

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending February 28, 2025

	Budget Amount FY 2025	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
REVENUE				
Operating Revenue				
Tag Revenue Kansas 183A	208,000	188,190	90.48%	113,442
Tag Revenue Oklahoma 183A	249,000	134,808	54.14%	138,412
Tag Revenue Florida 183A	380,000	256,453	67.49%	183,611
Tag Revenue Colorado 183A	-	23,562	-	-
Tag Revenue TxTag 183A	53,939,000	17,617,891	32.66%	29,730,878
Tag Revenue HCTRA 183A	9,236,000	18,806,383	203.62%	5,096,232
Tag Revenue NTTA 183A	9,528,000	6,698,065	70.30%	5,216,830
Tag Revenue TxTag MoPac ML	9,320,000	3,947,269	42.35%	5,502,857
Tag Revenue Kansas MoPac ML	46,000	61,917	134.60%	28,246
Tag Revenue Oklahoma MoPac ML	34,000	33,691	99.09%	22,082
Tag Revenue Florida MoPac ML	30,000	34,094	113.65%	16,628
Tag Revenue Colorado MoPac ML	-	4,915	-	-
Tag Revenue HCTRA MoPac ML	1,560,000	4,548,008	291.54%	926,735
Tag Revenue NTTA MoPac ML	1,810,000	1,630,713	90.09%	1,065,671
Tag Revenue TxTag 290E	19,122,000	7,022,422	36.72%	11,570,672
Tag Revenue Kansas 290E	148,000	122,284	82.62%	87,456
Tag Revenue Oklahoma 290E	204,000	135,982	66.66%	122,224
Tag Revenue Florida 290E	440,000	859,102	195.25%	235,007
Tag Revenue Colorado 290E	-	8,513	-	-
Tag Revenue HCTRA 290E	6,802,000	9,511,553	139.83%	4,156,101
Tag Revenue NTTA 290E	3,554,000	2,742,512	77.17%	2,130,903
Tag Revenue TxTag 71E	5,373,000	2,009,789	37.41%	3,255,436
Tag Revenue Kansas 71E	28,000	27,100	96.79%	16,945
Tag Revenue Oklahoma 71E	32,000	29,442	92.01%	20,888
Tag Revenue Florida 71E	215,000	209,115	97.26%	114,259
Tag Revenue Colorado 71E	-	3,405	-	-
Tag Revenue HCTRA 71E	2,939,000	3,453,740	117.51%	1,787,103
Tag Revenue NTTA 71E	1,013,000	735,403	72.60%	608,305
Tag Revenue TxTag 45SW	5,191,000	1,944,048	37.45%	3,052,385
Tag Revenue Kansas 45SW	17,000	20,119	118.35%	9,765
Tag Revenue Oklahoma 45SW	18,000	14,270	79.28%	10,789
Tag Revenue Florida 45SW	36,000	25,829	71.75%	18,725
Tag Revenue HCTRA 45SW	737,000	1,966,733	266.86%	434,886
Tag Revenue Colorado 45SW	-	2,347	-	-
Tag Revenue NTTA 45SW	681,000	524,417	77.01%	399,137
Tag Revenue TxTag 183S	29,484,000	10,913,424	37.01%	18,283,433
Tag Revenue Kansas 183S	182,000	173,533	95.35%	110,735
Tag Revenue Oklahoma 183S	241,000	152,814	63.41%	151,127
Tag Revenue Florida 183S	519,000	475,005	91.52%	283,303
Tag Revenue Colorado 183S	-	16,844	-	-
Tag Revenue HCTRA 183S	9,122,000	13,983,678	153.30%	5,624,428
Tag Revenue NTTA 183S	5,662,000	4,469,262	78.93%	3,484,901
Subtotal Toll Revenue	178,100,000	115,538,642	64.87%	104,010,536
Video Tolls 183A	23,940,000	14,395,276	60.13%	13,834,216
Video Tolls 290E	12,420,000	7,642,948	61.54%	6,919,518
Video Tolls MoPac ML	4,300,000	3,279,632	76.27%	2,552,761
Video Tolls 71E	3,870,000	2,422,118	62.59%	2,147,696
Video Tolls 183S	20,130,000	12,318,572	61.20%	11,536,044
Video Tolls 45SW	2,840,000	1,774,568	62.48%	1,575,651
Subtotal Video Tolls	67,500,000	41,833,114	61.97%	38,565,885
Fee Revenue 183A	4,138,000	2,872,927	69.43%	2,541,534
Fee Revenue 290E	3,097,000	2,560,018	82.66%	2,043,884
Fee Revenue MoPac ML	500,000	368,373	73.67%	260,880
Fee Revenue 71E	790,000	707,728	89.59%	501,139

Central Texas Regional Mobility Authority
Income Statement
For the Period Ending February 28, 2025

	Budget Amount FY 2025	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Fee Revenue 183S	4,250,000	3,443,052	81.01%	2,821,600
Fee Revenue 45SW	425,000	359,915	84.69%	253,151
Subtotal Fee Revenue	13,200,000	10,312,012	78.12%	8,422,187
Total Operating Revenue	258,800,000	167,683,768	64.79%	150,998,609
Other Revenue				
Interest Income	43,025,800	29,806,576	69.28%	34,585,877
Grant Revenue	595,467	595,467	100.00%	179,310
Miscellaneous Revenue	100,000	12,789	12.79%	9,889
Headquarters Rent Revenue	-	81,137	-	-
Gain/Loss on Investments	-	79,742	-	-
Unrealized Gain/Loss	-	123,484	-	-
Total Other Revenue	43,721,267	30,699,195	70.22%	34,775,076
TOTAL REVENUE	302,521,267	198,382,963	65.58%	185,773,685
EXPENSES				
Salaries and Benefits				
Salary Expense - Regular	4,994,532	2,816,190	56.39%	2,715,962
Salary Reserve	80,000	-	-	-
TCDRS	1,142,301	749,010	65.57%	1,219,667
FICA	257,234	129,875	50.49%	122,886
FICA MED	72,421	40,329	55.69%	39,298
Health Insurance Expense	586,073	334,749	57.12%	309,727
Life Insurance Expense	3,249	1,813	55.80%	2,148
Auto Allowance Expense	10,200	6,545	64.17%	6,545
Other Benefits	204,671	106,617	52.09%	94,622
Unemployment Taxes	5,760	3,393	58.91%	6
Total Salaries and Benefits	7,356,441	4,188,521	56.94%	4,510,861
Administrative				
Administrative and Office Expenses				
Accounting	9,500	6,039	63.57%	5,685
Auditing	270,000	195,713	72.49%	133,467
Financial Advisors	200,000	111,600	55.80%	112,500
Human Resources	100,000	9,060	9.06%	1,283
Legal	60,000	19,287	32.15%	12,272
IT Services	365,000	272,007	74.52%	166,142
Software Licenses	1,573,150	1,556,222	98.92%	984,097
Cell Phones	34,900	13,116	37.58%	18,634
Local Telephone Service	2,200	1,730	78.65%	1,490
Overnight Delivery Services	200	17	8.65%	-
Copy Machine	15,300	10,176	66.51%	10,176
Repair and Maintenance - General	10,000	-	-	10,339
Meeting Facilities	2,500	-	-	-
Community Meeting / Events	-	-	-	5,050
Meeting Expense	13,750	8,018	58.31%	6,562
Toll Tag Expense	3,000	995	33.17%	400
Parking / Local Ride Share	2,500	257	10.26%	104
Mileage Reimbursement	4,600	631	13.72%	539
Insurance Expense	1,301,000	648,437	49.84%	434,612
Rent Expense	992,200	512,698	51.67%	377,815
Building Parking	3,500	1,057	30.19%	650
Total Legal Services	458,000	78,700	17.18%	252,988
Total Administrative and Office Expenses	5,421,300	3,445,760	63.56%	2,534,805

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Office Supplies				
Books and Publications	5,250	2,384	45.41%	2,557
Office Supplies	5,250	1,094	20.85%	538
Miscellaneous Office Equipment	4,500	-	-	989
Computer Supplies	201,850	13,890	6.88%	58,857
Copy Supplies	750	-	-	-
Other Reports - Printing	500	-	-	43
Office Supplies - Printed	3,500	2,394	68.39%	1,922
Postage Expense	900	297	33.01%	797
Total Office Supplies	222,500	20,059	9.02%	65,704
Communications and Public Relations				
Print Production	75,000	-	-	-
Website Maintenance	240,000	43,687	18.20%	290,767
Research Services	210,000	36,165	17.22%	-
Communications and Marketing	500,000	184,579	36.92%	29,760
Media Planning and Placement	1,225,000	756,123	61.72%	185,338
Direct Mail Production	60,000	-	-	-
TV and Video Production	250,000	59,695	23.88%	-
Photography	25,000	850	3.40%	885
Radio Production	50,000	-	-	-
Other Public Relations	20,000	13,421	67.11%	5,000
Promotional Items	20,000	2,248	11.24%	2,867
Printing	80,000	811	1.01%	-
Other Communication Expenses	15,000	34,022	226.81%	-
Total Communications and Public Relations	2,770,000	1,131,600	40.85%	514,617
Employee Development				
Subscriptions	1,250	139	11.12%	139
Agency Memberships	88,300	51,024	57.78%	48,327
Continuing Education	14,800	3,384	22.86%	500
Professional Development	21,400	7,944	37.12%	2,289
Other Licenses	2,000	537	26.85%	197
Seminars and Conferences	70,300	8,845	12.58%	6,870
Travel	107,000	27,138	25.36%	29,261
Total Employee Development	305,050	99,011	32.46%	87,583
Financing and Banking Fees				
Trustee Fees	75,000	38,000	50.67%	49,500
Bank Fee Expense	6,500	4,573	70.35%	4,335
Continuing Disclosure	10,000	2,700	27.00%	9,903
Arbitrage Rebate Calculation	16,500	15,400	93.33%	16,105
Rating Agency Expense	50,000	46,000	92.00%	45,000
Total Financing and Banking Fees	158,000	106,673	67.51%	124,842
Total Administrative	8,876,850	4,803,103	54.11%	3,327,551
Operations and Maintenance				
Operations and Maintenance Consulting				
GEC-Trust Indenture Support	1,568,659	1,026,312	65.43%	461,348
GEC-Financial Planning Support	300,000	183,507	61.17%	178,592
GEC-Toll Ops Support	1,142,136	1,359,327	119.02%	559,175
GEC-Roadway Ops Support	1,515,000	633,617	41.82%	529,250
GEC-Technology Support	804,962	421,957	52.42%	536,999
GEC-Public Information Support	200,000	141,048	70.52%	128,724

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GEC-General Support	2,226,000	1,019,316	45.79%	685,834
General System Consultant	2,307,274	1,177,510	51.03%	640,440
Traffic Modeling	125,000	-	-	-
Traffic and Revenue Consultant	1,200,000	513,572	42.80%	264,793
Total Operations and Maintenance Consulting	11,389,031	6,476,166	56.86%	3,985,154
Roadway Operations and Maintenance				
Roadway Maintenance	4,169,031	2,602,667	62.43%	1,592,835
Landscape Maintenance	3,249,260	1,681,898	51.76%	1,545,623
Signal and Illumination Maintenance	25,000	-	-	-
Maintenance Supplies-Roadway	400,000	68,794	17.20%	48,337
Tools and Equipment Expense	-	1,260	-	20
Gasoline	30,000	9,883	32.94%	12,007
Repair and Maintenance - Vehicles	10,000	7,822	78.22%	4,251
Natural Gas	7,500	6,647	88.63%	10,841
Electricity - Roadways	300,000	193,189	64.40%	185,157
Total Roadway Operations and Maintenance	8,190,791	4,572,162	55.82%	3,399,073
Toll Processing and Collection Expense				
Image Processing	3,300,000	1,613,931	48.91%	1,828,662
Tag Collection Fees	12,675,000	7,775,020	61.34%	7,195,208
Court Enforcement Costs	160,000	-	-	-
PBM Incentive	500,000	-	-	-
Total Processing and Collection Expense	16,635,000	9,388,951	56.44%	9,023,870
Toll Operations Expense				
Generator Fuel	3,000	523	17.44%	1,072
Fire and Burglar Alarm	500	329	65.79%	329
Refuse	2,360	1,350	57.19%	1,332
Telecommunications	100,000	117,086	117.09%	91,267
Water - Irrigation	7,500	5,813	77.50%	6,017
Electricity	750	379	50.51%	502
ETC Spare Parts Expense	150,000	168,157	112.10%	118,576
Repair and Maintenance Toll Equipment	100,000	420	0.42%	65,066
Law Enforcement	725,000	312,768	43.14%	306,954
ETC Maintenance Contract	6,450,000	2,651,726	41.11%	3,295,833
Transaction Processing Maintenance Contract	2,000,000	1,245,000	62.25%	1,197,480
ETC Toll Management Center System Operation	1,338,822	446,399	33.34%	481,038
ETC Development	456,000	46,900	10.29%	79,241
ETC Testing	50,000	-	-	-
Total Toll Operations Expense	11,383,932	4,996,850	43.89%	5,644,708
Total Operations and Maintenance	47,598,754	25,434,128	53.43%	22,052,805
Other Expenses				
Special Projects and Contingencies				
HERO	711,621	120,402	16.92%	93,439
Special Projects	50,000	-	-	-
Disbursement Other Government - Travis County Road	-	321,131	-	-
71 Express Interest Expense	6,750,000	1,125,439	16.67%	1,242,975
Customer Relations	10,000	-	-	-
Technology Initiatives	100,000	-	-	-
Other Contractual Services	390,000	119,500	30.64%	120,500
Contingency	200,000	-	-	-
Total Special Projects and Contingencies	8,211,621	1,686,472	20.54%	1,456,914
TOTAL OPERATING EXPENSE	72,043,666	36,112,224	50.13%	31,348,130

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	Budget Amount FY 2025	Actual Year to Date	Percent of Budget	Actual Prior Year to Date
Non Cash Expenses				
Amortization Expense				
Amortization Expense - Intangible Software	13,000,000	971,654	7.47%	-
Amortization Expense - Software	-	-	-	8,466
Amortization Expense - RTU Asset - Leases	515,000	343,168	66.63%	171,584
Amortization Expense - Refundings	6,600,000	4,468,857	67.71%	4,169,680
Subtotal Amortization Expense	20,115,000	5,783,679	28.75%	4,349,731
Depreciation Expense				
Depreciation Expense - Equipment	-	-	-	415,137
Depreciation Expense - Autos and Trucks	31,000	16,472	53.13%	20,273
Depreciation Expense - Building and Toll Facility	180,000	117,832	65.46%	117,832
Depreciation Expense - Highways and Bridges	53,500,000	35,015,383	65.45%	34,504,414
Depreciation Expense - Toll Equipment	13,640,000	2,261,461	16.58%	2,024,887
Depreciation Expense - Signs	1,830,000	623,555	34.07%	805,969
Depreciation Expense - Land Improvements	545,000	361,549	66.34%	389,131
Subtotal Depreciation Expense	69,726,000	38,396,252	55.07%	38,277,643
Total Amortization and Depreciation Expense	89,841,000	44,179,931	83.82%	42,627,374
Total Non Cash Expenses	89,841,000	44,179,931	83.82%	42,627,374
Total Other and Non-Cash Expenses	98,052,621	45,866,403	46.78%	44,084,288
Non Operating Expenses				
Undeveloped Projects/ Non Capital Assets	-	-	-	(1,570)
Interest Expense - Debt Obligations	109,112,756	62,021,860	56.84%	53,157,801
Interest Expense - Right to Use Assets	-	-	-	-
CAMPO RIF Payment	10,000,000	10,000,000	100.00%	6,000,000
Headquarters Expenses	-	51,686	-	-
Community Initiatives	600,000	211,791	35.30%	5,000
Total Non Operating Expenses	119,712,756	72,285,337	60.38%	59,161,231
TOTAL EXPENSES	281,597,422	152,577,492	54.18%	133,136,734
Net Income	20,923,845	45,805,472		52,636,951

Central Texas Regional Mobility Authority
Balance Sheet
as of February 28, 2025

		as of 02/28/2025	as of 02/29/2024
ASSETS			
Current Assets			
Cash			
Regions Operating Account	147,841	101,950	
Cash in TexStar	1,076,589	35,960	
Regions Payroll Account	116,143	109,080	
Restricted Cash			
Goldman Sachs FSGF 465	438,814,840	303,293,175	
Restricted Cash - TexSTAR	28,163,699	63,599,194	
Treasury SLGS	173,921,477	114,999,000	
Non-System Cash			
Headquarters Operating Account	3,357	-	
Headquarters Security Deposits	28,897	-	
Headquarters Property Management	45,542	-	
Total Cash and Cash Equivalents	642,318,386	482,138,358	
Accounts Receivables			
Accounts Receivable - Net	6,978,995	5,125,449	
Due From Other Agencies	373,809	376,361	
Due From TTA	-	516,488	
Due From NTTA	2,030,117	1,566,378	
Due From HCTRA	11,831,410	2,251,448	
Due From TxDOT	9,607,967	1,794,340	
Due From Other Funds	2,097,919	-	
Interest Receivable	726,374	690,443	
Total Receivables	33,646,591	12,320,907	
Short Term Investments			
Treasuries	11,882,736	328,907,093	
Agencies	140,000,000	189,998,036	
Total Short Term Investments	151,882,736	518,905,128	
Total Current Assets	827,847,713	1,013,364,393	
Construction in Progress		598,675,385	454,170,362
Capital Assets (Net of Depreciation and Amortization)			
Depreciable Assets			
Equipment	-	985,951	
Autos and Trucks	62,319	26,608	
Buildings and Toll Facilities	17,274,683	4,112,129	
Highways and Bridges	1,645,981,806	1,691,630,624	
Toll Equipment	24,072,898	17,153,027	
Signs	10,866,852	10,957,440	

Central Texas Regional Mobility Authority
Balance Sheet
as of February 28, 2025

	as of 02/28/2025	as of 02/29/2024
Land Improvements	4,382,881	4,925,204
Right of way	88,149,606	88,149,606
Intangible Assets		
Intangible Software	5,004,019	-
Right to Use Assets		
Leases	600,545	1,115,297
Total Fixed Assets	1,796,395,608	1,819,055,885
Other Assets		
Intangible Assets-Net	158,266,518	164,644,052
Prepaid Insurance	576,256	404,232
Prepaid-Parmer Lease Rent	13,939	-
Deferred Outflows (pension related)	2,384,338	2,738,023
Pension Asset	-	1,046,634
Total Other Assets	161,241,050	168,832,942
Total Assets	3,384,159,757	3,455,423,582
LIABILITIES		
Current Liabilities		
Accounts Payable	16,191,749	9,095,681
Construction Payable	-	9,021,692
Headquarters Security Deposits Payable	45,802	-
Interest Payable	13,492,301	14,599,897
Due to other Funds	2,097,919	-
TCDRS Payable	91,168	83,883
Due to other Agencies	14,787	7,524
Due to TTA	-	628,895
Due to HCTRA	790,083	150,522
Due to Other Entities	-	98,668
71E TxDOT Obligation - Short Term	1,833,096	6,680,478
Total Current Liabilities	34,556,905	40,367,241
Long Term Liabilities		
Compensated Absences	222,277	222,277
Right to Use Obligations - Lease	949,904	1,286,881
Deferred Inflows (pension related)	1,192,688	1,378,935
Pension Liability	1,971,627	-
Long Term Payables	4,336,496	2,888,093
Bonds Payable		
Senior Lien Revenue Bonds:		
Senior Lien Revenue Bonds 2010	103,630,233	99,212,884
Senior Lien Revenue Bonds 2011	6,956,926	9,593,574

Central Texas Regional Mobility Authority
Balance Sheet
as of February 28, 2025

	as of 02/28/2025	as of 02/29/2024
Senior Lien Revenue Bonds 2015	9,000,000	10,000,000
Senior Lien Refunding Revenue Bonds 2016	42,940,000	47,045,000
Senior Lien Revenue Bonds 2018	43,345,000	44,345,000
Senior Lien Revenue Bonds 2020A	50,265,000	50,265,000
Senior Lien Refunding Bonds 2020B	53,610,000	54,305,000
Senior Lien Refunding Bonds 2020C	128,105,000	133,210,000
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	273,125,000	274,150,000
Senior Lien Refunding Bonds 2021E	326,360,000	329,545,000
Senior Lien Premium 2016 Revenue Bonds	5,761,299	6,373,374
Senior Lien Revenue Bond Premium 2018	2,442,200	2,705,502
Senior Lien Revenue Bond Premium 2020A	10,747,138	11,016,588
Senior Lien Refunding Bond Premium 2020B	10,344,788	10,879,864
Senior Lien Revenue Bonds Premium 2020E	21,281,558	22,996,945
Senior Lien Revenue Bonds Premium 2021B	51,892,006	52,508,384
Senior Lien Refunding Bonds Premium 2021D	42,936,770	43,410,124
Total Senior Lien Revenue Bonds	1,604,977,918	1,623,797,238
Sub Lien Revenue Bonds:		
Subordinate Lien Refunding Bonds 2016	66,285,000	69,055,000
Subordinate Lien Refunding Bonds 2020D	89,345,000	93,430,000
Subordinate Lien BANs 2020F	-	110,875,000
Subordinate Lien Refunding Bonds 2020G	61,570,000	61,570,000
Subordinate Lien BANs 2021C	244,185,000	244,185,000
Subordinate Refunding 2016 Premium/Discount	3,784,661	4,483,479
Subordinate Lien BANs 2020F Premium	-	3,335,720
Subordinate Lien Refunding Bonds Premium 2020G	6,090,961	6,494,933
Subordinate Lien BANS 2021C Premium	13,954,742	21,566,419
Total Sub Lien Revenue Bonds	485,215,364	614,995,552
Other Obligations		
TIFIA Note 2021 - 183S	322,354,437	322,091,521
TIFIA Note 2021 - 290E	41,088,581	41,055,069
71E TxDOT Obligation - Long Term	47,253,089	49,167,292
Regions 2022 MoPac Loan	22,490,900	23,765,900
Total Other Obligations	433,187,007	436,079,783
Total Long Term Liabilities	2,527,716,785	2,677,760,666
Total Liabilities	2,562,273,690	2,718,127,907

Central Texas Regional Mobility Authority
Balance Sheet
as of February 28, 2025

		as of 02/28/2025	as of 02/29/2024
NET ASSETS			
Contributed Capital		-	121,462,104
Net Assets Beginning		776,080,594	563,196,620
Current Year Operations		45,805,472	52,636,951
Total Net Assets		821,886,066	737,295,675
Total Liabilities and Net Assets		3,384,159,757	3,455,423,582

Central Texas Regional Mobility Authority
Statement of Cash Flow
as of February 2025

Cash flows from operating activities:

Receipts from toll revenues	166,009,143
Receipts from other sources	892,619
Payments to vendors	(68,514,817)
Payments to employees	(4,198,418)
Net cash flows provided by (used in) operating activities	<u>94,188,527</u>

Cash flows from capital and related financing activities:

Payment on Intangible assets	(4,468,857)
Interest Expense	(92,364,251)
Payments on bonds / loans	(146,832,600)
RIF Contribution	(10,000,000)
Acquisition of capital assets - non project	(18,505,850)
Acquisitions of construction in progress	(85,381,579)
Net cash flows provided by (used in) capital and related financing activities	<u>(357,553,137)</u>

Cash flows from investing activities:

Interest income	29,453,321
Purchase of investments	92,195,671
Net cash flows provided by (used in) investing activities	<u>121,648,991</u>

Net increase (decrease) in cash and cash equivalents	(141,715,618)
Cash and cash equivalents at beginning of period	<u>817,680,594</u>
Cash and cash equivalents at end of period	<u>675,964,976</u>

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

Operating income	45,805,472
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	44,179,931
Changes in assets and liabilities:	
Decrease in accounts receivable	(1,674,625)
Increase in prepaid expenses and other assets	(590,195)
Decrease in accrued expenses	(25,959,130)
Decrease in Interest expense	62,233,651
Increase in interest receivable	(29,806,576)
Total adjustments	<u>48,383,055</u>
Net cash flows provided by (used in) operating activities	<u>94,188,527</u>

Reconciliation of cash and cash equivalents:

Unrestricted cash and cash equivalents	208,986,437
Restricted cash and cash equivalents	<u>466,978,539</u>
Total	<u>675,964,976</u>

CTRMA INVESTMENT REPORT
Month Ending February 28, 2025

	Balance 1/31/2025	Accrued Interest	Additions	Cash Transfers	Withdrawals	Balance 2/28/2025	Rate February '25
Amount in Trustee TexStar							
2013 Sub Lien Debt Service Reserve	626,107.16	2,094.78				628,201.94	4.36%
General Fund	10,378,743.77	34,724.17				10,413,467.94	4.36%
Trustee Operating Fund	13,886,738.51	46,456.56				13,933,195.07	4.36%
Renewal and Replacement	8.70					8.70	4.36%
TxDOT Grant Fund	512,726.71	1,715.44				514,442.15	4.36%
Senior Lien Debt Service Reserve Fund	435,787.59	1,458.03				437,245.62	4.36%
2015 Senior Series B Project	394,666.06	1,320.43				395,986.49	4.36%
2015C TIFIA Project acct	784,066.35	2,623.27				786,689.62	4.36%
2018 290E III Senior Project	1,050,945.49	3,516.14				1,054,461.63	4.36%
	28,069,790.34	93,908.82	-	-	-	28,163,699.16	
Amount in TexStar Operating Fund							
	4,643,466.68	8,122.74			3,575,000.00	1,076,589.42	4.36%
Goldman Sachs							
Operating Fund	5,380,454.14	19,322.96	150,152.46		3,959.48	5,545,970.08	4.26%
2020A Senior Lien Debt Service Account	306,985.22	200.84		303,604.17		610,790.23	4.26%
2020B Senior Lien Debt Service Fund	282,450.12	297.17		276,858.33		559,605.62	4.26%
2020C Senior Lien Debt Service Fund	850,111.26	1,017.40		830,007.73		1,681,136.39	4.26%
2020D Sub Lien Debt Service Fund	596,551.23	798.82		580,578.57		1,177,928.62	4.26%
2020D Sub Debt Service Reserve Fund	9,129,442.29	33,388.81				9,162,831.10	4.26%
2020E Sr Lien Project	76,701,030.85	285,327.65			1,262,555.99	75,723,802.51	4.26%
2020E Sr Ln Project Cap I	4,800,571.24	17,998.00				4,818,569.24	4.26%
2020F Sub Lien Debt Service Fund	22,820.44	13,753.69				36,574.13	4.26%
2020G Sub Lien Debt Service Acct	216,150.03	192.69		212,716.67		429,059.39	4.26%
2020G Sub Debt Service Reserve Fund	4,478,926.94	16,380.69				4,495,307.63	4.26%
2021A TIFIA Sub Lien Debt Serv Reserve	22,022,218.00	80,541.65				22,102,759.65	4.26%
2021A TIFIA Sub Lien Debt Service Acct 183S	1,034,854.91	2,504.17		587,628.17		1,624,987.25	4.26%
2021A TIFIA Sub Lien Debt Service Acct Manor	74,710.00	8.82		74,710.00		149,428.82	4.26%
2021B Senior Lien Cap I Project Fund	20,731,345.57	76,507.39				20,807,852.96	4.26%
2021B Senior Lien Project	1,077,405.71	7,007.52	500,000.00		1,260,695.52	323,717.71	4.26%
2021B Senior Lien Cap I Debt Service Acct	9,626.39	35.18				9,661.57	4.26%
2021C Sub Lien Cap I Project Fund	1,499.83	5.48				1,505.31	4.26%
2021C Sub Lien Project	6,559,188.73	30,289.44				6,589,478.17	4.26%
2021C Sub Lien Debt Service Fund	1,033,859.02	921.65		1,017,437.50		2,052,218.17	4.26%
2021D Senior Lien Debt Service Fund	990,975.73	917.80		974,395.83		1,966,289.36	4.26%
2021E Senior Lien Debt Service Fund	1,097,089.21	1,185.89		1,074,599.89		2,172,874.99	4.26%
2010 Senior DSF	937,546.92	1,296.42		910,000.00		1,848,843.34	4.26%
2011 Senior Lien Debt Service Acct	259,427.90	1,014.17		236,250.00		496,692.07	4.26%
2013 Senior Lien Debt Service Fund	45,119.28	165.00				45,284.28	4.26%
2013 Sub Debt Service Reserve Fund	252,078.82	921.87				253,000.69	4.26%
2013 Subordinate Debt Service Fund	35,510.32	129.86				35,640.18	4.26%
2015A Sr Lien Debt Service	1,869,240.33	6,984.64				1,876,224.97	4.26%
2015B Project	4,646,365.03	17,215.57			78,143.27	4,585,437.33	4.26%
2015C TIFIA Project	2,103,740.50	7,693.83				2,111,434.33	4.26%
2016 Sr Lien Rev Refunding Debt Service	1,821,787.67	5,882.59		629,628.13		2,457,298.39	4.26%
2016 Sub Lien Rev Refunding Debt Service	506,534.48	631.26		494,146.88		1,001,312.62	4.26%
2016 Sub Lien Rev Refunding DSR	7,866,474.12	28,770.87				7,895,244.99	4.26%
2018 Senior Debt Service Fund 290E III	273,630.93	309.57		267,687.50		541,628.00	4.26%
2018 290E III Senior Project	7,852,553.56	28,770.46			20,633.88	7,860,690.14	4.26%
TxDOT Grant Fund	796,977.49	2,914.72				799,892.21	4.26%
TxDOT Reimb - US 183N 4th GP Lane	17,484,806.69	51,488.09				17,536,294.78	4.26%
Renewal and Replacement	4.50	0.01		206,515.00	206,519.11	0.40	4.26%
Revenue Fund	13,514,333.09	24,355.37	18,940,259.95	(18,616,950.45)		13,861,997.96	4.26%
General Fund	78,798,590.07	287,692.36		8,428,997.64	35,391,397.20	52,123,882.87	4.26%
Senior Lien Debt Service Reserve Fund	100,562,183.03	367,793.84				100,929,976.87	4.26%
71E Revenue Fund	14,162,463.59	50,454.77	30,713,352.40	671,744.74	15,061,844.09	30,536,171.41	4.26%
MoPac Revenue Fund	100,140.30	5,402.49	486,825.78	(459,662.28)		132,706.29	4.26%
MoPac General Fund	17,187,377.11	56,923.40		722,507.32	34,270.32	17,932,537.51	4.26%
MoPac Operating Fund	3,589,484.55	12,669.72	149,992.52	400,000.00	365,300.45	3,786,846.34	4.26%
MoPac Loan Repayment Fund	915,953.89	2,851.58		176,598.66		1,095,404.13	4.26%
	432,980,591.03	1,550,936.17	50,940,583.11	-	53,685,319.31	431,786,791.00	
Total in Pools - TxStar							
	32,713,257.02	102,031.56	-	-	3,575,000.00	29,240,288.58	
Total in Goldman Sachs FSGF							
	432,980,591.03	1,550,936.17	50,940,583.11	-	53,685,319.31	431,786,791.00	
Total in Treasury SLGS							
	245,000,000.00	6,321,477.34	-	-	77,400,000.00	173,921,477.34	
Total in Fed Agencies and Treasuries							
	131,522,662.92	-	50,000,000.00	-	29,639,926.50	151,882,736.42	
Total Invested	842,216,510.97	7,974,445.07	100,940,583.11	-	164,300,245.81	786,831,293.34	

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

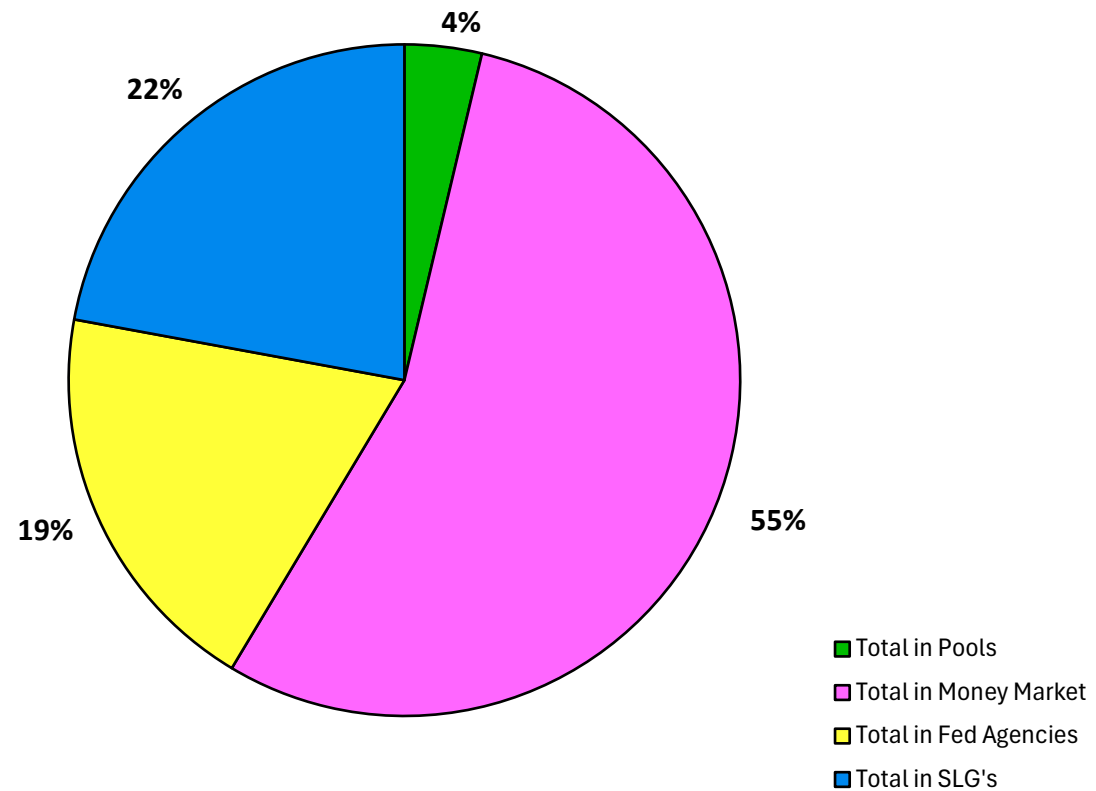
Ann Zigmond, Controller

Investments by Fund

Fund	Agencies / Treasuries /				Balance
	TexSTAR	TexSTAR-Trustee	Goldman Sachs	SLGS	
Renewal and Replacement Fund	8.70		0.40		9.10
Grant Fund	514,442.15		799,892.21	10,000,000.00	11,314,334.36
TxDOT Reimb - US 183N 4th GP Lane			17,536,294.78		17,536,294.78
Senior Debt Service Reserve Fund	437,245.62		100,929,976.87	20,000,000.00	121,367,222.49
2010 Senior Lien Debt Service			1,848,843.34		1,848,843.34
2011 Sr Debt Service			496,692.07		496,692.07
2013 Sr Debt Service			45,284.28		45,284.28
2013 Sub Debt Service			35,640.18		35,640.18
2013 Sub Debt Service Reserve Fund	628,201.94		253,000.69		881,202.63
2015 Sr Debt Service			1,876,224.97		1,876,224.97
2016 Sr Lien Rev Refunding Debt Service			2,457,298.39		2,457,298.39
2016 Sub Lien Rev Refunding Debt Service			1,001,312.62		1,001,312.62
2016 Sub Lien Rev Refunding DSR			7,895,244.99		7,895,244.99
Operating Fund	13,933,195.07	1,076,589.42	5,545,970.08		20,555,754.57
Revenue Fund			13,861,997.96		13,861,997.96
General Fund	10,413,467.94		52,123,882.87	66,882,736.42	129,420,087.23
71E Revenue Fund			30,536,171.41	15,000,000.00	45,536,171.41
MoPac Revenue Fund			132,706.29		132,706.29
MoPac General Fund			17,932,537.51		17,932,537.51
MoPac Operating Fund			3,786,846.34		3,786,846.34
MoPac Loan Repayment Fund			1,095,404.13		1,095,404.13
2015B Project	395,986.49		4,585,437.33		4,981,423.82
2015 TIFIA Project	786,689.62		2,111,434.33	40,000,000.00	42,898,123.95
2018 Sr Lien Debt Service			541,628.00		541,628.00
2018 Sr Lien Project	1,054,461.63		7,860,690.14		8,915,151.77
2020A Senior Lien Debt Service			610,790.23		610,790.23
2020B Senior Lien Debt Service			559,605.62		559,605.62
2020C Senior Lien Debt Service			1,681,136.39		1,681,136.39
2020D Sub Lien Debt Service			1,177,928.62		1,177,928.62
2020D Sub Debt Service Reserve Fund			9,162,831.10		9,162,831.10
2020E Senior Lien Project			75,723,802.51		75,723,802.51
2020E Senior Lien Project Cap Interest			4,818,569.24		4,818,569.24
2020F Sub Lien Deb Service			36,574.13		36,574.13
2020G Sub Lien Debt Service			429,059.39		429,059.39
2020G Sub Lien Debt Service Reserve			4,495,307.63		4,495,307.63
2021A Sub Lien Debt Service Reserve			22,102,759.65		22,102,759.65
2021A Sub Debt Service			1,774,416.07		1,774,416.07
2021B Senior Lien Cap I Project Fund			20,807,852.96		20,807,852.96
2021B Senior Lien Project			323,717.71	168,057,871.31	168,381,589.02
2021B Senior Lien Cap I Debt Service Acct			9,661.57		9,661.57
2021C Sub Lien Cap I Project Fund			1,505.31		1,505.31
2021C Sub Lien Project			6,589,478.17	5,863,606.03	12,453,084.20
2021C Sub Lien Debt Service			2,052,218.17		2,052,218.17
2021D Senior Lien Debt Service			1,966,289.36		1,966,289.36
2021E Senior Lien Debt Service			2,172,874.99		2,172,874.99
Totals	28,163,699.16	1,076,589.42	431,786,791.00	325,804,213.76	786,831,293.34

2/28/2025

Allocation of Funds



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						Interest Income	
Bank	Fund	Cost	Cummulative Amortization	Book Value	Maturity Value	Accrued Interest	Interest Earned
6180000120	GENERAL	11,882,736.42		11,882,736.42	12,000,000.00	113,036.99	288,340.12
6180000120	GENERAL	20,000,000.00		20,000,000.00	20,000,000.00		954,000.00
6180000059	SENLIENDSR	20,000,000.00		20,000,000.00	20,000,000.00		1,431,000.00
6180005349	2015TIFIAP	10,000,000.00		10,000,000.00	10,000,000.00		361,930.56
6180000157	TXDOTGRANT	10,000,000.00		10,000,000.00	10,000,000.00		361,930.56
6180005349	2015TIFIAP	30,000,000.00		30,000,000.00	30,000,000.00		680,600.00
6146001086	71E REVENU	15,000,000.00		15,000,000.00	15,000,000.00		-
6180000120	GENERAL	35,000,000.00		35,000,000.00	35,000,000.00		-
		151,882,736.42	-	151,882,736.42	152,000,000.00	113,036.99	4,077,801.24

Goldman Sachs County Road Escrow Funds

	Balance	Accrued			Balance
	1/31/2025	Interest	Additions	Withdrawals	2/28/2025
Travis County Escrow Fund - Elroy Road	3,173,648.14	11,606.27			3,185,254.41
Travis County Escrow Fund - Ross Road	329,929.32	1,221.30		2,630.66	328,519.96
Travis County Escrow Fund - Old San Antonio Road	101,340.23	401.82		1,889.79	99,852.26
Travis County Escrow Fund - Old Lockhart Road	259,570.51	959.94			260,530.45
Travis County Escrow Fund - County Line Road	2,550,429.97	9,358.61		16,004.09	2,543,784.49
Travis County Escrow Fund - South Pleasant Valley Road	249,172.89	915.10		688.68	249,399.31
Travis County Escrow Fund - Thaxton Road	194,211.16	722.41		1,945.25	192,988.32
Travis County Escrow Fund - Pearce Lane Road	191,153.61	734.13		24,167.85	167,719.89
	7,049,455.83	25,919.58	-	47,326.32	7,028,049.09

State and Local Government Series as of 2/28/25											
Bank	Fund	Agency	Arbitrage Yield	CUSIP	Yield	Purchased Date	Purchase Value	Beginning	Accrued Interest	Withdrawals	End Value
1001021281	2021CPROJ	State and Local Government Series (SLGS)	1.831%	99SLA1060	4.18%	4/23/2024	35,000,000.00	35,000,000.00	363,606.03	29,500,000.00	5,863,606.03
1001021273	2021BPROJ	State and Local Government Series (SLGS)	1.831%	99SLA1078	4.18%	4/23/2024	210,000,000.00	210,000,000.00	5,957,871.31	47,900,000.00	168,057,871.31
							245,000,000.00	245,000,000.00	6,321,477.34	77,400,000.00	173,921,477.34

TexSTAR

MONTHLY NEWSLETTER

FEBRUARY 2025



PERFORMANCE

As of February 28, 2025

Current Invested Balance	\$ 13,098,975,899.81
Weighted Average Maturity (1)	35 Days
Weighted Average Life (2)	83 Days
Net Asset Value	1.000090
Total Number of Participants	1083
Management Fee on Invested Balance	0.06%*
Interest Distributed	\$ 43,792,832.77
Management Fee Collected	\$ 594,088.66
% of Portfolio Invested Beyond 1 Year	8.49%
Standard & Poor's Current Rating	AAAm

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

February Averages

Average Invested Balance	\$ 12,908,328,893.04
Average Monthly Yield, on a simple basis	4.3625%
Average Weighted Maturity (1)	37 Days
Average Weighted Life (2)	88 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 February:

- * City of Berryville
- * City of Pittsburg
- * City of Redwater
- * Fort Bend County Municipal Utility No. 250

HOLIDAY REMINDER

In observance of Good Friday, **TexSTAR will be closed Friday, April 18, 2025.** All ACH transactions initiated on Thursday, April 17th will settle on Monday, April 21st. Notification of any early transaction deadlines on the business day preceding this holiday will be sent by email to the primary contact on file for all TexSTAR participants. Please plan accordingly for your liquidity needs.

ECONOMIC COMMENTARY

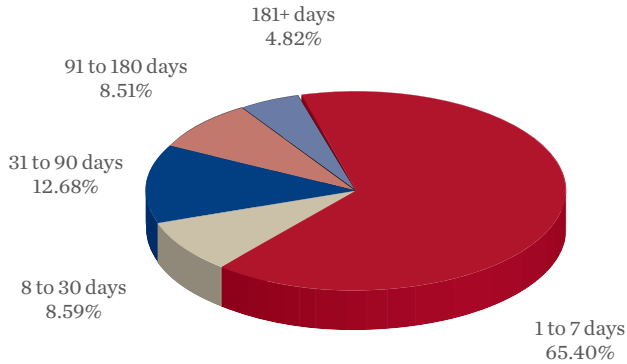
Market review

As February wrapped up, economic data presented a contrast to January's robust figures, amid an uncertain landscape shaped by evolving monetary and fiscal policies. This shift was marked by a dip in consumer confidence and persistent inflationary pressures, all set against a backdrop of evolving fiscal policies and trade dynamics. Meanwhile, the labor market showed its strength, offering a steady anchor. The month kicked off with the January Jobs report, which, despite its noise, highlighted a labor market with solid momentum. Nonfarm payrolls rose by a softer-than-expected 143,000, potentially impacted by adverse weather conditions. Revisions revealed weaker job growth in 2024 than initially reported, however, an additional 100,000 jobs were revised to November and December. This indicated stronger momentum toward the year's end. The services sector continued to dominate, while employment in goods-producing sectors remained unchanged. The unemployment rate dipped to 4.0%, and wage growth picked up to 0.5% month-over-month (m/m) and 4.1% year-over-year (y/y), supporting solid economic activity. The following week, the January CPI report highlighted stalled progress toward the Fed's 2% target. Headline CPI increased by 0.5% m/m (3.0% y/y), surpassing consensus by 20 basis points, while core CPI advanced 0.4% m/m and 3.3% y/y. Core inflation has maintained a 3.3% annual rate for five of the past six months. Unlike previous months, core goods were not a detractor, with used cars and prescription drugs primarily contributing to the increase. Over the month, energy prices continued to climb due to higher gas prices. Grocery prices also saw an uptick, particularly in meats, fish, and eggs. Within core services, auto insurance, hotels, and airfares came in firm. On the other hand, PCE inflation came in roughly in line with expectations, with the headline and core figures rising 0.3% m/m, bringing the y/y figures to 2.5% and 2.6%, respectively.

(continued page 4)

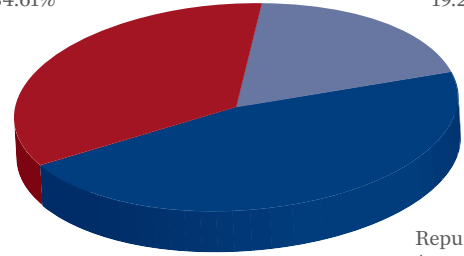
INFORMATION AT A GLANCE

PORTFOLIO BY TYPE OF INVESTMENT AS OF FEBRUARY 28, 2025



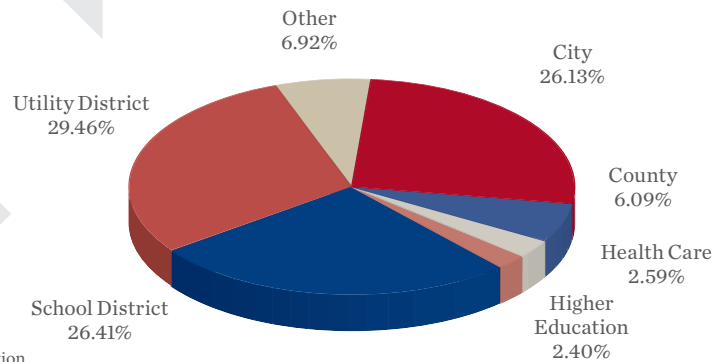
Treasuries
34.61%

Agencies
19.29%



Repurchase
Agreements
46.10%

PORTFOLIO BY MATURITY AS OF FEBRUARY 28, 2025 (1)



DISTRIBUTION OF PARTICIPANTS BY TYPE AS OF FEBRUARY 28, 2025

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

HISTORICAL PROGRAM INFORMATION

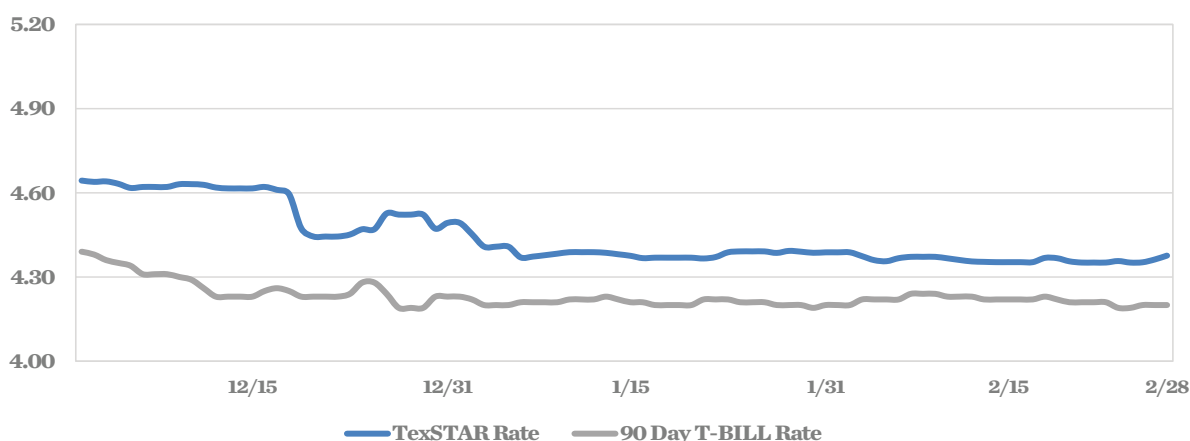
MONTH	AVERAGE RATE	BOOK VALUE	MARKET VALUE	NET ASSET VALUE	WAM (1)	WAL (2)	NUMBER OF PARTICIPANTS
Feb 25	4.3625%	\$13,098,975,899.81	\$13,101,204,943.33	1.000090	37	88	1083
Jan 25	4.3896%	12,490,576,395.79	12,493,366,838.19	1.000123	38	94	1079
Dec 24	4.5642%	11,011,396,681.51	11,014,513,690.84	1.000229	36	93	1075
Nov 24	4.7112%	10,166,178,873.71	10,168,700,798.41	1.000189	29	89	1071
Oct 24	4.8722%	10,685,059,311.14	10,687,382,798.75	1.000217	26	70	1063
Sep 24	5.1324%	10,713,994,849.49	10,717,808,636.16	1.000355	26	66	1056
Aug 24	5.2939%	10,960,587,143.65	10,963,170,866.05	1.000150	31	61	1048
Jul 24	5.3131%	11,614,008,231.39	11,614,697,399.72	1.000059	33	64	1043
Jun 24	5.3126%	10,696,510,063.51	10,695,858,054.79	0.999939	36	66	1040
May 24	5.3078%	10,946,135,253.27	10,946,064,280.53	0.999895	37	67	1037
Apr 24	5.3057%	11,388,285,240.44	11,386,977,182.36	0.999885	35	65	1031
Mar 24	5.2986%	11,373,415,394.49	11,372,687,872.41	0.999936	36	68	1025

PORTFOLIO ASSET SUMMARY AS OF FEBRUARY 28, 2025

	BOOK VALUE	MARKET VALUE
Uninvested Balance	\$ 199.06	\$ 199.06
Accrual of Interest Income	15,097,008.95	15,097,008.95
Interest and Management Fees Payable	(43,839,718.14)	(43,839,718.14)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	6,051,884,000.00	6,051,884,000.00
Government Securities	7,075,834,409.94	7,078,063,453.46
TOTAL	\$ 13,098,975,899.81	\$ 13,101,204,943.33

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 FEBRUARY 2025

DATE	MNY MKT FUND EQUIV. [SEC Std.]	DAILY ALLOCATION FACTOR	INVESTED BALANCE	MARKET VALUE PER SHARE	WAM DAYS (1)	WAL DAYS (2)
2/1/2025	4.3882%	0.000120225	\$12,490,576,395.79	1.000123	37	88
2/2/2025	4.3882%	0.000120225	\$12,490,576,395.79	1.000123	37	88
2/3/2025	4.3745%	0.000119848	\$12,626,066,402.13	1.000109	37	90
2/4/2025	4.3603%	0.000119459	\$12,968,765,626.28	1.000118	37	88
2/5/2025	4.3566%	0.000119360	\$13,104,287,124.34	1.000120	36	87
2/6/2025	4.3674%	0.000119654	\$13,165,419,350.81	1.000109	36	87
2/7/2025	4.3722%	0.000119786	\$13,150,688,076.34	1.000079	35	86
2/8/2025	4.3722%	0.000119786	\$13,150,688,076.34	1.000079	35	86
2/9/2025	4.3722%	0.000119786	\$13,150,688,076.34	1.000079	35	86
2/10/2025	4.3669%	0.000119640	\$13,325,772,878.51	1.000096	34	85
2/11/2025	4.3609%	0.000119476	\$13,002,611,238.23	1.000088	35	86
2/12/2025	4.3558%	0.000119338	\$12,807,671,163.16	1.000084	36	88
2/13/2025	4.3543%	0.000119296	\$12,452,148,093.82	1.000094	38	93
2/14/2025	4.3532%	0.000119267	\$12,545,803,015.31	1.000079	39	91
2/15/2025	4.3532%	0.000119267	\$12,545,803,015.31	1.000079	39	91
2/16/2025	4.3532%	0.000119267	\$12,545,803,015.31	1.000079	39	91
2/17/2025	4.3532%	0.000119267	\$12,545,803,015.31	1.000079	39	91
2/18/2025	4.3685%	0.000119686	\$12,805,069,524.12	1.000075	39	90
2/19/2025	4.3673%	0.000119651	\$12,894,551,072.12	1.000086	39	89
2/20/2025	4.3562%	0.000119348	\$12,855,932,337.22	1.000082	39	89
2/21/2025	4.3518%	0.000119227	\$13,088,030,989.33	1.000079	37	86
2/22/2025	4.3518%	0.000119227	\$13,088,030,989.33	1.000079	37	86
2/23/2025	4.3518%	0.000119227	\$13,088,030,989.33	1.000079	37	86
2/24/2025	4.3572%	0.000119374	\$13,072,384,546.92	1.000079	37	86
2/25/2025	4.3517%	0.000119225	\$13,096,823,348.81	1.000086	37	85
2/26/2025	4.3527%	0.000119253	\$13,129,710,344.55	1.000085	36	85
2/27/2025	4.3627%	0.000119527	\$13,146,498,004.58	1.000083	36	84
2/28/2025	4.3765%	0.000119903	\$13,098,975,899.81	1.000090	35	83
Average	4.3625%	0.000119521	\$12,908,328,893.04		37	88



ECONOMIC COMMENTARY (cont.)

Overall, these reports indicate that inflation still remains somewhat elevated, which could influence the Federal Reserve (Fed) to keep rates on pause for longer before implementing rate cuts.

The secondary estimate of Q4 GDP underscored the economy's resilience, maintaining a solid annualized growth rate of 2.3%, as strong services spending offset a downward adjustment in household goods expenditure, while consumer spending remained steady at 4.2%. However, February witnessed a notable decline in consumer sentiment to well below pre-COVID levels, with both the University of Michigan Consumer Sentiment Index and Conference Board's Consumer Confidence Index dropping 7 points to 64.7 and 98.3, respectively. This notable decline reflected growing concerns over the economic implications of President Trump's policies, particularly tariffs, which may elevate prices of household goods. Additionally, tariff policy and its retaliatory effects may negatively impact net exports by making it more difficult and costly for domestic producers to compete in the global market.

The minutes from the January Federal Open Market Committee (FOMC) meeting reiterated the cautious stance that Chair Powell had articulated in his post-meeting press conference and recent Congressional testimony. The Fed maintained its easing bias but noted that it is not in a hurry to cut rates further, given the persistent inflation and uncertainties surrounding trade policy. The minutes highlighted a "high degree of uncertainty," prompting a "careful approach" to policy decisions. Consistent with Powell's earlier remarks, the Fed is weighing the option of maintaining a restrictive policy stance if inflation remains high, against the possibility of easing if the economy or labor market weakens, or if inflation returns to the 2% target sooner than expected. This balanced approach reflects the Fed's commitment to navigating the complex economic landscape with prudence.

While Treasury bill yields remained rangebound, longer-term Treasury yields declined more significantly on the back of concerns over the economic impact of trade policies. Three-month Treasury yields rose 1 basis point (bp) to 4.30%, while six-month Treasury yields declined by 2 bps to 4.28%. Meanwhile, one-year Treasury yields declined by 7 bps to 4.09% and two-year Treasury yields declined by 21 bps to 3.99%.

Outlook

With In the final stretch toward achieving the Federal Reserve's 2% inflation target, the economic landscape of 2025 is becoming increasingly challenging, largely due to evolving fiscal policy dynamics. In particular, the recently announced tariffs by President Trump are expected to exert upward pressure on inflation while potentially dampening growth, thereby heightening economic uncertainty.

These tariffs are set to impact both inflation and growth in distinct ways. On the inflation front, while year-over-year headline inflation may moderate in the coming months due to favorable base effects, the tariffs could lead to a temporary uptick in prices. From a growth perspective, January's significant 11.9% month-over-month rise in U.S. goods imports, driven by anticipatory front-loading ahead of the tariffs, may weigh on first-quarter GDP. Additionally, the higher cost of goods could dampen aggregate demand, which may cause the economy to moderate from last year's robust levels.

Taking all of this into account, the Federal Reserve faces the challenge of distinguishing between durable trends and temporary fluctuations in the data, amidst the noise of fiscal policy decisions. Despite the inflationary setbacks due to tariffs, viewed as a one-time shock to prices, we expect the Fed to maintain its easing bias this year. While first-quarter GDP may be softened by the pre-tariff stocking of imported goods, we do not foresee a recession in 2025. Consequently, we anticipate the Fed will adopt a more gradual approach to cutting rates, carefully monitoring the evolving economic environment and potentially implementing up to two additional 25 basis point rate cuts in the latter half of the year.

This information is an excerpt from an economic report dated February 2025 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool.



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