Also, an audit is not designed to detect errors or fraud that are immaterial to the financial statements. The determination of abuse is subjective; therefore, GAS does not expect us to provide reasonable assurance of detecting abuse.

**THE POWER OF BEING UNDERSTOOD**  
AUDIT | TAX | CONSULTING

In making our risk assessments, we consider internal control relevant to the Mobility Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate to the Audit Committee of the Board of Directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

The funds that you have told us are maintained by the Mobility Authority and that are to be included as part of our audit are the same as those reported in the prior year's financial statements.

The federal and state financial assistance programs and awards that you have told us that the Mobility Authority participates in and that are to be included as part of the single audit are comparable to those reported in the prior year's financial statements.

We are responsible for the compliance audit of major programs under the Uniform Guidance and the Texas UGMS, including the determination of major programs, the consideration of internal control over compliance, and reporting responsibilities.

Our reports on internal control will include any significant deficiencies and material weaknesses in controls of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circulars identified above. Our reports on compliance matters will address material errors, fraud, abuse, violations of compliance obligations, and other responsibilities imposed by state and federal statutes and regulations or assumed by contracts; and any state or federal grant, entitlement or loan program questioned costs of which we become aware, consistent with requirements of the standards, guides and circulars identified above.

#### **The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework**

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. To evaluate subsequent events through the date the financial statements are issued or available to be issued, and to disclose the date through which subsequent events were evaluated in the financial statements. Management also agrees that it will not evaluate subsequent events earlier than the date of the management representation letter referred to below;
3. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error;
4. For establishing and maintaining effective internal control over financial reporting, and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge;

5. For report distribution; and
6. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for identifying and ensuring that the Mobility Authority complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud or abuse, and for informing us about all known or suspected fraud or abuse affecting the entity involving management, employees who have significant roles in internal control, and others where the fraud or abuse could have a material effect on the financial statements or compliance. Management is also responsible for informing us of its knowledge of any allegations of fraud or abuse, or suspected fraud or abuse, affecting the entity received in communications from employees, former employees, analysts, regulators or others.

Management is responsible for the preparation of the supplementary information in accordance with accounting principles generally accepted in the United States of America. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

Because the audit will be performed in accordance with the Texas UGMS, the Single Audit Act and the Uniform Guidance, management is responsible for (a) identifying all federal and state awards received; (b) preparing the schedules of expenditures of federal and state awards (including notes and noncash assistance received) in accordance with Uniform Guidance and Texas UGMS requirements; (c) internal control over compliance; (d) compliance with federal and state statutes, regulations, and the terms and conditions of federal and state awards; (e) making us aware of significant vendor relationships where the vendor is responsible for program compliance (f) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings and a corrective action plan; and (g) submitting the reporting package and data collection form.

The Board of Directors is responsible for informing us of its views about the risks of fraud or abuse within the entity, and its knowledge of any fraud or abuse or suspected fraud or abuse affecting the entity.

William Chapman, CFO  
Central Texas Regional Mobility Authority  
March 23, 2017  
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Our association with an official statement is a matter for which separate arrangements will be necessary. The Mobility Authority agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. In the event our auditor/client relationship has been terminated when the Mobility Authority seeks such consent, we will be under no obligation to grant such consent or approval.

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend for us to be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the Mobility Authority agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The Mobility Authority agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

RSM US LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. RSM US LLP also has not performed any procedures relating to this official statement.

Because RSM US LLP will rely on the Mobility Authority and its management and Board of Directors to discharge the foregoing responsibilities, the Mobility Authority holds harmless and releases RSM US LLP and its partners and employees from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Mobility Authority's management that has caused, in any respect, RSM US LLP's breach of contract or negligence. This provision shall survive the termination of this arrangement for services.

#### **Records and Assistance**

If circumstances arise relating to the condition of the Mobility Authority's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawing from the engagement.

During the course of our engagement, we may accumulate records containing data that should be reflected in the Mobility Authority's books and records. The Mobility Authority will determine that all such data, if necessary, will be so reflected. Accordingly, the Mobility Authority will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by the Mobility Authority personnel will be described in a client participation list, which will outline the specific schedules and analyses that should be completed by the Mobility Authority personnel, including the dates when the information should be available to us. The participation list will be provided and agreed to by Mary Temple, Controller. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

In connection with our audit, you have requested us to perform certain non-audit services necessary for the preparation of the financial statements, including drafting the financial statements, footnotes, RSI and supplementary information. The GAS independence standards require that the auditor maintain independence so that opinions, findings, conclusions, judgments and recommendations will be impartial and viewed as impartial by reasonable and informed third parties. Before we agree to provide a non-audit service to the Mobility Authority, we determine whether providing such a service would create a significant threat to our independence for GAS audit purposes, either by itself or in aggregate with other non-audit services provided. A critical component of our determination is consideration of management's ability to effectively oversee the non-audit services to be performed. The Mobility Authority has agreed that Mary Temple, Controller possesses suitable skill, knowledge or experience and that the individual understands that she will be responsible for the Mobility Authority's technical review of the financial statements, footnotes, RSI and supplementary information and will coordinate any other requests for non-audit services to be performed. Accordingly, the management of the Mobility Authority agrees to the following:

1. The Mobility Authority has designated Mary Temple, Controller as a senior member of management who possesses suitable skill, knowledge and experience to oversee the services;
2. Mary Temple, Controller will assume all management responsibilities for subject matter and scope of the audit services and support in drafting the financial statements, footnotes and RSI;
3. The Mobility Authority will evaluate the adequacy and results of the services performed; and
4. The Mobility Authority accepts responsibility for the results and ultimate use of the services.

GAS further requires that we establish an understanding with the Mobility Authority's management and those charged with governance of the objectives of the non-audit services, the services to be performed, the entity's acceptance of its responsibilities, the auditor's responsibilities and any limitations of the non-audit services. We believe this letter documents that understanding.

#### **Other Relevant Information**

RSM US LLP may mention the Mobility Authority's name and provide a general description of the engagement in RSM US LLP's client lists and marketing materials.

From time to time and depending upon the circumstances, we may use third-party service providers to assist us in providing professional services to you. In such circumstances, it may be necessary for us to disclose confidential client information to them. We enter into confidentiality agreements with all third-party service providers and we are satisfied that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others.

In accordance with GAS, a copy of our most recent peer review report is enclosed for your information.

#### **Fees, Costs, and Access to Workpapers**

Our fees for the services described above are based upon the value of the services performed and the time required by the individuals assigned to the engagement plus directly billed expenses, including travel, meals, and fees for services from other professionals, as well as a charge of 5 percent of fees for all other expenses, including indirect administrative expenses such as technology, research and library databases, communications, photocopying, postage and clerical assistance. Our fee estimate of \$74,500 (which is inclusive of the administrative fee described above) is exclusive of any required state single audits or the implementation of new accounting standards. The base fee estimate described above and completion of our work are based upon the following criteria:

1. Anticipated cooperation from the Mobility Authority personnel



2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests and preparation of supplementary schedules and financial statement support
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement
6. The assumption of one major program for the Federal single audit
7. Segment reporting requirements will not be required for fiscal year 2017

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as the work progresses.

If a State of Texas single audit is determined to be necessary, the additional cost will be \$9,500 for each major state program.

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, the Mobility Authority agrees it will compensate RSM US LLP for any additional costs incurred as a result of the Mobility Authority's employment of a partner or professional employee of RSM US LLP.

In the event we are requested or authorized by the Mobility Authority or are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Mobility Authority, the Mobility Authority will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

The documentation for this engagement is the property of RSM US LLP. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit documentation upon their request and that we shall maintain the audit documentation for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested documentation will be provided under the supervision of RSM US LLP audit personnel and at a location designated by our firm.

#### **Claim Resolution**

The Mobility Authority and RSM US LLP agree that no claim arising out of services rendered pursuant to this agreement shall be filed more than two years after the date of the audit report issued by RSM US LLP or the date of this arrangement letter if no report has been issued. The Mobility Authority waives any claim for punitive damages. RSM US LLP's liability for all claims, damages and costs of the Mobility Authority arising from this engagement is limited to the amount of fees paid by the Mobility Authority to RSM US LLP for the services rendered under this arrangement letter.

If any term or provision of this agreement is determined to be invalid or unenforceable, such term or provision will be deemed stricken and all other terms and provisions will remain in full force and effect.

William Chapman, CFO  
Central Texas Regional Mobility Authority  
March 23, 2017  
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**Reporting**

We will issue a written report upon completion of our audit of the Mobility Authority's financial statements. Our report will be addressed to the Board of Directors of the Mobility Authority. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In addition to our report on the Mobility Authority's financial statements, we will also issue the following types of reports:

1. A report on the fairness of the presentation of the Mobility Authority's schedules of expenditures of federal and state awards for the year ending June 30, 2017;
2. Reports on internal control related to the financial statements and major programs. These reports will describe the scope of testing of internal control and the results of our tests of internal control;
3. Reports on compliance with laws, regulations, and the provisions of contracts or grant agreements. We will report on any noncompliance that could have a material effect on the financial statements and any noncompliance that could have a material effect, as defined by the Texas UGMS and Subpart F of Title 2 U.S. CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal and State Awards*, on each major program;
4. An accompanying schedule of findings and questioned costs.

This letter constitutes the complete and exclusive statement of agreement between RSM US LLP and the Mobility Authority, superseding all proposals, oral or written, and all other communications with respect to the terms of the engagement between the parties.

Please sign and return a copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

RSM US LLP



Mike O'Brien, Partner

Confirmed on behalf of Central Texas Regional Mobility Authority:

  
\_\_\_\_\_  
William Chapman, CFO

3/30/17  
\_\_\_\_\_  
Date

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

**RESOLUTION NO. 17-020**

**ACCEPT THE FINANCIAL STATEMENTS FOR MARCH 2017**

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

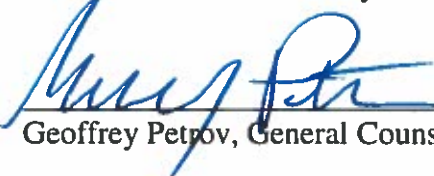
WHEREAS, the Board has adopted policies and procedures intended to provide strong fiscal oversight and which authorize the Executive Director, working with the Mobility Authority's Chief Financial Officer, to review invoices, approve disbursements, and prepare and maintain accurate financial records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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of March 2017, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit A.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accept the Financial Statements for March 2017, attached as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
\_\_\_\_\_  
Geoffrey Petrov, General Counsel

Approved:

  
\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|                                | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|--------------------------------|--------------------------|------------------------|----------------------|------------------------------|
| <b>REVENUE</b>                 |                          |                        |                      |                              |
| <b>Operating Revenue</b>       |                          |                        |                      |                              |
| Toll Revenue - Tags            | 46,555,037               | 39,825,281             | 85.54%               | 34,375,729                   |
| Video Tolls                    | 16,030,043               | 10,701,428             | 66.76%               | 8,872,271                    |
| Fee Revenue                    | 6,876,980                | 4,293,076              | 62.43%               | 3,566,001                    |
| <b>Total Operating Revenue</b> | <b>69,462,060</b>        | <b>54,819,785</b>      | <b>78.92%</b>        | <b>46,814,000</b>            |
| <b>Other Revenue</b>           |                          |                        |                      |                              |
| Interest Income                | 250,000                  | 671,494                | 268.60%              | 1,324,659                    |
| Grant Revenue                  | 700,000                  | 14,693,679             | 2099.10%             | 64,899,853                   |
| Reimbursed Expenditures        | 1,555,396                | 207,873                | 13.36%               | 2,849                        |
| Misc Revenue                   | -                        | 6,010                  | -                    | 48,322                       |
| <b>Total Other Revenue</b>     | <b>2,505,396</b>         | <b>15,579,056</b>      | <b>621.82%</b>       | <b>66,275,683</b>            |
| <b>TOTAL REVENUE</b>           | <b>\$71,967,456</b>      | <b>\$70,398,841</b>    | <b>97.82%</b>        | <b>113,089,683</b>           |

**EXPENSES**

|                                    |                  |                  |               |                  |
|------------------------------------|------------------|------------------|---------------|------------------|
| <b>Salaries and Benefits</b>       |                  |                  |               |                  |
| Salary Expense-Regular             | 2,967,036        | 2,460,663        | 82.93%        | 2,069,019        |
| Salary Reserve                     | 80,000           | -                | -             | -                |
| TCDRS                              | 415,385          | 340,320          | 81.93%        | 284,389          |
| FICA                               | 128,873          | 107,582          | 83.48%        | 91,008           |
| FICA MED                           | 45,627           | 36,118           | 79.16%        | 30,130           |
| Health Insurance Expense           | 332,091          | 241,171          | 72.62%        | 194,158          |
| Life Insurance Expense             | 14,167           | 6,644            | 46.90%        | 3,179            |
| Auto Allowance Expense             | 10,200           | 7,650            | 75.00%        | 7,650            |
| Other Benefits                     | 269,785          | 169,535          | 62.84%        | 147,052          |
| Unemployment Taxes                 | 15,463           | 4,398            | 28.44%        | 407              |
| <b>Total Salaries and Benefits</b> | <b>4,278,627</b> | <b>3,374,081</b> | <b>78.86%</b> | <b>2,826,992</b> |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|   | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|---|--------------------------|------------------------|----------------------|------------------------------|
| <b>Administrative</b>                           |                          |                        |                      |                              |
| <b>Administrative and Office Expenses</b>       |                          |                        |                      |                              |
| Accounting                                      | 20,000                   | 5,938                  | 29.69%               | 14,708                       |
| Auditing  | 74,000                   | 53,880                 | 72.81%               | 36,247                       |
| Human Resources                                 | 30,000                   | 13,864                 | 46.21%               | 19,746                       |
| IT Services                                     | 88,000                   | 55,993                 | 63.63%               | 41,029                       |
| Internet  | 1,700                    | 1,406                  | 82.73%               | 4,587                        |
| Software Licenses                               | 55,725                   | 61,601                 | 110.54%              | 22,157                       |
| Cell Phones                                     | 14,542                   | 11,471                 | 78.88%               | 8,910                        |
| Local Telephone Service                         | 12,000                   | 11,475                 | 95.62%               | 9,683                        |
| Overnight Delivery Services                     | 850                      | 63                     | 7.39%                | 119                          |
| Local Delivery Services                         | 1,050                    | -                      | -                    | 276                          |
| Copy Machine                                    | 12,000                   | 11,631                 | 96.92%               | 10,577                       |
| Repair & Maintenance-General                    | 1,000                    | 2,030                  | 203.00%              | 2,034                        |
| Meeting Facilities                              | 1,000                    | -                      | -                    | -                            |
| Community Meeting/ Events                       | 2,000                    | -                      | -                    | 616                          |
| Meeting Expense                                 | 15,250                   | 7,469                  | 48.98%               | 5,973                        |
| Public Notices                                  | 2,000                    | 25                     | 1.25%                | -                            |
| Toll Tag Expense                                | 1,900                    | 1,024                  | 53.87%               | 714                          |
| Parking   | 3,600                    | 1,293                  | 35.93%               | 2,291                        |
| Mileage Reimbursement                           | 11,200                   | 3,455                  | 30.85%               | 3,411                        |
| Insurance Expense                               | 150,000                  | 111,400                | 74.27%               | 96,487                       |
| Rent Expense                                    | 558,000                  | 400,627                | 71.80%               | 357,978                      |
| Legal Services                                  | 525,000                  | 41,872                 | 7.98%                | 96,481                       |
| <b>Total Administrative and Office Expenses</b> | <b>1,580,817</b>         | <b>796,517</b>         | <b>50.39%</b>        | <b>734,024</b>               |
| <b>Office Supplies</b>                          |                          |                        |                      |                              |
| Books & Publications                            | 6,150                    | 730                    | 11.86%               | 1,082                        |
| Office Supplies                                 | 21,000                   | 14,554                 | 69.30%               | 17,090                       |
| Computer Supplies                               | 17,000                   | 11,452                 | 67.37%               | 11,808                       |
| Copy Supplies                                   | 2,500                    | 673                    | 26.90%               | 1,333                        |
| Other Reports-Printing                          | 10,000                   | 6,054                  | 60.54%               | 5,088                        |
| Office Supplies-Printed                         | 2,700                    | 635                    | 23.50%               | 3,060                        |
| Misc Materials & Supplies                       | 3,750                    | 1,098                  | 29.29%               | 2,238                        |
| Postage Expense                                 | 5,850                    | 358                    | 6.12%                | 462                          |
| <b>Total Office Supplies</b>                    | <b>68,950</b>            | <b>35,553</b>          | <b>51.56%</b>        | <b>42,161</b>                |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|  | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|--|--------------------------|------------------------|----------------------|------------------------------|
| <b>Communications and Public Relations</b>       |                          |                        |                      |                              |
| Graphic Design Services                          | 75,000                   | 6,625                  | 8.83%                | 20,335                       |
| Website Maintenance                              | 140,000                  | 101,755                | 72.68%               | 14,222                       |
| Research Services                                | 105,000                  | 79,059                 | 75.29%               | -                            |
| Communications and Marketing                     | 469,900                  | 252,571                | 53.75%               | 140,643                      |
| Advertising Expense                              | 336,500                  | 130,057                | 38.65%               | 110,240                      |
| Direct Mail                                      | 10,000                   | -                      | -                    | 380                          |
| Video Production                                 | 35,000                   | 8,820                  | 25.20%               | 34,229                       |
| Photography                                      | 10,000                   | 2,954                  | 29.54%               | 9,232                        |
| Radio  | 10,000                   | -                      | -                    | -                            |
| Other Public Relations                           | 125,000                  | 5,000                  | 4.00%                | 71,430                       |
| Promotional Items                                | 10,000                   | 972                    | 9.72%                | 8,322                        |
| Displays   | 5,000                    | -                      | -                    | -                            |
| Annual Report printing                           | 5,000                    | -                      | -                    | 1,706                        |
| Direct Mail Printing                             | 11,300                   | -                      | -                    | -                            |
| Other Communication Expenses                     | 1,000                    | 2,308                  | 230.79%              | 769                          |
| <b>Total Communications and Public Relations</b> | <b>1,348,700</b>         | <b>590,122</b>         | <b>43.75%</b>        | <b>411,509</b>               |
| <b>Employee Development</b>                      |                          |                        |                      |                              |
| Subscriptions                                    | 3,300                    | 1,467                  | 44.46%               | 8,430                        |
| Memberships                                      | 50,750                   | 35,612                 | 70.17%               | 36,451                       |
| Continuing Education                             | 11,750                   | 135                    | 1.15%                | 3,000                        |
| Professional Development                         | 6,700                    | -                      | -                    | (2,366)                      |
| Other Licenses                                   | 1,250                    | 257                    | 20.52%               | 430                          |
| Seminars and Conferences                         | 44,000                   | 21,344                 | 48.51%               | 12,311                       |
| Travel   | 88,000                   | 45,250                 | 51.42%               | 49,439                       |
| <b>Total Employee Development</b>                | <b>205,750</b>           | <b>104,065</b>         | <b>50.58%</b>        | <b>107,695</b>               |
| <b>Financing and Banking Fees</b>                |                          |                        |                      |                              |
| Trustee Fees                                     | 15,000                   | 19,773                 | 131.82%              | 3,225                        |
| Bank Fee Expense                                 | 8,000                    | 4,297                  | 53.71%               | 4,362                        |
| Continuing Disclosure                            | 10,000                   | -                      | -                    | -                            |
| Arbitrage Rebate Calculation                     | 8,000                    | 6,455                  | 80.69%               | 3,685                        |
| Rating Agency Expense                            | 30,000                   | 15,000                 | 50.00%               | 14,000                       |
| <b>Total Financing and Banking Fees</b>          | <b>71,000</b>            | <b>45,524</b>          | <b>64.12%</b>        | <b>25,272</b>                |
| <b>Total Administrative</b>                      | <b>3,275,217</b>         | <b>1,571,781</b>       | <b>47.99%</b>        | <b>1,320,661</b>             |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|  | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|--|--------------------------|------------------------|----------------------|------------------------------|
| <b>Operations and Maintenance</b>                  |                          |                        |                      |                              |
| <b>Operations and Maintenance Consulting</b>       |                          |                        |                      |                              |
| GEC-Trust Indenture Support                        | 165,000                  | 72,358                 | 43.85%               | 95,309                       |
| GEC-Financial Planning Support                     | 10,500                   | 47                     | 0.45%                | 440                          |
| GEC-Toll Ops Support                               | 45,000                   | 16,569                 | 36.82%               | 3,180                        |
| GEC-Roadway Ops Support                            | 331,667                  | 301,349                | 90.86%               | 292,114                      |
| GEC-Technology Support                             | 40,000                   | 19,026                 | 47.56%               | 37,787                       |
| GEC-Public Information Support                     | 30,000                   | 29,111                 | 97.04%               | 27,561                       |
| GEC-General Support                                | 1,176,000                | 487,204                | 41.43%               | 324,380                      |
| General System Consultant                          | 70,000                   | 33,818                 | 48.31%               | 125,960                      |
| Traffic and Revenue Consultant                     | 80,000                   | 68,937                 | 86.17%               | 66,553                       |
| <b>Total Operations and Maintenance Consulting</b> | <b>1,948,167</b>         | <b>1,028,420</b>       | <b>52.79%</b>        | <b>973,283</b>               |
| <b>Roadway Operations and Maintenance</b>          |                          |                        |                      |                              |
| Roadway Maintenance                                | 4,871,600                | 2,196,236              | 45.08%               | 993,327                      |
| Landscape Maintenance                              | 5,000                    | -                      | -                    | 108,103                      |
| Signal & Illumination Maint                        | 20,000                   | 25,041                 | 125.21%              | 125,140                      |
| Maintenance Supplies-Roadway                       | 45,000                   | 396                    | 0.88%                | 68,460                       |
| Tools & Equipment Expense                          | 750                      | 22                     | 2.95%                | 475                          |
| Gasoline   | 6,000                    | 4,940                  | 82.34%               | 1,845                        |
| Repair & Maintenance-Vehicles                      | 1,500                    | 1,566                  | 104.37%              | 7,318                        |
| Roadway Operations                                 | -                        | -                      | -                    | 521                          |
| Electricity - Roadways                             | 180,000                  | 112,612                | 62.56%               | 109,261                      |
| <b>Total Roadway Operations and Maintenance</b>    | <b>5,129,850</b>         | <b>2,340,814</b>       | <b>45.63%</b>        | <b>1,414,451</b>             |
| <b>Toll Processing and Collection Expense</b>      |                          |                        |                      |                              |
| Image Processing                                   | 2,300,000                | 1,065,011              | 46.30%               | 1,354,477                    |
| Tag Collection Fees                                | 3,240,000                | 2,628,500              | 81.13%               | 2,277,894                    |
| Court Enforcement Costs                            | 40,000                   | 10,050                 | 25.13%               | 10,525                       |
| DMV Lookup Fees                                    | 5,000                    | 357                    | 7.14%                | 1,944                        |
| <b>Total Processing and Collection Expense</b>     | <b>5,585,000</b>         | <b>3,703,918</b>       | <b>66.32%</b>        | <b>3,644,839</b>             |



**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|   | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|---|--------------------------|------------------------|----------------------|------------------------------|
| <b>Toll Operations Expense</b>                  |                          |                        |                      |                              |
| Facility maintenance                            | -                        | 30                     | -                    | 787                          |
| Generator Maintenance                           | -                        | -                      | -                    | 5,512                        |
| Generator Fuel                                  | 6,000                    | 58                     | 0.96%                | 1,291                        |
| Fire and Burglar Alarm                          | 500                      | 276                    | 55.27%               | 370                          |
| Elevator Maintenance                            | 3,000                    | -                      | -                    | -                            |
| Refuse  | 1,200                    | 1,051                  | 87.55%               | 606                          |
| Pest Control                                    | 1,600                    | -                      | -                    | 3,074                        |
| Custodial                                       | 2,500                    | -                      | -                    | 1,313                        |
| Telecommunications                              | 90,000                   | 43,971                 | 48.86%               | 56,568                       |
| Water   | 10,500                   | 11,329                 | 107.89%              | 8,367                        |
| Electricity                                     | 1,200                    | 1,641                  | 136.77%              | -                            |
| ETC spare parts expense                         | 1,600                    | -                      | -                    | -                            |
| Repair & Maintenance Toll Equip                 | 275,000                  | 11,928                 | 4.34%                | 365,029                      |
| Law Enforcement                                 | 273,182                  | 159,999                | 58.57%               | 155,376                      |
| ETC Maintenance Contract                        | 1,755,098                | 820,182                | 46.73%               | 910,200                      |
| ETC Toll Management Center System Operation     | 49,098                   | 73,647                 | 150.00%              | -                            |
| ETC Testing                                     | 10,000                   | -                      | -                    | -                            |
| <b>Total Toll Operations Expense</b>            | <b>2,480,478</b>         | <b>1,124,112</b>       | <b>45.32%</b>        | <b>1,508,493</b>             |
| <b>Total Operations and Maintenance</b>         | <b>15,143,495</b>        | <b>8,197,264</b>       | <b>54.13%</b>        | <b>7,541,066</b>             |
| <b>Other Expenses</b>                           |                          |                        |                      |                              |
| <b>Special Projects and Contingencies</b>       |                          |                        |                      |                              |
| HERO  | 700,000                  | 797,867                | 113.98%              | 910,017                      |
| Special Projects                                | 125,000                  | 151,088                | 120.87%              | 589,976                      |
| Other Contractual Svcs                          | 105,000                  | 59,164                 | 56.35%               | 32,369                       |
| Contingency                                     | 300,000                  | 10,578                 | 3.53%                | 18,348                       |
| <b>Total Special Projects and Contingencies</b> | <b>1,230,000</b>         | <b>1,018,697</b>       | <b>82.82%</b>        | <b>1,550,711</b>             |

**Central Texas Regional Mobility Authority**  
**Income Statement**  
**For the Period Ending March 31, 2017**

|                                     | Budget Amount<br>FY 2017 | Actual Year to<br>Date | Percent of<br>Budget | Actual Prior Year<br>to Date |
|-------------------------------------|--------------------------|------------------------|----------------------|------------------------------|
| <b>Non Cash Expenses</b>            |                          |                        |                      |                              |
| Amortization Expense                | 383,230                  | 287,832                | 75.11%               | 287,423                      |
| Amort Expense - Refund Savings      | 1,027,860                | 774,440                | 75.34%               | 770,895                      |
| Dep Exp- Furniture & Fixtures       | 2,207                    | 1,825                  | 82.68%               | 920                          |
| Dep Expense - Equipment             | 9,692                    | 11,494                 | 118.59%              | 6,980                        |
| Dep Expense - Autos & Trucks        | 6,406                    | 7,372                  | 115.08%              | 3,778                        |
| Dep Expense-Buildng & Toll Fac      | 177,115                  | 132,836                | 75.00%               | 132,836                      |
| Dep Expense-Highways & Bridges      | 22,012,091               | 13,138,499             | 59.69%               | 12,681,229                   |
| Dep Expense-Communic Equip          | 196,115                  | 147,086                | 75.00%               | 147,086                      |
| Dep Expense-Toll Equipment          | 2,756,238                | 2,067,178              | 75.00%               | 2,065,166                    |
| Dep Expense - Signs                 | 325,893                  | 244,420                | 75.00%               | 244,420                      |
| Dep Expense-Land Improvemts         | 884,934                  | 663,701                | 75.00%               | 663,701                      |
| Depreciation Expense-Computers      | 16,203                   | 10,404                 | 64.21%               | 12,260                       |
| <b>Total Non Cash Expenses</b>      | <b>27,797,984</b>        | <b>17,487,087</b>      | <b>62.91%</b>        | <b>17,016,692</b>            |
| <b>Total Other Expenses</b>         | <b>29,027,984</b>        | <b>18,505,784</b>      | <b>63.75%</b>        | <b>18,567,403</b>            |
| <b>Non Operating Expenses</b>       |                          |                        |                      |                              |
| Bond issuance expense               | 200,000                  | 1,109,873              | 554.94%              | 160,131                      |
| Interest Expense                    | 42,813,675               | 23,572,135             | 55.06%               | 31,230,126                   |
| Community Initiatives               | 100,000                  | 28,500                 | 28.50%               | 35,000                       |
| <b>Total Non Operating Expenses</b> | <b>43,113,675</b>        | <b>24,710,509</b>      | <b>57.31%</b>        | <b>31,425,257</b>            |
| <b>TOTAL EXPENSES</b>               | <b>\$94,838,998</b>      | <b>\$56,359,419</b>    | <b>59.43%</b>        | <b>\$61,681,378</b>          |
| <b>Net Income</b>                   | <b>(\$22,871,542)</b>    | <b>\$14,039,422</b>    |                      | <b>51,408,304</b>            |

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of March 31, 2017**

|   | as of 03/31/2017               | as of 03/31/2016               |
|---|--------------------------------|--------------------------------|
| <b>ASSETS</b>                             |                                |                                |
| <b>Current Assets</b>                     |                                |                                |
| <b>Cash</b>                               |                                |                                |
| Regions Operating Account                 | \$ 706,525                     | \$ 1,050,648                   |
| Cash in TexStar                           | 554,793                        | 582,054                        |
| Regions Payroll Account                   | 77,773                         | 162,849                        |
| <b>Restricted Cash</b>                    |                                |                                |
| Goldman Sachs FSGF 465                    | 232,807,968                    | 342,687,118                    |
| Restricted Cash - TexSTAR                 | 133,242,649                    | 6,828,284                      |
| Overpayments account                      | 162,504                        | 133,822                        |
| <b>Total Cash and Cash Equivalents</b>    | <u>367,552,211</u>             | <u>351,444,774</u>             |
| <b>Accounts Receivable</b>                |                                |                                |
| Accounts Receivable                       | 14,485                         | 14,485                         |
| Due From TTA                              | 629,644                        | 389,654                        |
| Due From NTTA                             | 557,804                        | 435,272                        |
| Due From HCTRA                            | 656,925                        | 737,878                        |
| Due From TxDOT                            | 334,404                        | 31,014,384                     |
| Interest Receivable                       | 312,191                        | 244,326                        |
| <b>Total Receivables</b>                  | <u>2,505,453</u>               | <u>32,835,999</u>              |
| <b>Short Term Investments</b>             |                                |                                |
| Agencies                                  | 165,650,922                    | 188,823,219                    |
| <b>Total Short Term Investments</b>       | <u>165,650,922</u>             | <u>188,823,219</u>             |
| <b>Total Current Assets</b>               | <u>535,708,586</u>             | <u>573,103,991</u>             |
| <b>Total Construction in Progress</b>     | 473,995,972                    | 281,592,922                    |
| <b>Fixed Assets (Net of Depreciation)</b> |                                |                                |
| Computer                                  | 29,867                         | 44,322                         |
| Computer Software                         | 871,084                        | 1,236,213                      |
| Furniture and Fixtures                    | 15,900                         | 32,190                         |
| Equipment                                 | 1,486                          | (3,608)                        |
| Autos and Trucks                          | 54,627                         | 22,422                         |
| Buildings and Toll Facilities             | 5,334,817                      | 5,511,932                      |
| Highways and Bridges                      | 603,496,673                    | 612,510,757                    |
| Communication Equipment                   | 71,335                         | 267,450                        |
| Toll Equipment                            | 15,189,517                     | 17,945,754                     |
| Signs                                     | 11,011,936                     | 11,337,829                     |
| Land Improvements                         | 10,845,172                     | 11,730,106                     |
| Right of way                              | 87,944,995                     | 86,849,829                     |
| Leasehold Improvements                    | 153,606                        | 166,317                        |
| <b>Total Fixed Assets</b>                 | <u>735,021,015</u>             | <u>747,651,515</u>             |
| <b>Other Assets</b>                       |                                |                                |
| Intangible Assets-Net                     | 102,576,528                    | 12,129,528                     |
| 2005 Bond Insurance Costs                 | 4,554,843                      | 4,768,351                      |
| Prepaid Insurance                         | 74,961                         | 70,946                         |
| Deferred Outflows (pension related)       | 780,064                        | -                              |
| Pension Asset                             | 202,023                        | -                              |
| <b>Total Other Assets</b>                 | <u>108,188,418</u>             | <u>16,968,826</u>              |
| <b>Total Assets</b>                       | <u><b>\$ 1,852,913,992</b></u> | <u><b>\$ 1,619,317,253</b></u> |

**Central Texas Regional Mobility Authority**  
**Balance Sheet**  
**as of March 31, 2017**

|  | as of 03/31/2017        | as of 03/31/2016        |
|--|-------------------------|-------------------------|
| <b>LIABILITIES</b>                       |                         |                         |
| <b>Current Liabilities</b>               |                         |                         |
| Accounts Payable                         | \$ 507,990              | \$ 1,787,053            |
| Construction Payable                     | 315,676                 | 3,114,298               |
| Overpayments                             | 164,999                 | 136,012                 |
| Interest Payable                         | 13,032,744              | 14,264,366              |
| Due to other Funds                       | -                       | (9,493)                 |
| Deferred Compensation Payable            | -                       | (7,911)                 |
| TCDRS Payable                            | 80,240                  | 41,529                  |
| Medical Reimbursement Payable            | 3,510                   | (1,042)                 |
| Due to Other Entities                    | 6,831,020               | 778,377                 |
| Other                                    | -                       | 650,000                 |
| <b>Total Current Liabilities</b>         | <b>20,936,180</b>       | <b>20,753,188</b>       |
| <b>Long Term Liabilities</b>             |                         |                         |
| Compensated Absences                     | 138,927                 | 189,089                 |
| Deferred Inflows (pension related)       | 172,017                 | -                       |
| <b>Long Term Payables</b>                | <b>310,944</b>          | <b>189,089</b>          |
| <b>Bonds Payable</b>                     |                         |                         |
| <b>Senior Lien Revenue Bonds:</b>        |                         |                         |
| Senior Lien Revenue Bonds 2010           | 67,785,673              | 114,720,132             |
| Senior Lien Revenue Bonds 2011           | 14,214,347              | 309,296,173             |
| Senior Refunding Bonds 2013              | 144,183,000             | 147,880,000             |
| Senior Lien Revenue Bonds 2015           | 298,790,000             | 298,790,000             |
| Senior Lien Put Bnd 2015                 | 68,785,000              | 68,785,000              |
| Senior Lien Refunding Revenue Bonds 2016 | 358,030,000             | -                       |
| Sn Lien Rev Bnd Prem/Disc 2010           | -                       | 22,428                  |
| Sn Lien Rev Bnd Prem/Disc 2011           | -                       | (3,287,839)             |
| Sn Lien Rev Bnd Prem/Disc 2013           | 10,519,973              | 12,566,469              |
| Sn Lien Revenue Bnd Prem 2015            | 22,272,980              | 23,469,485              |
| Sn Lien Put Bnd Prem 2015                | 6,055,287               | 7,919,041               |
| Senior lien premium 2016 revenue bonds   | 57,097,946              | -                       |
| <b>Total Senior Lien Revenue Bonds</b>   | <b>1,047,734,206</b>    | <b>980,160,889</b>      |
| <b>Sub Lien Revenue Bonds:</b>           |                         |                         |
| Subordinated Lien Bond 2011              | -                       | 70,000,000              |
| Sub Refunding Bnds 2013                  | 101,530,000             | 102,030,000             |
| Sub Debt Refunding Bonds 2016            | 74,690,000              | -                       |
| Sub Lien Bond 2011 Prem/Disc             | -                       | (1,715,555)             |
| Sub Refunding 2013 Prem/Disc             | 2,446,827               | 2,935,581               |
| Sub Refunding 2016 Prem/Disc             | 10,243,392              | -                       |
| <b>Total Sub Lien Revenue Bonds</b>      | <b>188,910,219</b>      | <b>173,250,026</b>      |
| <b>Other Obligations</b>                 |                         |                         |
| TIFIA note 2015                          | 52,317                  | 50,746                  |
| SIB loan 2015                            | 30,288,390              | 34,799                  |
| State Highway Fund Loan 2015             | 30,288,390              | 34,799                  |
| 2013 American Bank Loan                  | 3,570,000               | 5,300,000               |
| <b>Total Other Obligations</b>           | <b>64,199,096</b>       | <b>5,420,344</b>        |
| <b>Total Long Term Liabilities</b>       | <b>1,301,154,465</b>    | <b>1,159,020,348</b>    |
| <b>Total Liabilities</b>                 | <b>1,322,090,644</b>    | <b>1,179,773,537</b>    |
| <b>NET ASSETS</b>                        |                         |                         |
| Contributed Capital                      | 40,347,060              | 35,847,060              |
| Net Assets Beginning                     | 476,432,916             | 352,288,352             |
| Current Year Operations                  | 14,043,373              | 51,408,304              |
| <b>Total Net Assets</b>                  | <b>530,823,348</b>      | <b>439,543,717</b>      |
| <b>Total Liabilities and Net Assets</b>  | <b>\$ 1,852,913,993</b> | <b>\$ 1,619,317,253</b> |

**Central Texas Regional Mobility Authority**  
**Statement of Cash Flows**  
**as of March 31, 2017**

**Cash flows from operating activities:**

|   |                   |
|---|-------------------|
| Receipts from toll fees                                   | \$ 54,134,571     |
| Receipts from other fees                                  | 213,883           |
| Payments to vendors                                       | (6,039,081)       |
| Payments to employees                                     | (3,337,219)       |
| Net cash flows provided by (used in) operating activities | <u>44,972,154</u> |

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

|   |                     |
|---|---------------------|
| Proceeds from notes payable   | 49,175,009          |
| Refunding of bonds  | (12,367,001)        |
| Receipts from Department of Transportation                                    | 96,949,290          |
| Receipt from Hays County  | 4,500,000           |
| Payments on interest  | (30,445,173)        |
| Acquisition of capital assets   | (146,667)           |
| Acquisitions of construction in progress                                      | (165,685,756)       |
| Net cash flows provided by (used in) capital and related financing activities | <u>(60,250,298)</u> |

**Cash flows from investing activities:**

|   |                     |
|---|---------------------|
| Interest income   | 1,899,019           |
| Purchase of investments                                   | (184,012,455)       |
| Proceeds from sale or maturity of investments             | 107,995,797         |
| Net cash flows provided by (used in) investing activities | <u>(74,117,639)</u> |

Net increase (decrease) in cash and cash equivalents (89,395,784)

|  |                       |
|--|-----------------------|
| Cash and cash equivalents at beginning of period | <u>323,150,553</u>    |
| Cash and cash equivalents at end of February     | <u>\$ 233,754,769</u> |

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

|   |                      |
|---|----------------------|
| Operating income  | <u>\$ 24,063,475</u> |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                      |
| Depreciation and amortization   | 16,712,646           |
| Changes in assets and liabilities:  |                      |
| Decrease in accounts receivable   | (685,214)            |
| (Increase) decrease in prepaid expenses and other assets                                    | 32,641               |
| (Decrease) increase in accounts payable   | (1,349,443)          |
| Increase (decrease) in accrued expenses   | 6,198,048            |
| Total adjustments   | <u>20,908,678</u>    |
| Net cash flows provided by (used in) operating activities                                   | <u>\$ 44,972,153</u> |

**Reconciliation of cash and cash equivalents:**

|  |                       |
|--|-----------------------|
| Unrestricted cash and cash equivalents | \$ 946,801            |
| Restricted cash and cash equivalents   | 232,807,968           |
| Total                                  | <u>\$ 233,754,769</u> |

**INVESTMENTS by FUND**

|  |               | Balance<br>March 31, 2017 |                          |  |
|--|---------------|---------------------------|--------------------------|--|
| Renewal & Replacement Fund                       |               |                           | 3.00                     |  |
| TexSTAR  | 505,187.52    |                           |                          | TexSTAR 133,797,441.42                   |
| Goldman Sachs                                    | 188,632.33    |                           |                          | Goldman Sachs 232,535,487.58             |
| Agencies   |               |                           | 693,819.85               | Agencies & Treasury Notes 165,631,378.88 |
| TxDOT Grant Fund                                 |               |                           |                          | \$ 531,964,307.88                        |
| TexSTAR  | 4,095,196.76  |                           |                          |  |
| Goldman Sachs                                    | 5,469,651.91  |                           |                          |  |
| Agencies   |               |                           | 9,564,848.67             |  |
| Senior Debt Service Reserve Fund                 |               |                           |                          |  |
| TexSTAR  | 10,624,946.49 |                           |                          |  |
| Goldman Sachs                                    | 29,361,448.53 |                           |                          |  |
| Agencies   | 39,988,725.96 |                           | 79,975,120.98            |  |
| 2010 Senior Lien DSF                             |               |                           |                          |  |
| Goldman Sachs                                    | 389,868.31    |                           |                          |  |
| TexSTAR  | -             |                           | 389,868.31               |  |
| 2011 Debt Service Acct                           |               |                           |                          |  |
| Goldman Sachs                                    | 751,330.40    |                           | 751,330.40               |  |
| 2013 Sr Debt Service Acct                        |               |                           |                          |  |
| Goldman Sachs                                    | 2,751,305.07  |                           | 2,751,305.07             |  |
| 2013 Sub Debt Service Account                    |               |                           |                          |  |
| Goldman Sachs                                    | 1,520,014.53  |                           | 6,535,623.80             |  |
| TexSTAR  | 5,015,609.27  |                           |                          |  |
| 2015 Sr Capitalized Interest                     |               |                           |                          |  |
| Goldman Sachs                                    | 10,594,831.78 |                           | 60,730,533.72            |  |
| TexSTAR  | 50,135,701.94 |                           |                          |  |
| 2015A Debt Service Account                       |               |                           |                          |  |
| Goldman Sachs                                    | 3.30          |                           | 3.30                     |  |
| 2015B Debt Service Account                       |               |                           |                          |  |
| Goldman Sachs                                    | 860,710.00    |                           | 860,710.00               |  |
| 2016 Sr Lien Rev Refunding Debt Service Account  |               |                           |                          |  |
| Goldman Sachs                                    | 8,581,238.80  |                           | 8,581,238.80             |  |
| 2016 Sub Lien Rev Refunding Debt Service Account |               |                           |                          |  |
| Goldman Sachs                                    | 941,803.16    |                           | 941,803.16               |  |
| 2016 Sub Lein Rev Refunding DSR                  |               |                           |                          |  |
| Goldman Sachs                                    | 6,638,405.43  |                           | 6,638,405.43             |  |
| Operating Fund                                   |               |                           |                          |  |
| TexSTAR  | 554,792.55    |                           |                          |  |
| TexSTAR-Trustee                                  | 2,402,869.35  |                           |                          |  |
| Goldman Sachs                                    | 26,190.00     |                           | 2,983,851.90             |  |
| Revenue Fund                                     |               |                           |                          |  |
| Goldman Sachs                                    | 4,214,329.09  |                           | 4,214,329.09             |  |
| General Fund                                     |               |                           |                          |  |
| TexSTAR  | 25,078,968.60 |                           |                          |  |
| Goldman Sachs                                    | 18,627,923.78 |                           |                          |  |
| Agencies   | 4,407,796.25  |                           | 48,114,688.63            |  |
| 2013 Sub Debt Service Reserve Fund               |               |                           |                          |  |
| Goldman Sachs                                    | 3,473,985.43  |                           |                          |  |
| Agencies   |               |                           | 3,473,985.43             |  |
| MoPac Revenue Fund                               |               |                           |                          |  |
| Goldman Sachs                                    | 73,003.01     |                           | 73,003.01                |  |
| MoPac Construction Fund                          |               |                           |                          |  |
| Goldman Sachs                                    | 44,038,423.08 |                           | 44,038,423.08            |  |
| 2011 Sub Debt Project fund                       |               |                           |                          |  |
| TexSTAR  | -             |                           |                          |  |
| Agencies   |               |                           |                          |  |
| Goldman Sachs                                    | 0.00          |                           | 0.00                     |  |
| 2015B Project Account                            |               |                           |                          |  |
| Goldman Sachs                                    | 5,042,299.88  |                           |                          |  |
| Agencies   | 20,192,027.72 |                           | 40,275,038.30            |  |
| TexSTAR  | 15,040,710.70 |                           |                          |  |
| 2015A Project Account                            |               |                           |                          |  |
| TexSTAR  | 5,296,630.30  |                           |                          |  |
| Goldman Sachs                                    | 20,434,957.47 |                           |                          |  |
| Agencies   | 71,163,494.57 |                           |                          |  |
| Treasury Notes                                   | 29,879,334.38 |                           | 126,774,416.72           |  |
| 2015 TIFIA Project Account                       |               |                           |                          |  |
| Goldman Sachs                                    | 50,290.51     |                           | 50,290.51                |  |
| 2015 State Highway Fund Project Account          |               |                           |                          |  |
| Goldman Sachs                                    | 29,593,029.59 |                           | 29,593,029.59            |  |
| 2015 SIB Project Account                         |               |                           |                          |  |
| Goldman Sachs                                    | 19,730,129.71 |                           | 19,730,129.71            |  |
| 2011 Sr Financial Assistance Fund                |               |                           |                          |  |
| Goldman Sachs                                    | 11,452,494.95 |                           | 26,499,322.89            |  |
| TexSTAR  | 15,046,827.94 |                           |                          |  |
| Develper Deposits                                |               |                           |                          |  |
| Goldman Sachs                                    | 370.97        |                           | 370.97                   |  |
| 183S Utility Custody Deposit                     |               |                           |                          |  |
| Goldman Sachs                                    | 5,823,539.83  |                           | 5,823,539.83             |  |
| 45SW Trust Account Hays County                   |               |                           |                          |  |
| Goldman Sachs                                    | 229,887.40    |                           | 229,887.40               |  |
| 45SW Trust Account Travis County                 |               |                           |                          |  |
| Goldman Sachs                                    | 1,675,389.33  |                           | 1,675,389.33             |  |
|  |               |                           | <u>\$ 531,964,307.88</u> | \$ -                                     |

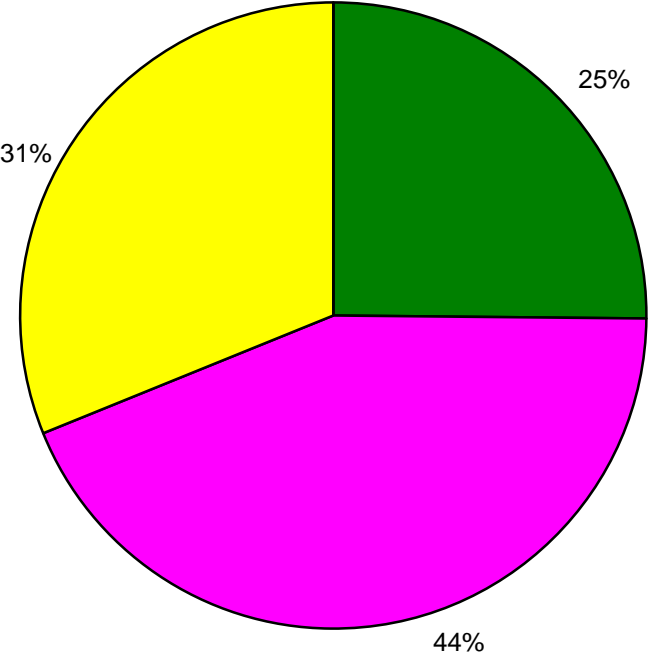
**CTRMA INVESTMENT REPORT**

|  | Month Ending 3/31/17  |                      |                          |                   |                      | Rate<br>March         |                      |
|--|-----------------------|----------------------|--------------------------|-------------------|----------------------|-----------------------|----------------------|
|  | Balance<br>3/1/2017   | Additions            | Discount<br>Amortization | Accrued Interest  | Withdrawals          |                       | Balance<br>3/31/2017 |
| <b>Amount in Trustee TexStar</b>                 |                       |                      |                          |                   |                      |                       |                      |
| 2011 Sr Lien Financial Assist Fund               | 15,038,820.95         |                      |                          | 8,006.99          |                      | 15,046,827.94         | 0.627%               |
| 2013 Sub Lien Debt Service Reserve               | 5,012,940.28          |                      |                          | 2,668.99          |                      | 5,015,609.27          | 0.627%               |
| General Fund                                     | 25,065,623.08         |                      |                          | 13,345.52         |                      | 25,078,968.60         | 0.627%               |
| Trustee Operating Fund                           | 3,075,098.17          | 1,626,194.10         |                          | 1,577.08          | 2,300,000.00         | 2,402,869.35          | 0.627%               |
| Renewal and Replacement                          | 504,918.70            |                      |                          | 268.82            |                      | 505,187.52            | 0.627%               |
| TxDOT Grant Fund                                 | 4,093,017.56          |                      |                          | 2,179.20          |                      | 4,095,196.76          | 0.627%               |
| Senior Lien Debt Service Reserve Fund            | 10,619,292.53         |                      |                          | 5,653.96          |                      | 10,624,946.49         | 0.627%               |
| 2015A Sr Ln Project account                      | 5,293,811.76          |                      |                          | 2,818.54          |                      | 5,296,630.30          | 0.627%               |
| 2015A Sr Ln Project Cap Interest                 | 50,109,022.75         |                      |                          | 26,679.19         |                      | 50,135,701.94         | 0.627%               |
| 2015B Sr Ln Project                              | 15,032,706.92         |                      |                          | 8,003.78          |                      | 15,040,710.70         | 0.627%               |
|  | <b>133,845,252.70</b> | <b>1,626,194.10</b>  |                          | <b>71,202.07</b>  | <b>2,300,000.00</b>  | <b>133,242,648.87</b> |                      |
| <b>Amount in TexStar Operating Fund</b>          |                       |                      |                          |                   |                      |                       |                      |
|  | <b>454,513.13</b>     | <b>2,300,000.00</b>  |                          | <b>279.42</b>     | <b>2,200,000.00</b>  | <b>554,792.55</b>     | <b>0.627%</b>        |
| <b>Goldman Sachs</b>                             |                       |                      |                          |                   |                      |                       |                      |
| Operating Fund                                   | 0.00                  | 1,652,380.00         |                          | 4.10              | 1,626,194.10         | 26,190.00             | 0.280%               |
| 45SW Trust Account Travis County                 | 2,968,485.06          |                      |                          | 1,087.48          | 1,294,183.21         | 1,675,389.33          | 0.280%               |
| 45SW Trust Account Hays County                   | 300,571.09            |                      |                          | 283.41            | 70,967.10            | 229,887.40            | 0.280%               |
| 2015A Project Account                            | 38,936,957.07         | 8,000,000.00         |                          | 200,598.53        | 26,702,598.13        | 20,434,957.47         | 0.280%               |
| 2015B Project Account                            | 4,891,763.16          |                      |                          | 150,536.72        |                      | 5,042,299.88          | 0.280%               |
| 2015D State Highway Fund Project Acct            | 29,582,224.68         |                      |                          | 10,804.91         |                      | 29,593,029.59         | 0.280%               |
| 2015C TIFIA Project Account                      | 50,272.15             |                      |                          | 18.36             |                      | 50,290.51             | 0.280%               |
| 2015E SIB Project Account                        | 19,722,925.91         |                      |                          | 7,203.80          |                      | 19,730,129.71         | 0.280%               |
| Developer Deposits                               | 351.24                |                      |                          | 19.73             |                      | 370.97                | 0.280%               |
| 183S Utility Custody Deposit                     | 5,976,536.10          |                      |                          | 2,219.17          | 155,215.44           | 5,823,539.83          | 0.280%               |
| 2011 Sr Financial Assistance Fund                | 11,448,313.45         |                      |                          | 4,181.50          |                      | 11,452,494.95         | 0.280%               |
| 2010 Senior DSF                                  | 389,725.96            |                      |                          | 142.35            |                      | 389,868.31            | 0.280%               |
| 2011 Senior Lien Debt Service Acct               | 751,056.08            |                      |                          | 274.32            |                      | 751,330.40            | 0.280%               |
| 2013 Senior Lien Debt Service Acct               | 1,836,899.98          | 913,901.08           |                          | 504.01            |                      | 2,751,305.07          | 0.280%               |
| 2013 Subordinate Debt Service Acct               | 1,013,509.29          | 506,227.52           |                          | 277.72            |                      | 1,520,014.53          | 0.280%               |
| 2015 Sr Capitalized Interest                     | 10,590,963.43         |                      |                          | 3,868.35          |                      | 10,594,831.78         | 0.280%               |
| 2015A Debt Service Acct                          | 3.30                  |                      |                          |                   |                      | 3.30                  | 0.280%               |
| 2015B Debt Service Acct                          | 574,161.98            | 286,390.62           |                          | 157.40            |                      | 860,710.00            | 0.280%               |
| 2016 Sr Lien Rev Refunding Debt Service Account  | 8,530,003.11          | 48,128.90            |                          | 3,106.79          |                      | 8,581,238.80          | 0.280%               |
| 2016 Sub Lien Rev Refunding Debt Service Account | 628,948.38            | 312,682.17           |                          | 172.61            |                      | 941,803.16            | 0.280%               |
| 2016 Sub Lein Rev Refunding DSR                  | 6,635,981.64          |                      |                          | 2,423.79          |                      | 6,638,405.43          | 0.280%               |
| TxDOT Grant Fund                                 | 5,467,654.85          |                      |                          | 1,997.06          |                      | 5,469,651.91          | 0.280%               |
| Renewal and Replacement                          | 188,563.46            |                      |                          | 68.87             |                      | 188,632.33            | 0.280%               |
| Revenue Fund                                     | 2,818,815.83          | 8,150,970.37         |                          | 1,227.76          | 6,756,684.87         | 4,214,329.09          | 0.280%               |
| General Fund                                     | 17,843,015.05         | 2,860,330.61         |                          | 6,226.31          | 2,081,648.19         | 18,627,923.78         | 0.280%               |
| Senior Lien Debt Service Reserve Fund            | 29,327,957.22         |                      |                          | 33,491.31         |                      | 29,361,448.53         | 0.280%               |
| MoPac Revenue Fund                               | 56,744.63             | 16,241.58            |                          | 16.80             |                      | 73,003.01             | 0.280%               |
| 2013 Sub Debt Service Reserve Fund               | 3,472,717.02          |                      |                          | 1,268.41          |                      | 3,473,985.43          | 0.280%               |
| MoPac Managed Lane Construction Fund             | 46,543,226.39         |                      |                          | 15,172.19         | 2,519,975.50         | 44,038,423.08         | 0.280%               |
|  | <b>250,548,347.51</b> | <b>22,747,252.85</b> | <b>0.00</b>              | <b>447,353.76</b> | <b>41,207,466.54</b> | <b>232,535,487.58</b> |                      |
| <b>Amount in Fed Agencies and Treasuries</b>     |                       |                      |                          |                   |                      |                       |                      |
| Amortized Principal                              | 173,670,885.51        |                      | (39,506.63)              |                   | 8,000,000.00         | 165,631,378.88        |                      |
|  | 173,670,885.51        | 0.00                 | (39,506.63)              | 0.00              | 8,000,000.00         | 165,631,378.88        |                      |
| <b>Certificates of Deposit</b>                   |                       |                      |                          |                   |                      |                       |                      |
| Total in Pools                                   | 134,299,765.83        | 3,926,194.10         |                          | 71,481.49         | 4,500,000.00         | 133,797,441.42        | 0.00                 |
| Total in GS FSGF                                 | 250,548,347.51        | 22,747,252.85        |                          | 447,353.76        | 41,207,466.54        | 232,535,487.58        |                      |
| Total in Fed Agencies and Treasuries             | 173,670,885.51        | 0.00                 | (39,506.63)              |                   | 8,000,000.00         | 165,631,378.88        |                      |
| <b>Total Invested</b>                            | <b>558,518,998.85</b> | <b>26,673,446.95</b> | <b>(39,506.63)</b>       | <b>518,835.25</b> | <b>53,707,466.54</b> | <b>531,964,307.88</b> |                      |

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

William Chapman, CFO

# Allocation of Funds



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



Amount of investments As of March 31, 2017

| Agency                 | CUSIP #   | COST                  | Book Value            | Market Value          | Yield to Maturity | Purchased  | Matures    | FUND             |
|------------------------|-----------|-----------------------|-----------------------|-----------------------|-------------------|------------|------------|------------------|
| Federal Farm Credit    | 3133ECA79 | 4,959,250.00          | 4,986,416.67          | 4,985,750.00          | 1.2155%           | 3/11/2015  | 3/19/2018  | Senior DSRF      |
| Federal Farm Credit    | 3133EE4K3 | 24,928,346.00         | 24,984,590.54         | 24,990,250.00         | 0.7200%           | 1/13/2016  | 7/21/2017  | Senior DSRF      |
| Federal Farm Credit    | 3133EFSG3 | 10,057,749.23         | 10,027,354.78         | 10,003,600.00         | 0.8421%           | 2/8/2016   | 3/14/2018  | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07         | 10,164,672.94         | 10,097,000.00         | 1.0369%           | 2/8/2016   | 3/8/2019   | 2015B Sr Project |
| Freddie Mac            | 3137EADF3 | 16,124,658.17         | 16,015,171.38         | 16,007,360.00         | 0.6259%           | 2/9/2016   | 5/12/2017  | 2015A Sr Project |
| Freddie Mac            | 3134G4Z84 | 9,850,343.91          | 9,816,997.16          | 9,815,582.00          | 0.8097%           | 2/18/2016  | 10/10/2017 | 2015A Sr Project |
| Federal Farm Credit    | 3133ECKC7 | <b>Matured</b>        | <b>Matured</b>        | <b>Matured</b>        | 0.6400%           | 2/23/2016  | 3/28/2017  | 2015A Sr Project |
| Federal Home loan Bank | 3030A62S5 | 6,984,310.89          | 6,995,508.84          | 6,995,660.00          | 0.9053%           | 3/14/2016  | 8/28/2017  | 2015A Sr Project |
| Fannie MAE             | 3135G0JA2 | 8,031,624.00          | 8,002,354.14          | 8,001,920.00          | 0.9023%           | 3/14/2016  | 4/27/2017  | 2015A Sr Project |
| Federal Home loan Bank | 303370SZ2 | 14,536,023.18         | 14,329,450.88         | 14,328,660.00         | 0.9023%           | 3/7/2016   | 9/8/2017   | 2015A Sr Project |
| Federal Home loan Bank | 3030A5QL6 | 8,000,900.56          | 8,000,168.86          | 7,999,360.00          | 0.7913%           | 3/4/2016   | 6/30/2017  | 2015A Sr Project |
| Federal Home loan Bank | 313379FW4 | 8,027,415.64          | 8,003,843.31          | 8,002,240.00          | 0.7098%           | 3/30/2016  | 6/9/2017   | 2015A Sr Project |
| Federal Home loan Bank | 3030A6SW8 | 10,039,900.00         | 10,017,718.75         | 9,998,000.00          | 0.7616%           | 4/11/2016  | 12/19/2017 | Senior DSRF      |
| Federal Home loan Bank | 3030A6SW8 | 4,417,556.00          | 4,407,796.25          | 4,399,120.00          | 0.7616%           | 4/11/2016  | 12/19/2017 | General          |
| US Treasury Note       | 912828TB6 | 29,888,668.75         | 29,879,334.38         | 29,863,129.90         | 0.6266%           | 12/28/2016 | 6/30/2017  | 2015A Sr Project |
|                        |           | <b>166,100,388.40</b> | <b>165,631,378.88</b> | <b>165,487,631.90</b> |                   |            |            |                  |

| Agency                 | CUSIP #   | COST                  | Cummulative Amortization | 3/31/2017 Book Value  | Maturity Value        | Interest Income March 31, 2017 |                    |                   |
|------------------------|-----------|-----------------------|--------------------------|-----------------------|-----------------------|--------------------------------|--------------------|-------------------|
|                        |           |                       |                          |                       |                       | Accrued Interest               | Amortization       | Interest Earned   |
| Federal Farm Credit    | 3133ECA79 | 4,959,250.00          | (27,166.67)              | 4,986,416.67          | 5,000,000.00          | 3,916.67                       | 1,131.94           | 5,048.61          |
| Federal Farm Credit    | 3133EE4K3 | 24,928,346.00         | (56,244.54)              | 24,984,590.54         | 25,000,000.00         | 15,000.00                      | 3,852.37           | 18,852.37         |
| Federal Farm Credit    | 3133EFSG3 | 10,057,749.23         | 30,394.45                | 10,027,354.78         | 10,000,000.00         | 9,166.67                       | (2,279.58)         | 6,887.09          |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07         | 88,969.13                | 10,164,672.94         | 10,000,000.00         | 15,625.00                      | (6,861.37)         | 8,763.63          |
| Freddie Mac            | 3137EADF3 | 16,124,658.17         | 109,486.79               | 16,015,171.38         | 16,000,000.00         | 16,666.67                      | (7,585.69)         | 9,080.98          |
| Freddie Mac            | 3134G4Z84 | 9,850,343.91          | 33,346.75                | 9,816,997.16          | 9,800,000.00          | 9,187.50                       | (2,428.16)         | 6,759.34          |
| Federal Farm Credit    | 3133ECKC7 | <b>Matured</b>        | <b>Matured</b>           | <b>Matured</b>        | 8,000,000.00          | <b>4,333.33</b>                | <b>(65.66)</b>     | <b>4,267.67</b>   |
| Federal Home loan Bank | 3030A62S5 | 6,984,310.89          | (11,197.95)              | 6,995,508.84          | 7,000,000.00          | 4,375.00                       | 898.23             | 5,273.23          |
| Fannie MAE             | 3135G0JA2 | 8,031,624.00          | 29,269.86                | 8,002,354.14          | 8,000,000.00          | 7,500.00                       | (2,354.14)         | 5,145.86          |
| Federal Home loan Bank | 303370SZ2 | 14,536,023.18         | 206,572.30               | 14,329,450.88         | 14,250,000.00         | 26,718.75                      | (15,890.18)        | 10,828.57         |
| Federal Home loan Bank | 3030A5QL6 | 8,000,900.56          | 731.70                   | 8,000,168.86          | 8,000,000.00          | 5,333.33                       | (56.28)            | 5,277.05          |
| Federal Home loan Bank | 313379FW4 | 8,027,415.64          | 23,572.33                | 8,003,843.31          | 8,000,000.00          | 6,666.67                       | (1,921.66)         | 4,745.01          |
| Federal Home loan Bank | 3030A6SW8 | 10,039,900.00         | 22,181.25                | 10,017,718.75         | 10,000,000.00         | 8,333.33                       | (1,968.75)         | 6,364.58          |
| Federal Home loan Bank | 3030A6SW8 | 4,417,556.00          | 9,759.75                 | 4,407,796.25          | 4,400,000.00          | 3,666.67                       | (866.25)           | 2,800.42          |
| US Treasury Note       | 912828TB6 | 29,888,668.75         | 9,334.37                 | 29,879,334.38         | 29,870,000.00         | 18,688.75                      | (3,111.46)         | 15,577.29         |
|                        |           |                       |                          |                       |                       |                                | 0.01               |                   |
|                        |           | <b>166,100,388.40</b> | <b>469,009.52</b>        | <b>165,631,378.88</b> | <b>173,320,000.00</b> | <b>155,178.34</b>              | <b>(39,506.65)</b> | <b>115,671.70</b> |

March 31, 2017

Certificates of Deposit Outstanding

| Bank | CUSIP # | COST            | Yield to<br>Maturity | Purchased | Matures | March 31, 2017<br>Interest | FUND |
|------|---------|-----------------|----------------------|-----------|---------|----------------------------|------|
|      |         | <u><u>-</u></u> |                      |           |         | <u><u>\$ -</u></u>         |      |

Travis County Escrow account

| Balance       |           | Accrued  |             | Balance       |
|---------------|-----------|----------|-------------|---------------|
| 3/1/2017      | Additions | Interest | Withdrawals | 3/31/2017     |
| \$ 272,380.71 |           | \$ 99.49 |             | \$ 272,480.20 |



# 183 South Design-Build Project

Change Order Status 4/26/17



|   |                      |
|---|----------------------|
| <b>Executed Contract Values</b>   | <b>\$581,545,700</b> |
| <b>Executed Change Orders</b>   |                      |
| CO#1 City of Austin ILA Adjustment  | (\$2,779,934)        |
| CO#2 Addition of Coping to Soil Nail Walls                                  | \$742,385            |
| CO#4 Greenroads Implementation  | \$362,280            |
| CO#6 51st Street Parking Trailhead  | \$477,583            |
| Others Less than \$300,000 (3)  | \$100,553            |
| <b>Subtotal</b>   | <b>(\$1,097,133)</b> |
| <b>Current Contract Value</b>   | <b>\$580,448,567</b> |
| <b>Change Orders in Negotiations/<br/>Potential Contractual Obligations</b> | <b>\$16,300,000</b>  |
| <b>Total Project Contingency</b>  | <b>\$ 47,900,000</b> |
| <b>(-) Total Potential Obligations (Includes Executed Change Orders)</b>    | <b>\$15,200,000</b>  |
| <b>Remaining Project Contingency</b>  | <b>\$ 32,700,000</b> |



# SH 45SW Construction

Change Order Status 4/26/17



|   |                     |
|---|---------------------|
| <b>Executed Contract Value</b>  | <b>\$75,103,623</b> |
| <b>Executed Change Orders</b>   |                     |
|   | <b>None To Date</b> |
|   | <b>Subtotal</b>     |
|   | <b>\$0</b>          |
| <b>Current Contract Value</b>   | <b>\$75,103,623</b> |
| <b>Change Orders in Negotiations/<br/>Potential Contractual Obligations</b> | <b>\$5,380,000</b>  |
| <b>Total Project Contingency</b>  | <b>\$7,520,000</b>  |
| <b>(-) Total Potential Obligations (Includes Executed Change Orders)</b>    | <b>\$5,380,000</b>  |
| <b>Remaining Project Contingency</b>  | <b>\$2,140,000</b>  |



# MOPAC Construction

Change Order Status 4/26/17



|                                |                      |
|--------------------------------|----------------------|
| <b>Executed Contract Value</b> | <b>\$136,632,100</b> |
|--------------------------------|----------------------|

| <b>Executed Change Orders</b> |   |                    |
|-------------------------------|---|--------------------|
| CO#01B                        | 5th & Cesar Chavez SB Reconfig (Construction)             | \$593,031          |
| CO#05B                        | FM 2222 Bridge NB Ret Wall Abutment Repair (Construction) | \$850,000          |
| CO#07                         | FM 2222 Exit Storage Lane                                 | \$426,000          |
| CO#08C                        | Refuge Area: Added Shoulder Adjustment Soundwall #1       | \$2,508,548        |
| CO#12                         | Barrier Rail Opaque Seal                                  | \$542,419          |
| CO#17                         | Bike and Ped Improvements at Far West Blvd Bridge/RM 2222 | \$971,889          |
|                               | Total of Others Less than \$300,000 (20)                  | \$1,073,504        |
|                               | <b>Subtotal</b>   | <b>\$6,965,390</b> |

|                               |                      |
|-------------------------------|----------------------|
| <b>Current Contract Value</b> | <b>\$143,597,490</b> |
|-------------------------------|----------------------|

|   |                      |
|---|----------------------|
| <b>Change Orders in Negotiations/<br/>Potential Contractual Obligations</b> | <b>\$ 40,800,000</b> |
|---|----------------------|

|                                  |                     |
|----------------------------------|---------------------|
| <b>Total Project Contingency</b> | <b>\$32,300,000</b> |
|----------------------------------|---------------------|

|   |                     |
|---|---------------------|
| <b>(+) Assessed Liquidated Damages (as of November 2016 Draw #41)</b> | <b>\$20,000,000</b> |
|---|---------------------|

|  |                     |
|--|---------------------|
| <b>(-) Total Potential Obligations (includes executed change orders)</b> | <b>\$47,800,000</b> |
|--|---------------------|

|                                      |                    |
|--------------------------------------|--------------------|
| <b>Remaining Project Contingency</b> | <b>\$4,500,000</b> |
|--------------------------------------|--------------------|



## Monthly Newsletter - March 2017

### Performance

#### As of March 31, 2017

|                                       |                    |
|---------------------------------------|--------------------|
| Current Invested Balance              | \$6,551,167,114.50 |
| Weighted Average Maturity (1)         | 41 Days            |
| Weighted Average Maturity (2)         | 108 Days           |
| Net Asset Value                       | 1.000064           |
| Total Number of Participants          | 829                |
| Management Fee on Invested Balance    | 0.06%*             |
| Interest Distributed                  | \$3,957,509.92     |
| Management Fee Collected              | \$346,246.70       |
| % of Portfolio Invested Beyond 1 Year | 2.70%              |
| Standard & Poor's Current Rating      | AAAm               |

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

#### March Averages

|  |                    |
|--|--------------------|
| Average Invested Balance                 | \$6,795,187,833.80 |
| Average Monthly Yield, on a simple basis | 0.6269%            |
| Average Weighted Average Maturity (1)*   | 42 Days            |
| Average Weighted Average Maturity (2)*   | 110 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 March:

★ City of Tool

★ Westwood Magnolia Parkway Improvement District

### Holiday Reminder

In observance of Good Friday, **TexSTAR will be closed Friday, April 14, 2017**. All ACH transactions initiated on Thursday, April 13th will settle on Monday, April 17th. 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

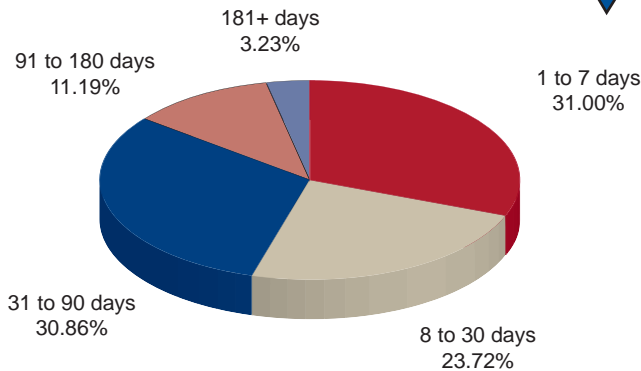
In the fall of 2016, a change in market sentiment altered expectations for the sustainability of global growth and inflation, driving U.S. interest rates higher and allowing the Fed to tighten for the first time in a year and in March, the Fed raised rates again. Sitting in the U.S., it appears that the markets are playing a waiting game and little has changed. Since the beginning of the year, the yield on the 10-year Treasury has bounced around in a fairly narrow trading range. The markets want to see the administration and Congress focus: focus on tax cuts, focus on deregulation and focus on the mechanism for getting fiscal spending into the economy. But when you broaden your perspective, you can see that a lot has changed. At the end of last year, it appeared that while the U.S. was beginning to normalize, the rest of the world was still awash in central bank accommodation, keeping rates low. What's changed is that growth is now synchronized globally. And more important, so is monetary policy. No longer does the Fed appear to be going it alone. Central banks around the world are starting to dial down that accommodation; they are leaning into growth, inflation, better credit quality and more consumption. We are beginning a transition—a transition from monetary policy to fiscal policy. Our rate view also remains unchanged from one quarter ago. At that time, we suggested that a near-term rally was possible, and we have experienced that. No path to higher rates is a straight line. We expect another three rate hikes this year and a 10-year Treasury bond that is 3% by mid-year and 3% to 3.5% by year-end. As the post-crisis recovery ages, we believe that we are still in the middle innings of the ballgame rather than near the end. We are just beginning to see the transition from years of monetary policy support and stimulus to more meaningful fiscal policy stimulus. This does not suggest we should fear an economic and/or market collapse. It will take central banks considerable time to withdraw liquidity from the system. By our estimate, it will take the Fed about a dozen years to normalize policy, including running down the size of its bloated balance sheet. And, arguably, the European Central Bank and the Bank of England have not even begun the normalization process, while the Bank of Japan seems an eternity away. A long and gradual withdrawal of liquidity will allow policymakers to be more patient in developing coherent fiscal policies. If this turns out to be the evolving policy script, then the markets will easily be able to handle a gentle rise in rates and adjust without the trauma of previous tightening cycles.

This information is an excerpt from an economic report dated March 2017 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

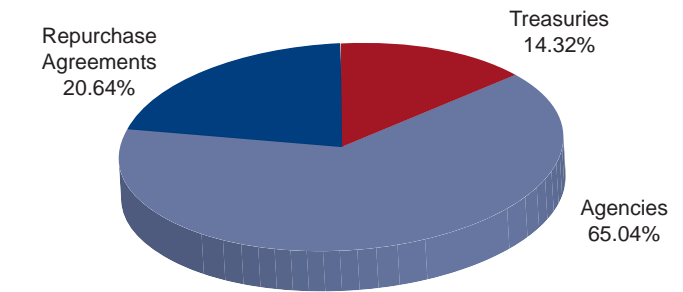
**For more information about TexSTAR, please visit our web site at [www.texstar.org](http://www.texstar.org).**

# Information at a Glance

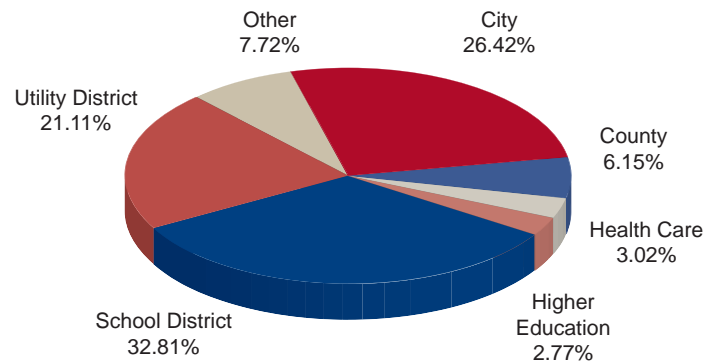
## Portfolio by Type of Investment As of March 31, 2017



## Distribution of Participants by Type As of March 31, 2017



## Portfolio by Maturity As of March 31, 2017



# Historical Program Information

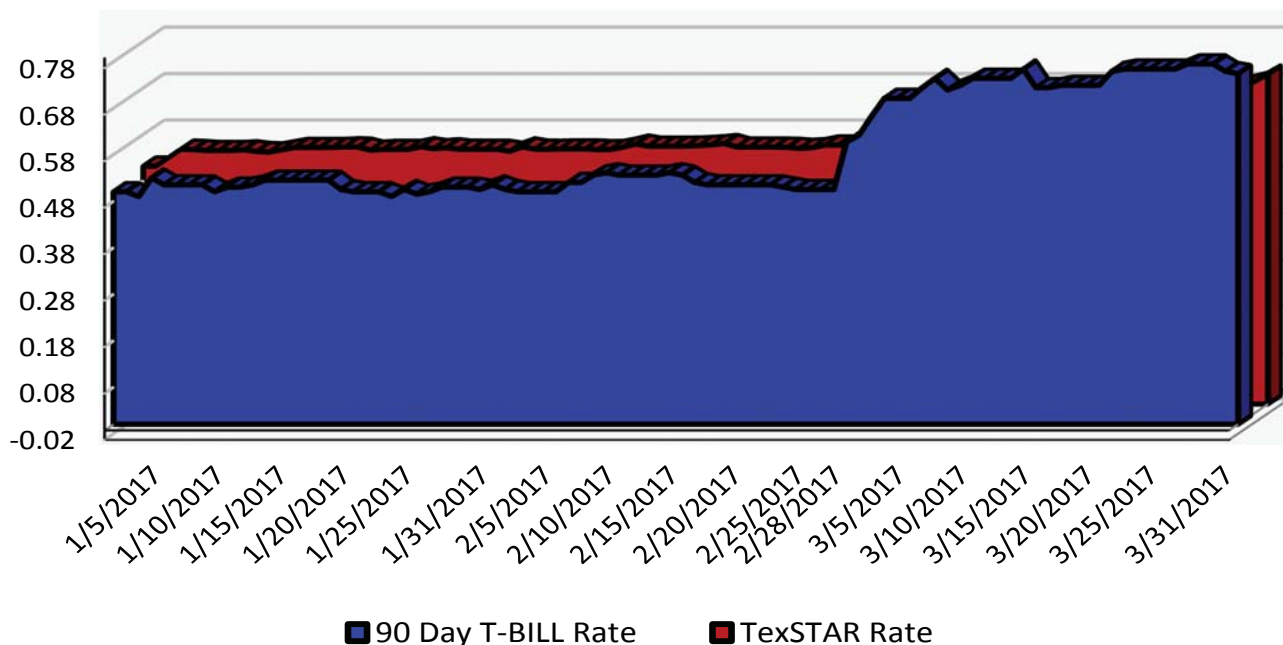
| Month  | Average Rate | Book Value         | Market Value       | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Mar 17 | 0.6269%      | \$6,551,167,144.50 | \$6,551,621,726.22 | 1.000064        | 42       | 110      | 829                    |
| Feb 17 | 0.5533%      | 7,267,565,993.07   | 7,269,212,259.58   | 1.000226        | 43       | 111      | 827                    |
| Jan 17 | 0.5452%      | 7,011,113,225.83   | 7,012,695,761.41   | 1.000225        | 44       | 96       | 823                    |
| Dec 16 | 0.4815%      | 6,128,094,216.46   | 6,129,417,408.96   | 1.000215        | 49       | 100      | 822                    |
| Nov 16 | 0.4144%      | 5,250,402,124.93   | 5,251,596,034.74   | 1.000227        | 47       | 109      | 821                    |
| Oct 16 | 0.4202%      | 5,155,508,603.07   | 5,157,927,996.01   | 1.000469        | 39       | 105      | 820                    |
| Sep 16 | 0.4123%      | 5,253,367,191.87   | 5,255,503,092.88   | 1.000412        | 43       | 115      | 818                    |
| Aug 16 | 0.3990%      | 5,436,604,745.94   | 5,438,039,955.56   | 1.000263        | 39       | 114      | 817                    |
| Jul 16 | 0.3861%      | 5,602,432,939.56   | 5,603,475,110.87   | 1.000186        | 46       | 113      | 813                    |
| Jun 16 | 0.3927%      | 5,286,667,625.92   | 5,287,554,140.45   | 1.000167        | 47       | 111      | 810                    |
| May 16 | 0.3664%      | 5,716,887,504.32   | 5,717,379,585.85   | 1.000086        | 48       | 111      | 807                    |
| Apr 16 | 0.3696%      | 5,540,251,067.80   | 5,541,072,494.98   | 1.000144        | 46       | 106      | 805                    |

# Portfolio Asset Summary as of March 31, 2017

|                                      | Book Value                 | Market Value               |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance                   | \$ (740.33)                | \$ (740.33)                |
| Accrual of Interest Income           | 6,154,458.86               | 6,154,458.86               |
| Interest and Management Fees Payable | (4,077,484.28)             | (4,077,484.28)             |
| Payable for Investment Purchased     | 0.00                       | 0.00                       |
| Repurchase Agreement                 | 1,351,874,999.73           | 1,351,874,999.73           |
| Government Securities                | 5,197,215,880.52           | 5,197,670,492.24           |
| <b>Total</b>                         | <b>\$ 6,551,167,114.50</b> | <b>\$ 6,551,621,726.22</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 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 March 2017

| Date      | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|-----------|--------------------------------|-------------------------|--------------------------|------------------------|---------------|---------------|
| 3/1/2017  | 0.5635%                        | 0.000015437             | \$7,080,518,374.44       | 1.000157               | 44            | 114           |
| 3/2/2017  | 0.5649%                        | 0.000015476             | \$7,035,754,052.43       | 1.000129               | 43            | 113           |
| 3/3/2017  | 0.5683%                        | 0.000015571             | \$6,957,769,376.75       | 1.000113               | 41            | 112           |
| 3/4/2017  | 0.5683%                        | 0.000015571             | \$6,957,769,376.75       | 1.000113               | 41            | 112           |
| 3/5/2017  | 0.5683%                        | 0.000015571             | \$6,957,769,376.75       | 1.000113               | 41            | 112           |
| 3/6/2017  | 0.5702%                        | 0.000015621             | \$6,941,487,090.12       | 1.000111               | 42            | 112           |
| 3/7/2017  | 0.5743%                        | 0.000015734             | \$6,920,912,528.84       | 1.000930               | 39            | 105           |
| 3/8/2017  | 0.5724%                        | 0.000015682             | \$6,940,879,310.97       | 1.000074               | 40            | 104           |
| 3/9/2017  | 0.5720%                        | 0.000015670             | \$6,892,155,813.75       | 1.000006               | 42            | 110           |
| 3/10/2017 | 0.5714%                        | 0.000015656             | \$6,925,360,439.49       | 0.999994               | 39            | 107           |
| 3/11/2017 | 0.5714%                        | 0.000015656             | \$6,925,360,439.49       | 0.999994               | 39            | 107           |
| 3/12/2017 | 0.5714%                        | 0.000015656             | \$6,925,360,439.49       | 0.999994               | 39            | 107           |
| 3/13/2017 | 0.5735%                        | 0.000015711             | \$6,914,945,466.69       | 0.999982               | 38            | 107           |
| 3/14/2017 | 0.5928%                        | 0.000016241             | \$6,917,700,632.61       | 0.999985               | 42            | 106           |
| 3/15/2017 | 0.6016%                        | 0.000016482             | \$6,827,192,069.73       | 0.999989               | 43            | 109           |
| 3/16/2017 | 0.6652%                        | 0.000018225             | \$6,785,904,669.04       | 1.000040               | 44            | 112           |
| 3/17/2017 | 0.6669%                        | 0.000018270             | \$6,726,410,079.91       | 1.000020               | 43            | 111           |
| 3/18/2017 | 0.6669%                        | 0.000018270             | \$6,726,410,079.91       | 1.000020               | 43            | 111           |
| 3/19/2017 | 0.6669%                        | 0.000018270             | \$6,726,410,079.91       | 1.000020               | 43            | 111           |
| 3/20/2017 | 0.6611%                        | 0.000018113             | \$6,683,221,564.31       | 1.000010               | 44            | 111           |
| 3/21/2017 | 0.6629%                        | 0.000018161             | \$6,689,890,789.76       | 1.000016               | 44            | 112           |
| 3/22/2017 | 0.6754%                        | 0.000018503             | \$6,684,577,066.98       | 1.000033               | 44            | 111           |
| 3/23/2017 | 0.6762%                        | 0.000018527             | \$6,671,086,081.26       | 1.000027               | 43            | 111           |
| 3/24/2017 | 0.6778%                        | 0.000018571             | \$6,633,370,220.40       | 1.000060               | 42            | 109           |
| 3/25/2017 | 0.6778%                        | 0.000018571             | \$6,633,370,220.40       | 1.000060               | 42            | 109           |
| 3/26/2017 | 0.6778%                        | 0.000018571             | \$6,633,370,220.40       | 1.000060               | 42            | 109           |
| 3/27/2017 | 0.6830%                        | 0.000018713             | \$6,631,669,658.82       | 1.000054               | 41            | 108           |
| 3/28/2017 | 0.6808%                        | 0.000018652             | \$6,580,273,519.26       | 1.000031               | 41            | 109           |
| 3/29/2017 | 0.6870%                        | 0.000018822             | \$6,578,524,918.52       | 1.000063               | 40            | 108           |
| 3/30/2017 | 0.6940%                        | 0.000019014             | \$6,594,231,776.15       | 1.000060               | 42            | 109           |
| 3/31/2017 | 0.7093%                        | 0.000019434             | \$6,551,167,114.50       | 1.000064               | 41            | 108           |
| Average   | 0.6269%                        | 0.000017175             | \$6,795,187,833.80       |                        | 42            | 110           |



TexSTAR Participant Services  
FirstSouthwest, A Division of Hilltop Securities  
1201 Elm Street, Suite 3500  
Dallas, Texas 75270



## **TexSTAR Board Members**

|                            |  |  |
|----------------------------|--|--|
| <i>William Chapman</i>     | <i>Central Texas Regional Mobility Authority</i> | <i>Governing Board President</i>         |
| <i>Nell Lange</i>          | <i>City of Frisco</i>                            | <i>Governing Board Vice President</i>    |
| <i>Kenneth Huewitt</i>     | <i>Houston ISD</i>                               | <i>Governing Board Treasurer</i>         |
| <i>David Medanich</i>      | <i>FirstSouthwest / Hilltop Securities</i>       | <i>Governing Board Secretary</i>         |
| <i>Jennifer Novak</i>      | <i>J.P. Morgan Asset Management</i>              | <i>Governing Board Asst. Sec./Treas.</i> |
| <i>Eric Cannon</i>         | <i>City of Allen</i>                             | <i>Advisory Board</i>                    |
| <i>Nicole Conley</i>       | <i>Austin ISD</i>                                | <i>Advisory Board</i>                    |
| <i>Monte Mercer</i>        | <i>North Central TX Council of Government</i>    | <i>Advisory Board</i>                    |
| <i>Stephen Fortenberry</i> | <i>Plano ISD</i>                                 | <i>Advisory Board</i>                    |
| <i>Becky Brooks</i>        | <i>Government Resource Associates, LLC</i>       | <i>Advisory Board</i>                    |

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



**J.P.Morgan**  
Asset Management

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

**RESOLUTION NO. 17-021**

**APPROVING FINANCIAL INSTITUTIONS AND QUALIFIED BROKERS  
AUTHORIZED TO PROVIDE INVESTMENT SERVICES AND ENGAGE IN  
INVESTMENT TRANSACTIONS WITH THE MOBILITY AUTHORITY.**

WHEREAS, pursuant to Texas Government Code §2256.005(e), the Board is required to review the Mobility Authority's investment policy and investment strategy annually and record any changes made to either the investment policy or investment strategy; and

WHEREAS, Article 1 of Chapter 2 of the Mobility Authority Policy Code establishes the Mobility Authority's investment policy and strategy in compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code; and

WHEREAS, the Board has reviewed the Mobility Authority's current investment policy and strategy set forth in Article 1 of Chapter 2 of the Mobility Authority Policy Code and finds that there have been no changes to either the policy or strategy; and

WHEREAS, pursuant to Texas Government Code §2256.025, the Board is required to review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Mobility Authority; and

WHEREAS, Section 201.011(a) of the Mobility Authority Policy Code provides that "financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the authority" shall be approved by a separate resolution adopted by the Board of Directors; and

WHEREAS, the Executive Director and Chief Financial Officer recommend that the Board approve the financial institutions and qualified brokers listed on Exhibit A to this resolution.

NOW, THEREFORE, BE IT RESOLVED that Board accepts and approves the current investment policy and strategy set forth in Article 1 of Chapter 2 of the Mobility Authority Policy Code; and

BE IT FURTHER RESOLVED, that the firms listed on Exhibit A to this resolution are hereby authorized to provide investment services and engage in investment transactions with the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
\_\_\_\_\_  
Geoff Petrov, General Counsel

Approved:

  
\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

## Authorized Investment Broker Dealers and Financial Institutions

Alamo Capital  
201 N. Civic Dr, Suite 145  
Walnut Creek, CA 94596

Regions Bank  
100 Congress Avenue  
Austin, TX 78701

Cantor Fitzgerald (Ken Guillory)  
1700 Post Oak Blvd, 2 BLVD Place, Suite 250  
Austin, TX 78701

Rice Financial Products company (Jared Fragin)  
55 Broad Street, 27<sup>th</sup> Floor  
New York, NY 10004

Bank of America Securities  
One Bryant Park, 4th Floor  
New York, NY 10036

FTN Financial Capital Markets (Steve Albert)  
206 Wild Basin Road, Suite 109  
Austin, Texas 78746

First Allied Securities, Inc. (Keith Miller)  
655 West Broadway, 12<sup>th</sup> Floor  
San Diego, CA 92101

First Empire Securities (Brian Connors)  
100 Motor Parkway, 2<sup>nd</sup> Floor  
Hauppauge, NY 11788

First Southwest Company  
325 North Saint Paul, 8th Floor  
Dallas, TX 75201

JPMorgan Chase Securities, Inc.  
1717 Main Street, Lower Level 1  
Dallas, TX 75201

Ladenburg Thalmann & Co. (Steve Neri)  
2020 Main Street, Suite 650  
Irvine, California 92614

Morgan Asset Management (Regions Bank)  
500 North Akard Street, Ste. 100  
Dallas, TX 75201

Multi-Bank Securities, Inc. (Mack MacReynolds)  
1000 Town Center #2300  
Southfield, MI 48075

Oppenheimer & Co. Inc. (Paul Sullivan/Chris Sullivan)  
85 Broad Street, 22<sup>nd</sup> Floor  
New York, NY 10004

## **Chapter 2: FINANCES**

### **Article 1. INVESTMENT POLICY AND STRATEGY**

#### **201.001 Overview**

This article is adopted and intended to comply with the Texas Public Funds Investment Act, Chapter 2256, Government Code, as that act may be amended from time to time (the “PFIA”). It is the policy of the authority to invest public funds in a manner which will provide the maximum security with the highest investment return while meeting the daily cash flow demands of the authority conforming to all state and local statutes governing the investment of public funds. The authority’s Investment Policy and Strategy is approved by the board and is adopted to provide investment policy and strategy guidelines for use by authority staff and its advisors.

#### **201.002 Scope**

This article applies to all investment activities of authority funds except those subject to other investment covenants, or excluded by contract. All funds covered by this article shall be invested in accordance with the PFIA. These funds are accounted for in the authority's annual financial report and include:

- (1) Revenue Fund
- (2) Rebate Fund
- (3) Operating Funds
- (4) Debt Service Funds
- (5) Debt Service Reserve Funds
- (6) Renewal and Replacement Fund
- (7) General Fund
- (8) Capital Projects Funds

#### **201.003 Objectives**

The primary objectives, in priority order, of investment activities shall be:

- (1) Safety: Safety of principal is the foremost objective of the investment program. Investments

## MOBILITY AUTHORITY POLICY CODE

shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective shall be to mitigate credit risk and interest rate risk.

- (2) Credit Risk: Credit risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be mitigated by:
  - (3) Limiting investments to the safest types of securities; as listed in Section 201.014.
  - (4) Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors with which the authority will do business; and,
  - (5) Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- (6) Interest Rate Risk: Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:
  - (7) Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing projects, thereby avoiding the need to sell securities on the open market prior to maturity; and,
  - (8) By investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with Section 201.009.
- (9) Liquidity: The investment portfolio shall remain sufficiently liquid to meet all project and operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands.
- (10) Yield: The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall be held to maturity with the following exceptions:
  - (11) A declining credit security could be sold early to minimize loss of principal;
  - (12) A security swap would improve the quality, yield, or target duration in the portfolio; or,
  - (13) Liquidity needs of the portfolio require that the security be sold.

## MOBILITY AUTHORITY POLICY CODE

- (14) Public Trust: Participants in the authority's investment process shall act responsibly as public trust custodians. Investment Officers shall avoid transactions which might impair public confidence in the authority's ability to manage effectively.

### **201.004 Standards Of Care**

(a) Prudence: The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. An Investment Officer acting in accordance with the Investment Policy and Strategy and written procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

(b) Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

### **201.005 Ethics and Conflicts**

(a) Investment Officers shall refrain from personal business activity that could conflict with or be perceived to conflict with the proper execution and management of the investment program, or that could impair their ability to make an impartial decision. An Investment Officer shall refrain from undertaking personal investment transactions with an individual person with whom business is conducted on behalf of the authority.

(b) For purposes of this section, an investment officer has a personal business relationship with a business organization if:

- (1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;
- (2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's gross income for the previous year; or
- (3) the investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

(c) Investment Officer shall file with the Texas Ethics Commission and with the board a statement disclosing the existence of the relationship if the Investment Officer:

- (1) has a personal business relationship with a business organization offering to engage in an

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investment transaction with the authority; or

- (2) is related within the second degree by affinity or consanguinity, as determined under Chapter 573, Government Code, to an individual seeking to sell an investment to the authority.

### **201.006 Designation of Investment Officer**

The chief financial officer and controller are designated and shall act as the Investment Officers of the authority and shall have responsibility for managing the authority's investment program. Additional authority personnel may also be designated as an Investment Officer with approval of the board. Written operational and investment procedures consistent with this chapter shall be established. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this chapter and the established procedures.

### **201.007 Investment Advisor**

The board may select an Investment Advisor to advise the authority on investment of funds and other responsibilities as outlined in this article including but not limited to broker compliance, security selection, competitive bidding, reporting and security documentation. The Investment Advisor must be registered with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940 as well as with the Texas State Securities Board.

### **201.008 Required Training**

The chief financial officer and controller and any other person designated by resolution of the board as an Investment Officer shall attend at least one training session relating to the responsibilities of maintaining the investment portfolio within 12 months after taking office or assuming duties; and shall attend a training session not less than once every two years and receive not less than ten hours of training. Such training, from an independent source, shall include education in investment controls, security risks, strategy risks, market risks, and compliance with the PFIA. Training required by this section shall be from an independent source certified to provide training required by the PFIA and approved or endorsed by the Government Finance Officers Association of Texas, the Government Treasurers Organization of Texas, the Texas Municipal League, or the North Central Texas Council of Governments.



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## **201.009 Investment Strategies**

- (a) The authority's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs.
- (b) **Market Yield Benchmark:** The authority's investment strategy is conservative. Given this strategy, the basis used by the chief financial officer to determine whether minimum market yields are being achieved shall be the six month T-bill rate. Investment Officers and Investment Advisors shall strive to safely exceed minimum market yield within policy and market constraints.
- (c) **Maximum Maturities:** To the extent possible, the authority will attempt to match its individual investments with anticipated cash flow requirements of each fund. However, in no instance shall the maximum stated maturity of an individual investment exceed five years, unless approved by the board.

## **201.010 Diversification**

The authority will seek to diversify investments, by security types and maturity dates in order to avoid incurring unreasonable risks.

## **201.011 Authorized Financial Institutions and Qualified Brokers**

- (a) The board shall approve by separate resolution the financial institutions and qualified brokers authorized to provide investment services and engage in investment transactions with the authority. These may include "primary" brokers or regional brokers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule).
- (b) Each security broker who desires to become qualified and authorized under this section to engage in investment transactions with the authority must supply the chief financial officer with the following:
  - (1) Audited financial statements;
  - (2) Proof of National Association of Securities Dealers (NASD) certification;
  - (3) Proof of state registration;
  - (4) The completed security broker/dealer questionnaire in the form approved by the board in a separate resolution; and,
  - (5) A written certification relating to this Investment Policy and Strategy signed by a qualified representative of the firm in the form approved by the board in a separate resolution. The

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authority will not enter into an investment transaction with a security broker/dealer prior to receiving this written certification and acknowledgement.

(c) A current audited financial statement is required to be on file for each financial institution and broker in which the authority invests. An annual review of the financial condition and registrations of qualified brokers will be conducted by the executive director.

(d) In accordance with state law, the authority requires all funds held by financial institutions above the Federal Deposit Insurance Corporation (FDIC) insurance limit to be collateralized with securities whose market value is pledged at 102% of principal and accrued interest by that institution with the authority's custodial bank. Private insurance coverage is not an acceptable collateralization form. Securities which are acceptable for collateralization purposes are as follows:

- (1) FDIC insurance coverage.
- (2) A bond bill, certificate of indebtedness, or Treasury note of the United States, or other evidence of indebtedness of the United States that is guaranteed as to principal and interest by the United States (i.e. Treasury Agency issues).
- (3) Obligations, the principal and interest on which, are unconditionally guaranteed or insured by the State of Texas.
- (4) A bond of the State of Texas or a country, city or other political subdivision of the State of Texas having been rated as investment grade by a nationally recognized rating agency with a remaining maturity of ten years or less.

### **201.012 Custody - Delivery vs. Payment**

All security transactions entered into by the authority shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the authority's custodial bank and evidenced by safekeeping receipts.

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### **201.013 Safekeeping of Securities**

- (a) Securities purchased for the authority's portfolios will be delivered in book entry form and will be held in third party safekeeping by a Federal Reserve member financial institution designated as the authority's safekeeping and custodian bank.
- (b) The authority will execute Safekeeping Agreements prior to utilizing the custodian's safekeeping services. The safekeeping agreement must provide that the safekeeping agent will immediately record and promptly issue and deliver a safekeeping receipt showing the receipt and the identification of the security, as well as the authority's interest. All securities owned by the authority will be held in a Customer Account naming the authority as the customer.
- (c) The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standards no. 70 or SAS 70).

### **201.014 Authorized And Suitable Investments**

- (a) The investment of authority funds will be made using only those investment types approved by the board and which are in accordance with the PFIA. The approved investment types will be limited to the following:
  - (1) U.S. Treasury and Federal Agency Issues.
  - (2) Certificates of Deposit as authorized under Section 2256.010 of the PFIA.
  - (3) Repurchase Agreements, including flexible Repurchase Agreements, collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Repurchase agreements must also be secured in accordance with State law. Each counter party to a repurchase transaction is required to sign a copy of an Investment Repurchase Agreement under the guidelines of Section 2256.011 of the PFIA, using the Bond Market Association Public Securities Association Master Repurchase Agreement as a general guide and with such changes thereto as are deemed in the best interest of the authority. Such an Agreement must be executed prior to entering into any transaction with a repo counter-party.
  - (4) Guaranteed Investment Contracts (GIC's) collateralized by U.S. Treasury or Federal Agency Securities whose market value is 102% of the authority's investment and are pledged and held with the authority's custodial bank or a third-party safekeeping agent approved by the authority. Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested for a term which exceeds five years from the date of bond issuance.

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- (5) Obligations of states, agencies, counties, cities, and other political subdivisions of any State having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than “AA” or its equivalent, with fixed interest rates and fixed maturities.
  - (6) SEC registered no-load money market mutual funds with a dollar weighted average portfolio maturity of 90 days or less; that fully invest dollar for dollar all authority funds without sales commissions or loads; and whose investment objectives include the maintenance of a stable net asset value of \$1 per share
  - (7) Local government investment pools, which are “AAA” rated by a nationally recognized bond rating company (e.g., Moody’s, S&P, Fitch), and which participation in any particular investment pool(s) has been authorized by resolution of the board, not to exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100%.
- (b) The authority is prohibited from purchasing any security that is not authorized by Texas law, or any direct investment in asset-backed or mortgage-backed securities. The authority expressly prohibits the purchase of inverse floaters, interest-only (IO) and principal-only (PO) collateralized mortgage obligations (CMO’s).
- (c) An Investment that requires a minimum rating does not qualify as an authorized investment during the period the investment does not have the minimum rating. The Investment Officers shall monitor the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. The authority shall take all prudent measures that are consistent with its Investment Policy and Strategy to liquidate an investment that does not have the minimum rating.

### **201.015 Reporting and Review**

- (a) Quarterly Report Requirements: The Investment Officers shall jointly prepare, no less than on a quarterly basis, an investment report, including a summary that provides a clear picture of the status of the current investment portfolio and transactions made after the ending period of the most recent investment report. The report shall be provided to the board and the executive director. The report shall comply with requirements of the PFIA and shall include the following:
- (1) The investment position of the authority on the date of the report.
  - (2) The signature of each Investment Officer.
  - (3) Summary for each fund stating:
    - (A) Beginning market value;

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- (B) Ending market value.
  - (4) Beginning and ending book value and market value for each investment along with fully accrued interest for the reporting period.
  - (5) Maturity date of each investment.
  - (6) Description of the account or fund for which the investments were made.
  - (7) Statement that the investment portfolio is in compliance with the authority's Investment Policy and Strategy.
- (b) Security Pricing: Current market value of securities may be obtained by independent market pricing sources including, but not limited to, the Wall Street Journal, broker dealers and banks other than those who originally sold the security to the authority as well as the authority's safekeeping agent.
- (c) Annual Audit: If the authority places funds in any investment other than registered investment pools or accounts offered by its depository bank, the above reports shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the Executive Committee. In addition, the authority's external auditors shall conduct a compliance audit of management controls on investments and adherence to the Investment Policy and Strategy.

### **201.016 Current Investments Exempted from Policy**

Any investment currently held that does not meet the guidelines of this article or subsequent amended versions shall be exempted from the requirements of this article. At maturity or liquidation, such monies shall be reinvested only as provided by this article.

### **201.017 Annual Review**

The authority shall review and approve the Investment Policy and Strategy annually. This review shall be conducted by the board with recommendations from the executive director. Any approved amendments shall be promptly incorporated into written policy.

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## **Article 2. SWAP POLICY**

### **201.018 Purpose**

Interest rate swap transactions can be an integral part of the authority's asset/liability and debt management strategy. By utilizing interest rate swaps, the authority can expeditiously take advantage of market opportunities to reduce costs. Interest rate swaps will allow the authority to actively manage asset and liability interest rate risk, balance financial risk, and achieve debt management goals and objectives through synthetic fixed rate and variable rate financing structures. The authority shall not enter into interest rate swaps for speculative purposes.

### **201.019 Authorization**

- (a) By recommendation of the Executive Committee of the board (the "Executive Committee"), approval to execute an interest rate swap on behalf of the authority will be authorized by a resolution passed by the board on a case-by-case basis.
- (b) Each swap resolution will authorize the swap agreement and its provisions to include, notional amount, security, payment, and certain other terms in regards to the swap agreement between the authority and qualified swap counterparties ("Counterparties"), and other necessary documents. Each swap resolution shall specify the appropriate authority officials authorized to make modifications to the swaps contemplated, within certain parameters. In the event of a conflict between a swap resolution and the Master Swap Policy, the terms and conditions of the swap resolution shall control.
- (c) Such actions of the authority will be taken pursuant to applicable provisions of the Government Code, whereby the authority must make a finding and determine that it is prudent and advisable for the authority to enter into interest rate swap agreements or other such arrangements from time to time based on certain terms and conditions set forth in the swap resolution and this article.

### **201.020 General Guidelines for Interest Rate Swap Agreements**

The following non-exclusive list provides certain guidelines the Executive Committee will follow in the evaluation and recommendation of interest rate swap transactions:

- (1) **Legality:** The Executive Committee must first determine, or have determined by appropriate legal counsel, that the proposed contract fits within the legal constraints imposed by state laws, authority resolutions, and existing indentures and other contracts.
- (2) **Goals:** In the authorizing resolution, the authority must clearly state the goals to be achieved through the swap contract and must adopt execution parameters consistent with the goals.

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- (3) **Rating Agencies:** The swap agreement being entered into will not have an adverse impact on any existing authority credit rating. In addition to the legal constraints as noted above, the swap agreement will conform to outstanding commitments with bond insurers, credit enhancers, and surety providers. Where possible, the authority shall obtain confirmation on the underlying ratings of the revenue source obligated under the swap agreement. All swap agreements must be discussed with the rating agencies prior to execution, and cannot be executed if doing so would impact negatively on the authority's credit ratings.
- (4) **Term:** The authority shall determine the appropriate term for an interest rate swap agreement on a case-by-case basis. However, in no circumstance may the term of a swap agreement entered into for liability management purposes between the authority and a qualified swap Counterparty extend beyond the final maturity date of the underlying debt of the authority, or in the case of a refunding transaction, beyond the final maturity date of the refunding bonds.
- (5) **Impact on Variable Rate Capacity:** The impact of the swap agreement on the authority's variable rate capacity must be quantified prior to execution so as not to hinder the authority's ability to continue the issuance of traditional variable rate products such as commercial paper which is used to fund capital projects.
- (6) **Enhancements:** The authority may utilize other swap enhancement products such as forward swaps, swap options, basis swaps, caps, floors, collars, cancellation options, etc. Utilization and consideration of each of these products will be part of the approval process per swap agreement as detailed 201.024 in Section 201.024. The costs, benefits, and other considerations regarding the enhancement will be explained to board as a part of the approval process. In the case of swap options in which the authority would receive up-front cash, the authority will not enter into any such swap agreements.
- (7) **Bond Covenants:** The implementation of derivative products or interest rate swaps will not conflict with existing bond covenants and debt policies. The derivative product will also not contain terms that would cause restrictions on additional bond test and protective covenants of outstanding bonds or create cross defaults.
- (8) **Accounting Compliance:** The impact of compliance with GASB Technical Bulletin No. 2003-1 shall be disclosed in the authority's annual financial reports.
- (9) **Staffing:** The authority shall maintain appropriate staff with responsibility and knowledge suitable for monitoring swap transactions. Before entering into a swap, the accounting impact of the swap on the authority must be determined.
- (10) **Exit Strategy:** The mechanics for determining termination values at various times and upon various occurrences must be explicit in the swap agreement, and the authority should obtain estimates from its financial advisor and swap advisor of the potential termination costs which

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might occur under various interest rate scenarios, and plan for how such costs would be funded.

### **201.021 Basis of Award**

(a) **Competitive Bid:** Competitively bid transactions will be deemed “quasi-competitive” and will include not fewer than three firms. The Executive Committee will recommend to the board the method of sale and which firms will participate in the competitive transaction based on criteria described in Section 201.023. However, for a competitive bid, in situations in which the authority would like to reward a particular firm or firms, or wishes to achieve diversification of its Counterparty exposure, the Executive Committee may select one of the following bases for award:

- (1) Allow the firm or firms not submitting the best bid to amend its bid to match the best bid, and by doing so, be awarded up to a specific percentage of the transaction.
  - (2) To encourage competition, the second and third place bidders may be allowed to contract for a specific amount of the notional amount as long as their bid is no greater than a pre-specified spread from the best bidder in a proportional manner as specified in bidding parameters.
  - (3) The authority may award the transaction to a firm or firms that submit the best bid as defined in the solicitation for bid.
- (b) **Negotiated Transactions:** In the case of a pure negotiated transaction, the authority shall rely on its swap advisor to negotiate the price and render a “fair value opinion.” The Counterparty shall disclose payments to third parties regarding the execution of the derivative contract.

### **201.022 Management of Swap Transaction Risk**

Certain risks will be created as the authority enters into various interest rates swap agreements with numerous swap counterparties. In order to manage the associated risks, guidelines and parameters for each risk category are as follows:

- (1) **Counterparty Risk:** The risk of swap Counterparty default can be reduced by limiting swap agreements between the authority and any single swap Counterparty that qualifies as an eligible swap Counterparty to the authority as described in Section (6)(a) and Section (c). In addition, the authority may require the posting of collateral by the swap Counterparty, with a mark-to-market as requested by the authority, in accordance with the guidelines described in Section Chapter 2:Article 2(5)(d).
- (2) **Termination Risk:**
  - (A) **Optional Termination:** At a minimum, the authority shall have the right to optionally terminate a swap agreement at any time over the term of the agreement (elective termination



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right) at the then-prevailing market value of the swap (so long as a swap Counterparty receiving payment upon termination is not in default). In general, exercising the right to optionally terminate an agreement should produce a benefit to the authority, either through receipt of a payment from a termination, or if a termination payment is made by the authority, in conjunction with a conversion to a more beneficial (desirable) debt obligation of the authority as determined by the authority. Termination value shall be readily determinable by one or more independent swap counterparties, who may assume the swap obligations of the authority. A Counterparty to the authority shall not have the elective right to terminate the swap agreement except when a termination option has been priced into the terms of the swap at inception. The authority should explore the viability of a unilateral termination provision without being exposed to a termination payment.

(B) **Mandatory Termination:** A termination payment by the authority may be required in the event of termination of a swap agreement due to a Counterparty default or following a decrease in credit rating of the authority. In some circumstances, the defaulting party will be required to make a termination payment to the non-defaulting party. However, under certain circumstances, upon an event of termination, the non-defaulting party may be required to make a payment to the defaulting party. It is the intent of the authority not to make a termination payment to a Counterparty failing to meet its contractual obligations. At a minimum, prior to making any such termination payment, the authority shall require a suitable time period during which the authority may evaluate whether it is financially advantageous for the authority to obtain a replacement Counterparty to avoid making a termination payment. For example, in order to mitigate the financial impact of making such a payment, at the time such payment is due, the authority will seek to replace the terms of the terminated transaction with a new Counterparty and, as a result, receive value from the replacement Counterparty. The new or replacement Counterparty would make an upfront payment to the authority in an amount that would offset (either in whole or in part) the payment obligation of the authority to the original Counterparty. The market value of each swap agreement (including termination costs) will be calculated by the swap advisor and provided periodically as information to board in accordance with the provisions of Section 201.027 to monitor the transaction's value and in order to implement an appropriate exit strategy in a timely manner, if required.

- (3) **Amortization Risk (Term):** The slope of the swap curve, the marginal change in swap rates from year to year along the swap curve, termination value, and the impact that the term of the swap has on the overall exposure of the authority shall be considered in determining the appropriate term of any swap agreement. Any swap should reflect the amortization of the debt swapped against or will be in place for no longer than the period of time that matching assets are available to hedge the transaction.
- (4) **Liquidity Risk:** The authority should consider if the swap market is sufficiently liquid (i.e., if

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enough potential qualified counterparties participate actively in the market to assure fair pricing) for the type of swap being considered and the potential ramifications of an illiquid market for such types of swaps. There may not be another appropriate party available to act as an offsetting Counterparty. The authority may enter into liquidity agreements with qualified liquidity providers and/or credit enhancers to protect against this risk.

- (5) **Basis (Index) Risk (including Tax Risk):** Any index chosen as part of an interest rate swap agreement shall be a recognized market index, including but not limited to The Bond Market Association Municipal Swap Index (TBMA) or London Interbank Offering Rate (LIBOR). The authority shall not enter into swap agreements that do not have a direct (one to one) correlation with the movement of an index without analyzing the risk associated with the enhancement. Any Counterparty for a swap which relies on an index will agree to not lobby, or otherwise influence, any changes to the index that will adversely affect the authority. The tax risk and impact to the authority of each swap transaction shall be detailed through the Counterparty disclosure requirements outlined in Section 201.024.
- (6) **Bankruptcy Risk:** Bond or swap counsel will disclose to the authority the bankruptcy risks and issues associated with the Counterparty and type of swap chosen. Additionally, bond or swap counsel will disclose to the authority the bankruptcy issues associated with the method of collateral required to be posted.

### **201.023 Counterparty Approval Guidelines**

- (a) **Eligibility:** The authority shall enter into interest rate swap transactions only with Counterparties. To qualify as a Counterparty under this article, at the time of entry into a swap transaction, the selected swap provider(s):
  - (1) shall be rated at least AA-/Aa3/AA- by at least two of the three nationally recognized credit rating agencies (Standard & Poor's, Moody's, and Fitch Ratings, respectively) and shall have a minimum capitalization of \$50 million, or
  - (2) shall be rated at least BBB-/Baa3/BBB- by two of the three nationally recognized credit rating agencies and shall provide a credit support annex ("CSA") to the schedule to the ISDA master agreement that shall require such party to deliver collateral for the benefit of the authority:
    - (A) that is of a kind and in such amounts as are specified therein and which relate to various rating threshold levels of the Counterparty or its guarantor, from AA-/Aa3/AA- through BBB/Baa3/BBB-, and
    - (B) that, in the judgment of the authority in consultation with its Financial Advisor, is reasonable and customary for similar transactions, taking into account all aspects of such

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transaction including without limitation the economic terms of such transaction and the creditworthiness of the Counterparty or, if applicable, its guarantor; or

(C) shall post suitable and adequate collater<sup>1</sup> (separate from any collateral requirements of Section 6.3) at a third party for the benefit of the authority; or

(3) shall obtain credit enhancement from a provider with respect to its obligations under the transaction that satisfies the requirements of subdivision (1) of this subsection, given the undertaking involved with the particular transaction.

(b) The authority shall not enter into an interest rate swap transaction with a firm that does not qualify as a Counterparty. The Counterparty must make available audited financial statements and rating reports of the Counterparty (and any guarantor), and must identify the amount and type of derivative exposure, and the net aggregate exposure to all parties (the authority and others), along with relevant credit reports at the time of entering into a swap and annually thereafter unless the entity or credit enhancer is under credit or regulatory review and in that case immediately upon notice by the appropriate agencies to the entity.

(c) Swap Counterparty Exposure Limits and Transfer: In order to limit and diversify the authority's Counterparty risk, and to monitor credit exposure to each Counterparty, the authority may not enter into an interest rate swap agreement with a qualified swap Counterparty if the following exposure limits are reached per Counterparty:

(1) The maximum notional amount for interest rate swaps between a particular Counterparty (and its unconditional guarantor, if applicable) and the authority shall not exceed the maximum of \$100 million. The \$100 million limitation shall be the net exposure total of all notional amounts between each Counterparty and the authority. As such, notional amounts for fixed to floating swaps may be used to "offset" the notional amounts for floating to fixed swaps, or vice versa.

(2) Limitations on transfers of swaps with a particular Counterparty should be carefully analyzed and would require the authority's prior written consent. If the Counterparty unilaterally restricts transfer, then the authority should have the ability to terminate the swap without penalty if the swap is transferred or the Counterparty is merged with another entity that changes the credit profile of the swap Counterparty, unless the authority gives its prior written consent.

(3) If the maximum notional limit for a particular Counterparty is exceeded solely by reason of merger or acquisition involving two or more counterparties, the authority shall expeditiously analyze the exposure, but shall not be required to "unwind" existing swap transactions unless the authority determines such action is in its best interest, given all the facts and circumstances.

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- (4) If the exposure limit is breached by a Counterparty, then the authority shall:
  - (A) conduct a review of the exposure limit calculation of the counterparty; and
  - (B) determine if collateral may be posted to satisfy the exposure limits; and
  - (C) enter into an offsetting swap transaction, if necessary.
- (5) The authority will not enter into contracts with derivative product companies (“DPCs”) that are classified as “terminating” or “Sub-T” DPC's by the rating agencies.
- (d) Collateral Requirements: Collateral posting requirements between the authority and each swap Counterparty should not be unilateral in favor of the Counterparty. As part of the swap agreement, the authority or the swap Counterparty may require that collateralization to secure any or all swap payment obligations be posted. Collateral requirements shall be subject to the following guidelines:
  - (1) Collateral requirements imposed on the authority should not be accepted to the extent they would impair the authority's existing operational flow of funds.
  - (2) Each Counterparty shall be required to provide a form of a Credit Support Annex should the credit rating of the Counterparty fall below the “A-/A3/A-“ category by at least two of the nationally recognized agencies:
  - (3) A list of acceptable securities that may be posted as collateral and the valuation of such collateral will be determined and mutually agreed upon during negotiation of the swap agreement with each swap Counterparty.
  - (4) The market value of the collateral shall be determined on either a daily, weekly, or monthly basis by an independent third party, as provided in the swap documentation.
  - (5) Failure to meet collateral requirements will be a default pursuant to the terms of the swap agreement.
  - (6) The authority and each swap Counterparty may provide in the supporting documents to the swap agreement for reasonable threshold limits for the initial deposit and for increments of collateral posting thereafter.
  - (7) The swap agreement may provide for the right of assignment by one of the parties in the event of certain credit rating events affecting the other party. The authority (or the Counterparty) shall first request that the Counterparty (or the authority) post credit support, or provide a credit support facility. If the Counterparty (or the authority) does not provide the required credit support, then the authority (or the Counterparty) shall have the right to assign the agreement to a third party acceptable to both parties and based on terms mutually

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acceptable to both parties. The credit rating thresholds to trigger an assignment shall be included in the supporting documents.

### **201.024 Form of Swap Agreements and Other Documentation**

Each interest rate swap agreement shall contain terms and conditions as set forth in the International Swap & Derivatives Association, Inc. (“ISDA”) Master Agreement and such other terms and conditions included in any schedules, confirmations, and credit support annexes as approved in accordance with the authority’s swap resolution pertaining to that transaction. The swap Counterparty shall provide a disclosure memorandum that will include an analysis by the Counterparty of the risks and benefits of the transactions, with amounts quantified. This analysis should include, among other things, a matrix of maximum termination values over the life of the swap. The disclosure memorandum shall become a part of the official transcript for the transaction. The swap Counterparty shall also affirm receipt and understanding of the authority’s statement of swap policies, and will further affirm that the contemplated transactions fit within the swap policies as described.

### **201.025 Modification of Swaps**

Each swap resolution should provide specific approval guidelines for the swap transactions to which it pertains. These guidelines should provide for modifications to the approved swap transactions, provided such modifications, unless considered and recommended by the Executive Committee, do not extend the average life of the term of the swap, increase the overall risk to the authority resulting from the swap, or increase the notional amount of the swap. The swap resolution should further designate which authority officers shall be authorized to cause such modifications.

### **201.026 Aggregation of Swaps**

Unless the swap resolution states otherwise, the approval requirements set forth in each swap resolution are applicable for the total notional amount of transactions executed over a consecutive three-month period for a given security or credit. Therefore, the notional amount of swap transactions including the average life of the swap agreements over a consecutive three-month period are considered in total (net of the notional amount of a swap reversal) to determine what approval is required pursuant to a particular swap resolution.

### **201.027 Reporting Requirements**

The Executive Committee shall be required to report the status of all interest rate swap agreements to the board at least on an annual basis and shall present all footnote disclosure items required by GASB Technical Bulletin No. 2003-1.

### **Article 3. RESERVE FUND POLICY**

#### **201.028 Purpose**

In Resolution No. 10-12, dated February 26, 2010, the board approved the establishment of a reserve fund. The reserve fund is intended to ensure that the authority maintains adequate funds to satisfy its outstanding financial commitments and operational requirements in the event of unforeseen circumstances or events. The board recognizes that establishment and maintenance of sufficient reserve funds is of particular importance in light of the authority's dependence upon discretionary user fees as its primary revenue stream.

#### **201.029 Fund Balance**

- (a) It shall be the goal of the authority to maintain twelve months of funds sufficient to pay, maintain, or satisfy all required debt service, debt service coverage, contractual financial commitments, and operational requirements (collectively, "Funding Requirements") as a reserve fund; provided, however, that the executive director shall have the authority to take action resulting in a reduction of the reserve fund to a minimum of nine months of funding sufficient to pay, maintain, or satisfy all Funding Requirements if he determines that such action is necessary, in the best interest of the authority, and will not adversely affect the authority's financial stability.
- (b) In the event that the executive director authorizes action on behalf of the authority to reduce the reserve fund balance to less than twelve months of funding sufficient to pay, maintain, or satisfy all Funding Requirements, he shall disclose to the board at the next regular board meeting the amount by which the reserve fund was reduced and the circumstances that led to the reduction.
- (c) In no event may the reserve fund balance be reduced to less than nine months of funding sufficient to pay, maintain, or satisfy all Funding Requirements without the prior approval of the board.

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## Article 4. DAMAGE CLAIMS BY CTRMA

### 201.030 Purpose

This article sets forth guidelines for management and collection of claims by the authority against an individual, company, or organization for damage to a transportation project. This article is not intended to apply to damage to authority property resulting from the actions of contractors engaged in the construction, maintenance, or repair of authority projects.

### 201.031 Definitions

- (1) Accident: A collision, crash, or impact, with or without apparent cause, involving one or more vehicles.
- (2) Damage: Loss or harm to a transportation project resulting from an accident or from a deliberate act, including an act of vandalism. Damage does not include wear and tear caused by normal use of a transportation project.
- (3) Insurer: An insurance company authorized to write motor vehicle insurance in this state and through which a responsible party had a motor vehicle insurance policy in effect at the time of an accident.
- (4) Responsible Party: The owner or operator of a vehicle involved in an accident resulting in damage or the person responsible for a deliberate act resulting in damage to a transportation project.
- (5) Transportation Project: A turnpike project, passenger or freight rail facility, roadway, pedestrian or bicycle facility, or any other facility or structure included within the definition of “transportation project” set forth in Section 370.003(13), Transportation Code.
- (6) Vehicle: A device in or by which a person or property is or may be transported or drawn on a public highway, other than a device used exclusively on stationary rails or tracks. Includes, without limitation, a passenger car, truck, bus, tractor, trailer, semi-trailer, all-terrain vehicle, recreational vehicle, motorcycle, moped, or bicycle.

## MOBILITY AUTHORITY POLICY CODE

### **201.032 Collection of Damage Claims**

- (a) The authority shall seek reimbursement from the responsible party for costs it incurs to repair damage to a transportation project owned or maintained by the authority, including the cost of labor, materials, equipment. Additionally, the authority may seek reimbursement for any internal or external administrative or other costs the authority necessarily incurs in connection with making repairs to the damage and obtaining reimbursement for those costs.
- (b) The executive director shall develop and implement procedures for maintaining records of all damage claims and notifying a responsible party and/or the party's insurer, as appropriate, of the existence and nature of damage claim by the authority and for recovering the cost of the repairs. A responsible party and the insurer shall be provided with a copy of any police report relating to the accident or damage, a description of the damage, and a summary of the costs incurred or estimates of costs to be incurred for repairing the damage. The authority shall provide a process for a responsible party and the insurer to dispute the liability of a responsible party or the existence or amount of a damage claim.
- (c) If a responsible party who did not have an insurance policy in effect at the time of an accident fails to pay a claim for damages totaling at least \$1,000.00 within 90 days after notice of a claim is sent to the responsible party by the authority, the authority may notify the Texas Department of Public Safety and may recommend that the responsible party's driver's license be suspended in accordance with procedures set forth in Subchapter F, Chapter 601, Transportation Code.
- (d) For a damage claim that totals at least \$500 against a responsible party who did not have a motor vehicle insurance policy in effect at the time of an accident, the authority may enter into a payment plan with the responsible party; provided, however, that payments shall not extend beyond a one year period.
- (e) A damage claim that does not exceed \$50,000 may be compromised or settled in the best interests of the authority with the approval of the executive director. A damage claim that exceeds \$50,000 may be compromised or settled only with the approval of the board.
- (f) If the authority is unable to collect a damage claim through its internal collection procedures, the claim may be assigned to a collection agency or, with the approval of the board, the authority may institute a civil action to recover its damages in a court of competent jurisdiction. All efforts by the authority to recover costs of repairing damage to authority property shall comply with applicable state and federal laws and regulations governing the collection of debts.



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

**RESOLUTION NO. 17-022**

**APPROVING THE ANNUAL COMPLIANCE REPORT  
TO THE TEXAS DEPARTMENT OF TRANSPORTATION  
REQUIRED BY 43 TEX. ADMIN. CODE § 26.65.**

WHEREAS, the Texas Transportation Commission has adopted rules codified at Title 43, Chapter 26, Subchapter G of the Texas Administrative Code that require the Mobility Authority to file certain reports and conduct certain audits, as specified therein; and

WHEREAS, pursuant to 43 *Tex. Admin. Code* § 26.65, the Mobility Authority is required to file a report with the Texas Department of Transportation (TxDOT) confirming that the Mobility Authority has complied with all the duties it is required to perform under Title 43, Chapter 26, Subchapter G of the Texas Administrative Code; and


WHEREAS, the Executive Director has prepared a compliance report containing the information in the form required by 43 *Tex. Admin. Code* § 26.65 which is attached hereto as Exhibit A; and

WHEREAS, the compliance report must be approved by the Board and certified as correct by the Executive Director prior to submission to TxDOT.

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves the compliance report in the form attached as Exhibit A, and authorizes the Executive Director to certify and submit the compliance report to the Texas Department of Transportation.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
\_\_\_\_\_  
Geoffrey Petrov, General Counsel

Approved:

  
\_\_\_\_\_  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

## Central Texas Regional Mobility Authority

### Compliance Report

Texas Administrative Code Title 43, Part I, Chapter 26, Subchapter G

§26.65(a) Annual Reports to the Commission

| Compliance Rule  | Compliance Statement  | Certification   |
|--|---|---|
| <i>Rule §26.61 Written Reports:</i>  |   |   |
| The annual operating and capital budgets adopted by the RMA year.  | The Mobility Authority submits copies of the annual operating and capital budget adopted for the Fiscal Year 2017 beginning July 1, 2016, to Travis County and Williamson County. | The Board of Directors approved the FY 2017 Budget by Resolution No. 16-036 enacted on June 15, 2016.   |
| Any annual financial information and notices of material events required to be disclosed under Rule 15c2-12 of the SEC.  | No financial information or notices are required to be disclosed; not applicable.   |   |
| To the extent not disclosed in another report required in this compliance report, a statement of any surplus revenue held by the RMA and a summary of how it intends to use the surplus revenue.                 | The Mobility Authority did not hold any "surplus revenue" in FY 2016, as that term is defined by §370.003(12) of the Transportation Code.   |   |
| An independent auditor's review of the reports of investment transactions prepared under Government Code, §2256.023.   | Included as part of the FY 2016 annual audit. See certification below.  | Included as part of the FY 2016 annual audit. See certification below.  |
| <i>Rule §26.62 Annual Audit:</i>   |   |   |
| The RMA shall maintain its books and records in accordance with generally accepted accounting principles in the United States and shall have an annual financial and compliance audit of such books and records. | The Mobility Authority received an unqualified opinion for FY 2016 from an independent certified public accountant.   | The FY 2016 annual audit was accepted by the Board of Directors (acting through its Audit Committee) by resolution 16-070 enacted September 28, 2016. |
| The annual audit shall be submitted to each county or city that is a part of the RMA within 120 days after the end of the fiscal year, and conducted by an independent certified public accountant.              | The Mobility Authority submitted copies of the FY 2016 annual audit to Travis County and Williamson County.   | The Mobility Authority provided to Travis County and Williamson County a copy of the FY 2016 audit accepted by resolution September 28, 2016.         |
| All work papers and reports shall be retained for a minimum of four years from the date of the audit.  | Work papers and reports are and will be retained for a minimum of four years.   |   |

|   |   |  |
|---|---|--|
| <i>Rule §26.63 Other Reports to Counties and Cities:</i>  |   |  |
| Provide other reports and information regarding its activities promptly when requested by the counties or cities.   | The Mobility Authority promptly provides reports and information regarding its activities when requested by Travis County or Williamson County. There is no city that is a part of the Central Texas Regional Mobility Authority. |  |
| <i>Rule §26.64 Operating Records:</i>   |   |  |
| The Department will have access to all operating and financial records of the RMA. The executive director will provide notification if access is desired by the department. | The Mobility Authority will provide the Texas Department of Transportation access to all its operating and financial records when requested by the Department's executive director.   |  |

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

**RESOLUTION NO. 17-023**

**EXERCISING THE OPTION OF THE MOBILITY AUTHORITY  
TO DEVELOP, FINANCE, CONSTRUCT, AND OPERATE  
THE 183 NORTH PROJECT**

WHEREAS, under Section 373.052, Transportation Code, the Central Texas Regional Mobility Authority (“Mobility Authority”) has the first option to develop, finance, construct, and operate any new toll project located in the territory of the Mobility Authority, including Travis County and Williamson County; and

WHEREAS, the Mobility Authority intends to develop, finance, construct, and operate an approximately 8.0 mile section of managed lanes on U.S. 183 between SH 45 North and MoPac in order to improve mobility, as depicted in Exhibit A; and

WHEREAS, the Mobility Authority supports the goal of improving mobility in the Central Texas region through development of the 183 North Project; and

WHEREAS, the Executive Director recommends the Mobility Authority exercise its option under Section 373.052, Transportation Code, to develop, finance, construct, and operate the 183 North Project.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors, as provided by the process and procedures of Chapter 373, Transportation Code, hereby exercises its option as a local toll project entity to develop, finance, construct, and operate the 183 North Project; and

BE IT FURTHER RESOLVED, that the Executive Director is directed to communicate in writing the Mobility Authority’s exercise of this option to the Texas Department of Transportation.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
Geoffrey Petrov, General Counsel

Approved:

  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**



CENTRAL TEXAS  
Regional Mobility Authority

183  
NORTH  
MOBILITY PROJECT

# 183 North Project

## PROJECT LOCATION MAP ▶



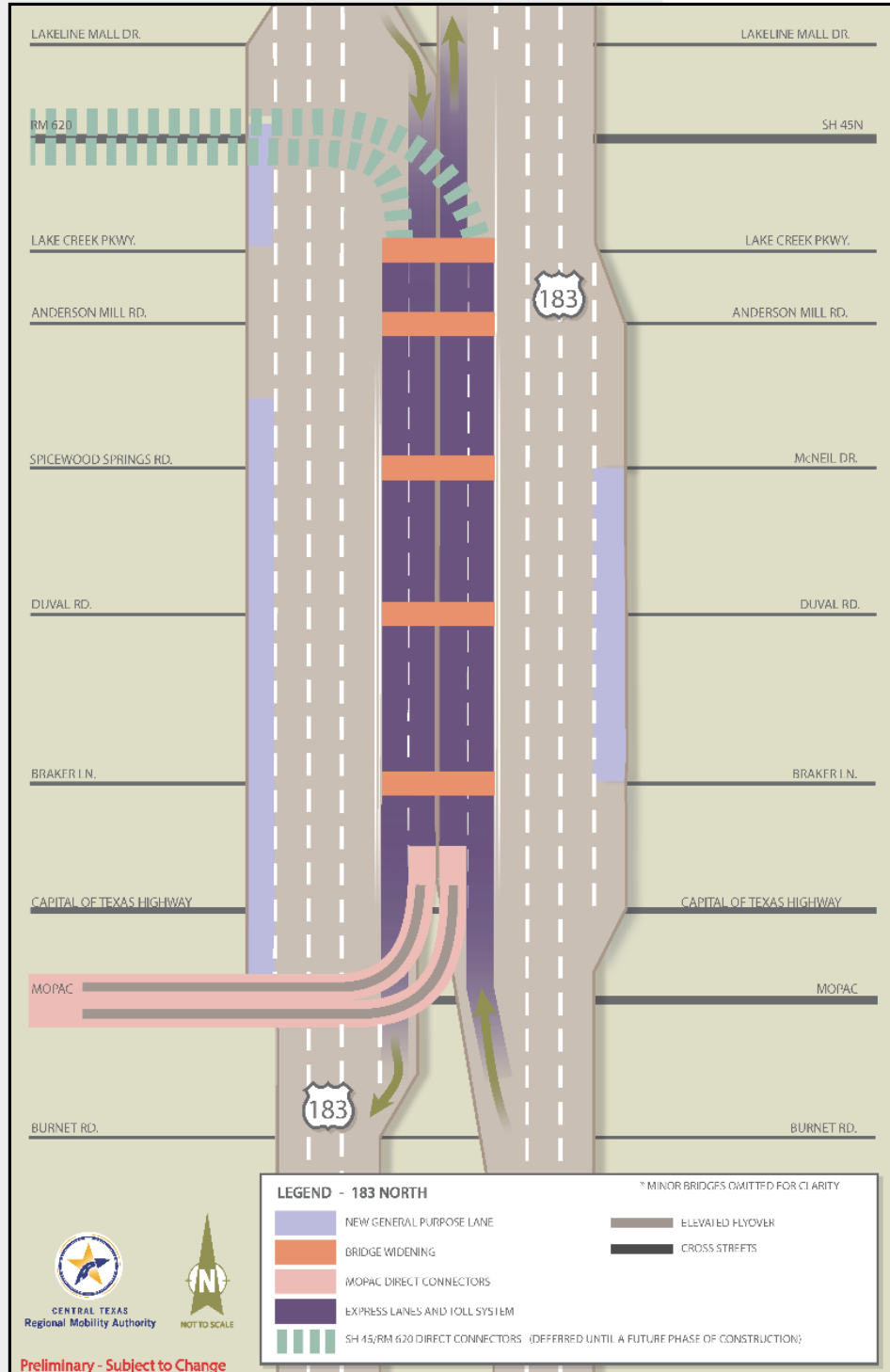


CENTRAL TEXAS  
Regional Mobility Authority

183  
NORTH  
MOBILITY PROJECT

# 183 North Project

## CROSS STREET DETAIL ▶





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

**RESOLUTION NO. 17-024**

**APPROVE AMENDMENT NO. 5 TO THE GENERAL ENGINEERING CONSULTING  
SERVICES MASTER AGREEMENT AND SUPPLEMENT NO. 4 TO WORK  
AUTHORIZATION NO. 16 WITH HNTB CORP. FOR A TIME EXTENSION FOR THE  
MOPAC IMPROVEMENT PROJECT**

WHEREAS, HNTB Corporation ("HNTB") serves as a general engineering consultant to the Mobility Authority under the Agreement for General Engineering Consulting Civil Engineering Services effective January 1, 2010 (the "GEC Agreement"); and

WHEREAS, by Resolution No. 13-40 dated June 26, 2014, the Board approved Work Authorization No. 16 for HNTB to provide Design/Build Oversight Services for the MoPac Improvement Project (the "Project"); and

WHEREAS, the GEC Agreement is currently set to expire May 31, 2017 and Work Authorization No. 16 is currently set to expire on April 30, 2017; and

WHEREAS, the Executive Director has determined that it would be beneficial to extend the expiration date of both the GEC Agreement and Work Authorization No. 16 to December 31, 2017; and

WHEREAS, the Executive Director and HNTB have negotiated proposed Amendment No. 5 to the GEC Agreement which is attached hereto as Exhibit A and extends the time of performance to December 31, 2017; and

WHEREAS, the Executive Director and HNTB have negotiated proposed Supplement No. 4 to Work Authorization No. 16 which is attached hereto as Exhibit B and extends the time of performance to December 31, 2017 and revises other terms necessary to implement the required project management services necessary to oversee the design and construction of the Project; and

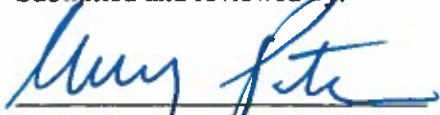
WHEREAS, the Executive Director recommends approval of proposed Amendment No. 5 to the GEC Agreement and Supplement No. 4 to Work Authorization No. 16.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby adopts and approves Amendment No. 5 and Supplement No. 4 with Work Authorization No. 16 in substantially the form attached hereto as Exhibit A and Exhibit B, respectively; and

BE IT FURTHER RESOLVED that the that the Executive Director is authorized to finalize and execute Amendment No. 5 to the GEC Agreement and Supplement No. 4 to Work Authorization No. 16 on behalf of the Mobility Authority.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 26<sup>th</sup> day of April 2017.

Submitted and reviewed by:

  
Geoffrey Petrov, General Counsel

Approved:

  
Ray A. Wilkerson  
Chairman, Board of Directors

**Exhibit A**

Fifth Amendment  
To the  
Agreement for General Consulting Civil Engineering Services

This Fifth Amendment to the “Agreement for General Consulting Civil Engineering Services” by and between the Central Texas Regional Mobility Authority (the “CTRMA” or “Authority”) and HNTB Corporation, a Delaware corporation, (the “GEC”) effective December 23, 2009 (the “Agreement”) is effective April 26, 2017.

The Agreement currently expires on May 31, 2017. The parties agree to extend the Agreement for seven months.

Authority and GEC therefore agree Section 5 of the Agreement is hereby amended to read in its entirety as follows:

5. TIME OF PERFORMANCE:

This Agreement is extended for seven months and will terminate on December 31, 2017, subject to earlier termination under Section 6, 7, 8, or to a further extension of the term by mutual written agreement of the parties.

Each party is signing this amendment on the date stated in the introductory clause.

CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY

HNTB CORPORATION

By \_\_\_\_\_  
Mike Heiligenstein, Executive Director

By \_\_\_\_\_  
Carlos Lopez, P.E., Senior Vice President

**Exhibit B**

## APPENDIX D

### WORK AUTHORIZATION SUPPLEMENT

#### WORK AUTHORIZATION NO. 16

#### SUPPLEMENT NO. 4

This Supplement No. 4 to Work Authorization No. 16, dated April 27, 2013, is made as of this \_\_\_\_ day of \_\_\_\_\_ 2017, under the terms and conditions established in the AGREEMENT FOR GENERAL CONSULTING ENGINEERING SERVICES (the “Agreement”), between the Central Texas Regional Mobility Authority (“Authority”) and HNTB Corporation (“GEC”). This Supplement is made for the following purpose, consistent with the services defined in the Agreement:

#### *MoPac Improvement Project Oversight and Disputes Board Oversight*

The Project schedule requires extension in order to complete the project, necessitating amendment to the Work Authorization 16 schedule to continue the defined services. The following terms and conditions supersede Supplement No. 3 to Work Authorization No. 16 as follows:

#### **Section A. – Scope of Services**

##### A1. – Design-Build Oversight.

The scope of services defined in Attachment A of Work Authorization 16, as amended by Supplement No. 1 and Supplement No. 2, remain in full force and effect with respect to the overseeing of design and construction of the Project.

##### A2. – Claims.

Additional services under this Supplement are comprised of the completion of processes, tasks and deliverables related to D/B Contractor claims review, negotiation and potential for Disputes Board Hearings, as depicted below.

The services will involve the completion of the following tasks begun under Supplement No. 2:

- Review of D/B Contractor submitted claims, entitlement packages and/or requests for equitable adjustment (all referred to as claims);
- Research of contract clauses;
- Review of project related documentation;
- Coordination with Project team members and outside counsel (Locke Lord);
- Outlining, writing and finalizing original responses to D/B Contractor claims;
- Outlining, writing and finalizing Position Papers, Rebuttal Papers and Presentation;
- Coordination with Project team members and outside counsel (Locke Lord) and Expert Witnesses in preparation for Disputes Board Hearings;
- Response to Disputes Board rulings

- Development of supplement negotiation materials for the Authority that may be required due to Disputes Board rulings; and
- Publication and transmittal of necessary documents.

A3. – General Disputes Board Support.

In addition to the above, the GEC will continue to provide support related to asserted claims and/or potential change orders that may result in claims.

It is understood by the Authority and the GEC that there may be settlement of any claims by the D/B Contractor and the Authority prior to Disputes Board Hearings. No services are anticipated for litigation brought by either the Authority or the D/B Contractor related to a rejection of Disputes Board recommendations related to these issues. Those services and associated fees may be negotiated under an additional supplement.

**Section B. - Schedule**

GEC shall perform the Services based on an as needed basis through December 31, 2017, at which time this task order will expire. The parties mutually agree that, in order for the GEC to provide services beyond this date, a time extension will be required.

**Section C. – Compensation**

C1. – General

In return for the performance of the foregoing obligations, the Authority has authorized an amount not-to-exceed \$7,650,000 based on a Cost Plus fee in Attachment B – SWA04 Fee Estimate and Section D - Other Provisions. This amount increased the previous not-to-exceed amount for Work Authorization No. 16 from \$22,930,663 to \$30,580,663. All other Compensation terms shall be in accordance with the Agreement.

C2. – Expenses.

With respect to expenses for this Supplement No. 4, the amount of \$7,650,000 includes a total of \$408,918 for expenses that will be billed on a lump sum pro-rated basis monthly, as shown in Attachment B – SWA04 Fee Estimate.

C3. – Compensation Provisions.

The Authority and the GEC agree that the budget amounts contained in Attachment B-SWA04 Fee Estimate for the GEC are estimates and that these individual figures may be redistributed and/or adjusted as necessary over the duration of this Work Authorization, as approved by the Authority. Upon approval by the Authority, the GEC may alter the compensation distribution between tasks or work assignments to be consistent with the Services actually rendered within the total Work Authorization amount. The GEC shall not exceed the maximum amount payable without prior written permission by the Authority.

**Section D. – Other Provisions**

D1. – Notices to Proceed.

The Authority and the GEC agree that Notice to Proceed shall be as follows:

Notice to Proceed 1 (NTP1) – NTP1 authorized the GEC to provide the services from July 1, 2016 through September 30, 2016 in an amount not to exceed \$3.1 Million.

Notice to Proceed 2 (NTP2) – NTP2, authorized the GEC to continue providing the services from October 1, 2016 through April 30, 2017 with an additional amount not to exceed of \$2.7 Million.

Notice to Proceed 3 (NTP3) – Execution of this Supplement No. 4 shall constitute NTP3, authorizing the GEC to continue providing the services from May 1, 2017 through December 31, 2017 with an additional amount not to exceed of \$1.85 Million..

Except to the extent expressly modified herein, all terms and conditions of the Agreement shall continue in full force and effect.

**Authority:**

**CENTRAL TEXAS REGIONAL  
MOBILITY AUTHORITY**

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

Name: Mike Heiligenstein

Title: Executive Director

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

**GEC:**

**HNTB Corporation**

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

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

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

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

**ATTACHMENT A**  
**Scope of Services**

Not Used



Attachment B  
SWA04 Fee Estimate

|  | HNTB               | DBE SUB            | NON-DBE SUB     | TOTAL              |
|--|--------------------|--------------------|-----------------|--------------------|
| <b>Total Labor &amp; Overhead &amp; Profit</b> |                    |                    |                 |                    |
| Project Management Oversight                   | \$776,346          |                    |                 | <b>\$776,346</b>   |
| Claims Review and DRB Support                  | \$519,570          | \$25,200           | \$26,082        | <b>\$570,852</b>   |
| Toll Facilities                                | \$514,217          |                    |                 | <b>\$514,217</b>   |
| Project Controls                               | \$324,832          | \$129,910          | \$26,838        | <b>\$481,580</b>   |
| Public Involvement                             | \$136,814          | \$75,680           |                 | <b>\$212,494</b>   |
| Construction Oversight                         | \$3,357,979        | \$1,304,488        | \$22,169        | <b>\$4,684,636</b> |
| <b>Sub-Total Burdened Labor</b>                | <b>\$5,629,758</b> | <b>\$1,535,278</b> | <b>\$75,089</b> | <b>\$7,240,125</b> |
| <b>Expenses</b>                                | <b>\$317,966</b>   | <b>\$86,712</b>    | <b>\$4,241</b>  | <b>\$408,918</b>   |
| <b>Total Fee (Design/Build Oversight)</b>      | <b>\$5,947,724</b> | <b>\$1,621,990</b> | <b>\$79,330</b> | <b>\$7,649,043</b> |
|  |                    |                    | Round To:       | <b>\$7,650,000</b> |

|   | TOTAL              | SPENT<br>THROUGH<br>2/24/2017 | FUNDS<br>REMAINING |
|---|--------------------|-------------------------------|--------------------|
| <b>Total Fee (Design/Build Oversight)</b> | <b>\$7,650,000</b> | <b>\$4,464,510</b>            | <b>\$3,185,490</b> |

## Attachment B SWA04 Fee Estimate

| Expense Summary  |  |
|--|--|
| Oversight Expenses   |  |
|  | Monthly<br>amount for<br>months 1-10<br>after<br>supplement<br>execution |
| Expenses - includes mileage, travel, leased vehicles*, vehicle supplies, field / safety equipment, network/technology, desk phones, wiring, computers, earth cam, miscellaneous supplies, vendors, and other expenses for field office | \$30,892   |

10 months      \$308,918

\*Vehicle expenses are anticipated through September 2016. Any work requiring the extension of vehicle leases beyond September 2016 will require additional fee.

| DB Expenses   |   |
|---|---|
|   | Monthly<br>amount for<br>months 1-6<br>after<br>supplement<br>execution |
| Expenses - includes mileage, travel, printing, exhibits, delivery/courier charges, and miscellaneous supplies | \$16,667  |

6 months      \$100,000

Grand total expenses:      \$408,918