



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

April 25, 2018
AGENDA ITEM #4

Accept the financial statements for
March 2018

Strategic Plan Relevance: Regional Mobility
Department: Finance
Contact: Bill Chapman, Chief Financial Officer
Associated Costs: N/A
Funding Source: N/A
Action Requested: Consider and act on draft resolution

Summary:

Presentation and acceptance of the monthly financial statements for March 2018.

Backup provided: Draft financial statements for March 2018
Draft Resolution

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

RESOLUTION NO. 18-0XX

ACCEPT THE FINANCIAL STATEMENTS FOR MARCH 2018

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;

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of March 2018, and has caused Financial Statements to be prepared and attached to this resolution as Exhibit A; and

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accept the Financial Statements for March 2018, attached hereto as Exhibit A.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of April 2018.

Submitted and reviewed by:

Approved:

Geoffrey Petrov, General Counsel

Ray A. Wilkerson
Chairman, Board of Directors

Exhibit A

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| REVENUE | | | | |
| Operating Revenue | | | | |
| Toll Revenue - Tags | 61,069,539 | 48,066,976 | 78.71% | 39,825,281 |
| Video Tolls | 14,377,753 | 10,767,849 | 74.89% | 10,701,428 |
| Fee Revenue | 6,022,247 | 3,999,241 | 66.41% | 4,293,076 |
| Total Operating Revenue | 81,469,539 | 62,834,066 | 77.13% | 54,819,785 |
| Other Revenue | | | | |
| Interest Income | 950,000 | 1,731,094 | 182.22% | 671,494 |
| Grant Revenue | 720,000 | 15,684,676 | 2178.43% | 14,693,679 |
| Reimbursed Expenditures | 314,280 | 11 | - | 207,873 |
| Misc Revenue | 5,500 | 1,339 | 24.35% | 6,010 |
| Total Other Revenue | 1,989,780 | 17,417,120 | 875.33% | 15,579,056 |
| TOTAL REVENUE | \$83,459,319 | \$80,251,186 | 96.16% | 70,398,841 |
| EXPENSES | | | | |
| Salaries and Benefits | | | | |
| Salary Expense-Regular | 3,520,456 | 2,675,799 | 76.01% | 2,460,663 |
| Salary Reserve | 80,000 | - | - | - |
| TCDRS | 515,649 | 362,701 | 70.34% | 340,320 |
| FICA | 165,251 | 113,590 | 68.74% | 107,582 |
| FICA MED | 55,277 | 38,540 | 69.72% | 36,118 |
| Health Insurance Expense | 396,258 | 250,973 | 63.34% | 241,171 |
| Life Insurance Expense | 32,942 | 6,386 | 19.39% | 6,644 |
| Auto Allowance Expense | 10,200 | 7,650 | 75.00% | 7,650 |
| Other Benefits | 153,197 | 110,580 | 72.18% | 169,535 |
| Unemployment Taxes | 19,950 | 4,233 | 21.22% | 4,398 |
| Total Salaries and Benefits | 4,949,181 | 3,570,451 | 72.14% | 3,374,081 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|---|-----------------------------|------------------------|----------------------|------------------------------|
| Administrative | | | | |
| Administrative and Office Expenses | | | | |
| Accounting | 10,000 | 6,211 | 62.11% | 5,938 |
| Auditing | 100,000 | 29,500 | 29.50% | 53,880 |
| Human Resources | 15,000 | 25,239 | 168.26% | 13,864 |
| Legal | - | 28,983 | - | - |
| IT Services | 103,500 | 82,570 | 79.78% | 55,993 |
| Internet | 4,125 | 3,256 | 78.93% | 1,406 |
| Software Licenses | 49,800 | 23,869 | 47.93% | 61,601 |
| Cell Phones | 18,500 | 10,944 | 59.16% | 11,471 |
| Local Telephone Service | 2,000 | 8,281 | 414.05% | 11,475 |
| Overnight Delivery Services | 850 | 59 | 6.97% | 63 |
| Local Delivery Services | 600 | - | - | - |
| Copy Machine | 17,000 | 10,670 | 62.76% | 11,631 |
| Repair & Maintenance-General | 2,500 | 704 | 28.16% | 2,030 |
| Community Meeting/ Events | 2,000 | - | - | - |
| Meeting Expense | 15,000 | 5,790 | 38.60% | 7,469 |
| Public Notices | 100 | 25 | 25.00% | 25 |
| Toll Tag Expense | 3,150 | 1,787 | 56.74% | 1,024 |
| Parking | 4,200 | 531 | 12.64% | 1,293 |
| Mileage Reimbursement | 11,200 | 3,428 | 30.61% | 3,455 |
| Insurance Expense | 150,000 | 129,954 | 86.64% | 111,400 |
| Rent Expense | 515,000 | 398,640 | 77.41% | 400,627 |
| Legal Services | 288,000 | 144,832 | 50.29% | 41,872 |
| Total Administrative and Office Expenses | 1,312,525 | 915,271 | 69.73% | 796,517 |
| Office Supplies | | | | |
| Books & Publications | 6,000 | 880 | 14.66% | 730 |
| Office Supplies | 19,900 | 9,315 | 46.81% | 14,554 |
| Computer Supplies | 46,800 | 12,060 | 25.77% | 11,452 |
| Copy Supplies | 1,000 | 964 | 96.37% | 673 |
| Other Reports-Printing | 8,000 | - | - | 6,054 |
| Office Supplies-Printed | 1,000 | 1,795 | 179.51% | 635 |
| Misc Materials & Supplies | 2,750 | - | - | 1,098 |
| Postage Expense | 900 | 315 | 35.04% | 358 |
| Total Office Supplies | 86,350 | 25,329 | 29.33% | 35,553 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|--|-----------------------------|------------------------|----------------------|------------------------------|
| Communications and Public Relations | | | | |
| Graphic Design Services | 35,000 | 15,000 | 42.86% | 6,625 |
| Website Maintenance | 130,000 | 26,050 | 20.04% | 101,755 |
| Research Services | 110,000 | 179,589 | 163.26% | 79,059 |
| Communications and Marketing | 400,000 | 139,818 | 34.95% | 252,571 |
| Advertising Expense | 330,000 | 351,260 | 106.44% | 130,057 |
| Direct Mail | 10,000 | 726 | 7.26% | - |
| Video Production | 31,000 | 8,904 | 28.72% | 8,820 |
| Photography | 11,000 | 5,110 | 46.46% | 2,954 |
| Radio | 10,000 | 12,153 | 121.53% | - |
| Other Public Relations | 20,000 | 38,448 | 192.24% | 5,000 |
| Promotional Items | 20,000 | - | - | 972 |
| Displays | 5,000 | 2,124 | 42.48% | - |
| Direct Mail Printing | 6,500 | - | - | - |
| Other Communication Expenses | 50,500 | 52,571 | 104.10% | 2,244 |
| Total Communications and Public Relations | 1,169,000 | 831,752 | 71.15% | 590,058 |
| Employee Development | | | | |
| Subscriptions | 3,200 | 942 | 29.44% | 1,467 |
| Professional Memberships | 51,250 | 35,731 | 69.72% | 35,612 |
| Continuing Education | 10,500 | 694 | 6.60% | 135 |
| Professional Development | 4,000 | 7,780 | 194.50% | - |
| Other Licenses | 1,750 | 248 | 14.17% | 257 |
| Seminars and Conferences | 42,500 | 12,232 | 28.78% | 21,344 |
| Travel | 97,000 | 25,385 | 26.17% | 45,250 |
| Total Employee Development | 210,200 | 83,012 | 39.49% | 104,065 |
| Financing and Banking Fees | | | | |
| Trustee Fees | 30,000 | 21,525 | 71.75% | 19,773 |
| Bank Fee Expense | 6,500 | 3,551 | 54.64% | 4,297 |
| Continuing Disclosure | 10,000 | 9,812 | 98.12% | - |
| Arbitrage Rebate Calculation | 8,000 | 8,355 | 104.44% | 6,455 |
| Rating Agency Expense | 30,000 | 15,500 | 51.67% | 15,000 |
| Total Financing and Banking Fees | 84,500 | 58,743 | 69.52% | 45,524 |
| Total Administrative | 2,862,575 | 1,914,108 | 66.87% | 1,571,718 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|--|-----------------------------|------------------------|----------------------|------------------------------|
| Operations and Maintenance | | | | |
| Operations and Maintenance Consulting | | | | |
| GEC-Trust Indenture Support | 155,000 | 105,581 | 68.12% | 72,358 |
| GEC-Financial Planning Support | 50,000 | - | - | 47 |
| GEC-Toll Ops Support | 20,000 | - | - | 16,569 |
| GEC-Roadway Ops Support | 410,000 | 378,867 | 92.41% | 301,349 |
| GEC-Technology Support | 60,000 | 1,941 | 3.24% | 19,026 |
| GEC-Public Information Support | - | 15,921 | - | 29,111 |
| GEC-General Support | 800,000 | 539,237 | 67.40% | 487,204 |
| General System Consultant | 170,000 | 160,572 | 94.45% | 33,818 |
| Traffic and Revenue Consultant | 95,000 | 67,964 | 71.54% | 68,937 |
| Total Operations and Maintenance Consulting | 1,760,000 | 1,270,084 | 72.16% | 1,028,420 |
| Roadway Operations and Maintenance | | | | |
| Roadway Maintenance | 5,007,401 | 2,090,680 | 41.75% | 2,196,236 |
| Landscape Maintenance | 2,500 | - | - | - |
| Signal & Illumination Maint | 5,000 | 12,554 | 251.09% | 25,041 |
| Maintenance Supplies-Roadway | 5,500 | 91,020 | 1654.91% | 396 |
| Tools & Equipment Expense | 1,000 | 301 | 30.12% | 22 |
| Gasoline | 13,700 | 10,756 | 78.51% | 4,940 |
| Repair & Maintenance-Vehicles | 5,000 | 3,503 | 70.06% | 1,566 |
| Electricity - Roadways | 200,000 | 107,347 | 53.67% | 112,612 |
| Total Roadway Operations and Maintenance | 5,240,101 | 2,316,161 | 44.20% | 2,340,814 |
| Toll Processing and Collection Expense | | | | |
| Image Processing | 1,563,594 | 1,289,607 | 82.48% | 1,065,011 |
| Tag Collection Fees | 4,100,826 | 5,037,519 | 122.84% | 2,628,500 |
| Court Enforcement Costs | 40,000 | 22,875 | 57.19% | 10,050 |
| DMV Lookup Fees | 1,000 | 325 | 32.49% | 357 |
| Total Processing and Collection Expense | 5,705,420 | 6,350,326 | 111.30% | 3,703,918 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|---|-----------------------------|------------------------|----------------------|------------------------------|
| Toll Operations Expense | | | | |
| Generator Fuel | 5,000 | 42 | 0.84% | 88 |
| Fire and Burglar Alarm | 500 | 370 | 74.02% | 276 |
| Refuse | 1,700 | 985 | 57.96% | 1,051 |
| Telecommunications | 120,000 | 51,856 | 43.21% | 43,971 |
| Water | 22,000 | 3,633 | 16.52% | 11,329 |
| Electricity | 2,500 | 1,011 | 40.44% | 1,641 |
| ETC spare parts expense | 20,000 | - | - | - |
| Repair & Maintenance Toll Equip | 5,000 | - | - | 11,928 |
| Law Enforcement | 275,000 | 214,737 | 78.09% | 159,999 |
| ETC Maintenance Contract | 1,755,098 | 1,151,687 | 65.62% | 820,182 |
| ETC Toll Management Center System Operation | 294,588 | 1,364 | 0.46% | 73,647 |
| ETC Development | 500,000 | - | - | - |
| ETC Testing | 25,000 | - | - | - |
| Total Toll Operations Expense | 3,026,386 | 1,425,686 | 47.11% | 1,124,112 |
| Total Operations and Maintenance | 15,731,907 | 11,362,257 | 72.22% | 8,197,264 |
| Other Expenses | | | | |
| Special Projects and Contingencies | | | | |
| HERO | 720,000 | 572,391 | 79.50% | 797,867 |
| Special Projects | 113,000 | - | - | 151,088 |
| 71 Express Net Revenue Payment | 2,280,600 | 2,088,680 | 91.58% | - |
| Other Contractual Svcs | 150,000 | 47,720 | 31.81% | 59,164 |
| Contingency | 250,000 | 828 | 0.33% | 10,578 |
| Total Special Projects and Contingencies | 3,513,600 | 2,709,619 | 77.12% | 1,018,697 |

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending March 31, 2018

| | Budget Amount FY 2018 | Actual Year to Date | Percent of Budget | Actual Prior Year to Date |
|-------------------------------------|-----------------------------|------------------------|----------------------|------------------------------|
| Non Cash Expenses | | | | |
| Amortization Expense | 385,000 | 379,753 | 98.64% | 287,832 |
| Amort Expense - Refund Savings | 1,034,000 | 776,892 | 75.13% | 774,440 |
| Dep Exp- Furniture & Fixtures | 2,620 | 1,960 | 74.82% | 1,825 |
| Dep Expense - Equipment | 16,050 | 12,757 | 79.48% | 11,494 |
| Dep Expense - Autos & Trucks | 19,312 | 14,167 | 73.36% | 7,372 |
| Dep Expense-Buildng & Toll Fac | 177,115 | 132,653 | 74.90% | 132,836 |
| Dep Expense-Highways & Bridges | 18,048,333 | 15,695,282 | 86.96% | 13,138,499 |
| Dep Expense-Communic Equip | 196,115 | - | - | 147,086 |
| Dep Expense-Toll Equipment | 2,756,238 | 1,850,725 | 67.15% | 2,067,178 |
| Dep Expense - Signs | 325,900 | 244,420 | 75.00% | 244,420 |
| Dep Expense-Land Improvemts | 884,934 | 663,701 | 75.00% | 663,701 |
| Depreciation Expense-Computers | 13,210 | 12,954 | 98.06% | 10,404 |
| Total Non Cash Expenses | 23,858,827 | 19,785,263 | 82.93% | 17,487,087 |
| Total Other Expenses | 27,372,427 | 22,494,882 | 82.18% | 18,505,784 |
| Non Operating Expenses | | | | |
| Bond issuance expense | 1,450,000 | 170,065 | 11.73% | 1,109,873 |
| Interest Expense | 38,074,354 | 23,886,913 | 62.74% | 23,572,135 |
| Community Initiatives | 100,000 | 50,000 | 50.00% | 28,500 |
| Total Non Operating Expenses | 39,624,354 | 24,106,978 | 60.84% | 24,710,509 |
| TOTAL EXPENSES | \$90,540,444 | \$63,448,675 | 70.08% | \$56,359,355 |
| Net Income | (\$7,081,125) | \$16,802,512 | | 14,039,486 |

Central Texas Regional Mobility Authority
Balance Sheet
as of March 31, 2018

| | as of 03/31/2018 | as of 03/31/2017 |
|--|--------------------------------|--------------------------------|
| ASSETS | | |
| Current Assets | | |
| Cash | | |
| Regions Operating Account | \$ 505,786 | \$ 706,525 |
| Cash in TexStar | 260,436 | 554,793 |
| Regions Payroll Account | 52,090 | 77,773 |
| Restricted Cash | | |
| Goldman Sachs FSGF 465 | 122,441,754 | 232,807,968 |
| Restricted Cash - TexSTAR | 165,328,470 | 133,242,649 |
| Overpayments account | 194,294 | 162,504 |
| Total Cash and Cash Equivalents | <u>288,782,830</u> | <u>367,552,211</u> |
| Accounts Receivable | | |
| Accounts Receivable | - | 14,485 |
| Due From Other Agencies | 3,947 | - |
| Due From TTA | 1,125,065 | 629,644 |
| Due From NTTA | 660,346 | 557,804 |
| Due From HCTRA | 905,876 | 656,925 |
| Due From TxDOT | 1,465,783 | 334,404 |
| Interest Receivable | 309,154 | 312,191 |
| Total Receivables | <u>4,470,171</u> | <u>2,505,453</u> |
| Short Term Investments | | |
| Agencies | 79,973,214 | 165,650,922 |
| Total Short Term Investments | <u>79,973,214</u> | <u>165,650,922</u> |
| Total Current Assets | <u>373,226,215</u> | <u>535,708,586</u> |
| Total Construction in Progress | 730,706,213 | 473,995,972 |
| Fixed Assets (Net of Depreciation and Amortization) | | |
| Computer | 35,212 | 29,867 |
| Computer Software | 1,003,528 | 871,084 |
| Furniture and Fixtures | 13,286 | 15,900 |
| Equipment | 23,371 | 1,486 |
| Autos and Trucks | 66,177 | 54,627 |
| Buildings and Toll Facilities | 5,157,886 | 5,334,817 |
| Highways and Bridges | 748,824,375 | 603,496,673 |
| Communication Equipment | - | 71,335 |
| Toll Equipment | 14,139,270 | 15,189,517 |
| Signs | 10,686,042 | 11,011,936 |
| Land Improvements | 9,960,238 | 10,845,172 |
| Right of way | 88,149,606 | 87,944,995 |
| Leasehold Improvements | 141,805 | 153,606 |
| Total Fixed Assets | <u>878,200,798</u> | <u>735,021,015</u> |
| Other Assets | | |
| Intangible Assets-Net | 103,741,817 | 102,576,528 |
| 2005 Bond Insurance Costs | 4,341,334 | 4,554,843 |
| Prepaid Insurance | 91,999 | 74,961 |
| Deferred Outflows (pension related) | 711,563 | 780,064 |
| Pension Asset | 355,139 | 202,023 |
| Total Other Assets | <u>109,241,853</u> | <u>108,188,418</u> |
| Total Assets | <u><u>\$ 2,091,375,079</u></u> | <u><u>\$ 1,852,913,992</u></u> |

Central Texas Regional Mobility Authority
Balance Sheet
as of March 31, 2018

| | as of 03/31/2018 | as of 03/31/2017 |
|--|-------------------------|-------------------------|
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts Payable | \$ 15,689,600 | \$ 507,926 |
| Construction Payable | - | 315,676 |
| Overpayments | 197,059 | 164,999 |
| Interest Payable | 12,958,731 | 13,032,744 |
| Deferred Compensation Payable | 142 | (1) |
| TCDRS Payable | 88,161 | 80,240 |
| Medical Reimbursement Payable | - | 3,510 |
| Due to other Agencies | 2,010,882 | - |
| Due to TTA | 1,253,767 | - |
| Due to NTTA | 11,137 | - |
| Due to HCTRA | 90,353 | - |
| Due to Other Entities | 3,145,016 | 6,831,020 |
| Total Current Liabilities | 35,444,847 | 20,936,115 |
| Long Term Liabilities | | |
| Compensated Absences | 182,441 | 138,927 |
| Deferred Inflows (pension related) | 286,449 | 172,017 |
| Long Term Payables | 468,891 | 310,944 |
| Bonds Payable | | |
| Senior Lien Revenue Bonds: | | |
| Senior Lien Revenue Bonds 2010 | 72,368,429 | 67,785,673 |
| Senior Lien Revenue Bonds 2011 | 15,188,428 | 14,214,347 |
| Senior Refunding Bonds 2013 | 139,885,000 | 144,183,000 |
| 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 | 358,030,000 |
| Sn Lien Rev Bnd Prem/Disc 2013 | 8,566,706 | 10,519,973 |
| Sn Lien Revenue Bnd Prem 2015 | 21,076,475 | 22,272,980 |
| Sn Lien Put Bnd Prem 2015 | 4,191,983 | 6,055,287 |
| Senior lien premium 2016 revenue bonds | 52,777,697 | 57,097,946 |
| Total Senior Lien Revenue Bonds | 1,039,659,718 | 1,047,734,206 |
| Sub Lien Revenue Bonds: | | |
| Sub Refunding Bnds 2013 | 100,530,000 | 101,530,000 |
| Sub Debt Refunding Bonds 2016 | 74,305,000 | 74,690,000 |
| Sub Refunding 2013 Prem/Disc | 1,957,592 | 2,446,827 |
| Sub Refunding 2016 Prem/Disc | 9,371,083 | 10,243,392 |
| Total Sub Lien Revenue Bonds | 186,163,674 | 188,910,219 |
| Other Obligations | | |
| TIFIA note 2015 | 261,903 | 52,317 |
| SIB loan 2015 | 31,440,762 | 30,288,390 |
| State Highway Fund Loan 2015 | 31,440,792 | 30,288,390 |
| State 45SW Loan | 22,080,000 | - |
| 2013 American Bank Loan | - | 3,570,000 |
| 71E TxDOT Obligation - LT | 65,000,000 | - |
| Regions 2017 MoPAC Note | 17,000,000 | - |
| Total Other Obligations | 167,223,458 | 64,199,096 |
| Total Long Term Liabilities | 1,393,515,741 | 1,301,154,465 |
| Total Liabilities | 1,428,960,588 | 1,322,090,580 |
| NET ASSETS | | |
| Contributed Capital | 136,725,550 | 40,347,060 |
| Net Assets Beginning | 508,907,391 | 476,432,916 |
| Current Year Operations | 16,781,550 | 14,043,437 |
| Total Net Assets | 662,414,491 | 530,823,412 |
| Total Liabilities and Net Assets | \$ 2,091,375,079 | \$ 1,852,913,992 |

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of March 31, 2018

Cash flows from operating activities:

| | | |
|---|----|--------------|
| Receipts from toll fees | \$ | 63,265,408 |
| Receipts from other fees | | 1,350 |
| Receipts from interest income | | 16,375 |
| Payments to vendors | | (19,890,092) |
| Payments to employees | | (3,538,792) |
| Net cash flows provided by (used in) operating activities | | 39,854,249 |

Cash flows from capital and related financing activities:

| | | |
|---|--|---------------|
| Proceeds from notes payable | | 39,289,372 |
| Receipts from Department of Transportation | | 28,202,796 |
| Payments on principal | | (8,370,000) |
| Interest payments | | (51,142,085) |
| Acquisition of capital assets | | (29,886) |
| Acquisitions of construction in progress | | (177,570,260) |
| Net cash flows provided by (used in) capital and related financing activities | | (169,620,062) |

Cash flows from investing activities:

| | | |
|---|----|---------------|
| Interest income | | 1,731,094 |
| Purchase of investments | | (132,333,128) |
| Proceeds from sale or maturity of investments | | 182,300,999 |
| Net cash flows provided by (used in) investing activities | | 51,698,966 |
| Net increase (decrease) in cash and cash equivalents | | (78,066,848) |
| Cash and cash equivalents at beginning of period | | 201,260,772 |
| Cash and cash equivalents at end of period | \$ | 123,193,924 |

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

| | | |
|---|----|---------------|
| Operating income | | \$ 24,304,605 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | | 19,008,371 |
| Changes in assets and liabilities: | | |
| (Increase) decrease in accounts receivable | | 425,115 |
| (Increase) decrease in prepaid expenses and other assets | | (54,000) |
| (Decrease) increase in accounts payable | | (1,989,623) |
| Increase (decrease) in accrued expenses | | (1,840,219) |
| Total adjustments | | 15,549,644 |
| Net cash flows provided by (used in) operating activities | \$ | 39,854,249 |

Reconciliation of cash and cash equivalents:

| | | |
|--|----|-------------|
| Unrestricted cash and cash equivalents | | \$ 752,171 |
| Restricted cash and cash equivalents | | 122,441,754 |
| Total | \$ | 123,193,924 |

INVESTMENTS by FUND

| | | Balance March 31, 2018 | | |
|--|---------------|---------------------------|---------------------------|----------------------|
| Renewal & Replacement Fund | | | | |
| TexSTAR | 510,607.85 | | TexSTAR | 165,588,906.05 |
| Goldman Sachs | 190,317.30 | | Goldman Sachs | 122,441,753.87 |
| Agencies | | 700,925.15 | Agencies & Treasury Notes | <u>79,973,213.78</u> |
| Grant Fund | | | | \$ 368,003,873.70 |
| TexSTAR | 9,188,895.58 | | | |
| Goldman Sachs | 479,564.28 | | | |
| Agencies | | 9,668,459.86 | | |
| Senior Debt Service Reserve Fund | | | | |
| TexSTAR | 10,738,752.20 | | | |
| Goldman Sachs | 5,036,135.08 | | | |
| Agencies | 64,891,710.64 | 80,666,597.92 | | |
| 2010 Senior Lien DSF | | | | |
| Goldman Sachs | 451,187.07 | | | |
| TexSTAR | - | 451,187.07 | | |
| 2011 Debt Service Acct | | | | |
| Goldman Sachs | 758,041.72 | 758,041.72 | | |
| 2013 Sr Debt Service Acct | | | | |
| Goldman Sachs | 2,632,062.90 | 2,632,062.90 | | |
| 2013 Sub Debt Service Account | | | | |
| Goldman Sachs | 1,525,314.29 | 1,525,314.29 | | |
| 2015 Sr Capitalized Interest | | | | |
| Goldman Sachs | 3,812.69 | 46,352,891.08 | | |
| TexSTAR | 46,349,078.39 | | | |
| 2015A Debt Service Account | | | | |
| Goldman Sachs | 3.30 | 3.30 | | |
| 2015B Debt Service Account | | | | |
| Goldman Sachs | 862,635.16 | 862,635.16 | | |
| 2016 Sr Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 5,803,795.39 | 5,803,795.39 | | |
| 2016 Sub Lien Rev Refunding Debt Service Account | | | | |
| Goldman Sachs | 943,338.67 | 5,942,505.34 | | |
| Agencies | 4,999,166.67 | | | |
| 2016 Sub Lein Rev Refunding DSR | | | | |
| Goldman Sachs | 1,694,271.51 | 1,694,271.51 | | |
| Operating Fund | | | | |
| TexSTAR | 260,435.95 | | | |
| TexSTAR-Trustee | 847,439.90 | | | |
| Goldman Sachs | 37,977.00 | 1,145,852.85 | | |
| Revenue Fund | | | | |
| Goldman Sachs | 6,290,349.67 | 6,290,349.67 | | |
| General Fund | | | | |
| TexSTAR | 25,348,048.30 | | | |
| Goldman Sachs | 28,695,511.43 | | | |
| 2013 Sub Debt Service Reserve Fund | | | | |
| TexSTAR | 5,069,423.26 | | | |
| Goldman Sachs | 3,505,018.20 | | | |
| Agencies | | 8,574,441.46 | | |
| 71E Revenue Fund | | | | |
| Goldman Sachs | 1,736,315.06 | 1,736,315.06 | | |
| MoPac Revenue Fund | | | | |
| Goldman Sachs | 25,715.86 | 25,715.86 | | |
| MoPac Construction Fund | | | | |
| Goldman Sachs | 20,678,304.15 | 20,678,304.15 | | |
| MoPac General Fund | | | | |
| Goldman Sachs | 94,924.08 | | | |
| MoPac Operating Fund | | | | |
| Goldman Sachs | 313,608.67 | | | |
| MoPac Loan Repayment Fund | | | | |
| Goldman Sachs | - | | | |
| 2015B Project Account | | | | |
| Goldman Sachs | 22,944,314.55 | | | |
| Agencies | 10,082,336.47 | 40,678,878.38 | | |
| TexSTAR | 7,652,227.36 | | | |
| 2015A Project Account | | | | |
| TexSTAR | | | | |
| Goldman Sachs | 876.72 | | | |
| Treasury Notes | | 876.72 | | |
| 2015 TIFIA Project Account | | | | |
| Goldman Sachs | 50,739.73 | 50,739.73 | | |
| 2015 State Highway Fund Project Account | | | | |
| TexSTAR | 17,546,783.74 | | | |
| Goldman Sachs | 97,825.57 | 17,644,609.31 | | |
| 2015 SIB Project Account | | | | |
| TexSTAR | 19,127,939.59 | | | |
| Goldman Sachs | 811,988.84 | 19,939,928.43 | | |
| 2011 Sr Financial Assistance Fund | | | | |
| Goldman Sachs | 4.11 | 20,407,042.08 | | |
| TexSTAR | 20,407,037.97 | | | |
| 183S Utility Custody Deposit | | | | |
| Goldman Sachs | 175,742.21 | | | |
| TexSTAR | 2,542,235.96 | 2,717,978.17 | | |
| RIF | | | | |
| Goldman Sachs | 2,010,533.41 | 2,010,533.41 | | |
| 45SW Project Fund | | | | |
| Goldman Sachs | 13,729,444.75 | 13,729,444.75 | | |
| 45SW Trust Account Travis County | | | | |
| Goldman Sachs | 862,080.50 | 862,080.50 | | |
| | | <u>\$ 313,551,781.22</u> | | |

CTRMA INVESTMENT REPORT

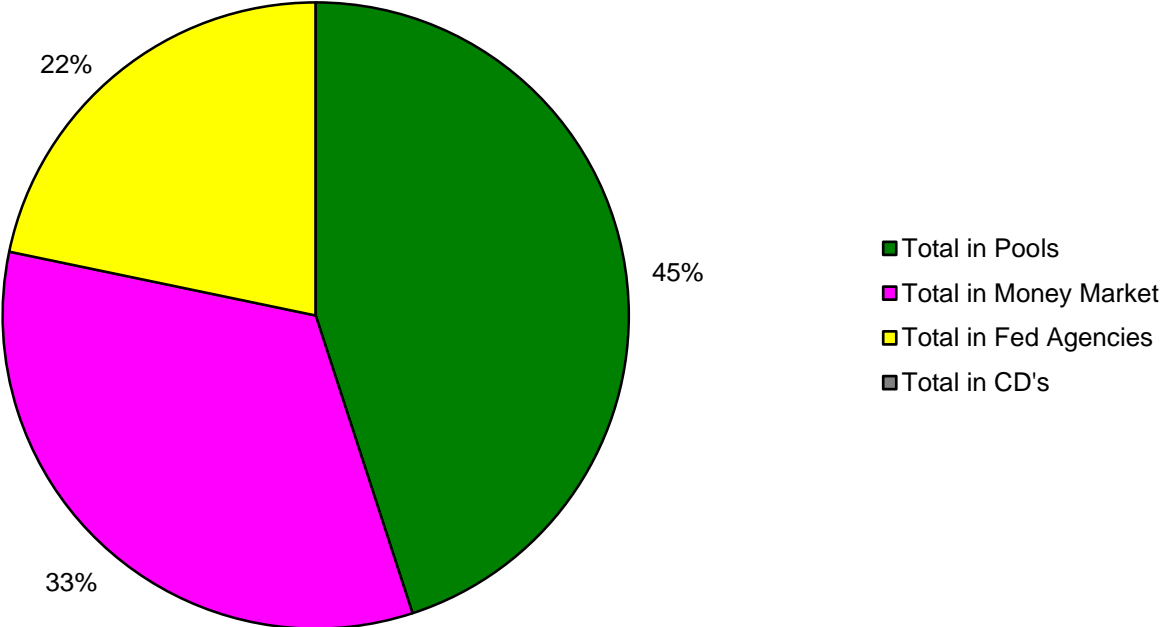
| Month Ending 03/31/18 | | | | | | |
|--|----------------------|--------------------------|-------------------|----------------------|-----------------------|----------------|
| Balance 3/1/2018 | Additions | Discount Amortization | Accrued Interest | Withdrawals | Balance 3/31/2018 | Rate March |
| Amount in Trustee TexStar | | | | | | |
| 2011 Sr Lien Financial Assist Fund | | | 25,956.16 | | 20,407,037.97 | 1.4995% |
| 2013 Sub Lien Debt Service Reserve | | | 6,447.91 | | 5,069,423.26 | 1.4995% |
| General Fund | | | 32,240.71 | | 25,348,048.30 | 1.4995% |
| Trustee Operating Fund | 1,799,867.64 | | 1,336.87 | 1,800,000.00 | 847,439.90 | 1.4995% |
| Renewal and Replacement | | | 649.42 | | 510,607.85 | 1.4995% |
| Grant Fund | | | 11,687.53 | | 9,188,895.58 | 1.4995% |
| Senior Lien Debt Service Reserve Fund | | | 13,658.83 | | 10,738,752.20 | 1.4995% |
| 183S Utility Custody Deposit | | | 3,233.53 | 487,000.00 | 2,542,235.96 | 1.4995% |
| 2015A Sr Ln Project Cap Interest | | | 58,952.38 | | 46,349,078.39 | 1.4995% |
| 2015B Sr Ln Project | | | 9,733.03 | | 7,652,227.36 | 1.4995% |
| 2015D State Highway Fund Project Acct | | | 22,474.51 | 8,630,000.00 | 17,546,783.74 | 1.4995% |
| 2015E SIB Project Account | | | 24,329.23 | | 19,127,939.59 | 1.4995% |
| 174,234,902.35 | 1,799,867.64 | | 210,700.11 | 10,917,000.00 | 165,328,470.10 | |
| Amount in TexStar Operating Fund | | | | | | |
| 360,026.34 | 1,800,000.00 | | 409.61 | 1,900,000.00 | 260,435.95 | 1.4995% |
| Goldman Sachs | | | | | | |
| Operating Fund | 1,674,855.10 | | 29.16 | 1,799,867.64 | 37,977.00 | 1.430% |
| 45SW Trust Account Travis County | | | 813.77 | | 862,080.50 | 1.430% |
| 45SW Project Fund | | | 15,138.90 | | 13,729,444.75 | 1.430% |
| 2015A Project Account | | | 254.63 | | 876.72 | 1.430% |
| 2015B Project Account | 22,155,705.80 | | 743.52 | | 22,944,314.55 | 1.430% |
| 2015D State Highway Fund Project Acct | 8,630,000.00 | | 340.82 | 8,605,743.79 | 97,825.57 | 1.430% |
| 2015C TIFIA Project Account | | | 47.84 | | 50,739.73 | 1.430% |
| 2015E SIB Project Account | | | 765.56 | | 811,988.84 | 1.430% |
| 183S Utility Custody Deposit | 487,000.00 | | 270.38 | 587,509.39 | 175,742.21 | 1.430% |
| 2011 Sr Financial Assistance Fund | | | 0.04 | | 4.11 | 1.430% |
| 2010 Senior DSF | 149,976.11 | | 214.46 | | 451,187.07 | 1.430% |
| 2011 Senior Lien Debt Service Acct | | | 714.70 | | 758,041.72 | 1.430% |
| 2013 Senior Lien Debt Service Acct | 869,017.46 | | 1,259.37 | | 2,632,062.90 | 1.430% |
| 2013 Subordinate Debt Service Acct | 504,686.61 | | 728.30 | | 1,525,314.29 | 1.430% |
| 2015 Sr Capitalized Interest | | | 3.59 | | 3,812.69 | 1.430% |
| 2015A Debt Service Acct | | | | | 3.30 | 1.430% |
| 2015B Debt Service Acct | 285,871.46 | | 411.26 | | 862,635.16 | 1.430% |
| 2016 Sr Lien Rev Refunding Debt Service Account | 975,488.63 | | 4,100.00 | | 5,803,795.39 | 1.430% |
| 2016 Sub Lien Rev Refunding Debt Service Account | 312,311.05 | | 450.16 | | 943,338.67 | 1.430% |
| 2016 Sub Lein Rev Refunding DSR | | | 1,597.40 | | 1,694,271.51 | 1.430% |
| RIF | | | 1,895.51 | | 2,010,533.41 | 1.430% |
| Grant Fund | | | 452.14 | | 479,564.28 | 1.430% |
| Renewal and Replacement | | | 179.44 | | 190,317.30 | 1.430% |
| Revenue Fund | 10,917,671.07 | | 2,633.31 | 7,807,655.16 | 6,290,349.67 | 1.430% |
| General Fund | 1,873,089.49 | | 24,052.37 | 124,271.87 | 28,695,511.43 | 1.430% |
| Senior Lien Debt Service Reserve Fund | 5,023,500.00 | | 11.91 | | 5,036,135.08 | 1.430% |
| 71E Revenue Fund | 181,325.68 | | 2,962.82 | 2,743,000.93 | 1,736,315.06 | 1.430% |
| 2013 Sub Debt Service Reserve Fund | | | 3,304.61 | | 3,505,018.20 | 1.430% |
| MoPac Revenue Fund | 135,647.64 | | 89.78 | 110,021.56 | 25,715.86 | 1.430% |
| MoPac General Fund | 75,447.00 | | 93.55 | 44,815.46 | 94,924.08 | 1.430% |
| MoPac Operating Fund | 184,963.96 | | 164.41 | 118,725.54 | 313,608.67 | 1.430% |
| MoPac Loan Repayment Fund | 44,815.46 | | 4.09 | 84,134.54 | 0.00 | 1.430% |
| MoPac Managed Lane Construction Fund | | | 19,827.96 | 5,806.90 | 20,678,304.15 | 1.430% |
| 89,908,378.37 | 54,481,372.52 | 0.00 | 83,555.76 | | 122,441,753.87 | |
| Amount in Fed Agencies and Treasuries | | | | | | |
| Amortized Principal | | 7,534.94 | 12,241.67 | 26,999,999.76 | 79,973,213.78 | |
| | - | 7,534.94 | 12,241.67 | 26,999,999.76 | 79,973,213.78 | |
| Certificates of Deposit | | | | | | |
| Total in Pools | 3,599,867.64 | | 211,109.72 | 12,817,000.00 | 165,588,906.05 | |
| Total in GS FSGF | 54,481,372.52 | | 83,555.76 | | 122,441,753.87 | |
| Total in Fed Agencies and Treasuries | - | 7,534.94 | | 26,999,999.76 | 79,973,213.78 | |
| Total Invested | 58,081,240.16 | 7,534.94 | 294,665.48 | 39,816,999.76 | 368,003,873.70 | |

All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

William Chapman, CFO

Mary Temple, Controller

Allocation of Funds



Amount of Investments As of March 31, 2018

| Agency | CUSIP # | COST | Book Value | Market Value | Yield to Maturity | Purchased | Matures | FUND |
|---------------------------------|-----------|----------------------|----------------------|----------------------|-------------------|-----------|------------|------------------|
| Federal Farm Credit | 3133ECA79 | Matured | Matured | Matured | 1.2155% | 3/11/2015 | 3/19/2018 | Senior DSRF |
| Federal Farm Credit | 3133EFSG3 | Matured | Matured | Matured | 0.8421% | 2/8/2016 | 3/14/2018 | 2015B Sr Project |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 10,082,336.47 | 9,971,880.00 | 1.0369% | 2/8/2016 | 3/8/2019 | 2015B Sr Project |
| Federal Home Loan Mortgage Corp | 313397UW9 | Matured | Matured | Matured | 1.1370% | 9/15/2017 | 3/29/2018 | 2015B Sr Project |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | 24,978,538.49 | 24,943,025.00 | 1.2288% | 6/7/2017 | 6/29/2018 | Senior DSRF |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | 19,973,440.01 | 19,869,800.00 | 1.3401% | 9/15/2017 | 12/14/2018 | Senior DSRF |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | 4,999,166.67 | 4,994,050.00 | 1.2265% | 6/7/2017 | 6/5/2018 | 2016 Sub DSRF |
| US Treasury Note | 912828C65 | 19,929,687.50 | 19,939,732.14 | 19,899,218.80 | 1.9260% | 1/25/2018 | 3/31/2019 | Senior DSRF |
| | | 80,032,209.57 | 79,973,213.78 | 79,677,973.80 | | | | |

| Agency | CUSIP # | COST | Cummulative Amortization | 3/31/2018 Book Value | Maturity Value | Interest Income March 31, 2018 | | |
|---------------------------------|-----------|----------------------|--------------------------|----------------------|----------------------|--------------------------------|-------------------|-------------------|
| | | | | | | Accrued Interest | Amortization | Interest Earned |
| Federal Farm Credit | 3133ECA79 | Matured | Matured | Matured | Matured | 3,916.67 | 1,131.94 | 5,048.61 |
| Federal Farm Credit | 3133EFSG3 | Matured | Matured | Matured | Matured | 9,166.67 | (2,279.58) | 6,887.09 |
| Federal Home loan Bank | 313378QK0 | 10,253,642.07 | 171,305.60 | 10,082,336.47 | 10,000,000.00 | 15,625.00 | (6,861.37) | 8,763.63 |
| Federal Home Loan Mortgage Corp | 313397UW9 | Matured | Matured | Matured | Matured | 12,241.67 | - | 12,241.67 |
| Federal Home loan Bank | 3130A8BD4 | 24,907,000.00 | (71,538.49) | 24,978,538.49 | 25,000,000.00 | 18,229.17 | 7,153.85 | 25,383.02 |
| Fannie Mae | 3135G0G72 | 19,946,880.00 | (26,560.01) | 19,973,440.01 | 20,000,000.00 | 18,750.00 | 2,951.11 | 21,701.11 |
| Federal Home loan Bank | 3130ABJD9 | 4,995,000.00 | (4,166.67) | 4,999,166.67 | 5,000,000.00 | 4,687.50 | 416.67 | 5,104.17 |
| US Treasury Note | 912828C65 | 19,929,687.50 | (10,044.64) | 19,939,732.14 | 20,000,000.00 | 29,017.86 | 5,022.32 | 34,040.18 |
| | | 80,032,209.57 | 58,995.79 | 79,973,213.78 | 80,000,000.00 | 111,634.54 | 7,534.94 | 119,169.48 |



183 South Design-Build Project

Contingency Status

Mar 31, 2018



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Original Construction Contract Value: \$581,545,700

| | |
|----------------------------------|---------------------|
| Total Project Contingency | \$47,860,000 |
|----------------------------------|---------------------|

| | | |
|-----------------------------------|--|---------------|
| Obligations | 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 |
| | CO#9 Patton Interchange Revisions | \$3,488,230 |
| | Others Less than \$300,000 (4) | \$253,242 |
| | Executed Change Orders | \$2,543,786 |
| Change Orders Under Negotiation | \$8,270,000 | |
| Potential Contractual Obligations | \$10,610,000 | |

| | |
|------------------------------|---------------------|
| (-) Total Obligations | \$21,423,786 |
|------------------------------|---------------------|

| | |
|--------------------------------------|---------------------|
| Remaining Project Contingency | \$26,436,214 |
|--------------------------------------|---------------------|



**SH 45SW Construction
Contingency Status**
March 31, 2018



Original Construction Contract Value: \$75,103,623

| | | |
|--------------------------------------|---|---------------------|
| Total Project Contingency | | \$ 7,520,000 |
| Obligations | CO #01 Asbestos Removal | \$ 1,962 |
| | CO #02 TCEQ Protection Plan | \$ 103,773 |
| | CO #03 Conduit Installation Revision | \$ (11,970) |
| | CO #04 Installation of PEC and TWC Conduits | \$ 458,439 |
| | CO #05 Installation of SSTR Drilled Shafts and Moment Slab | \$ 538,945 |
| | CO #06 Feature 004 Protection and Bridge Drain Assembly | \$ 2,932 |
| | CO #07 Traffic Control Savings and Removal of Mulch | \$ (5,560) |
| | CO #08 Slope Protection Under Bear Creek Bridge | \$ 167,338 |
| | CO #09 Temporary Relocation of Overhead Lines | \$ 7,227 |
| | CO #10 Bridge Drain Outfall Revision and Bicycle Detour Plan | \$ 28,229 |
| | CO #11 Additional Clearing for PEC Transmission Lines | \$ 86,609 |
| | CO #12 Closure Plan / Mitigation for Potential Features 11 and 12 | \$ - |
| | CO #13 Elevation Changes in Retaining Walls 20 and 24 | \$ - |
| | Executed Change Orders | \$ 1,377,924 |
| Change Orders in Negotiations | \$ - | |
| Potential Contractual Obligations | \$ 2,106,797 | |
| (-) Total Obligations | | \$ 3,484,721 |
| Remaining Project Contingency | | \$ 4,035,279 |



MOPAC Construction
Financial Status
 March 31, 2018



Original Construction Contract Value: \$ 136,632,100

| | | | |
|----------------------|---|---|---------------|
| Change Orders | 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 Sound Wall #1 | \$2,508,548 |
| | CO#09 | Westover SB Frontage Repairs | \$450,000 |
| | CO#12 | Barrier Rail Opaque Seal | \$542,419 |
| | CO#17 | Bike and Ped Improvements at Far West Blvd Bridge/FM 2222 | \$971,889 |
| | CO#20 | Northern Terminus Sound Wall #3 | (\$1,210,540) |
| | CO#32 | Void of CO#05B, #09, #10, UPRR | (\$1,501,437) |
| | CO#33 | Shared Use Path at US 183 | (\$1,000,000) |
| | CO#34 | Undercrossing Fire Protection | \$1,412,574 |
| | CO#35 | TxDOT Duct Bank Interference | \$1,357,196 |
| | CO#36 | Non-Compliant Existing Illumination | \$2,226,189 |
| | CO#37 | NB Pavement Cross Slope and Profile Corrections | \$3,635,477 |
| CO#38 | SB Pavement Cross Slope and Profile Corrections | \$3,100,298 | |
| | Total of Others Less than \$300,000 (21) | \$1,689,616 | |

Approved = \$11.7M

Executed Change Orders \$ 16,051,260

Revised Construction Contract Value \$ 152,683,360

Change Orders under Negotiation \$ 5,301,049

Potential Construction Contract Value \$ 157,984,409

Incentive/Milestone \$ 21,500,000

Potential Construction Contract Value with Incentive/Milestone \$ 179,484,409

Amount paid CH2M for Incentives/Milestones \$ (16,825,210)

Amount paid CH2M through September 2017 draw (as of 02/28/2018) \$ (119,755,351)

Assessed Liquidated Damages \$ (20,000,000)

Potential Amount Payable to CH2M \$ 22,903,848



Monthly Newsletter - March 2018

Performance

As of March 31, 2018

| | |
|---------------------------------------|--------------------|
| Current Invested Balance | \$6,461,363,510.56 |
| Weighted Average Maturity (1) | 24 Days |
| Weighted Average Maturity (2) | 105 Days |
| Net Asset Value | 0.999892 |
| Total Number of Participants | 857 |
| Management Fee on Invested Balance | 0.06%* |
| Interest Distributed | \$8,972,227.00 |
| Management Fee Collected | \$345,485.63 |
| % of Portfolio Invested Beyond 1 Year | 9.01% |
| Standard & Poor's Current Rating | AAAm |

March Averages

| | |
|--|--------------------|
| Average Invested Balance | \$6,779,827,365.68 |
| Average Monthly Yield, on a simple basis | 1.4995% |
| Average Weighted Average Maturity (1)* | 28 Days |
| Average Weighted Average Maturity (2)* | 105 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.

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

New Participants

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

★ Fort Bend County MUD No. 133

★ Fort Bend County MUD No. 138

★ North Forest MUD

Economic Commentary

Synchronized global growth continued in the first quarter, but with the added excitement of increased market volatility. In spite of the generally positive economic backdrop, fears of runaway inflation, rising interest rates, and continued political noise from Washington led to a sharp selloff in global equities. The quarter closed as one of the weaker starts to the year for both credit and equities. During the course of the quarter, fears of a trade war came into focus. Potential tariffs by the US, first on steel and aluminum imports caused the Chinese to respond by announcing potential tariffs on \$3BN worth of goods ranging from agricultural products to steel pipes, as well as the EU to respond by announcing potential tariffs on US imports Harley Davidson, Levi's and bourbon whiskey. Later, the US exempted several allies from the steel and aluminum tariffs, but suggested it may impose quotas. Following the initial steel and aluminum tariffs, the US continued by announcing potential tariffs on as much as \$50 billion of Chinese imports in a wide variety of categories which were countered by the Chinese announcing 25% tariffs on \$50 billion of various US goods.

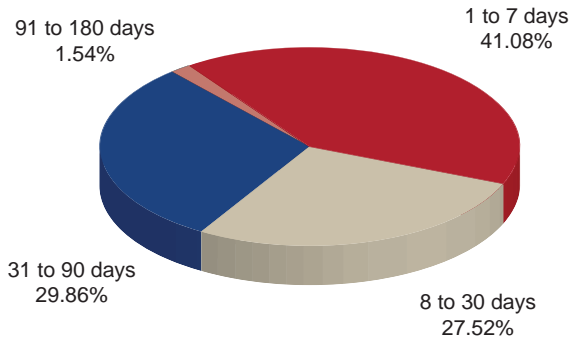
In Washington, Congress approved a federal budget incorporating substantial fiscal stimulus, which would add \$300 billion to the deficit over the next two years. The increase in U.S. government debt issuance needed to fund the tax cuts and increase in spending, combined with the unwinding of the Fed's balance sheet, is expected to put upward pressure on rates. The front end of the curve was hit by a large issuance of Treasury bills as well as the likelihood that there would be four rate hikes this year by the Federal Reserve Open Market Committee (FOMC), rather than the three previously telegraphed, increased as expansionary fiscal policy in a late-stage business cycle builds a stronger case for higher inflation going forward. Jay Powell became Chair of the Federal Reserve (Fed) and in his first official FOMC meeting in March raised rates by 25 bps to 1.50%-1.75%, a move that widely expected by market participants. The Fed increased expectations to three rates hikes in 2019 and two hikes in 2020. Growth forecasts were upgraded for both 2018 and 2019 to reflect the impact of fiscal stimulus, unemployment rate estimates were brought down through 2020, while inflation forecasts were revised higher in 2019 and 2020. Firming U.S. inflation along with strong growth, U.S. fiscal expansion, as well as less accommodative policy stance from central banks caused Treasury yields to steadily rise. LIBOR also reached new highs due to a variety of factors including increased Treasury bill issuance, Fed Funds rate, hike expectations, and excess demand for US dollar funding.

This information is an excerpt from an economic report dated March 2018 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.

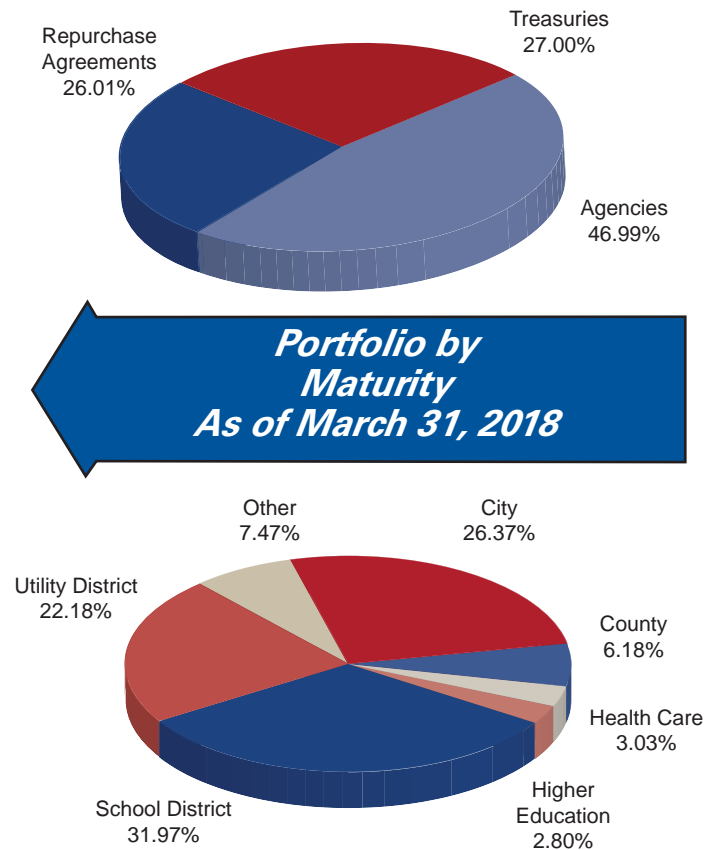
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

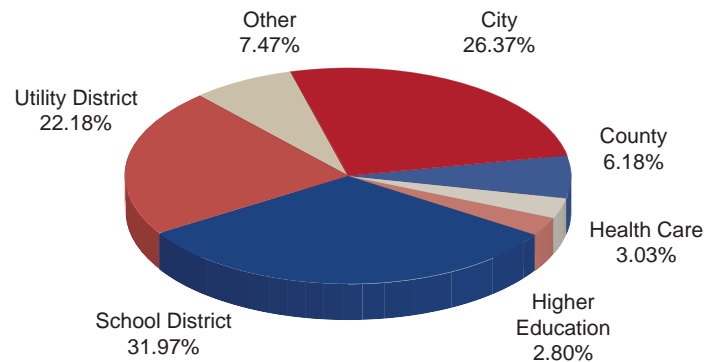
Portfolio by Type of Investment As of March 31, 2018



Distribution of Participants by Type As of March 31, 2018



Portfolio by Maturity As of March 31, 2018



Historical Program Information

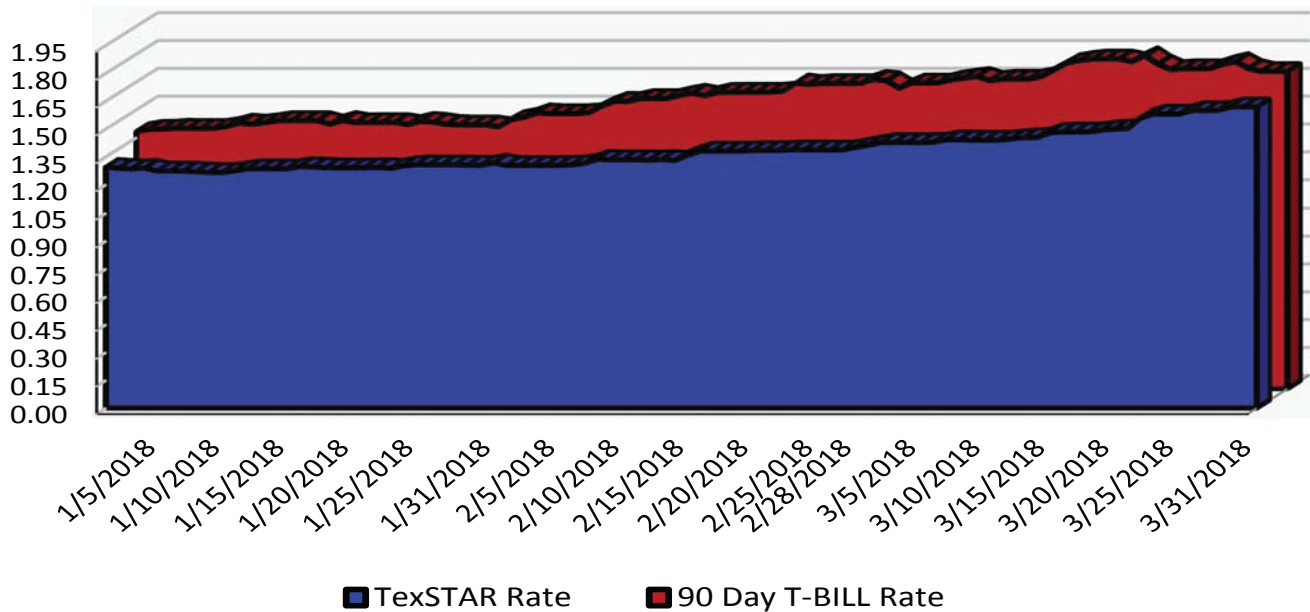
| Month | Average Rate | Book Value | Market Value | Net Asset Value | WAM (1)* | WAM (2)* | Number of Participants |
|--------|--------------|--------------------|--------------------|-----------------|----------|----------|------------------------|
| Mar 18 | 1.4995% | \$6,461,363,510.56 | \$6,460,804,379.93 | 0.999892 | 28 | 105 | 857 |
| Feb 18 | 1.3518% | 7,130,310,070.00 | 7,129,718,573.04 | 0.999917 | 28 | 97 | 854 |
| Jan 18 | 1.2900% | 7,090,345,755.93 | 7,090,199,741.00 | 0.999979 | 31 | 83 | 853 |
| Dec 17 | 1.1762% | 6,518,450,917.63 | 6,518,448,483.33 | 0.999984 | 36 | 82 | 853 |
| Nov 17 | 1.0695% | 6,157,485,042.89 | 6,157,068,439.39 | 0.999932 | 38 | 90 | 853 |
| Oct 17 | 1.0482% | 5,848,642,382.89 | 5,848,708,234.12 | 1.000011 | 38 | 96 | 852 |
| Sep 17 | 1.0384% | 5,841,986,573.82 | 5,842,202,955.19 | 1.000022 | 28 | 92 | 848 |
| Aug 17 | 1.0343% | 5,770,863,631.13 | 5,770,945,786.15 | 1.000014 | 33 | 102 | 846 |
| Jul 17 | 0.9827% | 5,941,902,116.09 | 5,941,981,984.60 | 1.000013 | 32 | 97 | 844 |
| Jun 17 | 0.8631% | 6,071,512,305.56 | 6,071,586,949.16 | 0.999993 | 30 | 92 | 838 |
| May 17 | 0.7535% | 6,440,388,492.41 | 6,440,492,333.25 | 1.000016 | 28 | 97 | 836 |
| Apr 17 | 0.7140% | 6,279,219,607.16 | 6,279,507,477.47 | 1.000045 | 36 | 105 | 832 |

Portfolio Asset Summary as of March 31, 2018

| | Book Value | Market Value |
|--------------------------------------|----------------------------|----------------------------|
| Uninvested Balance | \$ 3,143.12 | \$ 3,143.12 |
| Accrual of Interest Income | 2,069,114.80 | 2,069,114.80 |
| Interest and Management Fees Payable | (9,058,302.20) | (9,058,302.20) |
| Payable for Investment Purchased | 0.00 | 0.00 |
| Repurchase Agreement | 1,682,271,999.66 | 1,682,271,999.66 |
| Government Securities | 4,786,077,555.18 | 4,785,518,424.55 |
| Total | \$ 6,461,363,510.56 | \$ 6,460,804,379.93 |

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. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

Daily Summary for March 2018

| Date | Mny Mkt Fund Equiv. [SEC Std.] | Daily Allocation Factor | TexSTAR Invested Balance | Market Value Per Share | WAM Days (1)* | WAM Days (2)* |
|-----------|--------------------------------|-------------------------|--------------------------|------------------------|---------------|---------------|
| 3/1/2018 | 1.4136% | 0.000038730 | \$6,951,574,137.12 | 0.999947 | 29 | 101 |
| 3/2/2018 | 1.4265% | 0.000039081 | \$6,864,804,138.08 | 0.999943 | 29 | 105 |
| 3/3/2018 | 1.4265% | 0.000039081 | \$6,864,804,138.08 | 0.999943 | 29 | 105 |
| 3/4/2018 | 1.4265% | 0.000039081 | \$6,864,804,138.08 | 0.999943 | 29 | 105 |
| 3/5/2018 | 1.4258% | 0.000039062 | \$6,832,958,948.85 | 0.999915 | 29 | 104 |
| 3/6/2018 | 1.4287% | 0.000039142 | \$6,837,040,724.81 | 0.999904 | 29 | 104 |
| 3/7/2018 | 1.4419% | 0.000039503 | \$6,816,680,391.22 | 0.999902 | 31 | 106 |
| 3/8/2018 | 1.4417% | 0.000039498 | \$6,832,615,219.56 | 0.999899 | 30 | 105 |
| 3/9/2018 | 1.4395% | 0.000039437 | \$6,960,754,977.88 | 0.999907 | 28 | 100 |
| 3/10/2018 | 1.4395% | 0.000039437 | \$6,960,754,977.88 | 0.999907 | 28 | 100 |
| 3/11/2018 | 1.4395% | 0.000039437 | \$6,960,754,977.88 | 0.999907 | 28 | 100 |
| 3/12/2018 | 1.4468% | 0.000039638 | \$6,966,543,725.21 | 0.999899 | 30 | 99 |
| 3/13/2018 | 1.4526% | 0.000039796 | \$6,933,669,374.63 | 0.999882 | 31 | 106 |
| 3/14/2018 | 1.4540% | 0.000039836 | \$6,878,685,508.37 | 0.999859 | 30 | 106 |
| 3/15/2018 | 1.4794% | 0.000040531 | \$6,874,524,267.16 | 0.999849 | 30 | 109 |
| 3/16/2018 | 1.4842% | 0.000040662 | \$6,780,580,116.24 | 0.999850 | 29 | 108 |
| 3/17/2018 | 1.4842% | 0.000040662 | \$6,780,580,116.24 | 0.999850 | 29 | 108 |
| 3/18/2018 | 1.4842% | 0.000040662 | \$6,780,580,116.24 | 0.999850 | 29 | 108 |
| 3/19/2018 | 1.4931% | 0.000040907 | \$6,766,387,322.70 | 0.999844 | 30 | 107 |
| 3/20/2018 | 1.4998% | 0.000041090 | \$6,762,434,936.87 | 0.999840 | 29 | 106 |
| 3/21/2018 | 1.5026% | 0.000041168 | \$6,749,688,974.95 | 0.999855 | 28 | 105 |
| 3/22/2018 | 1.5584% | 0.000042695 | \$6,747,495,853.21 | 0.999859 | 28 | 107 |
| 3/23/2018 | 1.5801% | 0.000043291 | \$6,689,261,910.86 | 0.999867 | 26 | 106 |
| 3/24/2018 | 1.5801% | 0.000043291 | \$6,689,261,910.86 | 0.999867 | 26 | 106 |
| 3/25/2018 | 1.5801% | 0.000043291 | \$6,689,261,910.86 | 0.999867 | 26 | 106 |
| 3/26/2018 | 1.5999% | 0.000043833 | \$6,666,505,499.56 | 0.999861 | 26 | 106 |
| 3/27/2018 | 1.5986% | 0.000043798 | \$6,683,990,258.98 | 0.999869 | 25 | 104 |
| 3/28/2018 | 1.6006% | 0.000043851 | \$6,603,559,232.04 | 0.999881 | 25 | 105 |
| 3/29/2018 | 1.6187% | 0.000044349 | \$6,461,363,510.56 | 0.999892 | 24 | 105 |
| 3/30/2018 | 1.6187% | 0.000044349 | \$6,461,363,510.56 | 0.999892 | 24 | 105 |
| 3/31/2018 | 1.6187% | 0.000044349 | \$6,461,363,510.56 | 0.999892 | 24 | 105 |
| Average | 1.4995% | 0.000041082 | \$6,779,827,365.68 | | 28 | 105 |

TexSTAR Participant Services
Hilltop Securities Inc.
1201 Elm Street, Suite 3500
Dallas, Texas 75270



TexSTAR Board Members

| | | |
|------------------------|--|--|
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For more information contact TexSTAR Participant Services ★ 1-800-839-7827 ★ www.texstar.org

