



CENTRAL TEXAS REGIONAL  
**MOBILITY AUTHORITY**

August 16, 2023  
**AGENDA ITEM #5**

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Accept the unaudited financial  
statements for June 2023

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

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

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

**Financing:** N/A

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

**Backup provided:** Draft Resolution  
Draft unaudited financial statements for June 2023

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

**RESOLUTION NO. 23-0XX**

**ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR JUNE 2023**

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

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

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

WHEREAS, the Executive Director, working with the Chief Financial Officer, has reviewed and authorized the disbursements necessary for the month of June 2023 and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

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

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 16<sup>th</sup> day of August 2023.

Submitted and reviewed by:

Approved:

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James M. Bass  
Executive Director

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Robert W. Jenkins, Jr.  
Chairman, Board of Directors

**Exhibit A**

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

		Budget			
		Amount FY	Actual Year to	Percent of	Actual Prior
		2023	Date	Budget	Year to Date
<b>REVENUE</b>					
<b>Operating Revenue</b>					
Toll Revenue		119,610,800	146,001,192	122.06%	116,864,701
Video Tolls		46,743,300	66,875,538	143.07%	44,959,803
Fee Revenue		13,845,900	12,787,696	92.36%	12,987,462
	<b>Total Operating Revenue</b>	<b>180,200,000</b>	<b>225,664,427</b>	<b>125.23%</b>	<b>174,811,965</b>
<b>Other Revenue</b>					
Transfer In - Cash		-	-	-	-
Interest Income		3,190,301	36,598,070	1147.17%	1,749,829
Grant Revenue		1,359,833	344,737	25.35%	922,679
Misc Revenue		130,000	20,356	15.66%	226,580
Gain/Loss on Sale of Asset		-	(281,176)	-	20,905
	<b>Total Other Revenue</b>	<b>4,680,134</b>	<b>36,681,987</b>	<b>783.78%</b>	<b>2,919,994</b>
	<b>TOTAL REVENUE</b>	<b>184,880,134</b>	<b>262,346,414</b>	<b>141.90%</b>	<b>177,731,959</b>
<b>EXPENSES</b>					
<b>Salaries and Benefits</b>					
Salary Expense-Regular		4,621,321	3,940,943	85.28%	3,804,541
Salary Reserve		80,000	-	-	-
TCDRS		1,046,269	313,933	30.00%	118,008
FICA		232,304	199,223	85.76%	200,208
FICA MED		67,009	57,077	85.18%	56,356
Health Insurance Expense		580,271	430,109	74.12%	387,467
Life Insurance Expense		5,972	4,037	67.59%	5,807
Auto Allowance Expense		10,200	9,818	96.25%	10,413
Other Benefits		126,590	117,237	92.61%	154,071
Unemployment Taxes		4,608	(1,538)	-33.38%	4,375
	<b>Total Salaries and Benefits</b>	<b>6,774,544</b>	<b>5,070,838</b>	<b>74.85%</b>	<b>4,741,245</b>
<b>Administrative</b>					
<b>Administrative and Office Expenses</b>					
Accounting		9,500	8,144	85.73%	8,230
Auditing		190,000	182,155	95.87%	143,975
Financial Advisors		108,000	205,200	190.00%	141,373
Human Resources		30,000	50,012	166.71%	28,152
Legal		70,000	33,335	47.62%	67,171
IT Services		350,000	346,842	99.10%	136,745
Internet		150	-	-	-

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

	Budget			
	Amount FY	Actual Year to	Percent of	Actual Prior
	2023	Date	Budget	Year to Date
Software Licenses	557,500	705,373	126.52%	453,002
Cell Phones	24,200	20,557	84.95%	20,458
Local Telephone Service	10,000	93,815	938.15%	91,281
Overnight Delivery Services	250	108	43.23%	81
Local Delivery Services	-	-	-	18
Copy Machine	15,500	15,264	98.48%	13,992
Repair & Maintenance-General	8,000	-	-	2,273
Meeting Facilities	-	-	-	1,300
Meeting Expense	12,750	8,828	69.24%	5,053
Toll Tag Expense	3,000	500	16.67%	2,020
Parking / Local Ride Share	2,800	580	20.70%	113
Mileage Reimbursement	3,950	1,019	25.81%	342
Insurance Expense	651,250	524,709	80.57%	538,353
Rent Expense	731,203	510,273	69.79%	657,199
Building Parking	3,500	1,441	41.17%	1,763
Total Legal Services	443,000	262,873	59.34%	369,983
<b>Total Administrative and Office Expenses</b>	<b>3,224,553</b>	<b>2,971,028</b>	<b>92.14%</b>	<b>2,682,875</b>
<b>Office Supplies</b>				
Books & Publications	3,250	3,044	93.65%	3,643
Office Supplies	7,750	2,377	30.67%	1,436
Misc Office Equipment	4,500	9,370	208.21%	732
Computer Supplies	221,950	264,267	119.07%	236,029
Copy Supplies	-	433	-	117
Other Reports-Printing	5,000	-	-	-
Office Supplies-Printed	3,100	1,208	38.97%	171
Postage Expense	550	495	89.91%	582
<b>Total Office Supplies</b>	<b>246,100</b>	<b>281,193</b>	<b>114.26%</b>	<b>242,710</b>
<b>Communications and Public Relations</b>				
Graphic Design Services	75,000	-	-	-
Website Maintenance	111,500	55,918	50.15%	56,591
Research Services	140,000	3,600	2.57%	10,109
Communications and Marketing	400,000	49,743	12.44%	16,527
Advertising Expense	500,000	474,322	94.86%	324,813
Direct Mail	65,000	-	-	32,500
Video Production	82,500	29,097	35.27%	16,526
Photography	25,000	14,090	56.36%	424
Radio	50,000	-	-	-
Other Public Relations	2,500	1,200	48.00%	-

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Promotional Items	520,000	29,254	5.63%	6,491
Annual Report printing	1,500	-	-	780
Direct Mail Printing	26,000	-	-	-
Other Communication Expenses	15,000	(30)	-0.20%	14,849
<b>Total Communications and Public Relations</b>	<b>2,014,000</b>	<b>657,194</b>	<b>32.63%</b>	<b>479,609</b>
<b>Employee Development</b>				
Subscriptions	50,700	2,443	4.82%	123
Agency Memberships	78,550	46,788	59.57%	37,320
Continuing Education	4,800	1,949	40.60%	1,729
Professional Development	19,150	7,683	40.12%	240
Other Licenses	1,900	1,223	64.35%	554
Seminars and Conferences	118,500	53,037	44.76%	7,943
Travel	93,500	40,991	43.84%	22,310
<b>Total Employee Development</b>	<b>367,100</b>	<b>154,115</b>	<b>41.98%</b>	<b>70,218</b>
<b>Financing and Banking Fees</b>				
Trustee Fees	60,000	56,500	94.17%	57,038
Bank Fee Expense	3,240	1,983	61.20%	3,220
Continuing Disclosure	7,000	11,525	164.64%	6,184
Arbitrage Rebate Calculation	15,000	16,300	108.67%	13,967
Rating Agency Expense	50,000	43,000	86.00%	12,000
<b>Total Financing and Banking Fees</b>	<b>135,240</b>	<b>129,308</b>	<b>95.61%</b>	<b>92,408</b>
<b>Total Administrative</b>	<b>5,986,993</b>	<b>4,192,838</b>	<b>70.03%</b>	<b>3,567,820</b>
<b>Operations and Maintenance</b>				
<b>Operations and Maintenance Consulting</b>				
GEC-Trust Indenture Support	763,997	521,042	68.20%	394,100
GEC-Financial Planning Support	275,000	291,307	105.93%	229,254
GEC-Toll Ops Support	2,550,000	985,757	38.66%	794,422
GEC-Roadway Ops Support	1,411,139	847,159	60.03%	848,569
GEC-Technology Support	654,369	580,585	88.72%	538,273
GEC-Public Information Support	200,000	171,725	85.86%	179,929
GEC-General Support	1,360,000	837,834	61.61%	1,099,209
General System Consultant	1,159,640	1,292,816	111.48%	1,212,254
Traffic Modeling	150,000	-	-	41,834
Traffic and Revenue Consultant	500,000	901,109	180.22%	562,946
<b>Total Operations and Maintenance Consulting</b>	<b>9,024,145</b>	<b>6,429,335</b>	<b>71.25%</b>	<b>5,900,790</b>

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Roadway Operations and Maintenance</b>				
Roadway Maintenance	1,868,052	165,110	8.84%	4,812,244
Landscape Maintenance	2,949,320	1,919,901	65.10%	1,928,983
Maintenance Supplies-Roadway	300,000	(34,730)	-11.58%	103,703
Tools & Equipment Expense	25,000	1,741	6.96%	138
Gasoline	30,000	17,717	59.06%	11,496
Repair & Maintenance - Vehicles	10,000	(8,830)	-88.30%	4,300
Natural Gas	2,500	6,165	246.59%	5,137
Electricity - Roadways	250,000	590,547	236.22%	207,646
<b>Total Roadway Operations and Maintenance</b>	<b>5,434,872</b>	<b>2,657,621</b>	<b>48.90%</b>	<b>7,073,648</b>
<b>Toll Processing and Collection Expense</b>				
Image Processing	4,208,340	3,833,360	91.09%	3,855,545
Tag Collection Fees	8,453,846	9,772,783	115.60%	8,737,748
Court Enforcement Costs	10,000	-	-	-
DMV Lookup Fees	200	-	-	-
<b>Total Processing and Collection Expense</b>	<b>12,672,387</b>	<b>13,606,143</b>	<b>107.37%</b>	<b>12,593,293</b>
<b>Toll Operations Expense</b>				
Generator Fuel	3,000	1,252	41.74%	-
Fire and Burglar Alarm	500	493	98.69%	452
Refuse	2,180	2,190	100.44%	1,797
Telecommunications	-	3,360	-	-
Water - Irrigation	7,500	7,929	105.72%	5,554
Electricity	500	602	120.33%	558
ETC spare parts expense	200,000	65,917	32.96%	(87,945)
Repair & Maintenance Toll Equip	50,000	192,085	384.17%	54,037
Law Enforcement	500,000	415,222	83.04%	424,967
ETC Maintenance Contract	6,000,000	7,254,951	120.92%	3,215,993
Transaction Processing Maintenance Contract	1,500,000	746,220	49.75%	-
ETC Toll Management Center System Operation	875,000	688,436	78.68%	655,418
ETC Development	559,000	274,882	49.17%	730,355
ETC Testing	275,000	41,922	15.24%	27,872
<b>Total Toll Operations Expense</b>	<b>9,972,680</b>	<b>9,695,461</b>	<b>97.22%</b>	<b>5,029,059</b>
<b>Total Operations and Maintenance</b>	<b>37,104,083</b>	<b>32,388,559</b>	<b>87.29%</b>	<b>30,596,790</b>

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Other Expenses</b>				
<b>Special Projects and Contingencies</b>				
HERO	149,000	147,829	99.21%	147,829
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	2,862,264	57.25%	2,367,352
Customer Relations	3,000	-	-	-
Technology Initiatives	75,000	43,784	58.38%	41,395
Other Contractual Svcs	370,000	347,050	93.80%	224,425
Contingency	300,000	10,000	3.33%	-
<b>Total Special Projects and Contingencies</b>	<b>5,997,000</b>	<b>3,410,928</b>	<b>56.88%</b>	<b>2,781,001</b>
<b>Non Cash Expenses</b>				
<b>Amortization Expense</b>				
Amortization Expense - Software	2,020,950	1,270,395	62.86%	1,393,885
Amortization Expense - Refundings	9,073,105	5,097,312	56.18%	4,474,548
<b>Subtotal Amortization Expense</b>	<b>11,094,055</b>	<b>6,367,707</b>	<b>57.40%</b>	<b>5,868,434</b>
<b>Depreciation Expense</b>				
Dep Exp - Furniture & Fixtures	2,178	2,178	100.01%	2,614
Dep Expense - Equipment	-	467,029	-	2,500
Dep Expense - Autos & Trucks	46,496	46,898	100.86%	36,879
Dep Expense - Buildng & Toll Fac	176,748	176,748	100.00%	176,748
Dep Expense - Highways & Bridges	53,479,102	50,877,971	95.14%	50,621,544
Dep Expense - Toll Equipment	4,736,604	3,753,991	79.25%	4,074,433
Dep Expense - Signs	1,052,717	1,359,998	129.19%	1,016,571
Dep Expense - Land Improvements	884,934	884,934	100.00%	884,934
Depreciation Expense - Computers	64,319	64,319	100.00%	189,081
Undevelopable Projects	-	1,684,894	-	3,245,322
<b>Subtotal Depreciation Expense</b>	<b>60,443,098</b>	<b>59,318,960</b>	<b>98.14%</b>	<b>60,250,625</b>
<b>Total Non Cash Expenses</b>	<b>71,537,153</b>	<b>65,686,667</b>	<b>91.82%</b>	<b>66,119,058</b>
<b>Total Other Expenses</b>	<b>77,534,153</b>	<b>69,097,595</b>	<b>89.12%</b>	<b>68,900,059</b>



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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
<b>Non Operating Expenses</b>				
Bond Issuance Expense	1,250,000	484,271	38.74%	5,414,731
Loan Fee Expense	14,500	32,000	220.69%	39,500
Interest Expense - Debt Obligations	83,664,454	71,488,602	85.45%	75,536,392
Interest Expense - Right to Use Assets	-	-	-	-
Transfer Out - Cash	-	-	-	-
CAMPO RIF Payment	-	5,000,000	-	5,000,000
Community Initiatives	150,000	47,696	31.80%	52,670
<b>Total Non Operating Expenses</b>	<b>85,078,954</b>	<b>77,052,569</b>	<b>90.57%</b>	<b>86,043,293</b>
<b>TOTAL EXPENSES</b>	<b>212,478,727</b>	<b>187,802,399</b>	<b>88.39%</b>	<b>193,849,207</b>
<b>Net Income</b>	<b>(27,598,593)</b>	<b>74,544,015</b>		<b>(16,117,248)</b>

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

	as of 06/30/2023	as of 06/30/2022
<b>ASSETS</b>		
<b>Current Assets</b>		
<b>Cash</b>		
Regions Operating Account	\$ 245,584	\$ 3,657,535
Cash in TexStar	735,649	41,741
Regions Payroll Account	54,012	85,526
<b>Restricted Cash</b>		
Goldman Sachs FSGF 465	864,618,238	837,065,766
Restricted Cash - TexSTAR	6,091,780	187,919,467
Overpayments account	-	291,166
<b>Total Cash and Cash Equivalents</b>	<b>871,745,263</b>	<b>1,029,061,201</b>
<b>Accounts Receivables</b>		
Accounts Receivable - Net	4,979,871	2,770,089
Due From Other Agencies	94,886	70,401
Due From TTA	746,846	507,475
Due From NTTA	1,449,353	1,191,298
Due From HCTRA	871,572	1,874,680
Due From TxDOT	6,678,327	5,169,588
Interest Receivable	693,342	695,361
<b>Total Receivables</b>	<b>15,514,197</b>	<b>9,508,802</b>
<b>Short Term Investments</b>		
Treasuries	118,539,388	-
Agencies	105,000,000	112,437,186
<b>Total Short Term Investments</b>	<b>223,539,388</b>	<b>112,437,186</b>
<b>Total Current Assets</b>	<b>1,110,798,848</b>	<b>1,151,007,190</b>
<b>Construction in Progress</b>	<b>386,461,760</b>	<b>264,673,411</b>
<b>Capital Assets (Net of Depreciation and Amortization)</b>		
<b>Depreciable Assets</b>		
Computers	34,187	98,507
Furniture and Fixtures	-	2,178
Equipment	1,410,712	9,624
Autos and Trucks	45,383	93,882
Buildings and Toll Facilities	4,240,271	4,417,019
Highways and Bridges	1,670,019,990	1,715,598,347
Toll Equipment	15,260,431	19,980,051
Signs	11,368,577	13,125,973
Land Improvements	5,314,335	6,199,269

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

	as of 06/30/2023	as of 06/30/2022
Right of way	88,149,606	88,149,606
Leasehold Improvements	8,466	44,711
<b>Intangible Assets</b>		
Computer Software	(42,380)	1,779,401
<b>Right to Use Assets</b>		
Leases	1,286,881	-
Subscription Based IT Arrangements	-	-
<b>Total Fixed Assets</b>	<b>1,797,096,459</b>	<b>1,849,498,569</b>
<b>Other Assets</b>		
Intangible Assets-Net	170,194,872	175,292,184
2005 Bond Insurance Costs	2,949,653	3,433,925
Prepaid Insurance	196,123	128,063
Deferred Outflows (pension related)	2,877,719	675,913
Pension Asset	1,046,634	2,549,818
<b>Total Other Assets</b>	<b>177,265,002</b>	<b>182,079,904</b>
<b>Total Assets</b>	<b>\$ 3,471,622,069</b>	<b>\$ 3,447,259,073</b>

**LIABILITIES**

<b>Current Liabilities</b>		
Accounts Payable	15,883,602	26,760,206
Construction Payable	4,162,392	5,443,709
Overpayments	1,570	294,629
Interest Payable	33,389,903	41,012,840
Deferred Compensation Payable	5,439	4,155
TCDRS Payable	141,877	116,999
Due to other Agencies	3,699	3,051
Due to TTA	658,773	548,450
Due to HCTRA	156,662	134,560
Due to Other Entities	258,650	1,016,363
71E TxDOT Obligation - ST	2,686,575	1,818,107
<b>Total Current Liabilities</b>	<b>57,349,141</b>	<b>77,153,069</b>
<b>Long Term Liabilities</b>		
Compensated Absences	240,954	268,014
Right to Use Obligations - Lease	1,286,881	-
Deferred Inflows (pension related)	1,554,063	1,481,361
<b>Long Term Payables</b>	<b>3,081,898</b>	<b>1,749,375</b>

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

as of 06/30/2023    as of 06/30/2022

**Bonds Payable**

**Senior Lien Revenue Bonds:**

Senior Lien Revenue Bonds 2010	93,809,577	87,602,054
Senior Lien Revenue Bonds 2011	16,119,224	18,839,934
Senior Refunding Bonds 2013	-	3,475,000
Senior Lien Revenue Bonds 2015	10,000,000	10,000,000
Senior Lien Refunding Revenue Bonds 2016	59,340,000	70,790,000
Senior Lien Revenue Bonds 2018	44,345,000	44,345,000
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000
Senior Lien Refunding Bonds 2020B	54,970,000	55,600,000
Senior Lien Refunding Bonds 2020C	138,435,000	138,435,000
Senior Lien Revenue Bonds 2020E	167,160,000	167,160,000
Senior Lien Revenue Bonds 2021B	255,075,000	255,075,000
Senior Lien Refunding Bonds 2021D	274,625,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	894,559
Senior Lien Premium 2016 Revenue Bonds	6,266,726	7,602,180
Sn Lien Revenue Bond Premium 2018	2,905,432	3,149,791
Senior Lien Revenue Bond Premium 2020A	11,183,281	11,345,407
Senior Lien Refunding Bond Premium 2020B	11,281,170	11,771,656
Senior Lien Revenue Bonds Premium 2020E	24,283,484	25,855,922
Senior Lien Revenue Bonds Premium 2021B	53,058,633	53,526,531
Senior Lien Refunding Bonds Premium 2021D	43,962,061	44,841,645
<b>Total Senior Lien Revenue Bonds</b>	<b>1,649,669,587</b>	<b>1,670,809,679</b>

**Sub Lien Revenue Bonds:**

Sub Lien Refunding Bonds 2013	-	2,725,000
Sub Lien Refunding Bonds 2016	71,435,000	72,605,000
Sub Lien Refunding Bonds 2020D	97,440,000	98,580,000
Subordinated Lien BANs 2020F	110,875,000	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinated Lien BANs 2021C	244,185,000	244,185,000
Sub Refunding 2013 Prem/Disc	-	190,874
Sub Refunding 2016 Prem/Disc	5,057,658	5,791,814
Subordinated Lien BANs 2020F Premium	6,337,869	10,007,162
Subordinated Lien Refunding Bonds Premium 2020G	6,797,912	7,168,220
Sub Lien BANS 2021C Premium	27,275,177	34,252,548
<b>Total Sub Lien Revenue Bonds</b>	<b>630,973,616</b>	<b>647,950,617</b>

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

	as of 06/30/2023	as of 06/30/2022
<b>Other Obligations</b>		
TIFIA Note 2021	358,400,136	351,303,701
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2022 MoPac Loan	24,690,900	24,990,900
<b>Total Other Obligations</b>	<b>435,009,256</b>	<b>431,371,866</b>
<b>Total Long Term Liabilities</b>	<b>2,718,734,358</b>	<b>2,751,881,537</b>
<b>Total Liabilities</b>	<b>2,776,083,499</b>	<b>2,829,034,606</b>
<b>NET ASSETS</b>		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	499,532,189	515,649,438
Current Year Operations	74,544,277	(16,116,986)
<b>Total Net Assets</b>	<b>695,538,570</b>	<b>620,994,555</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 3,471,622,069</b>	<b>\$ 3,450,029,162</b>

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

**Cash flows from operating activities:**

Receipts from toll revenues	257,075,998
Receipts from Other Sources (AR)	83,917
Payments to vendors	(79,455,924)
Payments to employees	(5,096,614)
Net cash flows provided by (used in) operating activities	172,607,376

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

Prepaid payment on Intangible assets	(5,097,312)
Issuance Expense	(4,942,934)
Payments on bonds / loans	(34,479,703)
RIF Contribution	(5,000,000)
Acquisition of capital assets - non project	(1,798,484)
Acquisitions of construction in progress	(101,339,955)
Net cash flows provided by (used in) capital and related financing activities	(152,658,387)

**Cash flows from investing activities:**

Interest income	36,596,661
Purchase of investments	(223,568,475)
Proceeds from sale or maturity of investments	124,044,443
Net cash flows provided by (used in) investing activities	(62,927,371)

Net increase (decrease) in cash and cash equivalents	(42,978,381)
Cash and cash equivalents at beginning of period	1,153,777,279
Cash and cash equivalents at end of period	1,110,798,897

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

Operating income	74,544,064
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	65,686,667
Changes in assets and liabilities:	
Decrease in accounts receivable	31,411,522
Increase in prepaid expenses and other assets	(68,060)
Decrease in accrued expenses	(34,420,968)
Decrease in Interest expense	72,052,569
Increase in interest receivable	(36,598,680)
Difference between Operating statement and Trial balance	262
Total adjustments	98,063,312
Net cash flows provided by (used in) operating activities	\$ 172,607,376

**Reconciliation of cash and cash equivalents:**

Unrestricted cash and cash equivalents	16,549,491
Restricted cash and cash equivalents	1,094,249,406
Total	1,110,798,897

INVESTMENTS by FUND

		Balance June 30, 2023	
Renewal and Replacement Fund			
TexSTAR	8.63		TexSTAR 6,827,428.46
Goldman Sachs	1.44		Goldman Sachs 860,313,355.67
Agencies/ Treasuries		10.07	Agencies & Treasury Notes 223,539,387.71
Grant Fund			\$ 1,090,680,171.84
TexSTAR	472,469.19		Balance below: 1,090,680,171.84
Goldman Sachs	9,954,022.85		Difference: \$ -
Agencies/ Treasuries		MATURED 10,426,492.04	
Senior Debt Service Reserve Fund			
TexSTAR	1,025,405.44		
Goldman Sachs	5,667,879.20		
Agencies/ Treasuries	104,973,592.19	111,666,876.83	
2010 Senior Lien Debt Service Account			
Goldman Sachs	62,788.70	62,788.70	
2011 Sr Debt Service Account			
Goldman Sachs	3,642,849.15	3,642,849.15	
2013 Sr Debt Service Account			
Goldman Sachs	41,619.20	41,619.20	
2013 Sub Debt Service Account			
Goldman Sachs	32,755.61	32,755.61	
2013 Sub Debt Service Reserve Fund			
Goldman Sachs	127.63	811,543.69	
TexSTAR	811,416.06		
2015 Sr Debt Service Account			
Goldman Sachs	4,384,437.38	4,384,437.38	
2016 Sr Lien Rev Refunding Debt Service Account			
Goldman Sachs	7,797,720.94	7,797,720.94	
2016 Sub Lien Rev Refunding Debt Service Account			
Goldman Sachs	2,829,625.76	2,829,625.76	
2016 Sub Lien Rev Refunding DSR			
Goldman Sachs	571,603.23		
Agencies/ Treasuries	6,671,837.25	7,243,440.48	
Operating Fund			
TexSTAR	735,648.93		
TexSTAR-Trustee	544,596.81		
Goldman Sachs	17,011,529.28	18,291,775.02	
Revenue Fund			
Goldman Sachs	15,429,460.31	15,429,460.31	
General Fund			
TexSTAR	1,183,256.16		
Goldman Sachs	84,839,868.33		
Agencies/ Treasuries	84,937,529.59	170,960,654.08	
71E Revenue Fund			
Goldman Sachs	28,423,634.71	28,423,634.71	
MoPac Revenue Fund			
Goldman Sachs	74,591.92	74,591.92	
MoPac General Fund			
Goldman Sachs	14,833,164.08	14,833,164.08	
MoPac Operating Fund			
Goldman Sachs	1,028,594.36	1,028,594.36	
MoPac Loan Repayment Fund			
Goldman Sachs	1,319,766.35	1,319,766.35	
2015B Project Account			
Goldman Sachs	7,851,784.45		
TexSTAR	363,678.18	8,215,462.63	
2015 TIFIA Project Account			
Goldman Sachs	38,832,825.48		
TexSTAR	722,504.03		
Agencies/ Treasuries		39,555,329.51	
2011 Sr Financial Assistance Fund			
Goldman Sachs	512,100.74	512,117.02	
TexSTAR	16.28		
2018 Sr Lien Debt Service Account			
Goldman Sachs	1,117,847.96	1,117,847.96	
2018 Sr Lien Project Cap I			
Goldman Sachs	737.23	737.23	
2018 Sr Lien Project Account			
Goldman Sachs	12,836,907.62		
TexSTAR	968,428.75	13,805,336.37	
2020A Senior Lien Debt Service Account			
Goldman Sachs	1,267,168.03	1,267,168.03	
2020B Senior Lien Debt Service Account			
Goldman Sachs	1,676,666.85	1,676,666.85	
2020C Senior Lien Debt Service Account			
Goldman Sachs	2,187,519.69	2,187,519.69	
2020D Sub Lien Debt Service Account			
Goldman Sachs	3,509,465.05	3,509,465.05	
2020D Sub Debt Service Reserve Fund			
Goldman Sachs	420,951.36		
Agencies/ Treasuries	7,987,089.95	8,408,041.31	
2020E Senior Lien Project Account			
Goldman Sachs	149,075,970.79	149,075,970.79	
2020E Senior Lien Project Cap Interest			
Goldman Sachs	18,684,925.12	18,684,925.12	
2020F Sub Lien Project Account			
Goldman Sachs	127,453.06	127,453.06	
2020F Sub Lien Deb Service Account			
Goldman Sachs	2,795,040.83	2,795,040.83	
2020G Sub Lien Debt Service Account			
Goldman Sachs	1,286,966.61	1,286,966.61	
2020G Sub Lien Debt Service Reserve Account			
Goldman Sachs	696,091.67		
Agencies/ Treasuries	2,995,158.73	3,691,250.40	
2021A Sub Lien Debt Service Reserve Account			
Goldman Sachs	1,076,729.68		37,205,185.56
Agencies/ Treasuries	15,974,180.00	17,050,909.68	
2021A Sub Debt Service Account			
Goldman Sachs	99.12	99.12	
2021B Senior Lien Cap I Project Fund			
Goldman Sachs	41,622,308.71	41,622,308.71	
2021B Senior Lien Project Account			
Goldman Sachs	237,881,980.42		
Agencies/ Treasuries		MATURED 237,881,980.42	
2021C Sub Lien Cap I Project Fund			
Goldman Sachs	1,383.50	1,383.50	
2021C Sub Lien Project Account			
Goldman Sachs	120,412,276.10	120,412,276.10	
2021C Sub Lien Debt Service Account			
Goldman Sachs	6,155,639.53	6,155,639.53	
2021D Senior Lien Debt Service Account			
Goldman Sachs	5,895,953.58	5,895,953.58	
2021E Senior Lien Debt Service Account			
Goldman Sachs	6,440,522.06	6,440,522.06	
		\$ 1,090,680,171.84	

**CTRMA INVESTMENT REPORT**

Month Ending 06/30/2023					
Balance 6/1/2023	Additions	Discount Amortization	Accrued Interest	Withdrawals	Balance 6/30/2023
<b>Amount in Trustee TexStar</b>					
2011 Sr Lien Financial Assist Fund	16.24		0.04		16.28
2013 Sub Lien Debt Service Reserve	808,044.60		3,371.46		811,416.06
General Fund	1,178,339.66		4,916.50		1,183,256.16
Trustee Operating Fund	5,035,410.88		9,185.93	4,500,000.00	544,596.81
Renewal and Replacement	8.63		-		8.63
TxDOT Grant Fund	470,506.05		1,963.14		472,469.19
Senior Lien Debt Service Reserve Fund	1,021,144.83		4,260.61		1,025,405.44
2015B Sr Ln Project	362,167.06		1,511.12		363,678.18
2015C TIFIA Project	719,501.96		3,002.07		722,504.03
2018 Sr Lien Project Account	964,404.86		4,023.89		968,428.75
	14,510,444.67	0.00	32,234.76	4,500,000.00	6,091,779.53

Rate  
June

**Amount in TexStar Operating Fund**

730,848.69	4,500,000.00		4,800.24	4,500,000.00	735,648.93
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5.0764%

**Goldman Sachs**

Operating Fund	12,667,021.82	4,412,197.84		45,548.49	113,238.87	17,011,529.28	5.0100%
2020A Senior Lien Debt Service Account	1,056,055.23	207,058.12		4,054.68		1,267,168.03	5.0100%
2020B Senior Lien Debt Service Account	1,397,268.63	274,033.61		5,364.61		1,676,666.85	5.0100%
2020C Senior Lien Debt Service Account	1,821,600.05	358,929.03		6,990.61		2,187,519.69	5.0100%
2020D Sub Lien Debt Service Account	2,922,376.89	575,873.28		11,214.88		3,509,465.05	5.0100%
2020D Sub Debt Service Reserve Fund	8,372,797.34			35,243.97	7,987,089.95	420,951.36	5.0100%
2020E Sr Lien Project Account	154,258,438.81			652,859.68	5,835,327.70	149,075,970.79	5.0100%
2020E Sr Ln Project Cap Interest	18,606,603.56			78,321.56		18,684,925.12	5.0100%
2020F Sub Lien Project Account	0.00	124,370.00		3,083.06		127,453.06	5.0100%
2020F Sub Lien Debt Service Account	2,328,014.94	458,090.68		8,935.21		2,795,040.83	5.0100%
2020G Sub Lien Debt Service Account	1,071,926.20	210,926.23		4,114.18		1,286,966.61	5.0100%
2020G Sub Debt Service Reserve Fund	3,584,132.77	92,204.74		14,912.89	2,995,158.73	696,091.67	5.0100%
2021A Sub Debt Service Reserve Fund	16,421,122.50	561,724.77		68,062.41	15,974,180.00	1,076,729.68	5.0100%
2021A Sub Debt Service Account	98.70			0.42		99.12	5.0100%
2021B Senior Lien Cap I Project Fund	41,447,840.57			174,468.14		41,622,308.71	5.0100%
2021B Senior Lien Project Account	236,884,850.71			997,129.71		237,881,980.42	5.0100%
2021C Sub Lien Cap I Project Fund	1,377.70			5.80		1,383.50	5.0100%
2021C Sub Lien Project Account	125,280,889.83			531,039.70	5,399,653.43	120,412,276.10	5.0100%
2021C Sub Lien Debt Service Account	5,127,018.31	1,008,943.25		19,677.97		6,155,639.53	5.0100%
2021D Senior Lien Debt Service Account	4,911,302.63	965,799.61		18,851.34		5,895,953.58	5.0100%
2021E Senior Lien Debt Service Account	5,367,941.68	1,051,969.46		20,610.92		6,440,522.06	5.0100%
2011 Sr Financial Assistance Fund	509,953.91			2,146.83		512,100.74	5.0100%
2010 Senior DSF	62,525.48			263.22		62,788.70	5.0100%
2011 Senior Lien Debt Service Account	3,036,092.59	595,098.21		11,658.35		3,642,849.15	5.0100%
2013 Senior Lien Debt Service Account	41,444.72			174.48		41,619.20	5.0100%
2013 Sub Debt Service Reserve Fund	127.09			0.54		127.63	5.0100%
2013 Subordinate Debt Service Account	32,618.29			137.32		32,755.61	5.0100%
2015A Sr Lien Debt Service Account	4,366,056.95			18,380.43		4,384,437.38	5.0100%
2015B Project Account	42,720,518.51			180,072.50	35,048,806.56	7,851,784.45	5.0100%
2015C TIFIA Project Account	38,670,030.57			162,794.91		38,832,825.48	5.0100%
2016 Sr Lien Rev Refunding Debt Service Account	6,592,210.57	1,179,985.17		25,525.20		7,797,720.94	5.0100%
2016 Sub Lien Rev Refunding Debt Service Account	2,357,387.97	463,187.73		9,050.06		2,829,625.76	5.0100%
2016 Sub Lien Rev Refunding DSR	7,213,074.54			30,365.94	6,671,837.25	571,603.23	5.0100%
2018 Sr Lien Project Cap I	734.14			3.09		737.23	5.0100%
2018 Sr Lien Debt Service Account	931,122.26	183,151.81		3,573.89		1,117,847.96	5.0100%
2018 Sr Lien Project Account	12,783,099.18			53,808.44		12,836,907.62	5.0100%
TxDOT Grant Fund	9,912,293.61			41,729.24		9,954,022.85	5.0100%
Renewal and Replacement	721.15	193,275.00		213.90	194,208.61	1.44	5.0100%
Revenue Fund	10,905,165.41	25,580,893.20		43,444.22	21,100,042.52	15,429,460.31	5.0100%
General Fund	163,097,304.16	7,022,383.18		679,434.17	85,959,253.18	84,839,868.33	5.0100%
Senior Lien Debt Service Reserve Fund	110,199,769.44			463,924.17	104,995,814.41	5,667,879.20	5.0100%
71E Revenue Fund	27,144,330.14	1,319,110.20		112,634.10	152,439.73	28,423,634.71	5.0100%
MoPac Revenue Fund	0.00	1,532,895.64		2,598.23	1,460,901.95	74,591.92	5.0100%
MoPac General Fund	13,859,934.02	941,356.70		55,892.24	24,018.88	14,833,164.08	5.0100%
MoPac Operating Fund	575,822.56	911,663.42		1,089.19	459,980.81	1,028,594.36	5.0100%
MoPac Loan Repayment Fund	1,195,672.03	119,545.25		4,549.07		1,319,766.35	5.0100%
	1,099,736,688.16	50,344,666.13	0.00	4,603,953.96	294,371,952.58	860,313,355.67	

**Amount in Fed Agencies and Treasuries**

Amortized Principal	0.00	223,539,387.71		26,086.97	0.00	223,565,474.68
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**Certificates of Deposit**

<b>Total in Pools</b>	15,241,293.36	4,500,000.00		37,035.00	9,000,000.00	6,827,428.46
<b>Total in GS FSGF</b>	1,099,736,688.16	50,344,666.13		4,603,953.96	294,371,952.58	860,313,355.67
<b>Total in Fed Agencies and Treasuries</b>	0.00	223,539,387.71	0.00	26,086.97	0.00	223,565,474.68
<b>Total Invested</b>	1,103,919,407.60	278,384,053.84		4,667,075.93	303,371,952.58	1,090,706,258.81

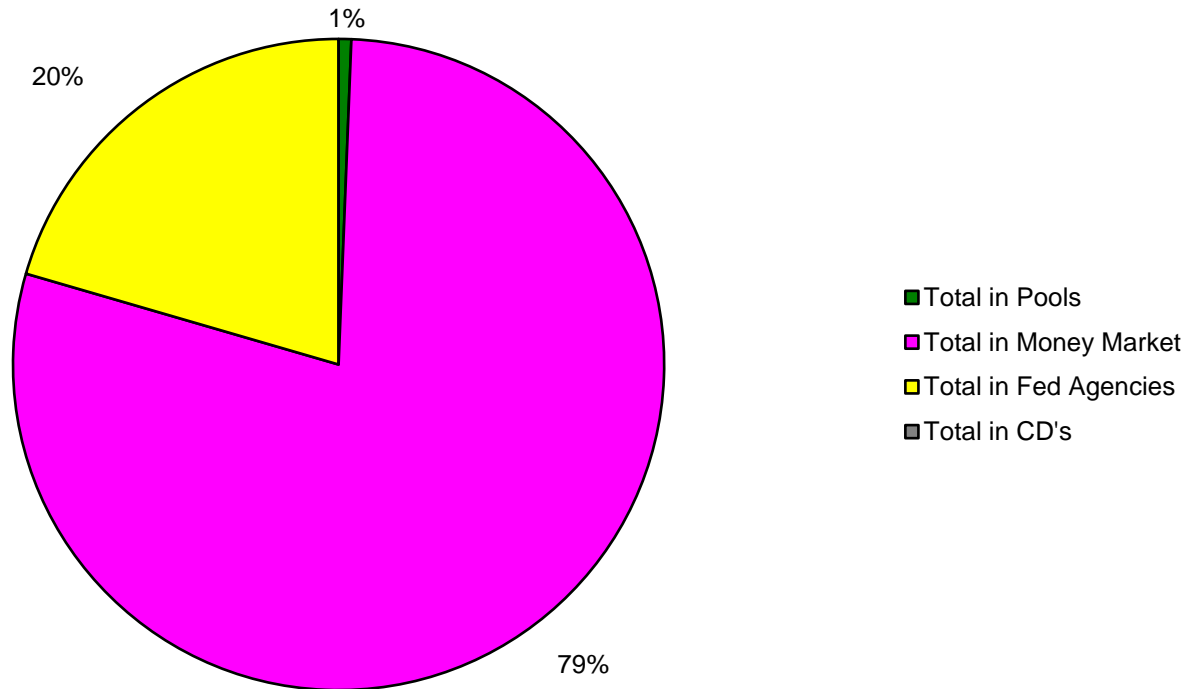
All Investments in the portfolio are in compliance with the CTRMA's Investment policy and the relevant provisions of the Public Funds Investment Act Chapter 2256.023

José Hernández, CFO  
Ann Zigmund, Controller



6/30/2023

## Allocation of Funds



**Goldman Sachs Escrow Funds**

	<b>Balance</b>		<b>Accrued</b>		<b>Balance</b>
	<b>6/1/2023</b>	<b>Additions</b>	<b>Interest</b>	<b>Withdrawals</b>	<b>6/30/2023</b>
Travis County Escrow Fund - Elroy Road	3,029,399.37		14,813.45	44,531.88	2,999,680.94
Travis County Escrow Fund - Ross Road	213,908.36		900.41	49,269.71	165,539.06
Travis County Escrow Fund - Old San Antonio Road	34,323.00		145.57	1,917.60	32,550.97
Travis County Escrow Fund - Old Lockhart Road	128,863.71		543.77		129,407.48
Travis County Escrow Fund - County Line Road	256,291.30		1,079.78	15,379.76	241,991.32
Travis County Escrow Fund - South Pleasant Valley Road	317,274.87		1,336.09	5,054.82	313,556.14
Travis County Escrow Fund - Thaxton Road	130,746.53		550.69	3,946.75	127,350.47
Travis County Escrow Fund - Pearce Lane Road	298,380.98		1,258.65	4,833.20	294,806.43



**TexSTAR**  
MONTHLY  
NEWSLETTER  
JUNE  
2023



## PERFORMANCE

### As of June 30, 2023

Current Invested Balance	\$ 10,475,876,514.08
Weighted Average Maturity (1)	22 Days
Weighted Average Life (2)	48 Days
Net Asset Value	0.999806
Total Number of Participants	1020
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$44,455,159.26
Management Fee Collected	\$519,284.66
% of Portfolio Invested Beyond 1 Year	2.75%
Standard & Poor's Current Rating	AAAm

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

### June Averages

Average Invested Balance	\$10,530,167,305.99
Average Monthly Yield, on a simple basis	5.0764%
Average Weighted Maturity (1)	22 Days
Average Weighted Life (2)	50 Days

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

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

(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

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

## NEW PARTICIPANTS

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

- \* Waller County Municipal Utility District No 37

## ECONOMIC COMMENTARY

### Market review

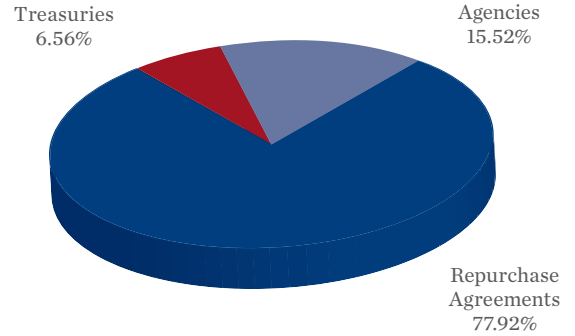
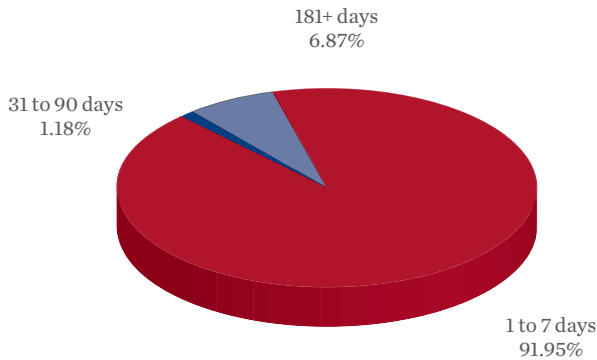
In the first days of June, Congress approved a last-minute compromise to increase the debt limit, ensuring the government's ability to meet its financial obligations and averting a crisis. With the debt ceiling political drama in the rear-view mirror, markets focused their attention on economic data and Federal Reserve (Fed) monetary policy. After 10 consecutive rate hikes totaling 500 basis points (bps), the Fed decided it was time to pause and evaluate whether the much-discussed long and variable lags of tighter monetary conditions were starting to bite and further slow growth and inflationary pressures. The U.S. economy proved to be more resilient than expected in the first half of 2023, despite the drag from significant rate hikes and the failures of a few U.S. regional banks, which caused concerns about a broader banking crisis toward the end of the first quarter. While the tightening cycle has weighed on growth, the timing of the long anticipated recession still remains uncertain as low unemployment and strong consumer and corporate balance sheets have extended the economic expansion. Resilience across the US labor market has been perhaps the most confounding aspect of the current cycle. The economy continued to see extraordinary excess demand for labor as seen in the Job Openings and Labor Turnover Survey (JOLTS) data, which showed job openings in April rising from an upwardly revised 9.7 million to 10.1 million and layoffs declining from 1.76 million to 1.495 million. On the other hand, voluntary quits declined from 3.63 million to 3.59 million – the lowest level since March 2021. The ratio of job openings to unemployed rose from 1.7 to 1.8. The peak was 2.0 in March 2022. While initial jobless claims appeared to have bottomed in mid-June, jumping to 265K from 233K at the end of May, initial claims declined to 239k in the week ending June 24th, the lowest level in a month. Additionally, payrolls growth continued to clock in well above-average (283k over the last three months as of May).

For the first time since January 2022, the Federal Open Market Committee (FOMC) voted to leave the federal funds rate unchanged at a range of 5.00%-5.25% at its June meeting. While this pause was largely expected, the statement language and press conference commentary were decisively hawkish, indicating that another increase is to be expected. The updated Summary of Economic Projections and dot plot were also surprisingly hawkish, suggesting this was simply a mid-year skip, rather than a prolonged pause. In fact, the median FOMC member now anticipates two more hikes this year followed by rate cuts sometime in 2024. While we do not think further tightening is necessary, the Fed made it clear that they still need more compelling evidence that inflation is swiftly decelerating.

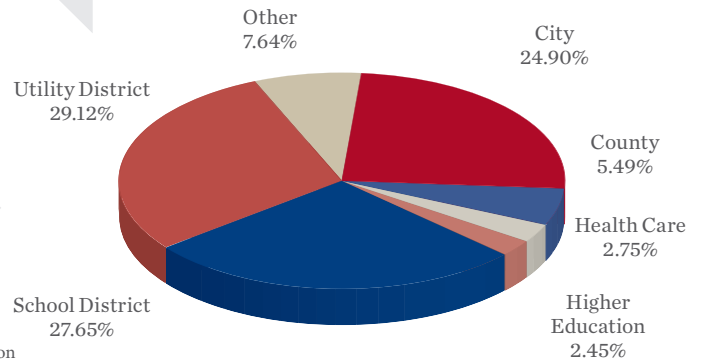
*(continued page 4)*

## INFORMATION AT A GLANCE

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



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



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

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

## HISTORICAL PROGRAM INFORMATION

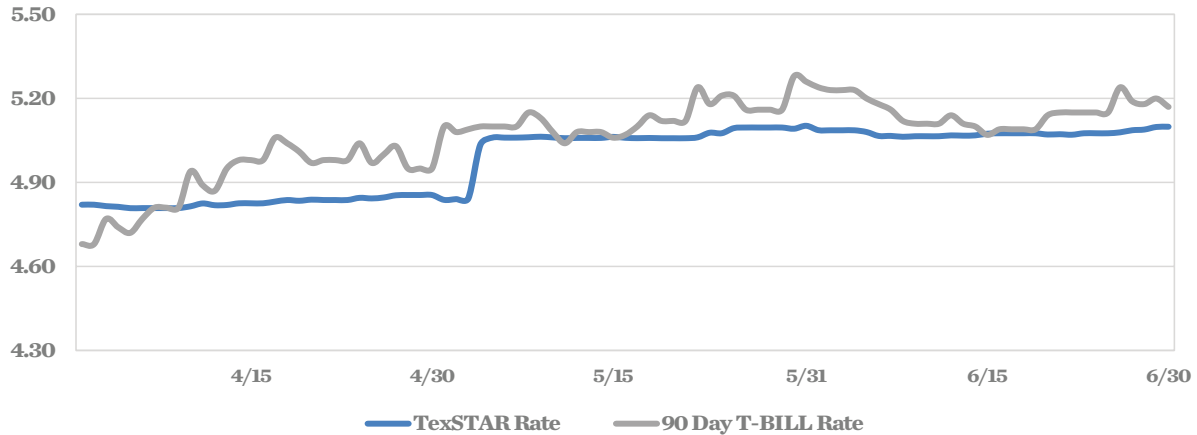
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Jun 23	5.0764%	\$10,475,876,514.08	\$10,473,945,855.73	0.999806	22	50	1020
May 23	5.0471%	10,704,350,596.85	10,702,720,616.60	0.999847	20	45	1019
Apr 23	4.8292%	10,940,711,794.05	10,941,057,413.24	1.000031	17	42	1017
Mar 23	4.6066%	11,042,113,205.98	11,042,864,910.32	1.000029	11	39	1012
Feb 23	4.4919%	10,962,890,240.57	10,961,778,645.78	0.999898	9	38	1008
Jan 23	4.2515%	10,451,037,339.95	10,450,044,625.54	0.999905	6	41	1003
Dec 22	3.9681%	9,016,826,910.67	9,015,709,981.89	0.999855	5	43	999
Nov 22	3.5588%	8,393,118,851.17	8,390,786,906.73	0.999722	6	47	998
Oct 22	2.8531%	8,388,414,626.87	8,384,901,873.82	0.999581	10	46	996
Sep 22	2.2941%	8,448,258,598.47	8,444,307,157.72	0.999510	16	43	994
Aug 22	1.9469%	8,988,292,520.61	8,983,610,837.50	0.999479	27	50	991
Jul 22	1.4010%	9,799,798,062.32	9,793,880,215.07	0.999396	34	49	990

## PORTFOLIO ASSET SUMMARY AS OF JUNE 30, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 803.39	\$ 803.39
Accrual of Interest Income	17,556,852.28	17,556,852.28
Interest and Management Fees Payable	(44,487,086.80)	(44,487,086.80)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	8,184,190,999.80	8,184,190,999.80
Government Securities	2,318,614,945.41	2,316,684,287.06
<b>TOTAL</b>	<b>\$ 10,475,876,514.08</b>	<b>\$ 10,473,945,855.73</b>

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

## TEXSTAR VERSUS 90-DAY TREASURY BILL



This material is for information purposes only. This information does not represent an offer to buy or sell a security. The above rate information is obtained from sources that are believed to be reliable; however, its accuracy or completeness may be subject to change. The TexSTAR management fee may be waived in full or in part at the discretion of the TexSTAR co-administrators and the TexSTAR rate for the period shown reflects waiver of fees. This table represents historical investment performance/return to the customer, net of fees, and is not an indication of future performance. An investment in the security is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the issuer seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in the security. Information about these and other program details are in the fund's Information Statement which should be read carefully before investing. The yield on the 90-Day Treasury Bill ("T-Bill Yield") is shown for comparative purposes only. When comparing the investment returns of the TexSTAR pool to the T-Bill Yield, you should know that the TexSTAR pool consists of allocations of specific diversified securities as detailed in the respective Information Statements. The T-Bill Yield is taken from Bloomberg Finance L.P. and represents the daily closing yield on the then current 90-Day T-Bill. The TexSTAR yield is calculated in accordance with regulations governing the registration of open-end management investment companies under the Investment Company Act of 1940 as promulgated from time to time by the federal Securities and Exchange Commission.

### DAILY SUMMARY FOR JUNE 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
6/1/2023	5.0869%	0.000139366	\$10,721,557,199.51	0.999867	20	49
6/2/2023	5.0864%	0.000139354	\$10,647,586,660.30	0.999846	20	49
6/3/2023	5.0864%	0.000139354	\$10,647,586,660.30	0.999846	20	49
6/4/2023	5.0864%	0.000139354	\$10,647,586,660.30	0.999846	20	49
6/5/2023	5.0802%	0.000139183	\$10,653,333,071.59	0.999847	20	48
6/6/2023	5.0662%	0.000138799	\$10,636,246,924.47	0.999836	20	50
6/7/2023	5.0664%	0.000138806	\$10,611,580,654.52	0.999855	20	49
6/8/2023	5.0632%	0.000138719	\$10,549,959,378.95	0.999853	20	49
6/9/2023	5.0652%	0.000138772	\$10,675,404,087.82	0.999858	20	48
6/10/2023	5.0652%	0.000138772	\$10,675,404,087.82	0.999858	20	48
6/11/2023	5.0652%	0.000138772	\$10,675,404,087.82	0.999858	20	48
6/12/2023	5.0682%	0.000138856	\$10,679,675,354.97	0.999857	21	50
6/13/2023	5.0672%	0.000138828	\$10,660,492,608.38	0.999847	22	51
6/14/2023	5.0683%	0.000138857	\$10,580,140,747.61	0.999853	23	51
6/15/2023	5.0743%	0.000139022	\$10,473,671,572.30	0.999869	23	52
6/16/2023	5.0758%	0.000139063	\$10,330,385,645.41	0.999873	23	51
6/17/2023	5.0758%	0.000139063	\$10,330,385,645.41	0.999873	23	51
6/18/2023	5.0758%	0.000139063	\$10,330,385,645.41	0.999873	23	51
6/19/2023	5.0758%	0.000139063	\$10,330,385,645.41	0.999873	23	51
6/20/2023	5.0713%	0.000138941	\$10,479,716,903.55	0.999845	23	50
6/21/2023	5.0724%	0.000138969	\$10,393,334,081.66	0.999847	23	51
6/22/2023	5.0705%	0.000138918	\$10,386,505,017.72	0.999839	23	50
6/23/2023	5.0758%	0.000139062	\$10,487,873,583.14	0.999851	22	49
6/24/2023	5.0758%	0.000139062	\$10,487,873,583.14	0.999851	22	49
6/25/2023	5.0758%	0.000139062	\$10,487,873,583.14	0.999851	22	49
6/26/2023	5.0791%	0.000139154	\$10,493,747,125.63	0.999839	22	49
6/27/2023	5.0866%	0.000139360	\$10,494,537,575.94	0.999830	22	49
6/28/2023	5.0890%	0.000139424	\$10,465,349,204.00	0.999824	22	49
6/29/2023	5.0983%	0.000139680	\$10,395,159,669.51	0.999793	22	49
6/30/2023	5.0991%	0.000139701	\$10,475,876,514.08	0.999806	22	48
<b>Average</b>	<b>5.0764%</b>	<b>0.000139080</b>	<b>\$10,530,167,305.99</b>		<b>22</b>	<b>50</b>



## *ECONOMIC COMMENTARY (cont.)*

Meanwhile, inflation continued to decline, although perhaps not as quickly as the Fed had hoped. Headline CPI rose by 0.1% month-over-month (m/m) and 4.0% year-over-year (y/y), its lowest level since March 2021. Core CPI held steady, rising by 0.4% m/m for a third consecutive month, and 5.3% y/y. Gasoline and electricity prices fell by 5.6% and 18.5% m/m, respectively, which helped ease headline inflation, while stickiness in shelter, used cars and transportation services kept core inflation firm. However, the recent decline in the Manheim Used Vehicle Index suggests that used car prices should ease in the coming months. Similarly, headline PCE inflation was up 0.1% in May and 3.8% over a year ago, the lowest since April 2021 but still almost twice the Fed's target. Meanwhile core PCE looked firm at 0.3% m/m and 4.6% y/y, not much different from December's print. Treasury yields rose as a more resilient economy and labor market increasingly suggested the Fed will maintain its restrictive policy for longer. Two-year Treasury yields increased the most, climbing 86 bps during the quarter and 50 bps during the month, to end June at 4.90%. Short Treasury bill yields, while increasing on the quarter, actually declined in June. Three-month T-bill yields rose by 55 bps during the quarter but decreased by 10 bps to 5.30%. Six-month T-bill yields also increased 55 bps during the quarter and decreased by 1 bp in June to end at 5.43%.

### **Outlook**

The U.S. economy remained resilient in the first half of 2023, widening the runway for a potential soft-landing. However, except for labor market levels, economic momentum is still slowing, with many leading indicators in recessionary territory, such as the Institute for Supply Management (ISM) manufacturing index, the Conference Board, University of Michigan consumer sentiment index, and National Federation of Independent Businesses (NFIB) loan availability. Despite the volume of rate hikes that the Fed has engineered, job growth is still firm, core inflation remains sticky, and the Fed is intent on raising rates even higher. It does not seem to matter that the Treasury yield curve has been inverted for multiple quarters, recession models are flashing red, and input costs are plunging. The Fed has reiterated that success cannot be declared until core inflation is at 2%—which seems distant. It appears the consumer is continuing to drive the U.S. economy. Unemployment remains low, and consumer excess savings are still above 2019 levels in aggregate. Furthermore, the housing market has stopped weakening, suggesting that the consumer remains resilient.

While we cannot dismiss the delayed impact of monetary tightening, we can take the Fed at its word that they are committed to bringing inflation down to 2%. We are skeptical that inflation can be brought back to target without a recession, but that does not seem imminent. We believe recession is likely to occur sometime in 2024. Although the Fed typically cuts rates before the start of a recession, that may not be the case this time. Like the 1981 experience, with inflation high and the Fed's credibility threatened, policymakers may wait until recession is clearly in the cards before having conviction that inflation is under control and rates can be brought down.

The common denominator of all previous recessions has been the removal of an overabundance of cheap funding. Given the overwhelming fiscal and monetary policy response to COVID-19, the removal of abundant, cheap liquidity is simply taking longer than we had anticipated. The rate of change in a slowdown is there, but the overall level of activity is still too high. With the Fed's revised dot plot indicating two more rate hikes before the end of the year, the risk that a policy error triggers a recession is looming on the horizon. During a panel hosted by the European Central Bank for a forum in Portugal in late June, Chair Powell reiterated that the Fed expects to raise rates further this year to curb sticky inflation and cool the strong labor market. He also said that he would not rule out hiking at consecutive meetings. Consequently, a 25 bp hike in July appears to be likely.

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



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