



County of Victoria

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Sean Kennedy, CIO
County Treasurer

October 17, 2011

Honorable Judge Donald R. Pozzi
Victoria County Commissioners' Court

Chapter 2256.023, Local Government Code (The Public Funds Investment Act), requires the investment officer of each local government to submit to its governing body a quarterly report of investment transactions.

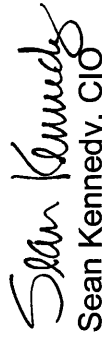
The attached report details investments for Victoria County, Citizens Medical Center, and Victoria County Navigation District for the quarter ending September 30, 2011.

The combined portfolios total \$114,051,353.04 and have been managed with an emphasis on safety, liquidity and yield. The portfolio for the quarter is diversified with 50.5% in cash, 49.5% in collateralized CD's and a minimal amount in LOGIC Pool, with a combined average interest rate of .6313%.

The Federal Reserve Bank has not changed the Fed Fund interest rate this quarter. The outlook is for the Fed Fund interest rate to remain stable. CD rates continue to decline but at a slower rate from last quarter's decline. The interest rate received from investments in LOGIC Pool remained stable during the quarter. Interest bearing checking accounts at First Victoria earn .25% and investment cash accounts earn .50%

Pledged collateral of bank deposits held by First Victoria Bank is closely monitored, and was above the limits required by our depository contract.

Respectfully submitted,


Sean Kennedy, CIO
Victoria County Treasurer

FUND	PURCH DATE	ORIGINAL FACE	CURRENT FACE	DESCRIPTION	MAT DATE	Call Date	NET YIELD	PURCH PRICE	BEGINNING BOOK VALUE	BEGINNING MARKET VALUE	ENDING BOOK VALUE	ENDING MARKET VALUE	ACTION
VICTORIA COUNTY													
100	7/8/2011	0	5,000,000	Certificate of Deposit	7/8/2012		0.600%	5,000,000.00	0.00	0.00	5,000,000.00	5,000,000.00	
100	7/8/2010	5,000,000	0	Certificate of Deposit	7/8/2011		0.800%	5,000,000.00	5,000,000.00	5,000,000.00	0.00	0.00	
				Gov't Agencies, Disc Notes					0.00	0.00	0.00	0.00	
		<u>5,000,000</u>	<u>5,000,000</u>	TOTAL INVESTMENTS					<u>5,000,000.00</u>	<u>5,000,000.00</u>	<u>5,000,000.00</u>	<u>5,000,000.00</u>	
				COUNTY FUNDS INVESTED					5,000,000.00	5,000,000.00	5,000,000.00	5,000,000.00	
				CASH ON HAND			0.500%		<u>13,127,927.81</u>		<u>8,078,291.55</u>		
				TOTAL					<u>18,127,927.81</u>		<u>13,078,291.55</u>		
CITIZENS MEDICAL CENTER													
				LOGIC POOL			0.183%		734.24	734.24	734.50	734.50	
820	1/18/2011	17,500,000	17,500,000	Certificate of Deposit	1/18/2012		0.750%	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00	
820	5/2/2011	30,000,000	30,000,000	Certificate of Deposit	11/2/2011		0.550%	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00	
820		0	0	Certificate of Deposit			0.000%		0.00	0.00	0.00	0.00	
820	2/23/2011	<u>20,000,000</u>	<u>0</u>	Certificate of Deposit	8/23/2011		0.600%	20,000,000.00	<u>20,000,000.00</u>	<u>20,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	
		<u>67,500,000</u>	<u>47,500,000</u>	TOTAL INVESTMENTS					<u>67,500,734.24</u>	<u>67,500,734.24</u>	<u>47,500,734.50</u>	<u>47,500,734.50</u>	
				HOSPITAL FUNDS INVESTED					67,500,734.24	67,500,734.24	47,500,734.50	47,500,734.50	
				CASH ON HAND			0.500%		<u>31,745,147.99</u>		<u>49,184,904.83</u>		
				TOTAL					<u>99,245,882.23</u>		<u>96,685,639.33</u>		
NAVIGATION DISTRICT													
				LOGIC POOL - BOND FUND			0.183%		876.70	876.70	877.01	877.01	
				LOGIC POOL - OPERATING FUND			0.183%		919.92	919.92	920.24	920.24	
OPERATE	8/24/2011	0	1,000,000	Certificate of Deposit	5/24/2012		0.500%	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00	
OPERATE	8/24/2011	0	2,000,000	Certificate of Deposit	8/24/2012		0.600%	2,000,000.00	0.00	0.00	2,000,000.00	2,000,000.00	
OPERATE	8/24/2010	3,000,000	0	Certificate of Deposit	8/24/2011		0.800%	3,000,000.00	3,000,000.00	3,000,000.00	0.00	0.00	
OPERATE	2/24/2011	<u>1,000,000</u>	<u>1,000,000</u>	Certificate of Deposit	2/24/2012		0.750%	1,000,000.00	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	<u>1,000,000.00</u>	
		<u>4,000,000</u>	<u>4,000,000</u>	TOTAL INVESTMENTS					<u>4,001,796.62</u>	<u>4,001,796.62</u>	<u>4,001,797.25</u>	<u>4,001,797.25</u>	
				NAVIGATION DISTRICT INVESTMENTS					4,001,796.62	4,001,796.62	4,001,797.25	4,001,797.25	
BANK BALANCE - NOT BOOK BALANCE				CASH ON HAND			0.500%		<u>587,295.66</u>		<u>285,624.91</u>		
				TOTAL					<u>4,589,092.28</u>		<u>4,287,422.16</u>		

FUND	PURCH DATE	ORIGINAL FACE	CURRENT FACE	DESCRIPTION	MAT DATE	Call Date	NET YIELD	PURCH PRICE	BEGINNING BOOK VALUE	BEGINNING MARKET VALUE	ENDING BOOK VALUE	ENDING MARKET VALUE	ACTION
		76,500,000	56,500,000	GRAND TOTAL INVESTMENTS					76,502,530.86	76,502,530.86	56,502,531.75	56,502,531.75	

CASH & INVESTMENT SUMMARY BY FUND

TOTAL COUNTY FUNDS
 TOTAL HOSPITAL FUNDS
 TOTAL NAVIGATION DISTRICT FUNDS

JULY 1, 2011

14.8635% 18,127,927.81
 81.3738% 99,245,882.23
 3.7627% 4,589,092.28
 100.00% 121,962,902.32

Above totals include cash.

SEPTEMBER 30, 2011

13,078,291.55 11.4670%
 96,685,639.33 84.7738%
 4,287,422.16 3.7592%
 114,051,353.04 100.00%

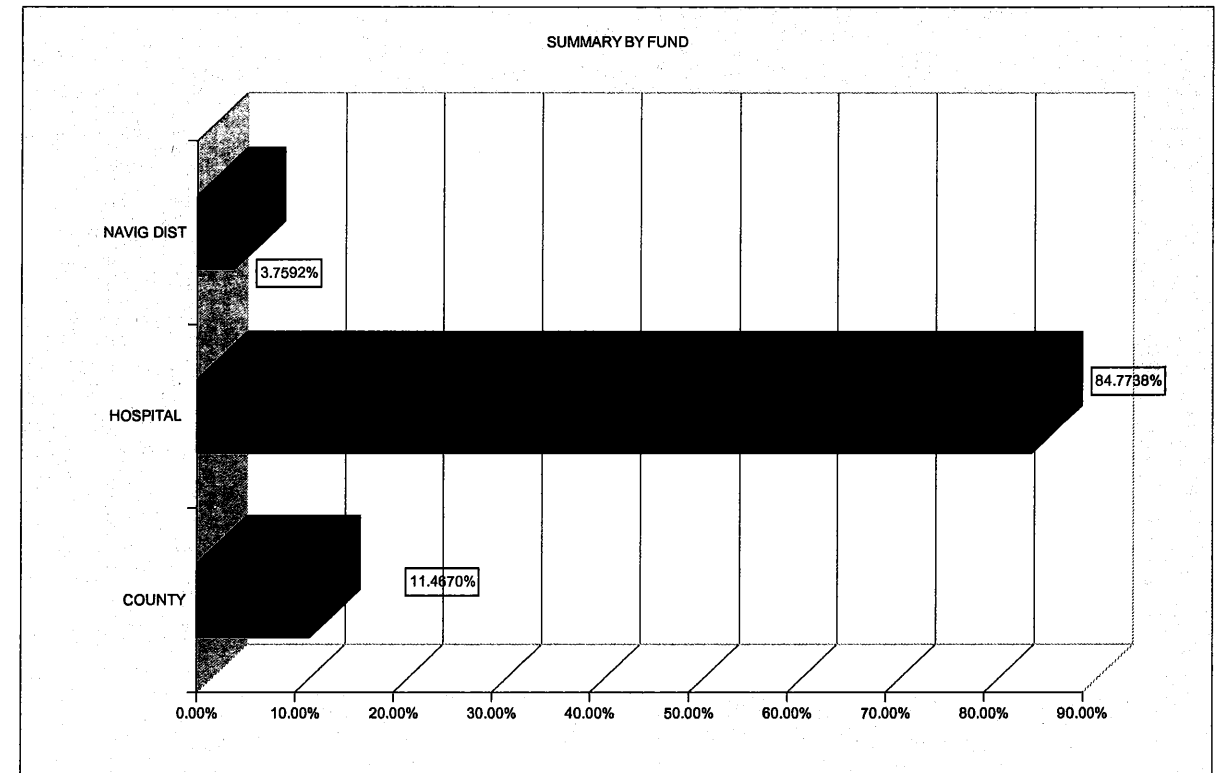
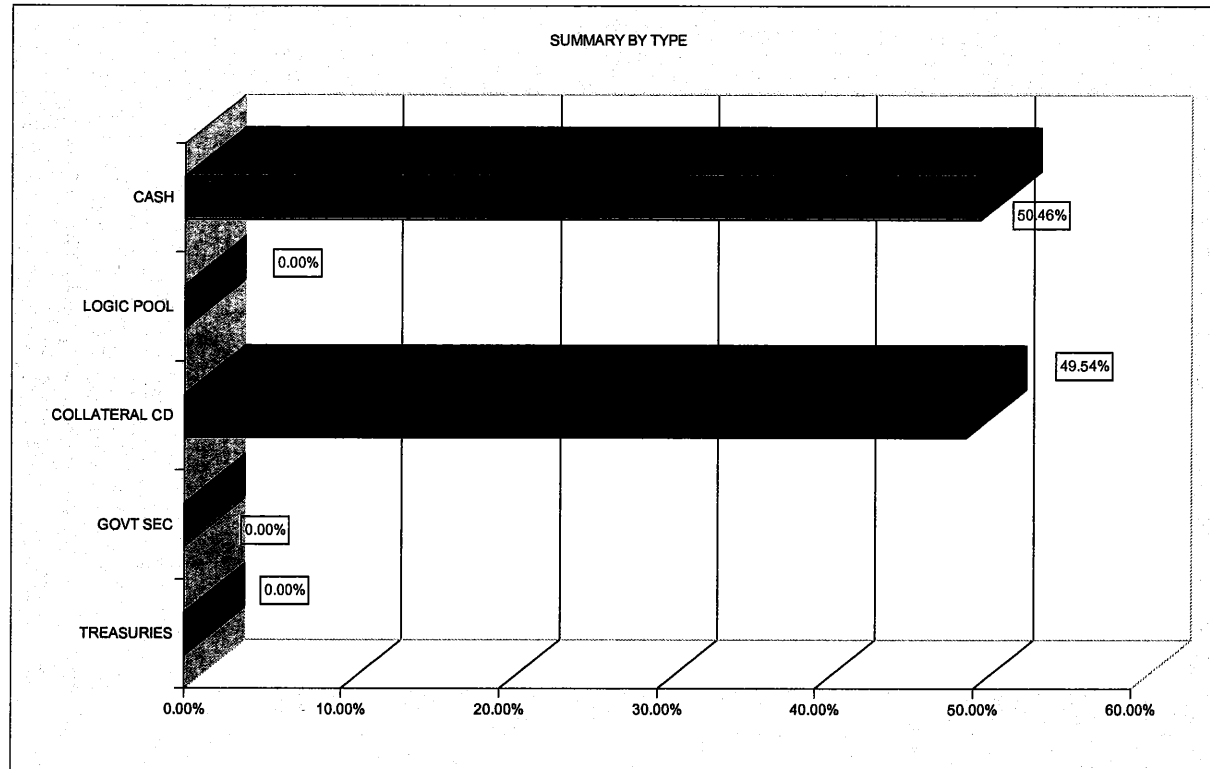
Above totals include cash.

INVESTMENT SUMMARY BY TYPE

TREASURIES
 GOVERNMENT SECURITIES
 CERTIFICATES OF DEPOSIT
 LOGIC POOL
 TOTAL INVESTMENT OTHER THAN CASH
 TOTAL CASH

0.0000% 0.00
 0.0000% 0.00
 62.7240% 76,500,000.00
 0.0021% 2,530.86
 62.7261% 76,502,530.86
 37.2739% 45,460,371.46
 100.00% 121,962,902.32

0.00 0.0000%
 0.00 0.0000%
 56,500,000.00 49.5391%
 2,531.75 0.0022%
 56,502,531.75 49.5413%
 57,548,821.29 50.4587%
 114,051,353.04 100.00%



VICTORIA COUNTY
 PORTFOLIO INVENTORY
 SEPTEMBER 30, 2011

9/30/2011 Mat Date	Type	Par	Coupon	Cusip	Purch Date	Purch Yield	Beginning		Ending		Change in Market	Change in Balance	D-T-M	% of Portfolio	Call Date	Wgt Avg Mat	Fund	Market Gain/ Loss	Invest Number
							Book Value	Market Value	Book Value	Market Value									
9/30/2011	Cash					0.500%	45,460,371.46	45,460,371.46	57,548,821.29	57,548,821.29		12,088,449.83	1	50.459%			ALL		
7/8/2012	CD COLLATERALIZED	5,000,000.00			7/8/2011	0.600%	0.00	0.00	5,000,000.00	5,000,000.00		5,000,000.00	282	4.384%			100	12-78	
7/8/2011	CD COLLATERALIZED	5,000,000.00			7/8/2010	0.800%	5,000,000.00	5,000,000.00	0.00	0.00		(5,000,000.00)	0	0.000%			100	11-78	
11/2/2011	CD COLLATERALIZED	30,000,000.00			5/2/2011	0.550%	30,000,000.00	30,000,000.00	30,000,000.00	30,000,000.00		0.00	33	26.304%			820	11-112	
1/18/2012	CD COLLATERALIZED	17,500,000.00			1/18/2011	0.750%	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00		0.00	110	15.344%			820	12-118	
	CD COLLATERALIZED	0.00				0.000%	0.00	0.00	0.00	0.00		0.00	0	0.000%			820		
8/23/2011	CD COLLATERALIZED	20,000,000.00			2/23/2011	0.600%	20,000,000.00	20,000,000.00	0.00	0.00		(20,000,000.00)	0	0.000%			820	11-823	
5/24/2012	CD COLLATERALIZED	1,000,000.00			8/24/2011	0.500%	0.00	0.00	1,000,000.00	1,000,000.00		1,000,000.00	237	0.877%			NAV OPERAT	12-524	
8/24/2012	CD COLLATERALIZED	2,000,000.00			8/24/2011	0.600%	0.00	0.00	2,000,000.00	2,000,000.00		2,000,000.00	329	1.754%			NAV OPERAT	12-824	
2/24/2012	CD COLLATERALIZED	1,000,000.00			2/24/2011	0.750%	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00		0.00	147	0.877%			NAV OPERAT	12-224	
8/24/2011	CD COLLATERALIZED	3,000,000.00			8/24/2010	0.800%	3,000,000.00	3,000,000.00	0.00	0.00		(3,000,000.00)	0	0.000%			NAV OPERAT	11-824	
9/30/2011	Investment Pools LOGIC					0.1831%	2,530.86	2,530.86	2,531.75	2,531.75		0.89	1	0.002%			ALL		
	U S Treasuries						0.00	0.00	0.00	0.00				100.000%					
	U S Agencies																		
	Total U S Agencies	0					0.00	0.00	0.00	0.00	0.00	0.00	0	0.000%	0.00			0.00	
	TOTAL	0					121,962,902.32	121,962,902.32	114,051,353.04	114,051,353.04	0.00	0.00		100.00%	0.00			0.00	

Avg Yld on total
 portfolio →

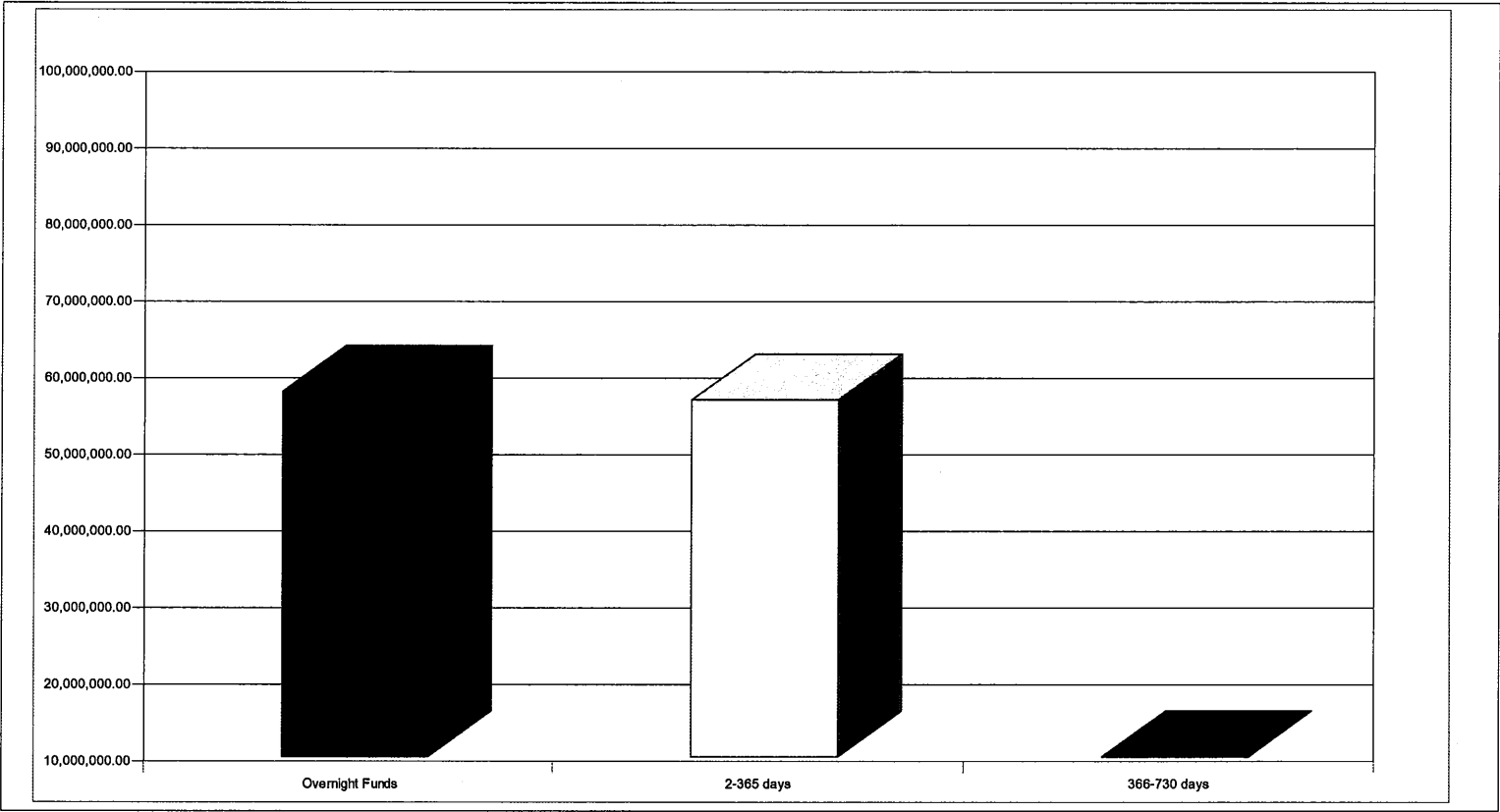
0.6313%

VICTORIA COUNTY
 PORTFOLIO INVENTORY
 SEPTEMBER 30, 2011

Maturity Break
 by Book Value

	Overnight Funds	57,551,353.04
	2-365 days	56,500,000.00
1-2 yrs	366-730 days	0.00
		<u>114,051,353.04</u> *

* All short-term callable
 investments



VICTORIA COUNTY TRANSACTION REPORT
 SEPTEMBER 30, 2011

PURCHASES:

Fund	Settle Date	CUSIP	Security Type	Par	Coupon	Maturity	Call Date	Purchase Price	Purchase Principal	Purchase Premium	Purchase Accr Int	Total Settlement	Broker	Yield	Investment Number
100	7/8/2011		CD	5,000,000.00		7/8/2012		5,000,000.00				5,000,000.00		0.600%	12-78
NAVIGATION	8/24/2011		CD	1,000,000.00		5/24/2012		1,000,000.00				1,000,000.00		0.500%	12-524
NAVIGATION	8/24/2011		CD	2,000,000.00		8/24/2012		2,000,000.00				2,000,000.00		0.600%	12-824

CALLED:

Fund	Purchase Date	CUSIP	Security Type	Par	Coupon	Maturity	Call Date	Purch Price	Call Price	Sale Principal	Sale Interest	Gain/(Loss)	Total Settlement	Book Value	Yield	Investment Number
NONE																

MATURITIES:

Fund	Purchase Date	CUSIP	Security Type	Par	Coupon	Maturity	Purch Price	Call Price	Sale Principal	Sale Interest	Gain/(Loss)	Total Settlement	Yield	Investment Number
100	7/8/2010		CD	5,000,000.00		7/8/2011	5,000,000.00		5,000,000.00	40,146.98	0.00	5,040,146.98	0.8000%	11-78
820	2/23/2011		CD	20,000,000.00		8/23/2011	20,000,000.00		20,000,000.00	59,580.65	0.00	20,059,580.65	0.6000%	11-823
NAVIGATION	8/24/2010		CD	3,000,000.00		8/24/2011	3,000,000.00		3,000,000.00	26,076.47	0.00	3,026,076.47	0.8000%	11-824
									0.00	0.00	0.00	0.00	0.0000%	
									28,000,000.00	125,804.10	0.00	28,125,804.10		

INTEREST EARNED STATEMENT
SEPTEMBER 2011

FUND	FUND NAME	2011			
		2008	2009	2010	YR TO DATE
100	GENERAL FUND	381,906.66	136,009.22	54,722.61	70,611.20
200	ROAD & BRIDGE FUND	72,560.72	21,956.19	15,697.26	12,230.58
231	JUVENILE PROBATION FUND	2,770.89	872.44	659.26	635.42
600	ROAD BONDS SINKING	1,994.88	514.94	0.00	0.00
640	JAIL BONDS SINKING	2,259.03	584.55	0.00	0.00
660	COURTHOUSE BDS SKG	1,937.44	497.32	0.00	0.00
670	BRIDGE ST. ANNEX BDS SKG	3,340.75	912.81	0.00	0.00
700	DEBT SERVICE	0.00	404.85	28,907.61	2,566.52
710	LATERAL ROAD FUND	314.73	0.00	0.00	0.00
720	LAW LIBRARY FUND	549.28	152.07	77.07	0.00
750	ROAD BONDS FUND	0.00	0.00	0.00	0.00
770	CAPITAL PROJECTS	0.00	0.00	8,238.84	2,646.19
	Sub-Total Budgeted Funds	467,634.38	161,904.39	108,302.65	88,689.91
120	RECORDS MANAGEMENT	2,420.95	485.89	311.80	0.00
121	COURTHOUSE SECURITY	900.16	222.11	208.73	0.00
122	JUSTICE CRT BLDG SECURITY	408.60	170.51	162.25	0.00
123	DIST CLERK RECORD MGMT	134.99	43.85	31.01	0.00
221	JUVENILE RESTITUTION	0.72	0.00	0.00	0.06
240	DRUG COURTS PROGRAM	104.95	78.82	79.66	49.55
265	FED FOSTER CARE	5,013.47	439.36	0.00	0.00
280	JUVENILE DELQ PREVENTION	2.36	0.75	0.57	0.00
281	JUSTICE TECHNOLOGY	884.63	179.42	88.36	0.00
283	CO/DIST TECHNOLOGY	0.00	0.00	32.99	0.00
300	CDA PROCESSING FEE	2,574.46	525.20	206.49	43.31
310	4-H ACTIVITY CENTER	666.91	179.35	120.72	90.03
320	AIRPORT	6,138.95	960.07	574.94	0.00
321	AIRPORT	777.71	505.20	0.00	211.35
330	SPECIAL SERVICE FUND	2,157.44	617.59	1,186.26	1,196.81
338	SCAAP	196.46	148.83	0.00	0.00
340	LOCAL LAW ENF BLK GRNT	0.00	0.00	0.00	0.00
360	SHERIFF'S FORFEITURE	799.84	232.76	127.90	76.39
361	SHERIFF'S DONATION	0.00	4.81	20.01	4.12
370	CDA CONTRABAND FORFEIT.	1,316.29	528.83	339.21	736.24
371	CDA HOMELAND FORFEITURE	0.00	0.00	0.00	0.00
372	SHERIFF DOT FED FORFEIT	0.00	0.00	60.78	45.76
380	COMMISSARY FUND	1,180.30	249.28	143.60	113.81
390	JUVENILE COMMISSARY	76.99	25.76	21.28	16.94
410	HEALTH INSURANCE	0.00	0.00	307.36	1,315.11
420	EMPLOYEE BENEFIT FUND	92.65	21.69	16.86	0.00
450	ELECTION ADMINISTRATOR	29.88	77.82	27.70	32.11
499	TAX-ASSR SPECIAL FUND	5,842.95	1,080.66	868.51	463.61
500	HISTORICAL COMMISSION	335.83	103.68	71.09	55.57
845	NAVARRO LEASE PROJECT	2,799.79	119.18	16.89	0.23
870	FLEXIBLE BENEFIT PLAN	836.01	200.19	176.15	113.46
820	HOSPITAL	2,213,727.61	664,106.49	563,685.21	431,717.54
820	CMC 125 PLAN	537.29	169.61	64.67	46.95
830	CMC ACCOUNTS PAYABLE	29,124.43	7,315.11	6,250.80	4,497.74
840	CMC PAYROLL	6,691.00	3,391.45	1,593.74	1,362.43
870	CMC PROF. LIABILITY	16,100.22	4,416.27	3,316.99	2,126.44
890	CMC FUNDED DEPRECIATION	228,083.97	71,913.80	50,085.69	38,645.73
950	NAVIGATION DISTRICT	121,655.90	93,930.64	41,665.85	23,752.49
950	NAVIG DISTRICT RETAINAGE	0.00	0.00	0.00	0.00
960	NAVIG. CONSTRUCTION FUND	65,077.00	83,419.05	2,046.06	36.13
960	CONSTRUCTION ESCROW	0.00	0.00	0.00	0.00
970	NAVIG. INTEREST & SINKING	3,158.07	1,231.21	751.24	513.38
	TOTAL	3,187,483.16	1,098,999.63	782,964.02	595,953.20