

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

RESOLUTION NO. 23-041

**ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR AUGUST 2023
AND SEPTEMBER 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 August 2023 and has caused financial statements to be prepared and attached to this resolution as Exhibit A; and

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

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors accepts the unaudited financial statements for August 2023 and unaudited financial statements for September 2023, attached hereto as Exhibit A and Exhibit B, respectively.

Adopted by the Board of Directors of the Central Texas Regional Mobility Authority on the 25th day of October 2023.

Submitted and reviewed by:


James M. Bass
Executive Director

Approved:

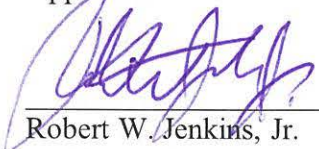

Robert W. Jenkins, Jr.
Chairman, Board of Directors

Exhibit A

Financial Statements for August 2023

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending August 31, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
REVENUE				
Operating Revenue				
Toll Revenue	153,792,700	25,745,239	16.74%	20,261,274
Video Tolls	64,352,000	8,447,113	13.13%	8,636,463
Fee Revenue	12,962,900	2,022,288	15.60%	1,503,924
Total Operating Revenue	231,107,600	36,214,639	15.67%	30,401,661
Other Revenue				
Transfer In - Cash	62,770,349	62,770,349	100.00%	-
Interest Income	24,905,700	7,703,971	30.93%	1,944,424
Grant Revenue	945,500	-	-	-
Misc Revenue	230,000	5,051	2.20%	9,434
Total Other Revenue	88,851,549	70,479,370	79.32%	1,953,857
TOTAL REVENUE	319,959,149	106,694,010	33.35%	32,355,519
EXPENSES				
Salaries and Benefits				
Salary Expense-Regular	4,871,464	553,196	11.36%	490,469
Salary Reserve	80,000	-	-	-
TCDRS	1,591,401	103,773	6.52%	97,357
FICA	249,197	29,387	11.79%	24,971
FICA MED	70,635	7,948	11.25%	7,072
Health Insurance Expense	584,446	75,297	12.88%	56,735
Life Insurance Expense	3,817	458	11.99%	678
Auto Allowance Expense	10,200	1,445	14.17%	1,063
Other Benefits	166,290	11,159	6.71%	12,229
Unemployment Taxes	5,760	-	-	18
Total Salaries and Benefits	7,633,210	782,663	10.25%	690,592
Administrative				
Administrative and Office Expenses				
Accounting	9,500	1,265	13.31%	1,222
Auditing	245,000	-	-	-
Financial Advisors	162,000	36,000	22.22%	36,000
Human Resources	37,500	168	0.45%	479
Legal	70,000	4,750	6.79%	1,770
IT Services	365,000	24,503	6.71%	24,654
Internet	150	-	-	-
Software Licenses	1,167,000	685,645	58.75%	29,668
Cell Phones	27,800	3,326	11.96%	1,747
Local Telephone Service	2,000	17,386	869.31%	16,047
Overnight Delivery Services	250	-	-	40
Copy Machine	10,000	2,544	25.44%	2,544
Repair & Maintenance-General	10,000	-	-	-
Meeting Facilities	2,000	-	-	-
Meeting Expense	13,750	489	3.55%	2,891
Toll Tag Expense	3,000	100	3.33%	100

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending August 31, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Parking / Local Ride Share	3,550	27	0.76%	30
Mileage Reimbursement	4,350	85	1.95%	123
Insurance Expense	651,000	98,062	15.06%	85,376
Rent Expense	562,540	11,939	2.12%	124,013
Building Parking	3,500	70	2.01%	333
Total Legal Services	488,000	18,793	3.85%	340
Total Administrative and Office Expenses	3,837,890	905,150	23.58%	327,376
Office Supplies				
Books & Publications	5,090	639	12.56%	308
Office Supplies	8,250	88	1.06%	1,112
Misc Office Equipment	4,500	-	-	-
Computer Supplies	202,100	7,515	3.72%	52,142
Copy Supplies	1,000	-	-	-
Other Reports-Printing	1,500	-	-	-
Office Supplies-Printed	2,000	102	5.10%	85
Postage Expense	550	329	59.73%	122
Total Office Supplies	224,990	8,672	3.85%	53,769
Communications and Public Relations				
Graphic Design Services	75,000	-	-	-
Website Maintenance	464,000	76,740	16.54%	15,136
Research Services	150,000	-	-	-
Communications and Marketing	400,000	11,940	2.99%	-
Advertising Expense	500,000	164,199	32.84%	42,670
Direct Mail	40,000	-	-	-
Video Production	160,000	-	-	28,359
Photography	25,000	295	1.18%	450
Radio	50,000	-	-	-
Other Public Relations	22,500	-	-	-
Promotional Items	20,000	1,166	5.83%	-
Annual Report printing	1,300	-	-	-
Direct Mail Printing	17,500	-	-	-
Other Communication Expenses	15,000	-	-	7,188
Total Communications and Public Relations	1,940,300	254,340	13.11%	93,803
Employee Development				
Subscriptions	750	139	18.53%	264
Agency Memberships	88,440	25	0.03%	-
Continuing Education	14,800	-	-	-
Professional Development	20,150	-	-	-
Other Licenses	2,500	-	-	375
Seminars and Conferences	104,100	1,445	1.39%	30,700
Travel	110,500	12,892	11.67%	-
Total Employee Development	341,240	14,501	4.25%	31,339

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending August 31, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Financing and Banking Fees				
Trustee Fees	62,000	15,000	24.19%	15,000
Bank Fee Expense	3,240	947	29.24%	185
Continuing Disclosure	7,000	-	-	-
Arbitrage Rebate Calculation	16,300	-	-	16,300
Rating Agency Expense	45,000	32,500	72.22%	31,000
Total Financing and Banking Fees	133,540	48,447	36.28%	62,485
Total Administrative	6,477,960	1,231,111	19.00%	568,772
Operations and Maintenance				
Operations and Maintenance Consulting				
GEC-Trust Indenture Support	1,131,395	251,825	22.26%	210,571
GEC-Financial Planning Support	275,000	50,386	18.32%	46,465
GEC-Toll Ops Support	1,584,000	152,814	9.65%	101,815
GEC-Roadway Ops Support	1,605,500	108,083	6.73%	81,961
GEC-Technology Support	679,526	167,549	24.66%	131,166
GEC-Public Information Support	200,000	23,711	11.86%	20,696
GEC-General Support	1,631,820	162,027	9.93%	106,464
General System Consultant	1,381,000	27,875	2.02%	84,877
Traffic Modeling	125,000	-	-	-
Traffic and Revenue Consultant	1,010,000	34,518	3.42%	82,508
Total Operations and Maintenance Consulting	9,623,241	978,788	10.17%	866,523
Roadway Operations and Maintenance				
Roadway Maintenance	3,431,819	503,586	14.67%	695,433
Landscape Maintenance	2,789,256	461,740	16.55%	912,025
Signal & Illumination Maint	25,000	-	-	-
Maintenance Supplies-Roadway	400,000	-	-	-
Tools & Equipment Expense	-	-	-	444
Gasoline	30,000	3,729	12.43%	3,450
Repair & Maintenance - Vehicles	10,000	360	3.60%	396
Natural Gas	2,500	1,025	40.98%	771
Electricity - Roadways	250,000	40,653	16.26%	42,810
Total Roadway Operations and Maintenance	6,938,575	1,011,093	14.57%	1,655,328
Toll Processing and Collection Expense				
Image Processing	3,000,000	236,147	7.87%	334,192
Tag Collection Fees	11,500,000	1,793,431	15.60%	1,508,831
Court Enforcement Costs	10,000	-	-	-
ETC Incentive	500,000	-	-	-
Total Processing and Collection Expense	15,010,000	2,029,578	13.52%	1,843,023
Toll Operations Expense				
Generator Fuel	3,000	-	-	-
Fire and Burglar Alarm	500	82	16.45%	82
Refuse	2,360	300	12.73%	324

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending August 31, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Telecommunications	60,000	-	-	-
Water - Irrigation	7,500	1,409	18.78%	2,334
Electricity	750	178	23.71%	111
ETC spare parts expense	100,000	-	-	-
Repair & Maintenance Toll Equip	50,000	-	-	31,491
Law Enforcement	600,000	81,143	13.52%	66,950
ETC Maintenance Contract	6,450,000	499,698	7.75%	334,139
Transaction Processing Maintenance Contract	2,000,000	-	-	-
ETC Toll Management Center System Operation	2,885,054	112,851	3.91%	76,630
ETC Development	650,000	29,106	4.48%	-
ETC Testing	225,000	-	-	-
Total Toll Operations Expense	13,034,164	724,766	5.56%	512,061
Total Operations and Maintenance	44,605,980	4,744,225	10.64%	4,876,935
Other Expenses				
Special Projects and Contingencies				
HERO	200,000	24,638	12.32%	24,638
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	1,075,128	21.50%	-
Customer Relations	10,000	-	-	-
Technology Initiatives	185,000	-	-	-
Other Contractual Svcs	390,000	40,500	10.38%	49,500
Contingency	200,000	-	-	-
Total Special Projects and Contingencies	6,085,000	1,140,267	18.74%	74,138
Non Cash Expenses				
Amortization Expense				
Amortization Expense - Software	1,228,015	4,233	0.34%	213,382
Amortization Expense - Right to Use Asset - Subscr	355,208	63,615	17.91%	-
Amortization Expense - Refundings	1,907,487	1,024,236	53.70%	886,852
Subtotal Amortization Expense	3,490,710	1,092,085	31.29%	1,100,234
Depreciation Expense				
Dep Exp - Furniture & Fixtures	2,178	-	-	436
Dep Expense - Equipment	476,653	103,784	21.77%	-
Dep Expense - Autos & Trucks	45,399	5,068	11.16%	8,892
Dep Expense - Bldgng & Toll Fac	187,058	29,458	15.75%	29,458
Dep Expense - Highways & Bridges	48,608,788	8,472,925	17.43%	8,436,924
Dep Expense - Toll Equipment	3,917,914	506,497	12.93%	698,975
Dep Expense - Signs	1,641,174	201,492	12.28%	169,428
Dep Expense - Land Improvements	884,934	117,969	13.33%	147,489
Depreciation Expense - Computers	98,507	-	-	31,514
Subtotal Depreciation Expense	55,862,606	9,437,194	16.89%	9,523,115
Total Non Cash Expenses	59,353,316	10,529,279	17.74%	10,623,349
Total Other Expenses	65,438,316	11,669,545	17.83%	10,697,487

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending August 31, 2023

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Non Operating Expenses				
Bond Issuance Expense	1,250,000	-	-	88,049
Loan Fee Expense	40,000	-	-	-
Interest Expense - Debt Obligations	95,964,098	13,329,994	13.89%	13,003,297
Interest Expense - Right to Use Assets	26,164	-	-	-
Transfer Out - Cash	62,770,349	62,770,349	100.00%	-
CAMPO RIF Payment	6,000,000	-	-	-
Community Initiatives	645,000	-	-	-
Total Non Operating Expenses	166,695,611	76,100,343	45.65%	13,091,346
TOTAL EXPENSES	290,851,076	94,527,886	32.50%	29,925,131
Net Income	29,108,072	12,166,123		2,430,387

Central Texas Regional Mobility Authority
Balance Sheet
as of August 31, 2023

as of 08/31/2023				as of 08/31/2022	
ASSETS					
Current Assets					
Cash					
	Regions Operating Account	\$	119,587	\$	2,795,467
	Cash in TexStar		304,100		42,849
	Regions Payroll Account		107,719		96,550
Restricted Cash					
	Goldman Sachs FSGF 465		582,135,790		982,744,133
	Restricted Cash - TexSTAR		8,682,213		10,388,374
	Overpayments account		-		291,128
	Total Cash and Cash Equivalents		591,349,409		996,358,500
Accounts Receivables					
	Accounts Receivable - Net		4,979,871		2,770,089
	Due From Other Agencies		226,563		69,732
	Due From TTA		668,161		604,373
	Due From NTTA		1,517,325		1,110,520
	Due From HCTRA		3,771,136		1,842,768
	Due From TxDOT		7,565,900		4,153,555
	Interest Receivable		693,342		708,479
	Total Receivables		19,422,298		11,259,516
Short Term Investments					
	Treasuries		118,543,252		-
	Agencies		339,758,036		112,436,936
	Total Short Term Investments		458,301,288		112,436,936
	Total Current Assets		1,069,072,995		1,120,054,953
Construction in Progress					
			412,418,308		274,331,968
Capital Assets (Net of Depreciation and Amortization)					
Depreciable Assets					
	Computers		-		66,993
	Furniture and Fixtures		-		1,742
	Equipment		1,297,304		9,624
	Autos and Trucks		41,813		84,991
	Buildings and Toll Facilities		4,200,503		4,387,561
	Highways and Bridges		1,664,294,215		1,708,238,358
	Toll Equipment		15,152,659		19,306,149
	Signs		11,171,404		12,989,618
	Land Improvements		5,196,366		6,051,780

Central Texas Regional Mobility Authority
Balance Sheet
as of August 31, 2023

	as of 08/31/2023	as of 08/31/2022
Right of way	88,149,606	88,149,606
Leasehold Improvements	4,233	37,021
Intangible Assets		
Computer Software	-	1,573,709
Right to Use Assets		
Leases	1,286,881	-
Subscription Based IT Arrangements	503,471	-
Total Fixed Assets	1,791,298,454	1,840,897,153
Other Assets		
Intangible Assets-Net	172,360,460	174,405,333
2005 Bond Insurance Costs	-	3,345,875
Prepaid Insurance	49,031	42,688
Deferred Outflows (pension related)	2,661,405	675,913
Pension Asset	1,046,634	2,549,818
Total Other Assets	176,117,530	181,019,627
Total Assets	\$ 3,448,907,287	\$ 3,416,303,701
LIABILITIES		
Current Liabilities		
Accounts Payable	4,878,930	19,954,847
Construction Payable	4,182,841	5,356,306
Overpayments	1,570	294,629
Interest Payable	13,590,075	13,632,683
TCDRS Payable	82,304	71,893
Due to other Agencies	3,779	3,073
Due to TTA	652,223	606,448
Due to HCTRA	161,897	132,638
Due to Other Entities	1,883,620	55,983
71E TxDOT Obligation - ST	3,761,703	1,818,107
Total Current Liabilities	29,198,941	41,926,606
Long Term Liabilities		
Compensated Absences	240,954	268,014
Right to Use Obligations - Lease	1,286,881	-
Right to Use Obligations - SBITA	579,894	-
Deferred Inflows (pension related)	1,340,710	1,481,361
Long Term Payables	3,448,440	1,749,375

Central Texas Regional Mobility Authority
Balance Sheet
as of August 31, 2023

as of 08/31/2023 as of 08/31/2022

Bonds Payable

Senior Lien Revenue Bonds:

Senior Lien Revenue Bonds 2010	95,580,925	88,711,545
Senior Lien Revenue Bonds 2011	16,373,850	19,037,840
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	274,150,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	596,372
Senior Lien Premium 2016 Revenue Bonds	6,675,724	7,456,351
Sn Lien Revenue Bond Premium 2018	2,838,789	3,105,362
Senior Lien Revenue Bond Premium 2020A	11,130,761	11,318,006
Senior Lien Refunding Bond Premium 2020B	11,147,401	11,682,477
Senior Lien Revenue Bonds Premium 2020E	23,854,638	25,570,024
Senior Lien Revenue Bonds Premium 2021B	52,890,189	53,451,667
Senior Lien Refunding Bonds Premium 2021D	44,278,923	44,780,143
Total Senior Lien Revenue Bonds	1,651,096,201	1,671,089,788

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	-	127,249
Sub Refunding 2016 Prem/Disc	4,862,401	5,655,571
Subordinated Lien BANs 2020F Premium	5,337,153	9,340,018
Subordinated Lien Refunding Bonds Premium 2020G	6,696,919	7,100,891
Sub Lien BANS 2021C Premium	25,372,258	32,983,935
Total Sub Lien Revenue Bonds	627,773,731	645,747,664

Central Texas Regional Mobility Authority
Balance Sheet
as of August 31, 2023

	as of 08/31/2023	as of 08/31/2022
Other Obligations		
TIFIA Note 2021	360,361,691	352,597,160
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2022 MoPac Loan	23,765,900	24,690,900
Total Other Obligations	436,045,811	432,365,324
Total Long Term Liabilities	2,718,364,182	2,750,952,151
Total Liabilities	2,747,563,123	2,792,878,758
NET ASSETS		
Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	567,715,936	499,532,451
Current Year Operations	12,166,123	2,430,387
Total Net Assets	701,344,164	623,424,943
Total Liabilities and Net Assets	\$ 3,448,907,287	\$ 3,416,303,701

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of August 2023

Cash flows from operating activities:

Receipts from toll revenues	39,069,690
Receipts from Other Sources (AR)	5,051
Payments to vendors	(40,351,025)
Payments to employees	(788,101)
Net cash flows provided by (used in) operating activities	<u>(2,064,385)</u>

Cash flows from capital and related financing activities:

Prepaid payment on Intangible assets	(1,024,236)
Issuance Expense	(3,513,621)
Payments on bonds / loans	(444,629)
RIF Contribution	-
Acquisition of capital assets - non project	(1,417,034)
Acquisitions of construction in progress	(7,938,874)
Net cash flows provided by (used in) capital and related financing activities	<u>(14,338,394)</u>

Cash flows from investing activities:

Interest income	7,703,971
Purchase of investments	(234,773,911)
Proceeds from sale or maturity of investments	-
Net cash flows provided by (used in) investing activities	<u>(227,069,941)</u>

Net increase (decrease) in cash and cash equivalents	(283,250,904)
Cash and cash equivalents at beginning of period	894,022,611
Cash and cash equivalents at end of period	<u><u>610,771,707</u></u>

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

Operating income	12,166,123
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	10,529,279
Changes in assets and liabilities:	
Decrease in accounts receivable	2,855,051
Increase in prepaid expenses and other assets	98,062
Decrease in accrued expenses	(33,338,923)
Decrease in Interest expense	13,329,994
Increase in interest receivable	(7,703,971)
(Decrease) increase in Pension Asset	-
(Increase) in deferred outflows of resources	-
(Increase) in deferred inflows of resources	-
Total adjustments	<u>(14,230,509)</u>
Net cash flows provided by (used in) operating activities	<u><u>\$ (2,064,385)</u></u>

Reconciliation of cash and cash equivalents:

Unrestricted cash and cash equivalents	19,953,704
Restricted cash and cash equivalents	590,818,003
Total	<u><u>610,771,707</u></u>

Investments by Fund

Fund	TexSTAR	TexSTAR- Trustee	Goldman Sachs	Agencies/ Treasuries	Balance
Renewal and Replacement Fund	8.63		57.76		66.39
Grant Fund	476,656.03		10,037,836.30		10,514,492.33
Senior Debt Service Reserve Fund	1,034,492.18		6,012,790.80	104,995,814.41	112,043,097.39
2010 Senior Lien Debt Service			63,317.39		63,317.39
2011 Sr Debt Service t			4,863,815.80		4,863,815.80
2013 Sr Debt Service t			41,969.63		41,969.63
2013 Sub Debt Service			33,031.41		33,031.41
2013 Sub Debt Service Reserve Fund	818,606.47		128.71		818,735.18
2015 Sr Debt Service			4,170,351.15		4,170,351.15
2016 Sr Lien Rev Refunding Debt Service			9,451,488.10		9,451,488.10
2016 Sub Lien Rev Refunding Debt Service			2,157,284.44		2,157,284.44
2016 Sub Lien Rev Refunding DSR			603,056.33	6,671,837.25	7,274,893.58
Operating Fund	3,085,873.43	304,100.30	15,293,149.54		18,683,123.27
Revenue Fund			2,262,971.25		2,262,971.25
General Fund	1,193,741.70		75,906,289.05	104,917,207.70	182,017,238.45
71E Revenue Fund			30,467,902.42		30,467,902.42
MoPac Revenue Fund			16,060,730.22		16,060,730.22
MoPac General Fund					-
MoPac Operating Fund			1,049,817.82		1,049,817.82
MoPac Loan Repayment Fund			336,784.00		336,784.00
2015B Project	366,900.95		7,940,384.97		8,307,285.92
2015 TIFIA Project	728,906.58		9,076,502.90	30,000,000.00	39,805,409.48
2011 Sr Financial Assistance Fund	16.36		28,158.74		28,175.10
2018 Sr Lien Debt Service			380,517.40		380,517.40
2018 Sr Lien Project Cap I			743.43		743.43
2018 Sr Lien Project	977,010.57		13,162,787.93		14,139,798.50
2020A Senior Lien Debt Service			430,317.02		430,317.02
2020B Senior Lien Debt Service			903,405.04		903,405.04
2020C Senior Lien Debt Service			4,113,189.40		4,113,189.40
2020D Sub Lien Debt Service			3,209,311.03		3,209,311.03
2020D Sub Debt Service Reserve Fund			455,270.53	7,987,089.95	8,442,360.48
2020E Senior Lien Project			91,825,227.68	50,000,000.00	141,825,227.68
2020E Senior Lien Project Cap Interest			15,108,595.33		15,108,595.33
2020F Sub Lien Project			44,466.13		44,466.13
2020F Sub Lien Deb Service			951,826.56		951,826.56
2020G Sub Lien Debt Service			438,265.16		438,265.16
2020G Sub Lien Debt Service Reserve			791,657.75	2,995,158.73	3,786,816.48
2021A Sub Lien Debt Service Reserve			2,270,886.96	15,974,180.00	18,245,066.96
2021A Sub Debt Service			99.96		99.96
2021B Senior Lien Cap I Project Fund			36,082,251.50		36,082,251.50
2021B Senior Lien Project			104,787,374.96	135,000,000.00	239,787,374.96
2021C Sub Lien Cap I Project Fund			1,395.15		1,395.15
2021C Sub Lien Project			99,001,051.73		99,001,051.73
2021C Sub Lien Debt Service			2,096,384.89		2,096,384.89
2021D Senior Lien Debt Service			2,257,880.93		2,257,880.93
2021E Senior Lien Debt Service			3,712,753.07		3,712,753.07
Totals	8,682,212.90	304,100.30	577,883,478.27	458,541,288.04	1,045,411,079.51

CTRMA INVESTMENT REPORT

Month Ending 08/31/23							Rate Aug
Balance 8/1/2023	Accrued Interest	Additions	Cash Transfers	Discount Amortization	Withdrawals	Balance 8/31/2023	
Amount in Trustee TexStar							
2011 Sr Lien Financial Assist Fund	16.32	0.04				16.36	5.2974%
2013 Sub Lien Debt Service Reserve	814,939.94	3,666.53				818,606.47	5.2974%
General Fund	1,188,394.92	5,346.78				1,193,741.70	5.2974%
Trustee Operating Fund	7,567,072.53	18,800.90	(4,500,000.00)			3,085,873.43	5.2974%
Renewal and Replacement	8.63					8.63	5.2974%
TxDOT Grant Fund	474,521.07	2,134.96				476,656.03	5.2974%
Senior Lien Debt Service Reserve Fund	1,029,858.66	4,633.52				1,034,492.18	5.2974%
2015B Sr Ln Project	365,257.60	1,643.35				366,900.95	5.2974%
2015C TIFIA Project	725,641.79	3,264.79				728,906.58	5.2974%
2018 Sr Lien Project	972,634.53	4,376.04				977,010.57	5.2974%
	13,138,345.99	43,866.91	-	(4,500,000.00)	-	8,682,212.90	
Amount in TexStar Operating Fund	340,775.52	3,324.78	4,500,000.00		4,540,000.00	304,100.30	5.2974%

Goldman Sachs

Operating Fund	11,149,618.90	53,952.92	93,160.99	4,000,000.00		3,583.27	15,293,149.54	5.2100%
2020A Senior Lien Debt Service	222,417.39	841.51		207,058.12			430,317.02	5.2100%
2020B Senior Lien Debt Service	626,923.00	2,448.43		274,033.61			903,405.04	5.2100%
2020C Senior Lien Debt Service	665,192.06	2,578.65		3,445,418.69			4,113,189.40	5.2100%
2020D Sub Lien Debt Service	2,623,055.89	10,381.86		575,873.28			3,209,311.03	5.2100%
2020D Sub Debt Service Reserve Fund	453,343.95	1,926.58					455,270.53	5.2100%
2020E Sr Lien Project	145,772,717.83	639,118.74				54,586,608.89	91,825,227.68	5.2100%
2020E Sr Ln Project Cap Interest	15,043,094.66	65,500.67					15,108,595.33	5.2100%
2020E Sr Lien Debt Service	0.00						0.00	5.2100%
2020F Sub Lien Project	48,631.93					4,165.80	44,466.13	5.2100%
2020F Sub Lien Debt Service	491,877.24	1,858.64		458,090.68			951,826.56	5.2100%
2020G Sub Lien Debt Service	226,483.12	855.81		210,926.23			438,265.16	5.2100%
2020G Sub Debt Service Reserve Fund	749,406.95	3,120.30		39,130.50			791,657.75	5.2100%
2021A Sub Debt Service Reserve Fund	1,703,129.04	6,033.15		561,724.77			2,270,886.96	5.2100%
2021A Sub Debt Service	99.53	0.43					99.96	5.2100%
2021B Senior Lien Cap I Project Fund	35,926,642.35	155,609.15					36,082,251.50	5.2100%
2021B Senior Lien Project	203,860,623.83	926,751.13				100,000,000.00	104,787,374.96	5.2100%
2021B Senior Lien Cap I Debt Service	0.00						0.00	5.2100%
2021C Sub Lien Cap I Project Fund	1,389.19	5.96					1,395.15	5.2100%
2021C Sub Lien Project	94,927,531.28	484,562.52	4,671,012.48			1,082,054.55	99,001,051.73	5.2100%
2021C Sub Lien Debt Service	1,083,348.14	4,093.50		1,008,943.25			2,096,384.89	5.2100%
2021D Senior Lien Debt Service	1,287,157.90	4,923.42	-	965,799.61			2,257,880.93	5.2100%
2021E Senior Lien Debt Service	2,650,405.00	10,378.61		1,051,969.46			3,712,753.07	5.2100%
2011 Sr Financial Assistance Fund	27,905.81	252.93					28,158.74	5.2100%
2010 Senior DSF	63,047.05	270.34					63,317.39	5.2100%
2011 Senior Lien Debt Service	4,251,794.95	16,922.64		595,098.21			4,863,815.80	5.2100%
2013 Senior Lien Debt Service	41,790.44	179.19					41,969.63	5.2100%
2013 Sub Debt Service Reserve Fund	128.16	0.55					128.71	5.2100%
2013 Subordinate Debt Service	32,890.38	141.03					33,031.41	5.2100%
2015A Sr Lien Debt Service	4,152,477.41	17,873.74					4,170,351.15	5.2100%
2015B Project	7,911,220.08	34,232.49				5,067.60	7,940,384.97	5.2100%
2015C TIFIA Project	8,992,605.47	83,897.43					9,076,502.90	5.2100%
2016 Sr Lien Rev Refunding Debt Service	8,238,560.87	32,942.06		1,179,985.17			9,451,488.10	5.2100%
2016 Sub Lien Rev Refunding Debt Service	1,687,436.72	6,659.99		463,187.73			2,157,284.44	5.2100%
2016 Sub Lien Rev Refunding DSR	600,488.79	2,567.54					603,056.33	5.2100%
2018 Sr Lien Project Cap I	740.26	3.17					743.43	5.2100%
2018 Sr Lien Debt Service	196,622.53	743.06		183,151.81			380,517.40	5.2100%
2018 Sr Lien Project	12,889,718.49	55,254.75	217,814.69				13,162,787.93	5.2100%
TxDOT Grant Fund	9,994,979.27	42,857.03					10,037,836.30	5.2100%
Renewal and Replacement	1,150.49	37.65		1,638,300.00		1,639,430.38	57.76	5.2100%
Revenue Fund	10,817,096.87	49,936.38	17,930,078.79	(26,430,305.73)		103,835.06	2,262,971.25	5.2100%
General Fund	68,324,055.89	293,541.33		8,118,985.24		830,293.41	75,906,289.05	5.2100%
Senior Lien Debt Service Reserve Fund	5,987,199.68	25,591.12					6,012,790.80	5.2100%
71E Revenue Fund	29,409,204.05	124,639.96	333,521.31	703,212.56		102,675.46	30,467,902.42	5.2100%
MoPac Revenue Fund	71,741.93	1,779.74	293,593.28	(367,114.95)			0.00	5.2100%
MoPac General Fund	15,445,424.29	64,383.41		550,922.52			16,060,730.22	5.2100%
MoPac Operating Fund	956,056.27	4,410.04	70,018.93	400,000.00		380,667.42	1,049,817.82	5.2100%
MoPac Loan Repayment Fund	170,629.18	545.58		165,609.24			336,784.00	5.2100%
	709,778,054.51	3,234,605.13	23,609,200.47	-	-	158,738,381.84	577,883,478.27	

Amount in Fed Agencies and Treasuries

Amortized Principal	308,541,288.04		150,000,000.00		-		458,541,288.04
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Certificates of Deposit

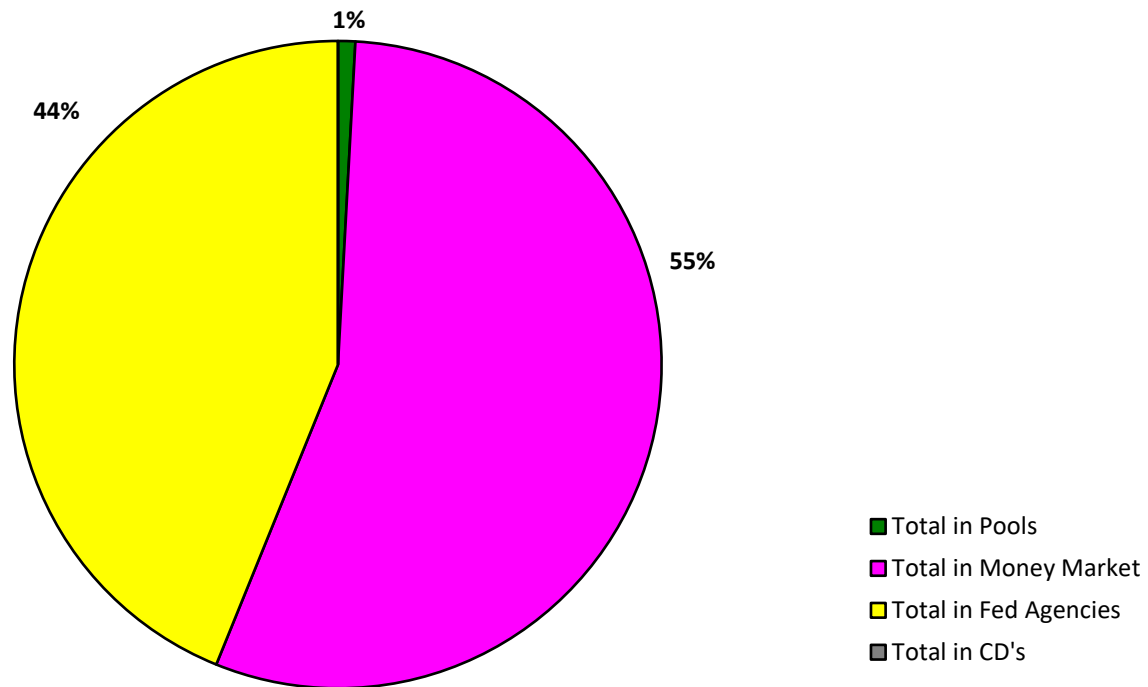
Total in Pools - TxStar	13,479,121.51	47,191.69	-	-	-	4,540,000.00	8,986,313.20
Total in GS FSGF	709,778,054.51	3,234,605.13	23,609,200.47	-	-	158,738,381.84	577,883,478.27
Total in Fed Agencies and Treasuries	308,541,288.04	-	150,000,000.00	-	-	-	458,541,288.04
Total Invested	1,031,798,464.06	3,281,796.82	173,609,200.47	-	-	163,278,381.84	1,045,411,079.51

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

8/31/2023

Allocation of Funds



Goldman Sachs Escrow Funds

	Balance 8/1/2023	Additions	Accrued Interest	Withdrawals	Balance 8/31/2023
Travis County Escrow Fund - Elroy Road	3,001,419.85		12,903.77	3,656.12	3,010,667.50
Travis County Escrow Fund - Ross Road	164,832.18		708.46	896.35	164,644.29
Travis County Escrow Fund - Old San Antonio Road	32,649.68		139.98	1,070.12	31,719.54
Travis County Escrow Fund - Old Lockhart Road	129,939.86	25,500.00	557.02	22,838.30	133,158.58
Travis County Escrow Fund - County Line Road	228,596.20		1,033.25	10,890.95	218,738.50
Travis County Escrow Fund - South Pleasant Valley Road	311,656.41		1,347.01	9,238.96	303,764.46
Travis County Escrow Fund - Thaxton Road	120,336.48		545.05	9,589.69	111,291.84
Travis County Escrow Fund - Pearce Lane Road	283,973.42		1,259.74	6,906.27	278,326.89

						Interest Income		
Bank	FUND	COST	Cummulative Amortization	Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
6180006366	2016SUBDSR	6,671,837.25		6,671,837.25				-
1001017484	2020D DSRF	7,987,089.95		7,987,089.95	8,200,000.00			-
1001021540	2020G DSRF	2,995,158.73		2,995,158.73	3,075,000.00			-
1001021543	2021A DSRF	15,974,180.00		15,974,180.00	16,400,000.00			-
6180000120	GENERAL	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000120	GENERAL	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	44,963,937.40		44,963,937.40	47,150,000.00	3,864.75		3,864.75
6180000059	SENLIENDSR	20,000,000.00		20,000,000.00	20,000,000.00	22,222.22		22,222.22
6180000059	SENLIENDSR	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000059	SENLIENDSR	45,000,000.00		45,000,000.00	45,000,000.00			-
6180000059	SENLIENDSR	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180005349	2015TIFIAP	30,000,000.00		30,000,000.00	30,000,000.00			
1001021273	2021BPROJ	35,000,000.00		35,000,000.00	35,000,000.00			-
1001021533	2020E PRJ	50,000,000.00		50,000,000.00	50,000,000.00			
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			-
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			
		458,459,645.51	-	458,459,645.51	455,825,000.00	81,642.53	-	81,642.53

TexSTAR

MONTHLY NEWSLETTER

AUGUST 2023



PERFORMANCE

As of August 31, 2023

Current Invested Balance	\$ 10,207,693,267.12
Weighted Average Maturity (1)	27 Days
Weighted Average Life (2)	50 Days
Net Asset Value	0.999773
Total Number of Participants	1023
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$ 47,862,830.52
Management Fee Collected	\$ 536,049.82
% of Portfolio Invested Beyond 1 Year	2.58%
Standard & Poor's Current Rating	AAAm

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

August Averages

Average Invested Balance	\$ 10,519,484,077.09
Average Monthly Yield, on a simple basis	5.2974%
Average Weighted Maturity (1)	26 Days
Average Weighted Life (2)	49 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 August:

* Crandall Economic Development Corporation * City of Poteet

HOLIDAY REMINDER

In observance of **Columbus Day**, **TexSTAR will be closed on Monday, October 9, 2023**. All ACH transactions initiated on Friday, October 6th will settle on Tuesday, October 10th. Standard transaction deadlines will be observed on Friday, October 6th. Please plan accordingly for your liquidity needs.

ECONOMIC COMMENTARY

Market review

For the last year and half, the Federal Reserve (Fed) has engaged in an aggressive campaign to slow the economy in order to reduce inflation to its 2% target. However, the data have left Fed officials confused, with growth proving resilient even as inflation continues to decelerate. Recession risks and probability of recession have moderated in the near term, as employment and spending data have held up well; and corporate earnings have been resilient. However, in August, despite mixed data, we saw some signs of moderation, as unemployment inched higher and consumer confidence weakened.

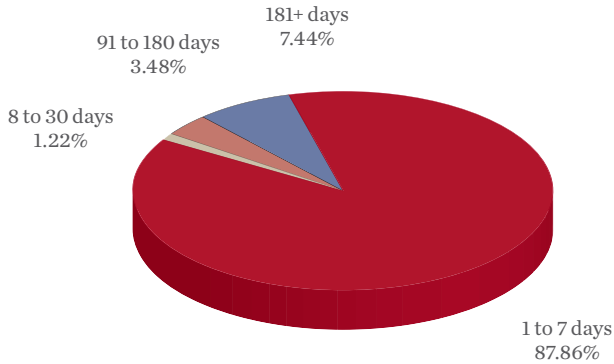
Earlier this year, markets largely anticipated that economic activity, specifically capital spending, would slow due to the lagged impact of restrictive monetary policy. Instead, record low unemployment, robust business investment, and resilient American consumers have kept the economy on an above trend growth trajectory thus far in 2023. July retail sales handily beat expectations, gaining 0.7% month-over-month (m/m) and 1.0% ex-autos. While a 1.9% m/m increase in online sales contributed the most, gains were broad-based. Elsewhere, industrial production jumped by a stronger-than-expected 1.0% m/m due to elevated auto production and sweltering temperatures driving up the demand for cooling. Manufacturing output also rose 0.5% m/m. However, excluding the sharp increase in motor vehicles and parts production, gains were a more modest 0.1%. Finally, the housing market showed continued signs of stabilization. Housing starts and permits rose by 3.9% and 0.1%, respectively, as gains in single-family more than offset declines in multi-family across both measures.

Inflation continued to come down, both at the headline and core level. The July CPI report pointed toward a continued moderation in inflation. Headline CPI rose 0.2% month-over-month (m/m) seasonally adjusted and 3.2% year-over-year (y/y) non-seasonally adjusted, a slight tick up compared to last month.

(continued page 4)

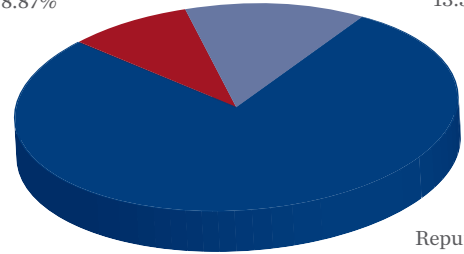
INFORMATION AT A GLANCE

PORTFOLIO BY TYPE OF INVESTMENT AS OF AUGUST 31, 2023



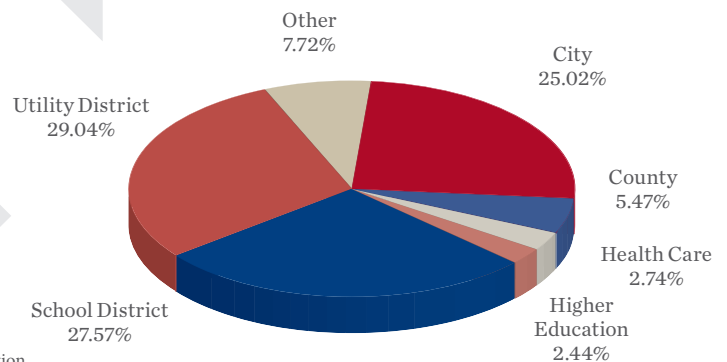
Treasuries
8.87%

Agencies
13.51%



Repurchase
Agreements
77.62%

PORTFOLIO BY MATURITY AS OF AUGUST 31, 2023 (1)



Other
7.72%

DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF AUGUST 31, 2023

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

HISTORICAL PROGRAM INFORMATION

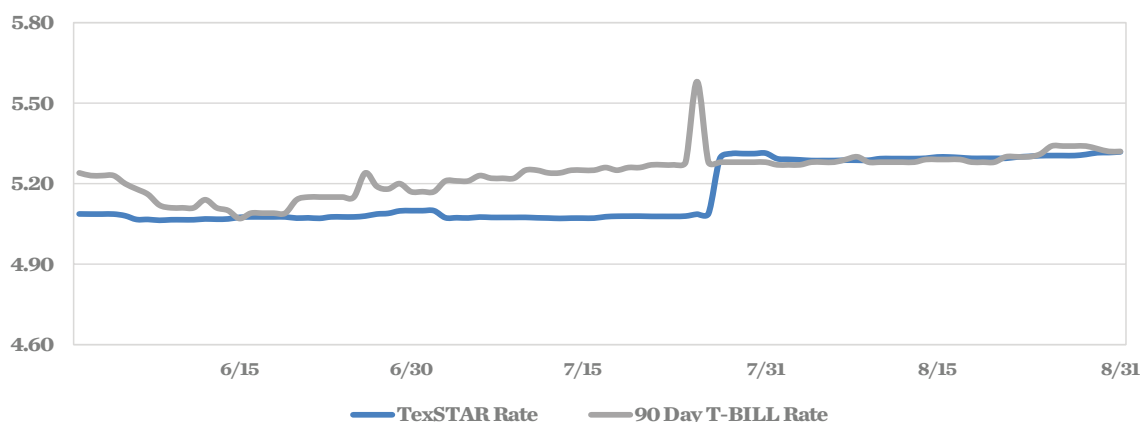
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Aug 23	5.2974%	\$10,207,693,267.12	\$10,205,377,223.94	0.999773	26	49	1023
Jul 23	5.1148%	10,852,471,505.08	10,849,665,890.42	0.999741	22	47	1021
Jun 23	5.0764%	10,475,876,514.08	10,473,945,855.73	0.999806	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

PORTFOLIO ASSET SUMMARY AS OF AUGUST 31, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 557.95	\$ 557.95
Accrual of Interest Income	15,032,048.92	15,032,048.92
Interest and Management Fees Payable	(47,867,990.63)	(47,867,990.63)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	7,948,702,999.78	7,948,702,999.78
Government Securities	2,291,825,651.10	2,289,509,607.92
TOTAL	\$ 10,207,693,267.12	\$ 10,205,377,223.94

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 AUGUST 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
8/1/2023	5.2933%	0.000145023	\$11,029,033,578.86	0.999753	24	49
8/2/2023	5.2909%	0.000144955	\$11,022,222,772.39	0.999762	24	49
8/3/2023	5.2889%	0.000144902	\$11,054,744,995.82	0.999758	24	49
8/4/2023	5.2864%	0.000144834	\$11,000,921,250.35	0.999781	24	48
8/5/2023	5.2864%	0.000144834	\$11,000,921,250.35	0.999781	24	48
8/6/2023	5.2864%	0.000144834	\$11,000,921,250.35	0.999781	24	48
8/7/2023	5.2877%	0.000144869	\$10,979,736,039.64	0.999776	24	48
8/8/2023	5.2874%	0.000144861	\$10,961,570,989.03	0.999759	25	49
8/9/2023	5.2875%	0.000144863	\$10,881,540,543.49	0.999757	25	49
8/10/2023	5.2934%	0.000145025	\$10,917,555,419.33	0.999763	25	48
8/11/2023	5.2937%	0.000145033	\$10,734,888,557.71	0.999762	25	49
8/12/2023	5.2937%	0.000145033	\$10,734,888,557.71	0.999762	25	49
8/13/2023	5.2937%	0.000145033	\$10,734,888,557.71	0.999762	25	49
8/14/2023	5.2949%	0.000145066	\$10,197,565,474.97	0.999742	27	51
8/15/2023	5.2996%	0.000145195	\$10,271,298,431.10	0.999738	26	51
8/16/2023	5.2996%	0.000145194	\$10,239,173,300.34	0.999750	27	51
8/17/2023	5.2974%	0.000145133	\$10,344,265,730.79	0.999747	27	51
8/18/2023	5.2946%	0.000145058	\$10,271,140,527.96	0.999761	26	50
8/19/2023	5.2946%	0.000145058	\$10,271,140,527.96	0.999761	26	50
8/20/2023	5.2946%	0.000145058	\$10,271,140,527.96	0.999761	26	50
8/21/2023	5.2948%	0.000145063	\$10,176,331,503.24	0.999767	27	50
8/22/2023	5.2995%	0.000145193	\$10,238,734,262.90	0.999762	26	50
8/23/2023	5.3018%	0.000145254	\$10,266,838,212.85	0.999743	26	50
8/24/2023	5.3043%	0.000145322	\$10,189,083,808.60	0.999739	26	50
8/25/2023	5.3049%	0.000145340	\$10,218,608,750.32	0.999732	26	49
8/26/2023	5.3049%	0.000145340	\$10,218,608,750.32	0.999732	26	49
8/27/2023	5.3049%	0.000145340	\$10,218,608,750.32	0.999732	26	49
8/28/2023	5.3090%	0.000145452	\$10,241,550,525.76	0.999731	27	50
8/29/2023	5.3155%	0.000145630	\$10,114,848,725.19	0.999744	27	50
8/30/2023	5.3161%	0.000145647	\$10,093,541,549.41	0.999734	27	50
8/31/2023	5.3186%	0.000145716	\$10,207,693,267.12	0.999773	27	50
Average	5.2974%	0.000145134	\$10,519,484,077.09		26	49



ECONOMIC COMMENTARY (cont.)

Core CPI maintained its 0.2% m/m pace but eased to 4.7% on a y/y basis. In the details, lower auto prices drove core goods lower while rising shelter costs, although showing signs of moderating, contributed to an increase in core services. Similarly, headline and core PCE both rose by 0.2% m/m. Overall, the disinflationary trend remained intact.

Developments in the labor market, on the other hand, were less clear. Whereas some data components reflected a potential slowing, the bigger picture suggests that employment remains stubbornly resilient.

The August Jobs report provided further evidence that the labor market is softening. Nonfarm payrolls rose by a stronger than expected 187K. However, revisions cut 110K jobs for the last two months, suggesting a slowdown in hiring. A large increase in the labor force pushed the unemployment rate higher to 3.8%, while wage growth came in below expectations, gaining 0.2% m/m and 4.3% y/y. The Job Openings and Labor Turnover Survey (JOLTS) data for July suggested a cooling in the labor market, with job openings falling 3.7% to 8.827 million, the lowest level since March 2021, but still above pre-pandemic levels. This brought down the ratio of job openings per unemployed worker to 1.5 from the peak of 2 in March 2022. Quits also fell by 6.7%, approaching 2019 levels, while layoffs ticked up. Overall, these reports still show decent momentum in the labor market. That said, a more balanced labor market and easing wage pressures should allow core inflation to move lower, reducing the need for the Fed to hike further.

After two months of solid gains, consumer confidence tumbled in August as the Conference Board Confidence Index fell 7.9 points to 106.1. Meanwhile, GDP for the second quarter was revised lower from 2.4% to 2.1% primarily due to downward revisions to inventories and net exports, while consumption increased at a modest 1.7%. Personal spending ran hot at 0.8% in July, despite personal income slowing to 0.2% in July, down from 0.3% in June.

At the Fed's Jackson Hole Economic Policy Symposium, Chair Powell's speech was relatively balanced. He noted that "inflation remains too high" and said that the Fed is "prepared to raise rates further if appropriate" but "will proceed carefully" if they do, reaffirming the 2% inflation target. Powell noted that his concern that the economy may not be cooling as expected.

Front-end Treasury yields were relatively rangebound as markets have priced in the expectation that the Fed has now reached the end of the rate hiking cycle. Three-month and six-month Treasury bill yields rose by 4 bps to 5.45% and 5.51%, respectively, while 12-month T-bill yields were unchanged at 5.39%. Longer-term Treasury yields rose more significantly, however, given increased expectations for U.S. Treasury supply and as strong economic data caused markets to price in higher yields for longer, which pushed out expectations for rate cuts.

Outlook

Until recently, U.S. economic data has been reaccelerating with upward revisions to full year GDP forecasts and the removal of most recession expectations. The U.S. consumer remains a key pillar of economic resilience and one of the primary reasons why it has become easier to contemplate a scenario in which the U.S. avoids a recession.

American consumption, which accounts for approximately 68% of GDP, has remained stalwart, despite a restrictive monetary environment, bolstering the overall health of the economy in 2023. Real consumption rose 0.6% m/m in July, suggesting consumption is off to a solid start in 3Q. However, excess savings is on track to be depleted by year-end as pandemic stimulus dissipates; so, maintaining the same standard of living is becoming increasingly difficult for the average American. While upper income consumers may continue to show resiliency, those in the lower income category may find themselves more stretched given the high cost of capital, especially with the upcoming resumption of student loan payments.

In a seemingly endless battle to reinstate price stability, the Fed continues to search for confirmation that policy is sufficiently restrictive and that job growth is declining. The key question is whether core inflation can make further progress towards 2% without significantly dampening the labor market and overall economic growth.

(continued page 5)



ECONOMIC COMMENTARY (cont.)

Core CPI increased 0.16% in each of the past two months, bringing the 3-month moving average down to 0.25% from 0.34% in the previous month. Nevertheless, two months does not make a trend.

Meanwhile, the employment report paints a picture of a job market heading in the right direction. Although year-over-year wages may be above the Fed's 3.5% target, which Chair Powell has said is consistent with 2% inflation, and the unemployment rate is still below the Fed's 4.1% year-end forecast, the labor market trajectory is still one of deceleration.

At this point, a September hike seems like a longshot. If inflation continues its downward path, the Fed will likely need to see a strong re-acceleration in the jobs data from here to hike in November. While we recognize that the Fed's decisions will be data dependent, we continue to believe that it is likely that the Fed will not hike again this year. As of the date of this writing, the market is assigning a 7% chance of a hike in September and a 35% chance of a hike in November. Additionally, the Fed would need to see employment materially deteriorate to implement rate cuts, which is unlikely to start before mid-2024. We believe that the U.S. economy will likely not enter a recession in 2023; however, recession risks remain for the middle of 2024.

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

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Exhibit B

Financial Statements for September 2023

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
REVENUE				
Operating Revenue				
Toll Revenue	153,792,700	38,533,687	25.06%	31,895,518
Video Tolls	64,352,000	13,408,972	20.84%	15,225,743
Fee Revenue	12,962,900	3,241,602	25.01%	2,655,696
Total Operating Revenue	231,107,600	55,184,260	23.88%	49,776,957
Other Revenue				
Transfer In - Cash	87,201,191	87,201,191	100.00%	-
Interest Income	24,905,700	10,563,041	42.41%	3,701,969
Grant Revenue	945,500	82,466	8.72%	-
Misc Revenue	230,000	5,609	2.44%	10,436
Total Other Revenue	113,282,391	97,852,307	86.38%	3,712,405
TOTAL REVENUE	344,389,991	153,036,568	44.44%	53,489,362
EXPENSES				
Salaries and Benefits				
Salary Expense-Regular	4,871,464	878,691	18.04%	783,682
Salary Reserve	80,000	-	-	-
TCDRS	1,591,401	162,515	10.21%	150,288
FICA	249,197	43,734	17.55%	37,282
FICA MED	70,635	12,624	17.87%	11,306
Health Insurance Expense	584,446	113,041	19.34%	93,100
Life Insurance Expense	3,817	726	19.03%	1,088
Auto Allowance Expense	10,200	2,295	22.50%	1,913
Other Benefits	166,290	17,210	10.35%	18,599
Unemployment Taxes	5,760	-	-	30
Total Salaries and Benefits	7,633,210	1,230,837	16.12%	1,097,287
Administrative				
Administrative and Office Expenses				
Accounting	9,500	2,176	22.91%	2,093
Auditing	245,000	62,100	25.35%	107,531
Financial Advisors	162,000	54,000	33.33%	54,000
Human Resources	37,500	494	1.32%	595
Legal	70,000	4,750	6.79%	1,770
IT Services	365,000	77,002	21.10%	48,662
Internet	150	-	-	-
Software Licenses	1,167,000	689,309	59.07%	31,051
Cell Phones	27,800	7,476	26.89%	3,027
Local Telephone Service	2,000	24,873	1243.63%	25,261
Overnight Delivery Services	250	-	-	40
Copy Machine	10,000	3,816	38.16%	3,816
Repair & Maintenance-General	10,000	8,445	84.45%	-
Meeting Facilities	2,000	-	-	-
Meeting Expense	13,750	489	3.55%	4,005
Toll Tag Expense	3,000	100	3.33%	100
Parking / Local Ride Share	3,550	27	0.76%	275

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Mileage Reimbursement	4,350	206	4.73%	557
Insurance Expense	651,000	147,556	22.67%	128,063
Rent Expense	562,540	25,020	4.45%	192,325
Building Parking	3,500	192	5.49%	425
Total Legal Services	488,000	18,793	3.85%	340
Total Administrative and Office Expenses	3,837,890	1,126,822	29.36%	603,936
Office Supplies				
Books & Publications	5,090	639	12.56%	615
Office Supplies	8,250	88	1.06%	1,163
Misc Office Equipment	4,500	-	-	-
Computer Supplies	202,100	23,650	11.70%	132,296
Copy Supplies	1,000	-	-	-
Other Reports-Printing	1,500	-	-	-
Office Supplies-Printed	2,000	102	5.10%	668
Postage Expense	550	329	59.73%	122
Total Office Supplies	224,990	24,807	11.03%	134,864
Communications and Public Relations				
Graphic Design Services	75,000	-	-	-
Website Maintenance	464,000	157,325	33.91%	23,692
Research Services	150,000	-	-	-
Communications and Marketing	400,000	12,420	3.11%	-
Advertising Expense	500,000	165,235	33.05%	56,551
Direct Mail	40,000	-	-	-
Video Production	160,000	-	-	28,359
Photography	25,000	295	1.18%	450
Radio	50,000	-	-	-
Other Public Relations	22,500	-	-	-
Promotional Items	20,000	1,166	5.83%	7,656
Annual Report printing	1,300	-	-	-
Direct Mail Printing	17,500	-	-	-
Other Communication Expenses	15,000	-	-	17,703
Total Communications and Public Relations	1,940,300	336,441	17.34%	134,411
Employee Development				
Subscriptions	750	139	18.53%	264
Agency Memberships	88,440	25	0.03%	1,200
Continuing Education	14,800	500	3.38%	-
Professional Development	20,150	-	-	375
Other Licenses	2,500	-	-	497
Seminars and Conferences	104,100	1,445	1.39%	35,310
Travel	110,500	12,852	11.63%	30
Total Employee Development	341,240	14,961	4.38%	37,676

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Financing and Banking Fees				
Trustee Fees	62,000	32,500	52.42%	36,000
Bank Fee Expense	3,240	1,505	46.44%	273
Continuing Disclosure	7,000	-	-	-
Arbitrage Rebate Calculation	16,300	-	-	16,300
Rating Agency Expense	45,000	32,500	72.22%	31,000
Total Financing and Banking Fees	133,540	66,505	49.80%	83,573
Total Administrative	6,477,960	1,569,536	24.23%	994,459
Operations and Maintenance				
Operations and Maintenance Consulting				
GEC-Trust Indenture Support	1,131,395	485,164	42.88%	279,930
GEC-Financial Planning Support	275,000	100,754	36.64%	66,422
GEC-Toll Ops Support	1,584,000	278,543	17.58%	154,812
GEC-Roadway Ops Support	1,605,500	259,921	16.19%	115,749
GEC-Technology Support	679,526	328,107	48.28%	160,803
GEC-Public Information Support	200,000	56,106	28.05%	48,451
GEC-General Support	1,631,820	365,306	22.39%	198,994
General System Consultant	1,381,000	36,186	2.62%	307,054
Traffic Modeling	125,000	-	-	-
Traffic and Revenue Consultant	1,010,000	60,761	6.02%	162,641
Total Operations and Maintenance Consulting	9,623,241	1,970,849	20.48%	1,494,855
Roadway Operations and Maintenance				
Roadway Maintenance	3,431,819	256,969	7.49%	1,065,486
Landscape Maintenance	2,789,256	391,010	14.02%	1,315,369
Signal & Illumination Maint	25,000	-	-	-
Maintenance Supplies-Roadway	400,000	-	-	-
Tools & Equipment Expense	-	-	-	444
Gasoline	30,000	3,729	12.43%	5,112
Repair & Maintenance - Vehicles	10,000	360	3.60%	674
Natural Gas	2,500	7,220	288.80%	1,285
Electricity - Roadways	250,000	65,136	26.05%	63,807
Total Roadway Operations and Maintenance	6,938,575	724,424	10.44%	2,452,178
Toll Processing and Collection Expense				
Image Processing	3,000,000	514,785	17.16%	1,023,675
Tag Collection Fees	11,500,000	2,682,471	23.33%	2,361,248
Court Enforcement Costs	10,000	-	-	-
ETC Incentive	500,000	-	-	-
Total Processing and Collection Expense	15,010,000	3,197,257	21.30%	3,384,923
Toll Operations Expense				
Generator Fuel	3,000	-	-	-
Fire and Burglar Alarm	500	123	24.67%	123
Refuse	2,360	474	20.08%	640

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Telecommunications	60,000	-	-	-
Water - Irrigation	7,500	2,252	30.03%	3,082
Electricity	750	249	33.14%	111
ETC spare parts expense	100,000	16,453	16.45%	-
Repair & Maintenance Toll Equip	50,000	-	-	31,491
Law Enforcement	600,000	118,445	19.74%	106,434
ETC Maintenance Contract	6,450,000	531,208	8.24%	666,601
Transaction Processing Maintenance Contract	2,000,000	-	-	-
ETC Toll Management Center System Operation	2,885,054	134,101	4.65%	134,510
ETC Development	650,000	65,823	10.13%	2,759
ETC Testing	225,000	-	-	-
Total Toll Operations Expense	13,034,164	869,127	6.67%	945,752
Total Operations and Maintenance	44,605,980	6,761,657	15.16%	8,277,707
Other Expenses				
Special Projects and Contingencies				
HERO	200,000	41,838	20.92%	36,957
Special Projects	100,000	-	-	-
71 Express Net Revenue Payment	5,000,000	1,621,070	32.42%	1,324,641
Customer Relations	10,000	-	-	-
Technology Initiatives	185,000	-	-	-
Other Contractual Svcs	390,000	48,000	12.31%	75,500
Contingency	200,000	-	-	-
Total Special Projects and Contingencies	6,085,000	1,710,909	28.12%	1,437,098
Non Cash Expenses				
Amortization Expense				
Amortization Expense - Software	1,228,015	6,349	0.52%	320,073
Amortization Expense - Right to Use Asset - Subscr	355,208	55,696	15.68%	-
Amortization Expense - Refundings	1,907,487	1,536,354	80.54%	1,330,277
Subtotal Amortization Expense	3,490,710	1,598,400	45.79%	1,650,351
Depreciation Expense				
Dep Exp - Furniture & Fixtures	2,178	-	-	653
Dep Expense - Equipment	476,653	155,676	32.66%	-
Dep Expense - Autos & Trucks	45,399	7,602	16.75%	13,338
Dep Expense - Bldgng & Toll Fac	187,058	44,187	23.62%	44,187
Dep Expense - Highways & Bridges	48,608,788	12,709,388	26.15%	12,655,386
Dep Expense - Toll Equipment	3,917,914	759,562	19.39%	1,035,778
Dep Expense - Signs	1,641,174	302,239	18.42%	254,143
Dep Expense - Land Improvements	884,934	163,163	18.44%	221,234
Depreciation Expense - Computers	98,507	-	-	47,270
Subtotal Depreciation Expense	55,862,606	14,141,817	25.32%	14,271,988
Total Non Cash Expenses	59,353,316	15,740,216	26.52%	15,922,338
Total Other Expenses	65,438,316	17,451,125	26.67%	17,359,437

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

	Budget Amount FY 2023	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Non Operating Expenses				
Bond Issuance Expense	1,250,000	-	-	132,074
Loan Fee Expense	40,000	-	-	-
Interest Expense - Debt Obligations	95,964,098	19,698,810	20.53%	19,504,907
Interest Expense - Right to Use Assets	-	-	-	-
Transfer Out - Cash	87,201,191	87,201,191	100.00%	-
CAMPO RIF Payment	6,000,000	6,000,000	100.00%	5,000,000
Community Initiatives	645,000	-	-	-
Total Non Operating Expenses	191,100,289	112,900,002	59.08%	24,636,981
TOTAL EXPENSES	315,255,755	139,913,156	44.38%	52,365,871
Net Income	29,134,236	13,123,412		1,123,491

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

		as of 09/30/2023	as of 09/30/2022
ASSETS			
Current Assets			
Cash			
Regions Operating Account	\$	92,051	\$ 3,518,183
Cash in TexStar		158,162	42,930
Regions Payroll Account		107,534	99,387
Restricted Cash			
Goldman Sachs FSGF 465		592,768,575	1,103,383,771
Restricted Cash - TexSTAR		6,210,647	10,409,892
Overpayments account		-	291,108
Total Cash and Cash Equivalents		599,336,969	1,117,745,271
Accounts Receivables			
Accounts Receivable - Net		4,979,871	2,770,089
Due From Other Agencies		346,552	65,805
Due From TTA		988,433	548,177
Due From NTTA		1,477,295	1,062,984
Due From HCTRA		3,652,916	2,065,183
Due From TxDOT		6,073,328	164,602
Interest Receivable		693,342	693,342
Total Receivables		18,211,737	7,370,183
Short Term Investments			
Treasuries		118,543,252	-
Agencies		339,758,036	-
Total Short Term Investments		458,301,288	-
Total Current Assets		1,075,849,994	1,125,115,454
Construction in Progress		423,204,754	282,434,317
Capital Assets (Net of Depreciation and Amortization)			
Depreciable Assets			
Computers	-		51,237
Furniture and Fixtures	-		1,525
Equipment	1,245,411		9,624
Autos and Trucks	39,279		80,545
Buildings and Toll Facilities	4,185,774		4,372,832
Highways and Bridges	1,659,604,479		1,704,435,035
Toll Equipment	14,916,806		19,014,496
Signs	11,094,662		12,917,392
Land Improvements	5,151,172		5,978,035

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

	as of 09/30/2023	as of 09/30/2022
Right of way	88,149,606	88,149,606
Leasehold Improvements	2,116	33,176
Intangible Assets		
Computer Software	-	1,470,864
Right to Use Assets		
Leases	1,286,881	-
Subscription Based IT Arrangements	167,087	-
Total Fixed Assets	1,785,843,273	1,836,514,366
Other Assets		
Intangible Assets-Net	171,848,342	173,961,907
2005 Bond Insurance Costs	-	3,301,851
Deferred Outflows (pension related)	2,661,405	675,913
Pension Asset	1,046,634	2,549,818
Total Other Assets	175,556,381	180,489,489
Total Assets	\$ 3,460,454,402	\$ 3,424,553,625

LIABILITIES

Current Liabilities		
Accounts Payable	3,324,075	21,780,077
Construction Payable	9,796,249	5,224,110
Overpayments	1,570	294,629
Interest Payable	19,966,690	20,449,024
TCDRS Payable	82,369	74,574
Due to other Agencies	3,569	2,849
Due to TTA	625,830	624,134
Due to HCTRA	154,452	148,238
Due to Other Entities	1,878,422	57,776
71E TxDOT Obligation - ST	4,307,645	3,142,749
Total Current Liabilities	40,140,870	51,798,159
Long Term Liabilities		
Compensated Absences	240,954	268,014
Right to Use Obligations - Lease	1,286,881	-
Right to Use Obligations - SBITA	233,657	-
Deferred Inflows (pension related)	1,340,710	1,481,361
Long Term Payables	3,102,203	1,749,375

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

as of 09/30/2023 as of 09/30/2022

Bonds Payable

Senior Lien Revenue Bonds:

Senior Lien Revenue Bonds 2010	96,178,695	89,266,291
Senior Lien Revenue Bonds 2011	16,459,605	19,136,793
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	274,150,000	274,625,000
Senior Lien Refunding Bonds 2021E	332,585,000	335,610,000
Sn Lien Rev Bnd Prem/Disc 2013	-	447,279
Senior Lien Premium 2016 Revenue Bonds	6,736,845	7,383,436
Sn Lien Revenue Bond Premium 2018	2,816,574	3,083,148
Senior Lien Revenue Bond Premium 2020A	11,112,493	11,304,305
Senior Lien Refunding Bond Premium 2020B	11,102,812	11,637,887
Senior Lien Revenue Bonds Premium 2020E	23,711,689	25,427,076
Senior Lien Revenue Bonds Premium 2021B	52,830,298	53,414,235
Senior Lien Refunding Bonds Premium 2021D	44,221,847	44,749,354
Total Senior Lien Revenue Bonds	1,651,495,859	1,671,229,804

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	-	95,437
Sub Refunding 2016 Prem/Disc	4,797,315	5,587,450
Subordinated Lien BANs 2020F Premium	5,003,581	9,006,445
Subordinated Lien Refunding Bonds Premium 2020G	6,663,255	7,067,227
Sub Lien BANS 2021C Premium	24,737,951	32,349,629
Total Sub Lien Revenue Bonds	626,707,102	644,646,188

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

as of 09/30/2023 as of 09/30/2022

Other Obligations

TIFIA Note 2021	361,020,863	353,243,889
71E TxDOT Obligation - LT	51,918,220	55,077,264
Regions 2022 MoPac Loan	23,765,900	24,690,900
Total Other Obligations	436,704,983	433,012,053
Total Long Term Liabilities	2,718,010,147	2,750,637,420
Total Liabilities	2,758,151,017	2,802,435,579

NET ASSETS

Contributed Capital	121,462,104	121,462,104
Net Assets Beginning	567,717,870	499,532,451
Current Year Operations	13,123,412	1,123,491
Total Net Assets	702,303,386	622,118,046

Total Liabilities and Net Assets	\$ 3,460,454,402	\$ 3,424,553,625
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Central Texas Regional Mobility Authority
Statement of Cash Flow
as of September 2023

Cash flows from operating activities:

Receipts from toll revenues	59,249,872
Receipts from Other Sources (AR)	88,075
Payments to vendors	(45,009,416)
Payments to employees	(1,236,275)
Net cash flows provided by (used in) operating activities	<u>13,092,256</u>

Cash flows from capital and related financing activities:

Prepaid payment on Intangible assets	(1,536,354)
Issuance Expense	(3,513,621)
Payments on bonds / loans	(452,428)
RIF Contribution	(6,000,000)
Acquisition of capital assets - non project	(528,249)
Acquisitions of construction in progress	(12,725,320)
Net cash flows provided by (used in) capital and related financing activities	<u>(24,755,971)</u>

Cash flows from investing activities:

Interest income	10,563,041
Purchase of investments	(235,602,845)
Proceeds from sale or maturity of investments	-
Net cash flows provided by (used in) investing activities	<u>(225,039,804)</u>

Net increase (decrease) in cash and cash equivalents	(276,473,905)
Cash and cash equivalents at beginning of period	894,022,611
Cash and cash equivalents at end of period	<u>617,548,706</u>

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

Operating income	13,123,412
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	15,740,216
Changes in assets and liabilities:	
Decrease in accounts receivable	4,065,612
Increase in prepaid expenses and other assets	147,093
Decrease in accrued expenses	(29,119,846)
Decrease in Interest expense	19,698,810
Increase in interest receivable	(10,563,041)
(Decrease) increase in Pension Asset	-
(Increase) in deferred outflows of resources	-
(Increase) in deferred inflows of resources	-
Total adjustments	<u>(31,156)</u>
Net cash flows provided by (used in) operating activities	<u>\$ 13,092,256</u>

Reconciliation of cash and cash equivalents:

Unrestricted cash and cash equivalents	18,569,484
Restricted cash and cash equivalents	598,979,222
Total	<u>617,548,706</u>

Investments by Fund

Fund	TexSTAR	TexSTAR- Trustee	Goldman Sachs	Agencies/ Treasuries	Balance
Renewal and Replacement Fund	8.64		708.95		717.59
Grant Fund	478,736.54		10,082,282.02		10,561,018.56
Senior Debt Service Reserve Fund	1,039,007.51		6,039,414.35	104,995,814.41	112,074,236.27
2010 Senior Lien Debt Service			63,597.75		63,597.75
2011 Sr Debt Service t			5,485,481.65		5,485,481.65
2013 Sr Debt Service t			42,155.46		42,155.46
2013 Sub Debt Service			33,177.67		33,177.67
2013 Sub Debt Service Reserve Fund	822,179.51		129.28		822,308.79
2015 Sr Debt Service			4,230,483.38		4,230,483.38
2016 Sr Lien Rev Refunding Debt Service			11,835,342.08		11,835,342.08
2016 Sub Lien Rev Refunding Debt Service			2,633,004.50		2,633,004.50
2016 Sub Lien Rev Refunding DSR			605,726.55	6,671,837.25	7,277,563.80
Operating Fund	589,881.22	158,161.73	19,472,636.84		20,220,679.79
Revenue Fund			7,707,473.77		7,707,473.77
General Fund	1,198,952.10		70,213,927.80	104,917,207.70	176,330,087.60
71E Revenue Fund			31,595,004.11		31,595,004.11
MoPac Revenue Fund			10,688,312.32		10,688,312.32
MoPac General Fund					-
MoPac Operating Fund			1,297,663.04		1,297,663.04
MoPac Loan Repayment Fund			508,218.52		508,218.52
2015B Project	368,502.39		7,947,938.30		8,316,440.69
2015 TIFIA Project	732,088.08		9,116,692.01	30,000,000.00	39,848,780.09
2011 Sr Financial Assistance Fund	16.40		28,283.42		28,299.82
2018 Sr Lien Debt Service			566,371.74		566,371.74
2018 Sr Lien Project Cap I			746.72		746.72
2018 Sr Lien Project	981,274.99		13,220,888.14		14,202,163.13
2020A Senior Lien Debt Service			640,980.04		640,980.04
2020B Senior Lien Debt Service			1,183,613.54		1,183,613.54
2020C Senior Lien Debt Service			4,870,435.65		4,870,435.65
2020D Sub Lien Debt Service			3,801,732.10		3,801,732.10
2020D Sub Debt Service Reserve Fund			457,286.11	7,987,089.95	8,444,376.06
2020E Senior Lien Project			91,783,608.01	50,000,000.00	141,783,608.01
2020E Senior Lien Project Cap Interest			15,175,484.12		15,175,484.12
2020F Sub Lien Project			0.00		-
2020F Sub Lien Deb Service			1,416,516.17		1,416,516.17
2020G Sub Lien Debt Service			652,229.84		652,229.84
2020G Sub Lien Debt Service Reserve			1,156,903.01	2,995,158.73	4,152,061.74
2021A Sub Lien Debt Service Reserve			4,360,440.34	15,974,180.00	20,334,620.34
2021A Sub Debt Service			100.40		100.40
2021B Senior Lien Cap I Project Fund			36,241,995.01		36,241,995.01
2021B Senior Lien Project			105,450,897.67	135,000,000.00	240,450,897.67
2021C Sub Lien Cap I Project Fund			1,401.33		1,401.33
2021C Sub Lien Project			90,421,822.05		90,421,822.05
2021C Sub Lien Debt Service			3,119,792.09		3,119,792.09
2021D Senior Lien Debt Service			3,239,207.21		3,239,207.21
2021E Senior Lien Debt Service			4,790,165.35		4,790,165.35
Totals	6,210,647.38	158,161.73	582,180,270.41	458,541,288.04	1,047,090,367.56

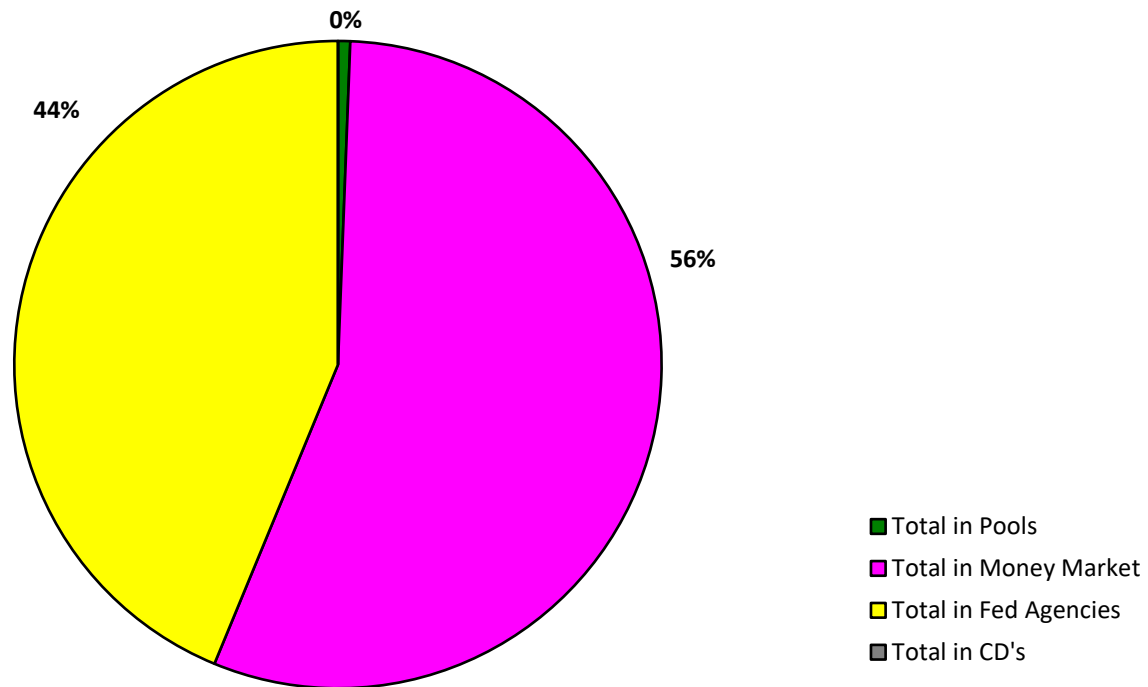
CTRMA INVESTMENT REPORT						
Month Ending September 30, 2023						
	Balance 9/1/2023	Accrued Interest	Additions	Cash Transfers	Withdrawals	Balance 9/30/2023
Amount in Trustee TexStar						
2011 Sr Lien Financial Assist Fund	16.36	0.04				16.40
2013 Sub Lien Debt Service Reserve	818,606.47	3,573.04				822,179.51
General Fund	1,193,741.70	5,210.40				1,198,952.10
Trustee Operating Fund	3,085,873.43	4,007.79		(2,500,000.00)		589,881.22
Renewal and Replacement	8.63	0.01				8.64
TxDOT Grant Fund	476,656.03	2,080.51				478,736.54
Senior Lien Debt Service Reserve Fund	1,034,492.18	4,515.33				1,039,007.51
2015B Sr Ln Project	366,900.95	1,601.44				368,502.39
2015C TIFIA Project	728,906.58	3,181.50				732,088.08
2018 Sr Lien Project	977,010.57	4,264.42				981,274.99
	8,682,212.90	28,434.48	-	(2,500,000.00)	-	6,210,647.38
Amount in TexStar Operating Fund	304,100.30	4,061.43		2,500,000.00	2,650,000.00	158,161.73
Goldman Sachs						
Operating Fund	15,293,149.54	54,380.84	128,885.23	4,000,000.00	3,778.77	19,472,636.84
2020A Senior Lien Debt Service	430,317.02	1,225.52		209,437.50		640,980.04
2020B Senior Lien Debt Service	903,405.04	3,100.17		277,108.33		1,183,613.54
2020C Senior Lien Debt Service	4,113,189.40	6,901.56		750,344.69		4,870,435.65
2020D Sub Lien Debt Service	3,209,311.03	12,318.31		580,102.76		3,801,732.10
2020D Sub Debt Service Reserve Fund	455,270.53	2,015.58				457,286.11
2020E Sr Lien Project	91,825,227.68	518,839.36			560,459.03	91,783,608.01
2020E Sr Ln Project Cap Interest	15,108,595.33	66,888.79				15,175,484.12
2020E Sr Lien Debt Service	0.00					0.00
2020F Sub Lien Project	44,466.13				44,466.13	0.00
2020F Sub Lien Debt Service	951,826.56	2,710.44		461,979.17		1,416,516.17
2020G Sub Lien Debt Service	438,265.16	1,248.01		212,716.67		652,229.84
2020G Sub Debt Service Reserve Fund	791,657.75	3,376.42		361,868.84		1,156,903.01
2021A Sub Debt Service Reserve Fund	2,270,886.96	8,210.20		2,081,343.18		4,360,440.34
2021A TIFIA Sub Lien Debt Service Acct	99.96	0.44				100.40
2021A TIFIA Sub Lien Debt Service Acct	0.00			585,082.17		585,082.17
2021B Senior Lien Cap I Project Fund	36,082,251.50	159,743.51				36,241,995.01
2021B Senior Lien Project	104,787,374.96	663,522.71				105,450,897.67
2021B Senior Lien Cap I Debt Service	0.00					0.00
2021C Sub Lien Cap I Project Fund	1,395.15	6.18				1,401.33
2021C Sub Lien Project	99,001,051.73	420,434.55			8,999,664.23	90,421,822.05
2021C Sub Lien Debt Service	2,096,384.89	5,969.70		1,017,437.50		3,119,792.09
2021D Senior Lien Debt Service	2,257,880.93	6,826.28		974,500.00		3,239,207.21
2021E Senior Lien Debt Service	3,712,753.07	12,984.54		1,064,427.74		4,790,165.35
2011 Sr Financial Assistance Fund	28,158.74	124.68				28,283.42
2010 Senior DSF	63,317.39	280.36				63,597.75
2011 Senior Lien Debt Service	4,863,815.80	19,582.52		602,083.33		5,485,481.65
2013 Senior Lien Debt Service	41,969.63	185.83				42,155.46
2013 Sub Debt Service Reserve Fund	128.71	0.57				129.28
2013 Subordinate Debt Service	33,031.41	146.26				33,177.67
2015A Sr Lien Debt Service	4,170,351.15	18,465.56		41,666.67		4,230,483.38
2015B Project	7,940,384.97	35,175.95			27,622.62	7,947,938.30
2015C TIFIA Project	9,076,502.90	40,189.11				9,116,692.01
2016 Sr Lien Rev Refunding Debt Service	9,451,488.10	37,975.85		2,345,878.13		11,835,342.08
2016 Sub Lien Rev Refunding Debt Service	2,157,284.44	8,031.52		467,688.54		2,633,004.50
2016 Sub Lien Rev Refunding DSR	603,056.33	2,670.22				605,726.55
2018 Sr Lien Project Cap I	743.43	3.29				746.72
2018 Sr Lien Debt Service	380,517.40	1,083.51		184,770.83		566,371.74
2018 Sr Lien Project	13,162,787.93	58,100.21				13,220,888.14
TxDOT Grant Fund	10,037,836.30	44,445.72				10,082,282.02
Renewal and Replacement	57.76	1.46		53,830.00	53,180.27	708.95
Revenue Fund	2,262,971.25	51,972.96	17,989,142.42	(12,491,528.62)	105,084.24	7,707,473.77
General Fund	75,906,289.05	306,362.92	82,465.90	(5,409,434.53)	671,755.54	70,213,927.80
Senior Lien Debt Service Reserve Fund	6,012,790.80	26,623.55				6,039,414.35
71E Revenue Fund	30,467,902.42	131,592.94	383,268.69	729,572.01	117,331.95	31,595,004.11
MoPac Revenue Fund	0.00	840.44	347,599.02	(275,150.04)		73,289.42
MoPac General Fund	16,060,730.22	68,823.41		603,645.95	6,044,887.26	10,688,312.32
MoPac Operating Fund	1,049,817.82	3,557.27	125,990.00	400,000.00	281,702.05	1,297,663.04
MoPac Loan Repayment Fund	336,784.00	805.34		170,629.18		508,218.52
	577,883,478.27	2,807,744.56	19,057,351.26	-	16,909,932.09	582,838,642.00
Amount in Fed Agencies and Treasuries						
Amortized Principal	458,541,288.04					458,541,288.04
Certificates of Deposit						
Total in Pools - TxStar	8,986,313.20	32,495.91	-	-	2,650,000.00	6,368,809.11
Total in GS FSGF	577,883,478.27	2,807,744.56	19,057,351.26	-	16,909,932.09	582,838,642.00
Total in Fed Agencies and Treasuries	458,541,288.04	-	-	-	-	458,541,288.04
Total Invested	1,045,411,079.51	2,840,240.47	19,057,351.26	-	19,559,932.09	1,047,748,739.15

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 2256.02:

José Hernández, CFO
Ann Zigmund, Controller

9/30/2023

Allocation of Funds



Goldman Sachs Escrow Funds

	Balance 9/1/2023	Additions	Accrued Interest	Withdrawals	Balance 9/30/2023
Travis County Escrow Fund - Elroy Road	3,010,667.50		13,331.05		3,023,998.55
Travis County Escrow Fund - Ross Road	164,644.29		728.99		165,373.28
Travis County Escrow Fund - Old San Antonio Road	31,719.54		140.46		31,860.00
Travis County Escrow Fund - Old Lockhart Road	133,158.58		586.48		133,745.06
Travis County Escrow Fund - County Line Road	218,738.50	5,659,349.84	969.09	558.23	5,878,499.20
Travis County Escrow Fund - South Pleasant Valley Road	303,764.46	1,346.45			305,110.91
Travis County Escrow Fund - Thaxton Road	111,291.84	494.50			111,786.34
Travis County Escrow Fund - Pearce Lane Road	278,326.89	1,232.73			279,559.62
	4,252,311.60	5,662,423.52	15,756.07	558.23	9,929,932.96

	Amount of In							
						Interest Income		
Bank	FUND	COST	Cummulative Amortization	Book Value	Maturity Value	Accrued Interest	Amortization	Interest Earned
6180006366	2016SUBDSR	6,671,837.25		6,671,837.25				-
1001017484	2020D DSRF	7,987,089.95		7,987,089.95	8,200,000.00			-
1001021540	2020G DSRF	2,995,158.73		2,995,158.73	3,075,000.00			-
1001021543	2021A DSRF	15,974,180.00		15,974,180.00	16,400,000.00			-
6180000120	GENERAL	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000120	GENERAL	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	44,963,937.40		44,963,937.40	47,150,000.00	3,864.75		3,864.75
6180000059	SENLIENDSR	20,000,000.00		20,000,000.00	20,000,000.00	22,222.22		22,222.22
6180000059	SENLIENDSR	20,000,000.00		20,000,000.00	20,000,000.00			-
6180000059	SENLIENDSR	45,000,000.00		45,000,000.00	45,000,000.00			-
6180000059	SENLIENDSR	19,973,592.19		19,973,592.19	20,500,000.00			-
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180000120	GENERAL	9,960,128.90		9,960,128.90	10,000,000.00	27,777.78		27,777.78
6180005349	2015TIFIAP	30,000,000.00		30,000,000.00	30,000,000.00			
1001021273	2021BPROJ	35,000,000.00		35,000,000.00	35,000,000.00			-
1001021533	2020E PRJ	50,000,000.00		50,000,000.00	50,000,000.00			
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			-
1001021273	2021BPROJ	50,000,000.00		50,000,000.00	50,000,000.00			
		458,459,645.51	-	458,459,645.51	455,825,000.00	81,642.53	-	81,642.53

TexSTAR

MONTHLY NEWSLETTER SEPTEMBER 2023



PERFORMANCE

As of September 30, 2023

Current Invested Balance	\$ 9,992,445,950.80
Weighted Average Maturity (1)	30 Days
Weighted Average Life (2)	57 Days
Net Asset Value	0.999816
Total Number of Participants	1028
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$ 44,553,431.86
Management Fee Collected	\$ 496,951.28
% of Portfolio Invested Beyond 1 Year	3.63%
Standard & Poor's Current Rating	AAAm

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

September Averages

Average Invested Balance	\$ 10,093,864,488.70
Average Monthly Yield, on a simple basis	5.3105%
Average Weighted Maturity (1)	29 Days
Average Weighted Life (2)	56 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 September:

- * City of Blue Mound
- * Galveston County Municipal Utility District No. 79
- * Jacksboro Independent School District
- * Montgomery County Municipal Utility District No. 211
- * Pantego Economic Development Corporation

HOLIDAY REMINDER

In observance of **Columbus Day, TexSTAR will be closed on Monday, October 9, 2023.** All ACH transactions initiated on Friday, October 6th will settle on Tuesday, October 10th. Standard transaction deadlines will be observed on Friday, October 6th. Please plan accordingly for your liquidity needs.

ECONOMIC COMMENTARY

Market review

In the third quarter, easing inflation and stronger economic growth helped fuel optimism for a soft landing of the U.S. economy. However, monthly data suggest economic momentum is slowing, and we may not be out of the woods just yet. The quarter was less exciting for financial markets, which struggled as investors re-positioned for higher rates for longer. In fact, one of the few asset classes that saw positive gains short term fixed income portfolios and funds.

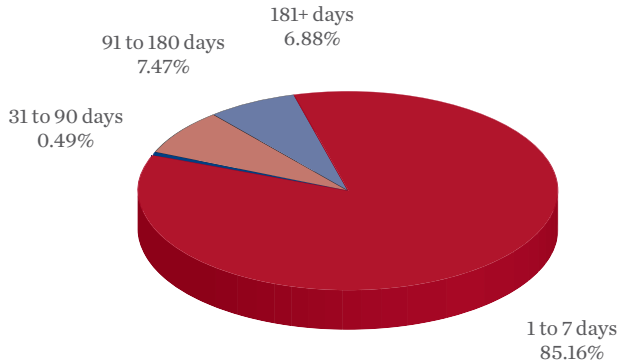
After nearly two years of hot inflation, a sustained inflation downtrend is now underway. The August CPI report showed continued progress on core inflation while energy contributed to a bounce in headline inflation. Headline CPI rose 0.6% month-over-month (m/m) seasonally adjusted and 3.7% year-over-year (y/y) non-seasonally adjusted, an acceleration compared to last month. This increase was largely anticipated and primarily driven by a 5.6% surge in energy prices, as consumer prices rose a more modest 0.3% excluding energy. Core CPI rose 0.3% m/m and eased to 4.3% on a y/y basis. In the details, shelter inflation continued to moderate while transportation services saw strong gains. However, moderating new and used vehicle prices in the months ahead should help ease core inflationary pressures. Similarly, headline PCE inflation accelerated to 3.5% y/y while core PCE eased to 3.9%. Moving forward, we expect that the impact of oil price spikes will be limited.

Labor market strength is gradually easing. The pace of job gains, while still robust, has been trending lower since last year. Improved labor force participation has so far supported job growth, with the participation rate for adults aged 25-54 having fully recovered to pre-pandemic levels. Wage inflation remains sticky but has been moderating. Wage growth has now come down to 4.3% y/y in August from a peak of 5.9% in March 2022. Weekly initial jobless claims for unemployment averaged 232K in the third quarter.

(continued page 4)

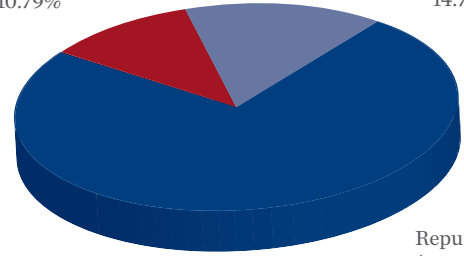
INFORMATION AT A GLANCE

PORTFOLIO BY TYPE OF INVESTMENT AS OF SEPTEMBER 30, 2023



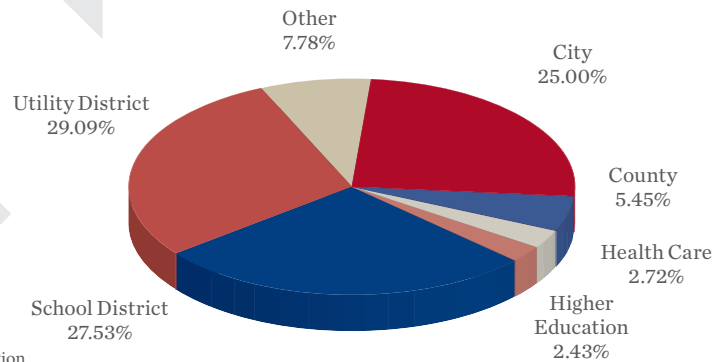
Treasuries
10.79%

Agencies
14.77%



Repurchase
Agreements
74.44%

PORTFOLIO BY MATURITY AS OF SEPTEMBER 30, 2023 (1)



DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF SEPTEMBER 30, 2023

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

HISTORICAL PROGRAM INFORMATION

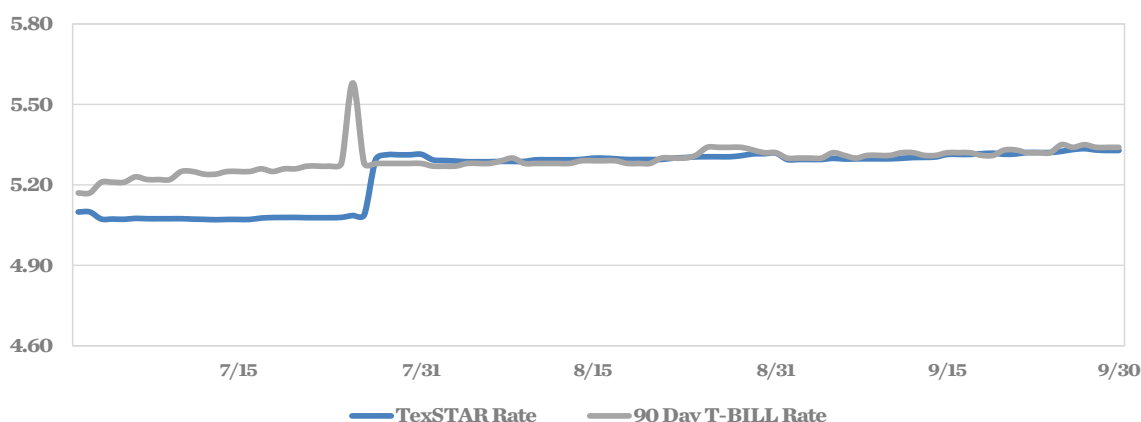
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Sep 23	5.3105 %	\$9,992,445,950.80	\$9,990,730,955.61	0.999816	29	56	1028
Aug 23	5.2974%	10,207,693,267.12	10,205,377,223.94	0.999773	26	49	1023
Jul 23	5.1148%	10,852,471,505.08	10,849,665,890.42	0.999741	22	47	1021
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

PORTFOLIO ASSET SUMMARY AS OF SEPTEMBER 30, 2023

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 688.21	\$ 688.21
Accrual of Interest Income	22,688,328.56	22,688,328.56
Interest and Management Fees Payable	(44,540,141.00)	(44,540,141.00)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	7,454,316,999.79	7,454,316,999.79
Government Securities	2,559,980,075.24	2,558,265,080.05
TOTAL	\$ 9,992,445,950.80	\$ 9,990,730,955.61

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 SEPTEMBER 2023

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
9/1/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/2/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/3/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/4/2023	5.2947%	0.000145060	\$10,150,289,718.88	0.999804	27	50
9/5/2023	5.2989%	0.000145174	\$10,187,547,284.60	0.999777	27	53
9/6/2023	5.2962%	0.000145100	\$10,163,186,946.99	0.999779	27	53
9/7/2023	5.2968%	0.000145119	\$10,122,935,905.70	0.999773	27	53
9/8/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/9/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/10/2023	5.2971%	0.000145126	\$10,155,877,098.53	0.999786	27	52
9/11/2023	5.2992%	0.000145183	\$10,200,180,265.84	0.999778	28	53
9/12/2023	5.3018%	0.000145256	\$10,278,685,601.56	0.999790	28	56
9/13/2023	5.3025%	0.000145275	\$10,337,867,157.92	0.999810	28	56
9/14/2023	5.3041%	0.000145317	\$10,211,821,190.92	0.999808	28	56
9/15/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/16/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/17/2023	5.3135%	0.000145575	\$10,166,408,096.27	0.999811	29	57
9/18/2023	5.3163%	0.000145652	\$10,069,542,232.34	0.999801	30	58
9/19/2023	5.3181%	0.000145702	\$10,087,639,347.86	0.999807	31	59
9/20/2023	5.3140%	0.000145589	\$10,063,497,654.15	0.999803	31	59
9/21/2023	5.3153%	0.000145624	\$9,929,491,072.90	0.999799	32	60
9/22/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/23/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/24/2023	5.3207%	0.000145772	\$9,853,526,609.39	0.999801	32	60
9/25/2023	5.3251%	0.000145893	\$9,952,707,704.94	0.999797	31	59
9/26/2023	5.3318%	0.000146077	\$10,063,656,735.35	0.999792	31	58
9/27/2023	5.3349%	0.000146163	\$10,087,419,330.05	0.999788	30	57
9/28/2023	5.3299%	0.000146024	\$9,946,270,040.13	0.999792	31	58
9/29/2023	5.3282%	0.000145978	\$9,992,445,950.80	0.999816	30	57
9/30/2023	5.3282%	0.000145978	\$9,992,445,950.80	0.999816	30	57
Average	5.3105%	0.000145492	\$10,093,864,488.70		29	56



ECONOMIC COMMENTARY (cont.)

While this is above its average of 214K in 2022, the levels are still indicative of a healthy labor market and have been trending lower more recently. The Job Openings and Labor Turnover Survey (JOLTS) data for August surprised to the upside as job openings surged 7.7% to 9.6 million, up from 8.8 million in the month prior, while quits rose a modest 0.5%. The ratio of vacancies to unemployed workers remained unchanged from July at 1.5. Job openings have been volatile around a declining trend, but the data remain well above pre-pandemic norms.

Given the strength in the labor market is not surprising that the consumer has been the primary driver of the economy so far, but consumer confidence has begun to falter. The Conference Board Consumer Confidence Index fell for the second straight month, from 106.1 in August to 103 in September, reflecting a decline in consumers' assessment of future business conditions. Personal spending in August showed a deceleration relative to July, at a 0.4% m/m change, down from 0.8%. The GDP revisions had limited impact on the headline growth profile, as second quarter GDP was unchanged at a 2.1% annualized rate. In the details of the revision, the composition shifted from consumption to business investment: consumption grew a modest 0.8% annualized rate while business fixed investment spending grew 5.2%, its best pace since 1Q22. Comprehensive GDP revisions painted a picture of private sector resilience and improved household savings with softer consumption growth than previously reported.

In a widely anticipated move, the Federal Open Market Committee (FOMC) voted to leave the federal funds rate unchanged at a range of 5.25% to 5.50% at its September meeting and reiterated its commitment to a data-driven approach. The updated "dot plot" remained hawkish, with the median FOMC member now expecting only two cuts in 2024, reinforcing the "higher for longer" message. Notably, its updated economic forecasts leaned strongly into the soft-landing narrative. In the Summary of Economic Projections, real GDP growth expectations rose meaningfully for 2023 and 2024. Elsewhere, the median forecast for the unemployment rate fell to 3.8% while the core PCE forecast ticked lower.

September was a challenging month for markets and for Congress. As the month ended, in a surprise turnaround just 3 hours before the deadline, Congress averted a government shutdown, passing a short-term continuing resolution to keep the government running through November 17th. Improved prospects for growth and incoming supply, against the backdrop of 'higher for longer' policy rates pushed longer term yields to their highest levels since 2007, with two-year and 10-year Treasury yields up 18 bps and 47 bps on the month to 5.05% and 4.57% respectively. Meanwhile three-month Treasury bill yields remained unchanged at 5.45%, and six-month T-bill yields increased a modest 4 bps to 5.55%. Moreover, the potential government shutdown (which was averted in the 11th hour), United Auto Workers (UAW) labor strikes and higher oil prices have weighed on investor sentiment.

Outlook

"Resiliency" has been the buzzword of 2023, with better-than-expected economic growth and corporate profits coupled with milder drags from credit tightening and business spending contraction raising hopes for a soft landing. Economic data has underscored the strength of U.S. consumers and labor markets, aided by falling inflation.

Nevertheless, the clouds of recession have not departed, as growing drags from higher energy prices, declining pandemic excess savings and the lagged effects of monetary policy suggest it is far too soon to call an "all clear" on a U.S. recession.

Business spending has held up more strongly than expected due to higher spending on manufacturing and slowing corporate profits could still constrain growth in capital expenditures. Consumers have remained resilient in the third quarter, supported by solid job growth and rising real wages. So far in 2023, excess consumer savings and the use of credit have kept consumption as a pillar of strength in the U.S. economy.

However, consumer savings balances have shrunk as they take on more debt to maintain current spending, and delinquencies are starting to rise. By our measures, pandemic excess savings has declined to \$1.1 trillion from its peak of \$2.3 trillion, leading consumers to draw on revolving credit to finance their spending habits.

(continued page 5)



ECONOMIC COMMENTARY (cont.)

Revolving credit as a share of disposable income doesn't look too worrying yet (at 6.3% in June compared to 6.5% pre-pandemic), but delinquencies for credit cards and auto loans are starting to rise. This, along with the lagged impacts of monetary tightening, higher energy prices, and the forthcoming resumption of student loan payments, should weigh on consumer spending in the coming months.

Other risks to growth are accumulating as we enter the fall. While a U.S. government shutdown was averted, Congress merely kicked the can down the road until November. The odds of a government shutdown later this year have arguably risen but would probably be temporary if it happens (a few weeks at most) until political and market pressures force everyone to keep the government open. Historically, the economic impact has tended to be short-lived and reversed the following period. Additionally, the United Auto Workers (UAW) strike continues to escalate, as progress between the UAW and automakers has not improved yet. Should it build further, the strike could negatively impact economic activity and pressure inflation upward.

Overall, the U.S. economy should continue to grow at a moderate but slowing pace from here, and while a near-term recession is not guaranteed, a slower-moving economy will be increasingly sensitive to shocks. With risks remaining on the horizon, we see at least a 50/50 chance of a recession starting by the end of 2024, and a greater chance of a recession in 2025 if one fails to materialize earlier.

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

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