Annual Report

2009

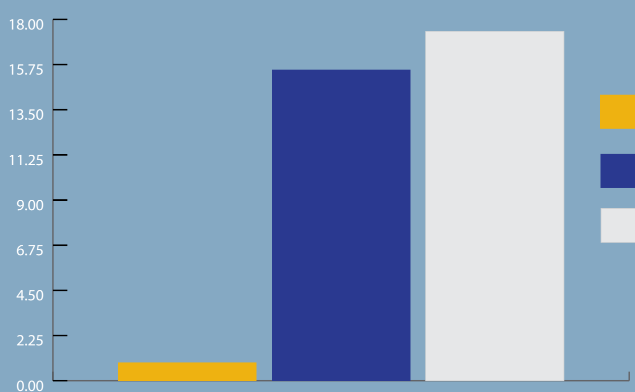
CENTRAL TEXAS
Regional Mobility Authority

A Year of CHANGE

183A PERFORMANCE SNAPSHOT

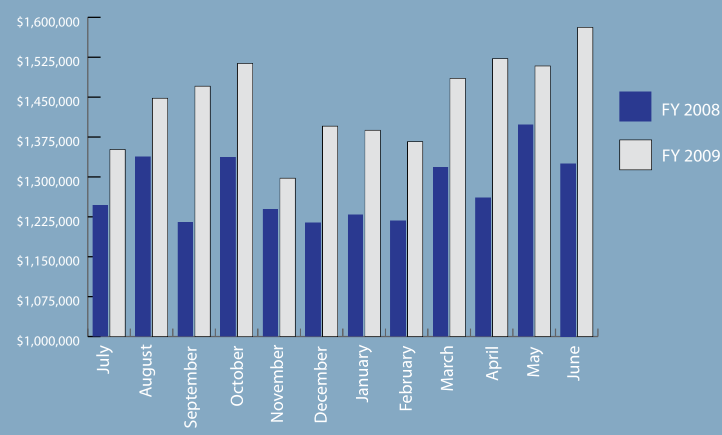
183A TOLL REVENUE BY YEAR

The 183A project bucked national trends in FY 09, generating transaction growth of 10.4% and revenue growth of 12.4%. Total revenue for FY 09 was $17.4 million, up from $15.5 million the previous year.



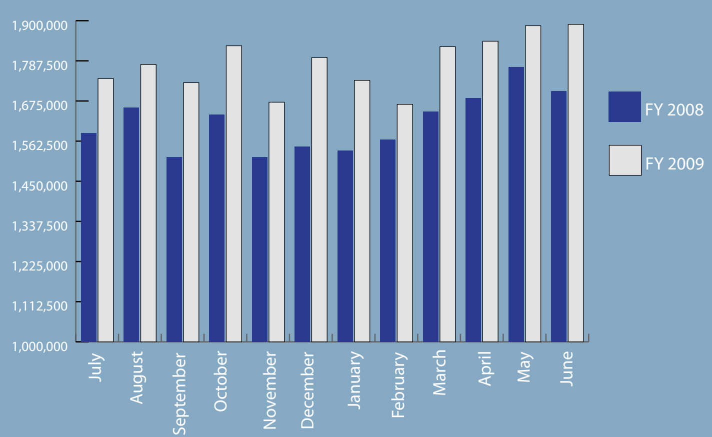
183A TOLL REVENUE BY MONTH

The introduction of cashless tolling in December 2008 did not negatively impact revenue collection.



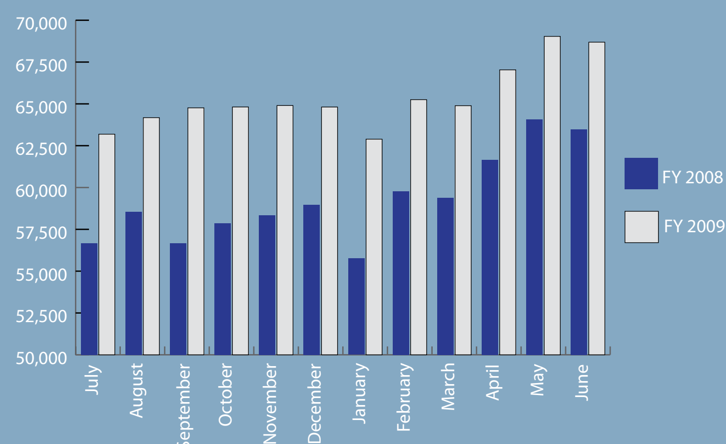
183A MONTHLY TRANSACTIONS

Transactions on 183A are generally highest in the spring with June being the busiest month of FY 2009.

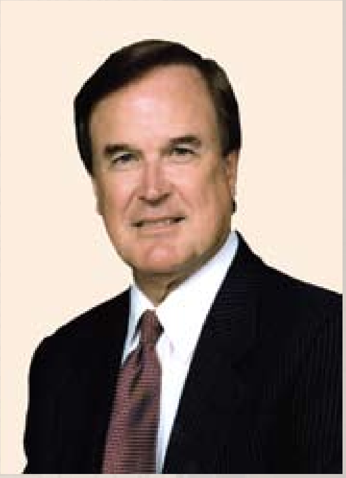


183A WEEKDAY TRANSACTIONS

Transaction projections for 183A are based on calendar year data. In calendar year 2008, average weekday transactions on 183A were projected to be 33,696. Actual average weekday transactions were 62,562, exceeding projections by 85.7%.



MESSAGE
FROM THE CHAIRMAN



The theme of this year's annual report is "A Year of Change," and it truly has been a year of change for the Mobility Authority. First, you may have noticed, we have experienced a change in leadership. Chairman Bob Tesch, who successfully led this organization from its founding in 2002, did not seek reappointment this year. Chairman Tesch built a highly respected agency, and I thank Governor Rick Perry for the opportunity to continue that legacy and the chance to build an even better organization in the years to come.

On a sad note, we lost one of our strongest supporters this year with the passing of Vice Chairman Lowell Lebermann, Jr. Lowell was a successful businessman, dedicated public servant and generous community patron who recognized the importance of mobility and did everything in his power to ensure the success of this agency.

Another major change this year was the conversion of 183A to an all-electronic cashless toll road. As just the second toll agency in the United States to go cashless, the Mobility Authority extended its reputation as an industry leader. The conversion to cashless was made possible by a TxTag usage rate that is among the highest in the industry, at more than 75%. In the last year alone, more than 380,000 different vehicles equipped with TxTag used the 183A toll road. Even with the conversion to cashless tolling, traffic and revenue on 183A continued its solid growth trend, with transactions increasing 10.4% and toll revenue increasing 12.4% for the fiscal year.

Even with all of the changes, the Mobility Authority remained focused on our efforts to extend the 183A project and complete the Manor Expressway. Thanks to the continuing support of our community partners and TxDOT, the Mobility Authority is now positioned to kick off construction on these two vital projects in the coming fiscal year.

Ray A. Wilkerson

CHANGE
AT THE TOP

NEW LEADER AT THE HELM

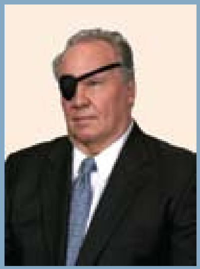
This year brought changes at the highest levels of the Mobility Authority. Board Chairman Bob Tesch decided not to seek reappointment after more than six years of volunteer service to the agency. Tesch was the agency's founding chairman and was instrumental in securing early agency funding, guiding agency development and expediting construction of the 183A project.

Central Texas businessman and philanthropist Ray A. Wilkerson has been appointed by Governor Rick Perry to replace Tesch. Wilkerson is president of Ray Wilkerson Companies Inc., a commercial real estate development firm. He previously served as a board member and Chairman of the Lower Colorado River Authority and as Vice Chairman of the Texas Rehabilitation Commission. Wilkerson is a graduate of the University of Texas with a degree in Business Administration.

Ray A. Wilkerson
Chairman

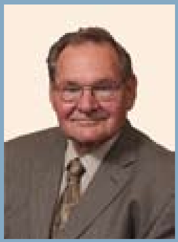
BOARD MOURNS LOSS

One of the Mobility Authority's most insightful and colorful board members, Lowell Lebermann Jr. passed away on July 9, 2009 while vacationing in Colorado. Lebermann, age 70, dedicated his life to improving his beloved Austin and all of Central Texas. A former member of the Austin City Council and the University of Texas System Board of Regents, Mr. Lebermann remained a public servant of the highest regard and supported numerous community organizations such as the Hill Country Conservancy, Austin Symphony Orchestra, Paramount Theater, United Way and Salvation Army. Lebermann was the owner and Chairman of Centex Beverage and served on numerous corporate boards. He was a founding member of the Mobility Authority, having served since the Board's first meeting in January 2003.



Lowell H. Lebermann Jr.
Past Vice Chair

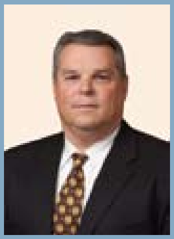
MOBILITY AUTHORITY BOARD OF DIRECTORS



James H. Mills
Vice Chair

Robert L. Bennett, Jr.
Treasurer

Henry H. Gilmore



David Singleton

Nikelle Meade

Mike Heiligenstein
Executive Director

FUNDING CHANGE

2009 was among the most economically challenging in the past 50 years. Credit markets froze, bond insurers went into a tailspin, and, in much of the country, toll road transactions were down. Amidst these difficulties, the Mobility Authority managed to convert 183A to cashless toll collection, and the agency was fortunate to still experience revenue growth of 12.4% and transaction growth of 10.4%. The Mobility Authority also managed to fund the development of two priority projects, the 183A Northern Extension and US 290 East (Manor Expressway). Despite these positive results, the overall outlook for transportation funding remains uncertain.

A TRANSFORMATION IN WASHINGTON?

This year brought change in Washington and with it an aggressive program to stimulate the economy. The Mobility Authority is a beneficiary of the federal stimulus program, receiving a $90 million grant to expedite construction of the flyovers at the interchange between US 183 and US 290 (Manor Expressway).

Despite this one time allocation of money, the funding picture for transportation remains bleak at the federal level. After propping up the Federal Transportation Trust Fund with an $8 billion infusion of cash in September 2008, the fund needed another $7 billion in 2009 just to maintain current levels of transportation funding.

Meanwhile, Congress has struggled to find a long term solution to the funding crisis. With greater vehicle fuel efficiency likely to drive down gas tax revenue even further in coming years, Congress has been struggling to find an acceptable way to generate new revenue. Congress is in the process of developing a new transportation bill, but it remains unclear whether the bill will create a sustainable funding source for transportation.

TEXAS STILL STRUGGLING WITH FUNDING CRISIS

During the 2009 legislative session, lawmakers in Texas faced many of the same unpleasant realities that their counterparts in Congress have endured. Despite a deepening transportation funding crisis, the Legislature rebuffed efforts to raise new revenue. Even with near unanimous support from the Central Texas legislative delegation, proposals to index the gas tax to inflation or provide local voters with the option to raise taxes for transportation were rejected. At the same time, lawmakers did not renew legislation that had allowed private companies to invest in new toll road projects. Still, the Legislature did redirect $365 million in gas tax revenue that had been previously diverted to other uses and authorized the issuance of more than $2 billion in bonds. By 2013, this one time infusion of money will be mostly spent, and the transportation funding crisis is expected to deepen.

TXDOT 2030 COMMITTEE REPORT HIGHLIGHTS THE CHALLENGE AHEAD

In February 2009 a committee of respected business and community leaders from across Texas released a report detailing the bleak road ahead for the transportation system in Texas. The committee, which was appointed by Texas Transportation Commission Chair Deirdre Delisi at the request of Governor Rick Perry, found that Texas needs to spend more than $125 billion over the next 22 years to make sure existing roads and bridges in Texas remain in a safe and acceptable condition. In addition, the committee found that the state will need to spend $171 billion to keep congestion from getting worse in urban areas and another $19 billion to meet needs in rural areas. During that same period the state is only projected to have $70 billion, leaving an overall funding deficit of at least $245 billion.

Funding challenges exist for other modes of transportation as well. Historically, public transit in Texas has been funded at the local level. The 2030 committee found that Texas spends just $1.23 per person on public transit, while the national average for state funding of public transit is $37.40 per person. The committee determined that an additional $36.4 billion would be needed to adequately fund public transit over the next 22 years. Needs were also identified for freight rail, intercity passenger rail, ports and waterways and airports.

The report did not identify potential solutions to the funding crisis. It simply noted that difficult decisions lie ahead, and that state leaders must use limited resources wisely by optimizing the level of investment with the right mix of strategies to protect Texas' economic competitiveness and preserve the quality of life for Texans.

TOTAL INFRASTRUCTURE INVESTMENT NEEDED (2008 $) IN TEXAS

	2009-2030	Per Year
Pavements	$89 Billion	$4.0 Billion
Bridges	$36 Billion	$1.6 Billion
Urban Mobility	$171 Billion	$7.8 Billion
Rural Mobility & Safety	$19 Billion	$0.9 Billion
TOTAL	**$315 Billion**	**$14.3 Billion**

2030 Committee Texas Transportation Needs Report

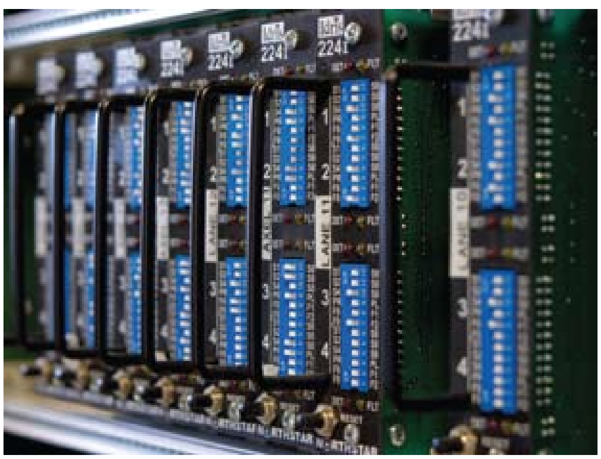
183A

A CINDERELLA

STORY

TRAFFIC GROWS AMIDST RECESSION

The Mobility Authority had to be among the most fortunate toll agencies in the United States last year. Despite a deep recession and some uncertainty regarding a decision to end cash toll collection, the agency's 183A toll road bucked national trends and produced transaction and revenue growth exceeding 10%. The solid results made 183A one of the few toll roads in recent memory to produce positive cash flow from opening day. While some new toll roads have failed to live up to transactions and revenue projections, 183A has exceeded expectations during the "ramp up" period. This year's revenue, which was projected to be around $12.1 million, was instead $17.4 million, 42% above projection.



CASHLESS TOLLING GOES SMOOTHLY ON 183A

In December 2008, the Mobility Authority became just the second toll road agency in the country to convert an existing toll road to all-electronic cashless toll collection. The conversion went off without any major issues, and the results have been impressive. Despite the elimination of cash collection, drivers continue to use the road in growing numbers, and toll revenue has increased. At the same time, the Mobility Authority has reduced operating costs. The net result is a safer, faster, more environmentally friendly driving experience and a more efficient operation for the Mobility Authority.

ARREST WARRANTS EMPHASIZE TOLL ENFORCEMENT EFFORT

Some people driving 183A without paying got a wake up call this past year. The Williamson County Attorney's Office began filing criminal misdemeanor charges against drivers with unpaid tolls. Facing criminal charges and outstanding bills of up to $2,000 or more, many decided to pay up. Others, however, failed to respond to the charges, and arrest warrants were issued. The primary goal of the enforcement program is to make sure that everyone pays their fare share, which is what paying customers expect. The approach appears to be working, as a number of chronic violators have stopped breaking the law.

NEW ARENA HIGHLIGHTS GROWTH TREND ALONG 183A

In the City of Cedar Park, the big news is a $55 million, 8,700-seat event center, located adjacent to 183A. The facility is home to the Texas Stars Hockey Club and will host a wide range of events including concerts, conventions, graduation ceremonies and athletic competitions. The 48-acre site includes 2,700 parking spaces and a 17-acre mixed-use development. The arena has already boosted traffic on 183A.

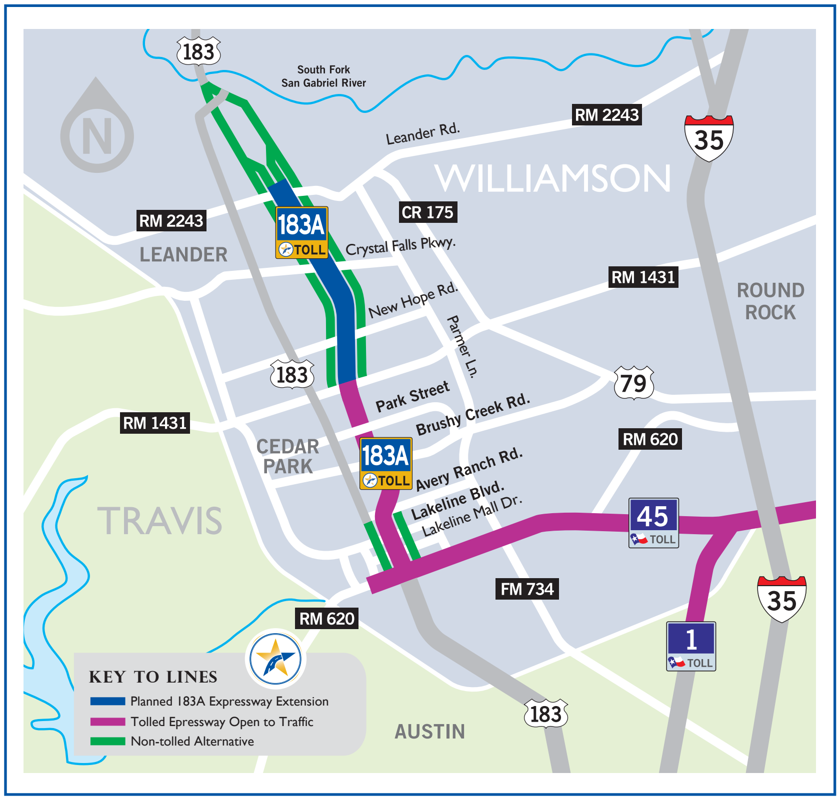
RELIEVING CONGESTION SAVES FUEL AND REDUCES AIR POLLUTION

In 2009, a study was completed to determine what environmental benefits have been achieved by construction of the 183A project. The study involved comparing the fuel consumption and vehicle emissions of similar vehicles using the 183A toll road versus the parallel congested, non-tolled US 183. The study found that drivers using 183A instead of US 183 would on average save 108 gallons of fuel and approximately $281 each year, a fuel savings of 26%. In addition, drivers on 183A produce 28% fewer carbon dioxide emissions and 56% less nitrous oxide emissions. Such emissions contribute to the creation of ground level ozone, which can be especially hazardous to people with lung disease and asthma. Carbon emissions have been associated with global warming, and efforts are underway worldwide to reduce them.

Cedar Park Center

SOLID RESULTS DRIVE NORTHERN EXTENSION OF 183A

With traffic and revenue on 183A continuing to far exceed projections, the Mobility Authority has put the northern extension of 183A on the fast track. Final design was completed during the past year, and construction has been slated for 2010. The project will extend 183A approximately 5 miles from FM 1431 north to a point just beyond RM 2243. If all goes as planned, the extension should open in 2012. When the new toll road opens, drivers will still be able to access the 183A frontage road at no cost.



PAY BY MAIL PROGRAM REPLACES CASH TOLL BOOTHS

PAY BY
MAIL

Approximately 20% of the Mobility Authority's customers were paying with cash when the cash toll booths closed in December. To continue collecting tolls from those customers, the Mobility Authority adopted a license plate based, video tolling program known as "Pay By Mail." The program is run by an outside contractor, Municipal Services Bureau (MSB). MSB is compensated through fees and fines charged to drivers who use the service. The only cost born by the Mobility Authority is for the processing of license plate images. Including tolls, fees and fines, the Pay By Mail program has a revenue recovery rate of approximately 75%, resulting in an overall violation rate on 183A of around 3.5% - a remarkable rate when compared to other facilities around the country.

MANOR EXPRESSWAY CLEARED FOR CONSTRUCTION

In March 2009, decades of work culminated with the Federal Highway Administration's approval of the Environmental Assessment for the Manor Expressway project. The approval, otherwise known as a Finding of No Significant Impact (FONSI), was the last hurdle necessary to authorize construction of the project. Under the approved Environmental Assessment, the Mobility Authority is now authorized to widen and improve US 290 and build the Manor Expressway from US 183 east to Parmer Lane near Manor. The project is expected to cost approximately $623 million to complete.

CHANGE COMING TO
US 290 CORRIDOR

INTERCHANGE PROJECT GETS GREEN LIGHT THANKS TO STIMULUS FUNDING

One of the most expensive pieces of the Manor Expressway project will go to bid in late 2009, thanks to an infusion of money from the American Recovery and Reinvestment Act. The $90 million allocation, which was approved by the Texas Transportation Commission, will allow the Mobility Authority to construct four direct connect ramps between US 183 and the Manor Expressway. Beyond funding construction of the interchange, the money helps make the entire Manor Expressway project more financially viable and easier to finance.

CASH ADVANCE KEY TO COMPLETION OF MANOR EXPRESSWAY

When the Mobility Authority first assumed responsibility for the Manor Expressway project, the agency expected about half of the $623 million project to be funded with public money, such as gas tax funding, the remainder being funded through the sale of bonds. Public money was needed to make the project feasible, especially with the additional cost of constructing the non-tolled lanes. As the transportation funding crisis worsened, the public money all but disappeared. At first, the Mobility Authority thought it might be possible to fund the entire project without public money, but the near collapse of the financial markets ended such prospects. An unexpected $90 million from the federal stimulus program gave the project a much needed boost, but still more funding was needed to keep project development moving until bonds could be sold. Fortunately, the Texas Transportation Commission agreed to loan the Mobility Authority $31.6 million from the State Infrastructure Bank to fund right-of-way acquisition and utility relocation. In the meantime, the Mobility Authority used its own limited resources to advance the engineering and right-of-way acquisition. It is anticipated that the SIB loan will be repaid when the project's permanent financing is completed. These critical activities will help keep the project moving forward.

PHASED CONSTRUCTION PLANNED FOR MANOR EXPRESSWAY

Despite significant funding obstacles, the Mobility Authority has remained tenacious and creative in its efforts to ensure the Manor Expressway becomes a reality. Without the financial resources necessary to construct the project all at one time, the Mobility Authority is taking a phased approach, similar to the one used on 183A. Work will commence in 2010 on the interchange at US 183, otherwise referred to as Segment 1. Then in 2011, construction is expected to begin on Segment 1A, a 1.4 mile segment running from US 183 east to Chimney Hill Drive. At the same time, the Mobility Authority will be continuing design work and identifying funding options to complete the remaining portions of the project. If all goes as planned, the entire Manor Expressway could be open to traffic by 2015.

PROGRESS BEING MADE ON MOPAC IMPROVEMENT PROJECT

In FY 2009, the Mobility Authority completed a comprehensive study of the proposal to construct express lanes on MoPac from downtown Austin to Parmer Lane. The goal of the study was to determine if express lanes could improve mobility in the corridor without creating unwanted operational or safety issues. After conducting extensive traffic modeling, it was determined that express lanes could be added without negatively affecting the existing roadway conditions. In fact, the traffic models showed that the express lanes would actually reduce congestion in the general purpose lanes while providing users of the express lanes with guaranteed travel times. The Mobility Authority is currently working with TxDOT to fund completion of the required environmental studies. Although construction is probably still several years away, progress is being made.

The project will have the following benefits:

- Non-congested travel option
- Transit movement
- Traffic management
- Uses existing footprint
- Emergency vehicle movement
- Gives drivers a choice
- Time savings for all users
- Moves regional traffic

ROUND ROCK RAIL

The Mobility Authority has teamed up with the City of Round Rock to study the possibility of creating a commuter rail link between the cities of Round Rock, Georgetown, Pflugerville and downtown Austin. The study should be completed by late 2009. If the project proves feasible, the City of Round Rock may seek funding from the Federal Transit Administration's New Starts program or the federal stimulus program. If it is not feasible, the Mobility Authority will collaborate with other regional transportation entities to provide an alternative for residents and commuters in this rapidly growing area.

HERO PROGRAM

The federal stimulus program is putting a popular motorist aid service back on the road in Central Texas. The Highway Emergency Response Operator (HERO) roadside assistance program, which helps disabled motorists and assists with the clearing of accident scenes, was cut a couple of years ago due to budget reductions at TxDOT. This year, the Capital Area Metropolitan Planning Organization allotted $1.4 million in federal stimulus funding to the Mobility Authority to restart the program. The Mobility Authority is currently developing contract documents and is preparing to advertise for private contractors to provide the service. The HERO program is focused on the IH-35 corridor, the busiest highway in Central Texas.

PUBLIC INTEREST PUTS MANCHACA EXPRESSWAY ON MOBILITY AGENDA

Residents of neighborhoods along Brodie Lane in south Austin put the Manchaca Expressway project back in the spotlight this past year. Their concerns about mobility in the southwest region led the Capital Area Metropolitan Planning Organization to form a working group to study the project. To no one's surprise, the main challenge turned out to be finding money to fund the project. The working group developed a number of options with the number one option being a non-tolled facility. However, the group was unable to identify funding to build the non-tolled option. Neighborhood residents appeared to be more focused on getting the project built rather than worrying about whether or not it would be tolled. The Mobility Authority is continuing to work with community leaders to identify possible funding scenarios. The project must undergo an environmental study, so construction is not expected for a number of years, even if funding can be identified. It is being evaluated in comparison with other possible alternatives in the southwest region.

June 30, 2009 and 2008

FINANCIAL STATEMENTS AND MANAGEMENT

Discussion and Analysis

with Independent Auditor's Report Thereon

This section of the Central Texas Regional Mobility Authority (the "Authority") financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year that ended June 30, 2009. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- Bonds payable were issued in 2005 and have an outstanding balance of $173.1 million as of June 30, 2009. The bonds are repayable over the next 36 years.
- During 2008, the Authority borrowed the entire balance of the TIFIA loan, totaling $66 million. The loan is repayable over the next 34 years.
- During 2009, bonds were issued for $15 million and mature in October 2010.
- Investments decreased by $11.2 million.
- Property and equipment, including construction in progress, increased by $24.8 million during the year ended June 30, 2009.
- Total operating expenses were approximately $29.5 million and $26.5 million in 2009 and 2008, respectively.
- Total construction in progress was approximately $31.9 million, $9.3 million and $4.5 million as of June 30, 2009, 2008 and 2007, respectively. A significant portion of construction in progress for the 183A Toll Road was reclassified as property and equipment during 2007. Depreciation on the toll road and related capitalized expenses was approximately $8.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of this annual report consists of two parts: management's discussion and analysis (this section), and the basic financial statements and the notes to the financial statements.

The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units on an accrual basis. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and depreciation of assets is recognized in the statements of revenues, expenses and changes in net assets. All assets and liabilities associated with the operation of the Authority are included in the statements of net assets.

FINANCIAL ANALYSIS OF THE AUTHORITY

NET ASSETS

The Authority's total net assets were approximately $59.5 million, $70.7 million and $78.0 million as of June 30, 2009, 2008 and 2007, respectively (See Table A-1). In 2009, total assets increased 3.5% to $332.4 million, and total liabilities increased 9% to $272.9 million, resulting in a decrease of 15.9% in total net assets. The decline of $11,219 is the result of 2009 operating deficit of $12,169, which was offset by interest income of $950.

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

	2009	2008	2007
Current assets	$ 4,238	$ 5,436	$ 7,803
Restricted assets	53,837	58,415	79,462
Capital assets	265,320	248,640	242,052
Bond issuance cost	9,039	8,694	9,570
Total assets	$332,434	$321,185	$338,887
Total liabilities	$272,934	$250,466	$260,872
Net assets:			
Invested in capital assets	$ 12,642	$ 5,712	$ 230
Restricted for other purposes	42,620	59,571	69,982
Unrestricted	4,238	5,436	7,803
Total net assets	$ 59,500	$ 70,719	$ 78,015

CHANGES IN NET ASSETS

Changes in net assets as of June 30, 2009 and 2008 were approximately ($11.2) million and ($7.3) million, respectively, a 16% decrease and 9% decrease from June 30, 2008 and 2007, respectively. The Authority's total revenues were $18.3 million, a decrease of 5% from 2008, and total expenses were $29.5 million, an increase of 11% over 2008. See Table A-2.

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

	2009	2008	2007
Revenues:			
Toll revenue	$17,404	$15,484	$ 976
Grants and contributions	-	-	-
Other revenue	868	3,812	523
Total revenues	18,272	19,296	1,499
Expenses:			
Administration	26,635	24,650	3,738
Professional services	2,856	1,847	749
Total expenses	29,491	26,497	4,487
Contributed capital	-	(95)	18,431
Change in net assets	(11,219)	(7,296)	(2,988)
Total net assets, beginning of the year	70,719	78,015	62,572
Total net assets, end of the year	$59,500	$70,719	$78,015

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2009, and 2008 and 2007, the Authority had invested approximately $31.9 million, $9.3 million and $4.5 million, respectively, in construction-in-progress, including engineering fees and preliminary costs, such as funding, consulting, environmental, legal and traffic analysis fees. See Table A-3.

Table A-3
Capital Assets
(net of depreciation, in thousands of dollars)

	2009	2008	2007
Property and equipment	$ 9,583	$ 9,374	$ 7,686
Toll road	240,005	238,045	230,573
Accumulated depreciation	(16,135)	(8,043)	(749)
Construction work in progress	31,867	9,264	4,542
Net capital assets	$265,320	$248,640	$242,052

LONG-TERM DEBT

The Authority issued its Series 2005 Senior Lien Revenue Bonds and Series 2005 Subordinate Lien Revenue Bond Anticipation Notes (Series 2005 Subordinate Lien BANs) on March 2, 2005, collectively called the Series 2005 Obligations. The Series 2005 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2005 CIBs) and in part as Convertible Capital Appreciation Bonds (Series 2005 Convertible CABs).

The proceeds from the Series 2005 Obligations were used to: i) finance a portion of the costs of planning, designing, engineering, developing and constructing the interim phase of the 183A Turnpike Project, ii) pay a portion of the costs of studying, evaluating, and designing additional turnpike projects within the Authority's jurisdiction, iii) pay capitalized interest with respect to the Series 2005 Obligations, iv) fund a debt service reserve fund for the Series 2005 Senior Lien Revenue Bonds, v) provide working capital to the Authority and vi) pay the issuance costs of the Series 2005 Obligations.

The U.S. Department of Transportation agreed to lend the Authority up to $66 million ("TIFIA Bond") to pay or reimburse a portion of the costs of the 2005 Project, including any refinancing of the Series 2005 Subordinate Lien BANs, under a secured loan agreement between the Authority and the U.S. Department of Transportation.

On January 1, 2008, the Authority borrowed the entire balance of the $66 million TIFIA Bond to pay down the Series 2005 Subordinate Lien BANS. The maturity date of the TIFIA Bond is January 1, 2042. Interest on the TIFIA Bond accrues at an annual rate of 4.69%, with interest payable each January 1 and July 1, commencing January 1, 2012.

The Authority issued Revenue Notes, Taxable Series 2009, in aggregate principal amount of $15,000,000 (the "Series 2009 Notes") pursuant to the Indenture and Supplemental Indenture on May 1, 2009 to i) pay a portion of the costs of the 2009 Projects and ii) pay costs of issuance for the Series 2009 Notes, all under and in accordance with the Constitution and the laws of the State of Texas.

As of June 30, 2009, the Authority had total bond debt outstanding of approximately $259 million. See Table A-4.

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

	2009	2008	2007
Series 2005 and 2009 Obligations			
Subordinated Lien Revenue Bond Anticipation Notes	$ -	$ -	$ 66,746
Convertible Capital Appreciation Bonds	16,332	16,332	16,333
Current Interest Bonds	171,680	156,902	157,045
TIFIA Bond	70,753	67,548	-
Net bond debt outstanding	$258,765	$240,782	$240,124

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority, 301 Congress Avenue, Suite 650, Austin, TX 78701.

INDEPENDENT AUDITORS' REPORT

Members of the Central Texas Regional Mobility Authority:

We have audited the statements of net assets of the Central Texas Regional Mobility Authority (the Authority), as of June 30, 2009 and 2008, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, and assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 17 through 21 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

PMB HELIN DONOVAN, LLP

PMB Helin Donovan, LLP

October 8, 2009

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	2009	2008
Assets:		
Current assets:		
Cash and cash equivalents (note 2)	$ 123,191	$ 112,999
Investments (note 2)	3,372,267	4,569,889
Due from other agencies	695,259	695,406
Accrued interest receivable	3,663	3,335
Prepaid expenses and other assets	43,258	54,869
Total current assets	4,237,638	5,436,498
Restricted assets:		
Cash and cash equivalents (note 2)	17,431,280	12,055,662
Investments (note 2)	36,405,621	46,358,867
Total restricted assets	53,836,901	58,414,529
Property, toll road and equipment, net (note 3)	233,452,840	239,376,586
Construction work in progress (note 3)	31,866,693	9,263,800
Bond issuance costs, net	9,039,559	8,693,850
Total assets	$ 332,433,631	$ 321,185,263
Liabilities:		
Current liabilities:		
Accounts payable	$ 6,505,070	$ 2,189,215
Accrued interest payable	4,183,872	4,127,325
Accrued expenses	364,475	259,077
Total current liabilities	11,053,417	6,575,617
Noncurrent liabilities:		
TIFIA bond (note 4)	70,752,832	67,547,702
Bonds payable - 2009 Series (note 4)	14,929,167	-
Bonds payable - 2005 Series (note 4)	173,082,981	173,234,022
Accumulated accretion on capital appreciation bonds (note 4)	2,970,896	2,146,758
Retainage payable	144,777	962,228
Total liabilities	272,934,070	250,466,327
Net assets:		
Invested in capital assets, net of related debt	12,641,786	5,711,904
Restricted for other purposes	42,620,137	59,570,534
Unrestricted	4,237,638	5,436,498
Total net assets	59,499,561	70,718,936
Total liabilities and net assets	$ 332,433,631	$ 321,185,263

See accompanying notes to financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
June 30, 2009 and 2008

	2009	2008
Operating Revenues		
Tolls	$ 17,404,343	$ 15,484,213
Other	3,087	43,015
Total revenues	17,407,430	15,527,228
Operating expenses		
Salaries and wages	2,149,952	1,945,978
Other contractual services	2,799,299	2,486,198
Professional services	2,855,899	1,846,654
General and administrative	10,139,443	8,774,390
Total operating expenses	17,944,593	15,053,220
Total operating loss	(537,163)	474,008
Nonoperating revenues/expenses		
Interest income, net of interest capitalized, (note 2)	950,218	3,764,688
Interest expense	(11,546,645)	(11,443,524)
Gain (loss) on sale of fixed assets	(85,785)	4,182
Contributed right of way	-	(95,789)
Change in net assets	(11,219,375)	(7,296,435)
Total net assets at beginning of the year	70,718,936	78,015,371
Total net assets at end of the year	$ 59,499,561	$ 70,718,936

See accompanying notes to financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
STATEMENTS OF CASH FLOWS
June 30, 2009 and 2008

	2009	2008
Cash flows from operating activities:		
Receipts from toll fees	$ 17,404,490	$ 15,072,606
Receipts from other fees	3,087	43,016
Receipts from interest income	949,890	3,804,166
Payments to vendors	(7,531,211)	(11,861,552)
Payments to professionals	(2,855,899)	1,846,654
Payments to employees	(2,124,342)	(1,907,447)
Net cash flows used in operating activities	5,846,015	(6,997,443)
Cash flows from capital and related financing activities:		
Acquisitions of property and equipment	(2,210,650)	(9,256,718)
Payments on interest	(7,439,450)	(7,439,500)
Acquisitions of construction in progress	(16,960,973)	(14,116,847)
Payment of Series 2005 Subordinated Lien Revenue Bond Anticipation Notes	-	(66,000,000)
Proceeds from TIFIA Loan	-	66,000,000
Proceeds from Series 2009 Bonds	15,000,000	-
Net cash flows used in capital and related financing activities	(11,611,073)	(30,813,065)
Cash flows from investing activities:		
Purchase of investments	(37,184,820)	(88,170,632)
Proceeds from sale or maturity of investments	48,335,688	123,514,395
Net cash flows provided by investing activities	11,150,868	35,343,763
Net increase in cash and cash equivalents	5,385,810	11,528,141
Cash and cash equivalents at beginning of year	12,168,661	640,520
Cash and cash equivalents at end of year (including $17,431,280 for 2009 and $12,055,662 for 2008 reported in restricted assets)	$ 17,554,471	$ 12,168,661
Reconciliation of change in net assets to net cash used in operating activities:		
Change in net assets	$ (11,219,375)	$ (7,296,435)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	8,134,396	7,294,685
Nonoperating interest	7,439,450	7,439,500
Return of right of way	-	95,789
Changes in assets and liabilities:		
Increase in prepaid expenses and other assets	11,611	(29,167)
Increase in non-cash revenue (due from other agencies)	147	(411,607)
Increase (decrease) in accounts payable	1,374,388	(155,535)
Increase in accrued expenses	105,398	60,213
Total adjustments	17,065,390	14,293,878
Net cash flows provided by operating activities	$ 5,846,015	$ 6,997,443
Supplemental disclosure of non-cash transactions:		
Contributed (return of) right of way	$ -	$ (95,789)

See accompanying notes to financial statements.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Central Texas Regional Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority applies Financial Accounting Standards Board pronouncements and Accounting Principles Board opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails, and all of the GASB pronouncements issued subsequently. The more significant of the Authority's accounting policies are described below:

A. Reporting Entity - The Central Texas Regional Mobility Authority (the Authority) was created by the State of Texas in 2002. The Authority is authorized to construct, maintain, repair and operate turnpike projects at locations authorized by the Legislature of the State of Texas and approved by the State Department of Transportation. The Authority receives its revenues from tolls, fees and rents from the operation of turnpike projects. The Authority may issue revenue bonds for the purpose of paying the costs of turnpike projects.

The Authority was formed through the joint efforts of Travis and Williamson Counties (the Counties). Their efforts began in September 2002, following the enactment of provisions by the 77th Texas Legislature authorizing the formation of regional mobility authorities (RMAs). The petition to form the Authority was filed by the Counties, and the Texas Transportation Commission granted approval for its formation in October 2002. The Counties appointed its initial board of directors in January 2003. Each County appointed three directors, and the Governor appointed the presiding officer. The members are appointed in belief that the composition of the board and the common interest in the region shared by all board members will result in adequate representation of all political subdivisions within the geographic area of the RMA and to serve without pay for terms of two years. The Authority has full control over all operations but must comply with certain bond indentures and trust agreements. The Authority employs an Executive Director who manages the day-to-day operations.

In evaluating how to define the Authority for financial reporting purposes, management has determined that there are no entities over which the Authority exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationships with the Authority. Since the Authority does not exercise significant influence or accountability over other entities, it has no component units.

Liquidity - During year ending June 30, 2009, the Company reported revenue of $17.4 million, and a change in net assets of approximately ($11.2 million). Management believes that is has cash on hand, anticipated 2010 operating results and available credit facilities that are sufficient to fund its operations through June 30, 2010.

B. Basis of Accounting - The operations of the Authority are accounted for as an enterprise fund on an accrual basis in order to recognize the flow of economic resources. Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized and all assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets. Operating expenses for the Authority include the costs of operating the turnpikes, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

C. Cash, Cash Equivalents and Investments - Cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less form the date of acquisition. These deposits are fully collateralized or covered by federal deposit insurance.

Investments are reported at fair value. The net change in fair value of investments is recorded on the Statements of Revenues, Expenses and Changes in Net Assets and includes the unrealized and realized gains and losses on investments.

D. Compensated Absences - Vested or accumulated vacation leave is recorded as an expense and a liability as the benefits accrue to employees. There are no accumulating sick leave benefits that vest for which any liability must be recognized.

E. Capital Assets - Capital assets, which include property, equipment and infrastructure assets, are reported at cost. Capital assets are defined as assets with initial, individual costs exceeding $500 to $20,000 depending on asset category. Depreciation is computed on the straight-line method over the following estimated useful lives:

Roads and bridges, 40 years
Improvements, 5-20 years
Buildings, 20-30 years
Equipment, 3-7 years

A full month's depreciation is taken in the month an asset is placed in service. When property and equipment are disposed, depreciation is removed from the respective accounts, and the resulting gain or loss, if any, is recorded in operations.

Prior to the reclassification of the construction-in-progress related to the 183A toll road to property and equipment, the majority of capitalized costs for the year ended June 30, 2009 and 2008 relate to construction-in-progress. During fiscal years 2009 and 2008, computer and other types of equipment were obtained and depreciated using the straight-line method over periods ranging from 3 to 7 years.

The Authority capitalizes interest cost of restricted, tax-exempt borrowings less any interest earned on temporary investment of the proceeds of those borrowings from the date of borrowing until the specified qualifying assets acquired with those borrowings are ready for their intended use.

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

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Grants and Contracts - Revenues include charges paid by a related party related to a sublease contract agreement. Revenues on grants and contributions including right-of-way property that is restricted to meeting the operational or capital requirements of a particular program. The Authority considers all grant and contributions to be 100% collectible.

G. Investments - The Authority invests funds in accordance with its investment policy, bond indentures and the Texas Public Funds Investment Act. Investments are carried at fair value. Fair value is defined as the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value is determined typically by quoted market prices.

H. Restricted Assets - Certain proceeds of the Authority's bonds and grants, as well as certain other resources, are classified as restricted assets in the statement of net asset because they are maintained in separate investment accounts, and their use is limited by applicable bond covenants and grant agreements. The Authority's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

I. Income Taxes - The Authority is an instrumentality of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes. Bond obligations issued by state and local governments are tax-exempt only if the issuers pay rebate to the federal government of the earnings on the investment of the proceeds of a tax-exempt issue in excess of the yield on such obligations and any income earned on such excess.

J. Bond Premiums, Discounts and Issuance Costs - The Authority amortizes premiums and discounts over the estimated life of the bonds as an adjustment to capitalized interest. Bond issuance cost is amortized over the estimated life of the bonds. In the years ended June 30, 2009 and 2008, the Authority amortized $875,676 and $1,432,315 of issuance costs, respectively.

K. Classification of Operating and Non-operating Revenue and Expenses - The Authority defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with GASB Statement No. 9, which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities.

L. Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Reclassifications - Certain amounts reported in prior periods have been reclassed to conform to current year presentation. Interest expense has been reclassified from general and administrative expenses to nonoperating expense, and gain on the sale of fixed assets has been reclassed from other revenue to nonoperating revenue.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

2. CASH AND INVESTMENTS

Deposit and investment resources are exposed to risks that have the potential to result in losses that could impact the delivery of the Authority's services. In March, 2003, the Governmental Accounting Standards Board (GASB) issued Statement No. 40, *Deposit and Investment Risk Disclosures*. Statement No. 40 updates the disclosure and reporting of custodial credit risk under GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements,* and also addresses other common risks, including credit risk, concentration of credit risk, interest rate risk,and foreign currency risk. The provisions of Statement No. 40 require the additional disclosures presented in these notes but have no impact on the Authority's net assets.

The Authority's Board has adopted an Investment Policy to set forth the factors involved in the management of investment assets for the Authority. The Authority seeks to mitigate risk by investing in compliance with the investment policy, qualifying the broker or financial institution with whom the Authority will transact, maintain sufficient collateralization, portfolio diversification and limiting maturity.

As of June 30, 2009 and 2008, the Authority had the following investments:

Summary of Investments by Type		2009	2008
TexSTAR Investment Pool	$	35,677,888	48,421,115
Certificates of Deposit		3,100,000	1,500,000
U.S. Government Agency securities:			
Federal Home Loan Mortgage Corp.		1,000,000	1,007,641
Total investments	$	39,777,888	50,928,756
Unrestricted investments	$	3,372,267	4,569,889
Restricted investments		36,405,621	46,358,867
Total investments	$	39,777,888	50,928,756
Interest income	$	950,218	3,764,688
Total investment income	$	950,218	3,764,688

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. While the Board has no formal policy specific to custodial credit risk, operating bank accounts are fully collateralized with pledged securities.

At June 30, 2009, the carrying amount of the Authority's cash and cash equivalents was $17,554,471. The bank balance was $265,209 as of June 30, 2009. The remaining amount was maintained in money market accounts. At June 30, 2008, the carrying amount of the Authority's cash and cash equivalents was $12,168,661. The bank balance was $193,595 as of June 30, 2008. The remaining amount is maintained in money market accounts.

There is no limit on the amount the Authority may deposit in any one institution. The Authority is fully collateralized with pledged securities for amounts in excess of the FDIC limit for the year ended June 30, 2009.

Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial risk if the securities are uninsured, are not registered in the name of the Authority and are held by the counterparty, its trust or agent, but not in the Authority's name. The Authority's investment securities are not exposed to custodial credit risk because all securities are held by the Authority's custodial bank in the Authority's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. The Authority is authorized to invest funds in accordance with its investment policy, bond indentures and the Texas Public Funds Investment Act. Authorized investments include, but are not limited to: U.S. Treasury and Federal Agency issues, certificates of deposit issued by a state or national bank domiciled in the State of Texas, repurchase agreements collateralized by U.S. Treasury or Federal Agency securities, guaranteed investment contracts (GICs), obligations of states and municipalities, SEC registered no-load money market mutual funds and local government investment funds. The Authority's investments are insured or registered and are held by the Authority or its agent in the Authority's name.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

2. CASH AND INVESTMENTS (CONTINUED)

With regards to investment composition, the Authority's investment policy currently states that local government investment pools may not exceed 80% of the total investment portfolio less bond funds. Bond funds may be invested at 100% of total investment portfolio. No other parameters for investment composition are stated in the approved investment policy.

As of June 30, 2009 and 2008, the following was the composition of the Authority's portfolio:

	2009	2008
TexSTAR Investment Pool	92.8%	95.1%
United States Government Agency securities	1.8%	2.0%
Certificates of Deposit	5.4%	2.9%

Interest Rate Risk

Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio.

The Authority's investment policy notes that with regard to maximum maturities, the Authority will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Authority will not directly invest operating or general funds in securities maturing more than sixteen months from the date of purchase, unless approved by the Authority's Board. Investment of bond proceeds shall not exceed the projected expenditure schedule of the related project. Reserve funds may be invested in securities exceeding twelve months if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

As of June 30, 2009 and 2008, all of the Authority's investments mature within one year. The weighted average maturity of the TexSTAR Investment Pool at June 30, 2009 and 2008 was 44 days and 31 days, respectively.

Credit Risk

Credit risk is the risk than an issuer or other counterparty to an investment will not fulfill its obligations to the Authority. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

- Limiting investments to the safest types of securities, as listed above under the 'Concentration of Credit Risk' section; and
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the Authority will do business

The TexSTAR Investment Pool is rated AAA by Standard and Poor's and is fully collateralized and maintains a weighted average maturity of 60 days or less, with a maximum maturity of 13 months for any individual security. The amounts can be withdrawn with limited notice. The United States government agency securities are obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government and are not considered to have credit risk.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

3. CAPITAL ASSETS

The following schedule summarizes the capital assets of the Authority as of June 30, 2009 and 2008:

Property, toll road and equipment as of June 30, 2009:

	2008	Additions/ Disposals	Reclass	2009
Property and equipment	$ 9,374,240	208,427	-	$ 9,582,667
Toll Road				
Building and Toll Facilities	7,062,332	-	-	7,062,332
Highways and Bridges	197,459,351	710,517	-	198,169,868
Toll Equipment	4,587,115	(204,394)	-	4,382,721
Signs	5,274,463	356,180	-	5,630,643
Land Improvements	957,685	121,228	-	1,078,913
Right of Way	22,704,835	976,110	-	23,680,945
Accumulated depreciation	(8,043,435)	(8,091,814)	-	(16,135,249)
Net property and equipment	$ 239,376,586	(5,923,745)	-	$ 233,452,840

Property, toll road and equipment as of June 30, 2008:

	2007	Additions/ Disposals	Reclass	2008
Property and equipment	$ 7,686,099	1,688,141		$ 9,374,240
Toll Road				
Building and Toll Facilities	6,897,618	164,714	-	7,062,332
Highways and Bridges	190,310,210	7,149,141	-	197,459,351
Toll Equipment	4,519,992	67,123	-	4,587,115
Signs	5,258,662	15,801	-	5,274,463
Land Improvements	819,435	138,250	-	957,685
Right of Way	22,767,076	33,548	(95,789)	22,704,835
Accumulated depreciation	(748,750)	(7,294,685)	-	(8,043,435)
Net property and equipment	$ 237,510,342	1,962,033	(95,789)	$ 239,376,586

Depreciation expense for the years ended June 30, 2009 and 2008 was $8,134,396 and $7,294,685, respectively. No retirements of capital assets occurred during the years ended June 30, 2009 and 2008.

Construction in progress as of June 30, 2009:

	2008	Additions/ Disposals	Reclass	2009
Construction in progress				
Preliminary costs	$ 8,945,906	7,277,089	-	15,745,737
Engineering	155,087	60,090	-	215,177
Construction	-	15,365,680	-	15,365,680
Collection system	162,807	(99,967)	-	62,840
Capitalized interest	-	-	-	-
Net construction in progress	$ 9,263,800	22,602,892	-	31,866,692

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

3. CAPITAL ASSETS (CONTINUED)

Construction in progress as of June 30, 2008:

	2007	Additions/ Disposals	Reclass	2008
Construction in progress				
Preliminary costs	$ 4,379,846	4,566,060	-	$ 8,945,906
Engineering	134,553	20,534	-	155,087
Construction	-	-	-	-
Collection system	27,220	135,587	-	162,807
Capitalized interest	-	-	-	-
Net construction in progress	$ 4,541,619	4,722,181		$ 9,263,800

Depreciation expense for the years ended June 30, 2009 and 2008 was $8,134,396 and $7,294,685, respectively. No retirements of capital assets occurred during the years ended June 30, 2009 and 2008.

The Authority has entered into other preliminary and engineering costs for the development of other construction projects totaling $31.9 million.

	Construction in Progress
290 East	$ 21,692,596
183/71	509,032
183A Extension	6,454,548
Other construction	3,210,516
	$ 31,866,692

4. BONDS PAYABLE

The following schedule summarizes the bonds payable as of June 30, 2009 and 2008:

Bonds Payable as of June 30, 2009:

	2008	Additions	Payments	2009
Series 2005 Obligations	$ 173,234,022	(151,041)	-	$ 173,082,981
TIFIA Bond	67,547,702	3,205,130	-	70,752,832
Series 2009 Obligations	-	14,929,167	-	14,929,167
Total	$ 240,781,724	15,000,000	-	$ 258,764,980

Bonds Payable as of June 30, 2008:

	2007	Additions	Payments	2008
Series 2005 Obligations	$ 239,234,022	-	(66,000,000)	$ 173,234,022
TIFIA Bond	-	67,547,702	-	67,547,702
Total	$ 239,234,022	67,547,702	(66,000,000)	$ 240,781,724

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

4. BONDS PAYABLE (CONTINUED)

Series 2005 Obligations

The Authority issued its Series 2005 Senior Lien Revenue Bonds and Series 2005 Subordinate Lien Revenue Bond Anticipation Notes (Series 2005 Subordinate Lien BANs) on March 2, 2005, collectively called the Series 2005 Obligations. The Series 2005 Senior Lien Revenue Bonds were issued in part as Current Interest Bonds (Series 2005 CIBs) and in part as Convertible Capital Appreciation Bonds (Series 2005 Convertible CABs).

The proceeds from the Series 2005 Obligations were used to: i) finance a portion of the costs of planning, designing, engineering, developing and constructing the interim phase of the 183A Turnpike Project, ii) pay a portion of the costs of studying, evaluating and designing additional turnpike projects within the Authority's jurisdiction, iii) pay capitalized interest with respect to the Series 2005 Obligations, iv) fund a debt service reserve fund for the Series 2005 Senior Lien Revenue Bonds, v) provide working capital to the Authority and vi) pay the issuance costs of the Series 2005 Obligations.

The Series 2005 Subordinate Lien BANs are scheduled to mature on the date and in the principal amount shown below. Interest on the Series 2005 Subordinate Lien BANs is calculated on the basis of a 360-day year of twelve 30-day months at the interest rates shown below. Interest on the 2005 Subordinate Lien BANs is payable on each July 1 and January 1, commencing July 1, 2005.

The Series 2005 CIBs are scheduled to mature on the dates and in the principal amounts shown below. Interest on the Series 2005 CIBs is calculated on the basis of a 360-day year of twelve 30-day months at the interest rates shown below. Interest on the 2005 CIBs is payable on each July 1 and January 1, commencing July 1, 2005.

The Series 2005 Convertible CABs are scheduled to mature on the dates shown below at an aggregated maturity amount of $24,010,000.

The principal amounts shown below for the Series 2005 Convertible CABs represent the total amount of outstanding principal plus the accreted and compounded interest as of June 30, 2009.

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

Under the bond indenture relating to the Series 2005 Obligations, the debt service reserve fund for the Series 2005 Senior Lien Revenue Bonds requires an amount equal to the least of i) the maximum annual debt service of all outstanding Senior Lien Obligations, ii) 1.25 times the average annual debt services of all outstanding Senior Lien Obligations or iii) ten percent of the aggregate amount of the outstanding Senior Lien Obligations, as determined on the date each series of senior lien obligations is issued. However, no debt service reserve requirement has been established with respect to the Series 2005 Subordinate Lien BANs.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

4. BONDS PAYABLE (CONTINUED)

Description	Maturity January 1	Interest Rate	Outstanding Principal	Unamortized Premium (Discount)	Total
Series 2005 Senior Lien Revenue Bonds					
Convertible Capital Appreciation Bonds	2015	4.20%	$ 1,593,394	-	$ 1,593,394
Convertible Capital Appreciation Bonds	2016	4.25%	3,124,749	-	3,124,749
Convertible Capital Appreciation Bonds	2017	4.35%	2,738,819	-	2,738,819
Convertible Capital Appreciation Bonds	2018	4.45%	2,423,743	-	2,423,743
Convertible Capital Appreciation Bonds	2019	4.50%	2,177,004	-	2,177,004
Convertible Capital Appreciation Bonds	2020	4.55%	1,969,370	-	1,969,370
Convertible Capital Appreciation Bonds	2021	4.60%	2,305,532	-	2,305,532
Total Convertible Capital Appreciation Bonds			16,332,611	-	16,332,611
Current Interest Serial Bonds	2012	5.00%	1,495,000	60,133	1,555,133
Current Interest Serial Bonds	2013	5.00%	2,720,000	135,856	2,855,856
Current Interest Serial Bonds	2014	3.50%	3,100,000	(10,352)	3,089,648
Current Interest Serial Bonds	2022	5.00%	3,260,000	195,177	3,455,177
Current Interest Serial Bonds	2023	5.00%	3,115,000	181,498	3,296,498
Current Interest Serial Bonds	2024	5.00%	2,995,000	167,011	3,162,011
Current Interest Term Bonds	2025	4.50%	2,950,000	(18,369)	2,931,631
Current Interest Term Bonds	2026	4.50%	4,235,000	(26,701)	4,208,299
Current Interest Term Bonds	2027	4.50%	4,280,000	(27,286)	4,252,714
Current Interest Term Bonds	2028	4.50%	3,815,000	(24,565)	3,790,435
Current Interest Term Bonds	2029	4.50%	3,870,000	(25,143)	3,844,857
Current Interest Term Bonds	2030	5.00%	3,930,000	167,637	4,097,637
Current Interest Term Bonds	2031	5.00%	5,200,000	223,460	5,423,460
Current Interest Term Bonds	2032	5.00%	5,250,000	227,135	5,477,135
Current Interest Term Bonds	2033	5.00%	5,315,000	231,368	5,546,368
Current Interest Term Bonds	2034	5.00%	5,395,000	236,177	5,631,177
Current Interest Term Bonds	2035	5.00%	5,490,000	241,581	5,731,581
Current Interest Term Bonds	2036	5.00%	7,170,000	263,001	7,433,001
Current Interest Term Bonds	2037	5.00%	7,320,000	269,676	7,589,676
Current Interest Term Bonds	2038	5.00%	7,485,000	276,867	7,761,867
Current Interest Term Bonds	2039	5.00%	7,670,000	284,769	7,954,769
Current Interest Term Bonds	2040	5.00%	7,875,000	293,390	8,168,390
Current Interest Term Bonds	2041	5.00%	9,000,000	336,379	9,336,379
Current Interest Term Bonds	2042	5.00%	9,245,000	346,566	9,591,566
Current Interest Term Bonds	2043	5.00%	9,520,000	357,865	9,877,865
Current Interest Term Bonds	2044	5.00%	9,810,000	369,721	10,179,721
Current Interest Term Bonds	2045	5.00%	10,125,000	382,519	10,507,514
Total Current Interest Bonds			151,635,000	5,115,370	156,750,370
Total Series 2005 Senior Lien Revenue Bonds			167,967,611	5,115,370	173,082,981
Total Series 2005 Obligations			$ 167,967,611	5,115,370	$ 173,082,981

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

4. BONDS PAYABLE (CONTINUED)

The amount of accumulated accreted interest on the Series 2005 Convertible CABs as of June 30, 2009 is set forth in the following table. The accumulated accreted interest is added to the outstanding principal on July 1 and January 1 of each year beginning July 1, 2005.

Description	Maturity January 1	Interest Rate	Outstanding Principal	Accumulated Accretion	Total
Convertible Capital Appreciation Bonds	2015	4.20%	$ 1,593,394	$ 275,006	$ 1,868,400
Convertible Capital Appreciation Bonds	2016	4.25%	3,124,749	546,191	3,670,940
Convertible Capital Appreciation Bonds	2017	4.35%	2,738,819	490,829	3,229,648
Convertible Capital Appreciation Bonds	2018	4.45%	2,423,743	445,088	2,868,830
Convertible Capital Appreciation Bonds	2019	4.50%	2,177,004	404,621	2,581,625
Convertible Capital Appreciation Bonds	2020	4.55%	1,969,370	370,399	2,339,769
Convertible Capital Appreciation Bonds	2021	4.60%	2,305,532	438,762	2,744,294
Total Convertible Capital Appreciation Bonds			$ 16,332,611	$ 2,970,896	$ 19,303,506

TIFIA Bond

The U.S. Department of Transportation has agreed to lend the Authority up to $66 million to pay or reimburse a portion of the costs of the 2005 Project, including any refinancing of the Series 2005 Subordinate Lien BANs, under a secured loan agreement between the Authority and the U.S. Department of Transportation. On March 2, 2005, the Authority issued its 2005 TIFIA Bond to evidence its obligation to repay any borrowing under such secured loan agreement.

On January 1, 2008, the Authority borrowed the entire balance of $66 million to pay down the Series 2005 Subordinate Lien BANS. The maturity date of the TIFIA bond is January 1, 2042. Interest on the TIFIA bond accrues at an annual rate of 4.69%, with interest payable each January 1 and July 1, commencing January 1, 2012. As of June 30, 2009, the Authority had a total of $1,659,154 of interest accrued on the $66,000,000 balance for a total of $70,752,832. As of June 30, 2008, the Authority had a total of $1,547,702 of interest accrued on the $66,000,000 balance for a total of $67,547,702.

Series 2009 Obligations

On May 19, 2009, the Authority secured $15 million in private placement Bonds, the full amount of which has been drawn down. The Bonds have an eighteen-month maturity and will bear interest at a rate equal to the one-month LIBOR plus .225 (3.07% as of June 30, 2009). The bonds were issued at a discount, which will be amortized over the life of the bond using the effective interest method. As of June 30, 2009, the total amount of outstanding principal balance was $15,000,000 with an unamortized discount of $70,833.

The proceeds from the Series 2009 Obligations were used to: i) finance pre-construction costs and right-of-way purchases related to the Highway 290 toll road and the 183A Extension, and ii) pay certain costs, fees and expenses in connection with the Bonds.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS

June 30, 2009 and 2008

4. BONDS PAYABLE (CONTINUED)

Series 2005 Obligations, Series 2009 Obligations and TIFIA Bond Obligations

Future payments of principal and interest on the Series 2005 Obligations and TIFIA Bond Obligations (based on the scheduled payments) as of June 30, 2009 are as follows:

Fiscal Year Ended June 30		Principal		Interest		Total Amount
2010		-		7,439,500		7,439,500
2011		15,000,000		7,439,500		22,439,500
2012		100,000		12,572,841		12,672,841
2013		150,000		13,717,228		13,867,228
2014		200,000		13,953,021		14,153,021
2015 and thereafter		245,144,174		393,095,094		638,239,268
Total obligations	$	260,594,174	$	448,217,184	$	708,811,358

Below is a reconciliation of the principal payments to the balance sheet as of June 30, 2009:

		Principal
Total obligations	$	260,594,174
Less: Capitalized TIFIA bond interest		(6,873,731)
Add: Unamortized Premium / Discount		5,186,203
Total Series 2005 and 2009 Obligations and TIFIA bond	$	258,764,980

5. REBATABLE ARBITRAGE

Current federal income tax law and the bond indentures require that certain arbitrage profits earned on nonpurpose investments attributable to outstanding, tax-exempt bonds must be rebated to the U.S. Treasury. The Authority had accrued no rebatable arbitrage as of June 30, 2009.

6. RISK MANAGEMENT

In conjunction with its normal operations, the Authority is exposed to various risks related to the damage or destruction of its assets from both natural and man-made occurrences, tort/liability claims, errors and omissions claims and professional liability claims. As a result of these exposures, the Authority carries insurance with private insurers under an "all risks" policy. All categories of insurance coverage in place were either maintained at current levels or increased as to overall limits of coverage and reduction of self-retained risk so as to reduce the overall exposure of risk to the Authority. There were no settlements in excess of insurance coverage in 2009 and 2008.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

7. EMPLOYEE RETIREMENT PLAN

Plan Description - The Authority participates in the Texas County and District Retirement System (the System). The System is a non-profit, public trust providing pension, disability and death benefits for the eligible employees of participating counties and districts. The System was established by legislative act in 1967 under authority of Article XVI of the Texas Constitution. The TCDRS Act (Subtitle F, Title 8, Texas Government Code) is the basis for the System administration. The System issues a publicly available, annual financial report that includes financial statements and required supplementary information for the Plan. That annual report may be downloaded at http://www.tcdrs.com.

Funding Policy - Plan members and the Authority are required to contribute at a rate set by statute. The contribution requirements of Plan members and the Authority are established and may be amended. During 2008 and 2007, the contribution rate for the Plan members was 7.0% of gross pay. The Authority pays a matching portion to the defined contribution pension plan totaling 13.99% and 12.59% of gross pay for 2009 and 2008, respectively, which totaled $201,343 and $158,647 for 2009 and 2008, respectively.

8. DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Receivables are comprised of current intergovernmental receivables, representing 100% of the balance at June 30, 2009 and 2008. Payable balances are comprised of 100% current payables to contractors and vendors at June 30, 2009 and 2008.

9. RELATED PARTY

The Chief Financial Officer of the Authority is the President of The Texas Short Term Asset Reserve Fund ("TexSTAR"). TexSTAR is a local government investment pool organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code and the Public Funds Investment Act, Chapter 2256, Texas Government Code. The Authority has investments of $35,677,888 and $48,421,115 in TexSTAR as of June 30, 2009 and 2008, respectively.

10. COMMITMENTS AND CONTINGENT LIABILITIES

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

2010	$100,647
2011	100,839
2012	106,491
2013	62,120
	$370,097

Coinciding with the office space lease noted above, the Authority entered into a 7-year sublease agreement with a related party for a portion of the 301 Congress Avenue space. On March 1, 2008, the related party cancelled the sublease. The total of minimum rentals received during the year ended June 30, 2008 was $41,063.

The Authority's total rental expense for fiscal years 2009 and 2008 amounted to $184,728 and $178,260, respectively.

CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

11. DUE FROM OTHER AGENCIES

Due from other agencies is comprised of amounts due from other Texas tolling authorities related to toll tag transactions on the Authority's toll road. The Authority does not issue toll tags; however, the Authority has contracted with the Texas Department of Transportation (TxDOT) to handle customer service and operations related to the toll tag transactions. As of June 30, 2009 and 2008, the receivable from the TxDOT authority comprises approximately 87% and 92% of the total balance due from other agencies, respectively, as follows.

	2009	2008
TxDOT	$ 484,623	$ 638,852
Other Agencies	210,636	56,554
Total	$ 695,259	$ 695,406

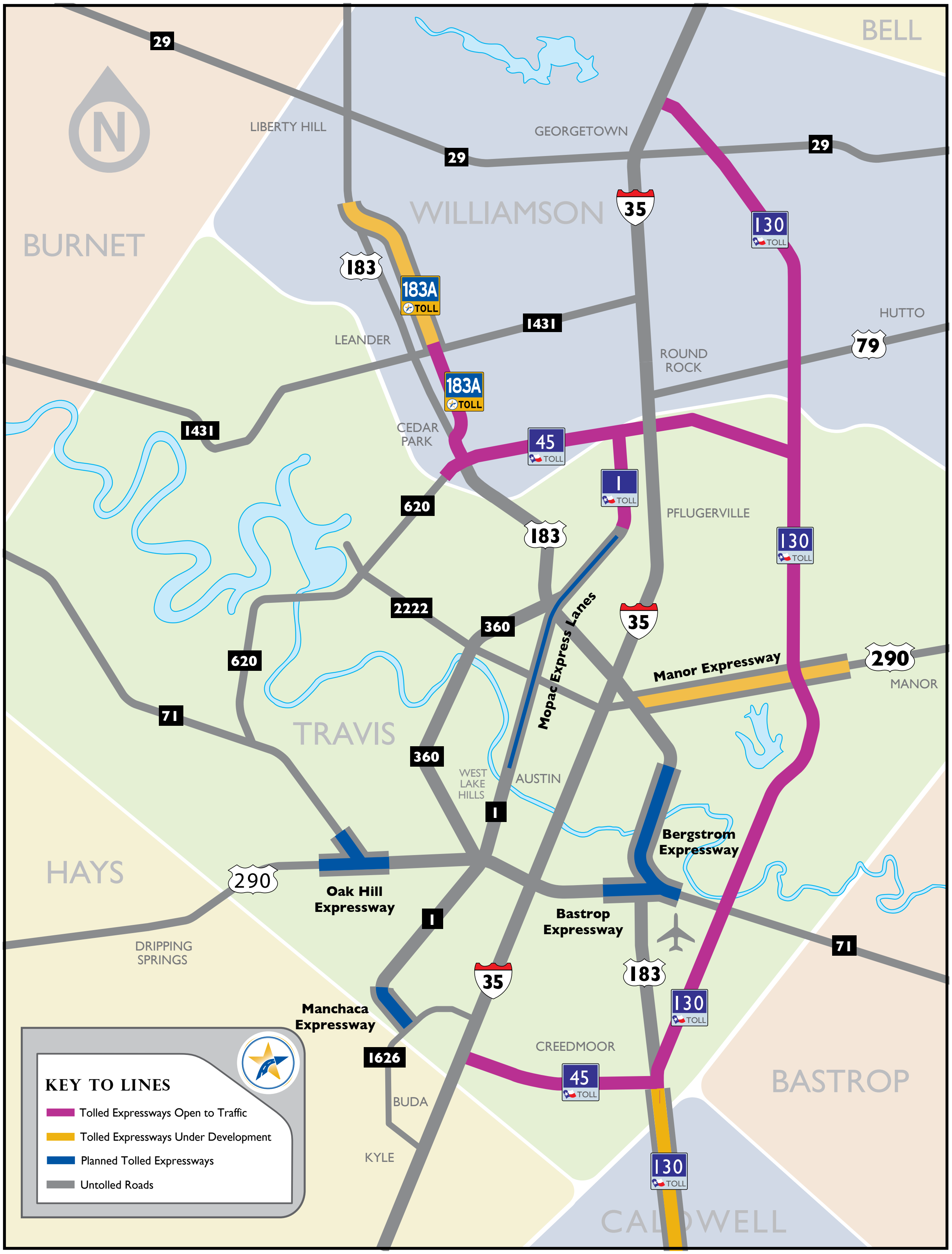
12. CONTRIBUTIONS FROM WILLIAMSON COUNTRY

During the year ended June 30, 2008, the Authority returned 2.568 acres to Williamson County estimated at a value of approximately $96,000.

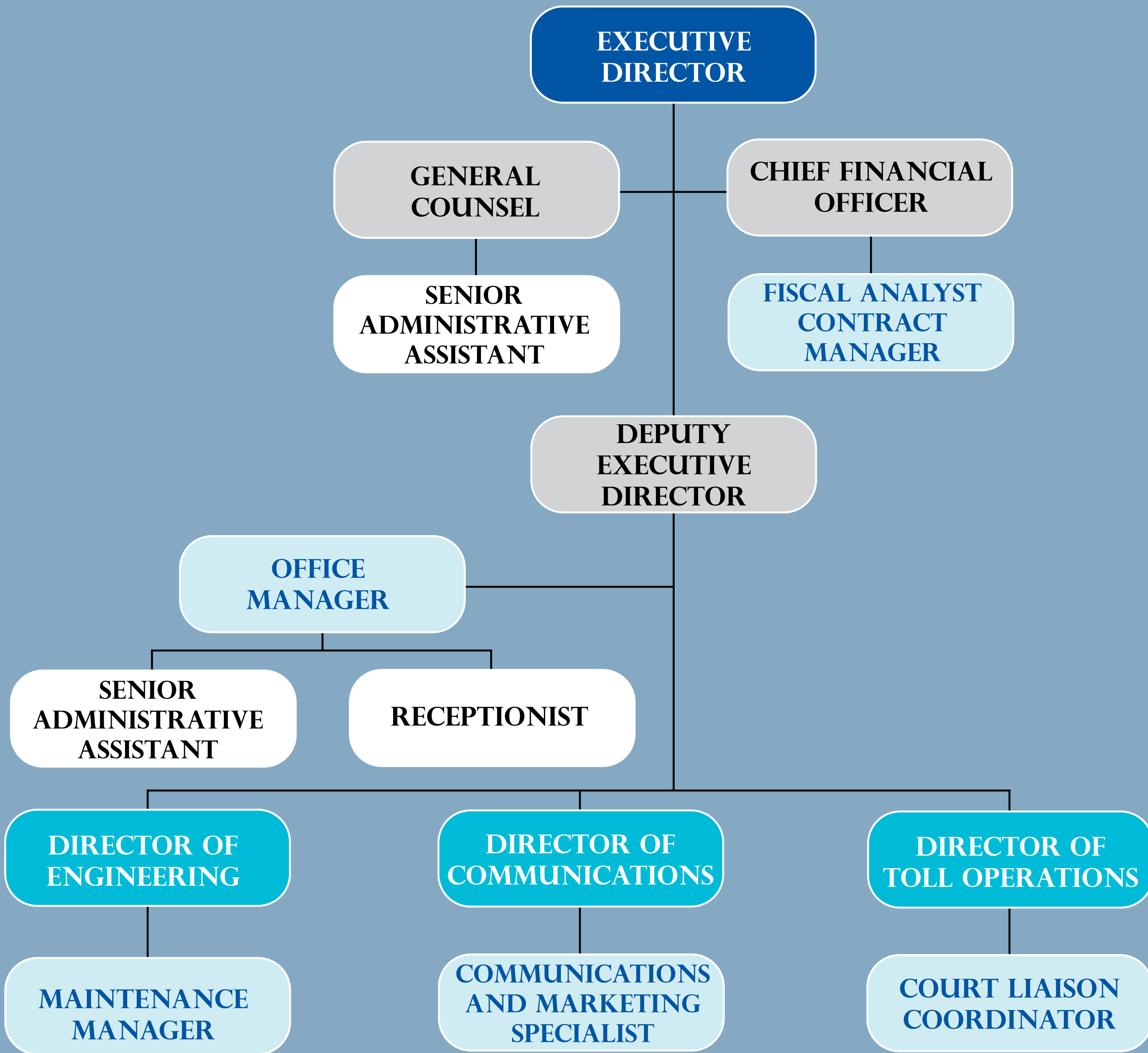
13. SUBSEQUENT EVENTS

On July 30, 2009, the Authority received approval to borrow $31.61 million from the State Infrastructure Bank. The term of the loan is 30 years with a rate of 2.95% interest per annum for the first two years of the loan term, with no principle or interest payments during the first two years. The Authority anticipates to repay the loan from proceeds of bonds issued by the Authority within two years. For any remaining balance after two years, the interest rate will be 7% per year for the remaining life of the loan.

CENTRAL TEXAS TOLL ROAD PROGRAM



MOBILITY AUTHORITY ORGANIZATION CHART



BOARD MEMBERS AND YEARS SERVED

Mike Robinson	2003-2004
Johanna Zmud	2003-2006
Robert Tesch (Chairman)	2003-2009
Lowell H. Lebermann, Jr.	2003-2009
James H. Mills	2003-Present
Robert L. Bennett, Jr.	2003-Present
Henry H. Gilmore	2003-Present
David Singleton	2004-Present
Nikelle Meade	2007-Present
Ray A. Wilkerson (Chairman)	2009-Present

CENTRAL TEXAS
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