



County of Victoria

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Sean Kennedy, CIO
County Treasurer

October 25, 2010

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, 2010.

The combined portfolios total \$125,795,280.85 and have been managed with an emphasis on safety, liquidity and yield. The portfolio for the quarter is diversified with 49.1% in cash, 50.9% in collateralized CD's and a minimal amount in LOGIC Pool, with a combined average interest rate of .6188%, down from last quarter's .7682%.

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. The interest rate received from investments in LOGIC Pool continued to rise then declined during the last month of the quarter. Interest bearing checking accounts at First Victoria earn .35% 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
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	1/4/2010	5,000,000	0	Certificate of Deposit	7/2/2010	(Matured)	0.850%	5,000,000.00	5,000,000.00	5,000,000.00	0.00	0.00		
100	7/8/2010	0	5,000,000	Certificate of Deposit	7/8/2011		0.800%	5,000,000.00	0.00	0.00	5,000,000.00	5,000,000.00		
				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>14,388,727.14</u>		<u>10,141,463.14</u>			
				TOTAL					<u>19,388,727.14</u>		<u>15,141,463.14</u>			
CITIZENS MEDICAL CENTER														
				LOGIC POOL				0.259%		732.55	732.55	733.11	733.11	
820	1/19/2010	17,500,000	0	Certificate of Deposit	7/16/2010	(Matured)	0.850%	17,500,000.00	17,500,000.00	17,500,000.00	0.00	0.00		
820	7/16/2010	0	17,500,000	Certificate of Deposit	1/17/2011		0.600%	17,500,000.00	0.00	0.00	17,500,000.00	17,500,000.00		
820	4/21/2010	17,500,000	17,500,000	Certificate of Deposit	4/21/2011		0.750%	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00		
820	2/23/2010	20,000,000	0	Certificate of Deposit	8/23/2010	(Matured)	0.750%	20,000,000.00	20,000,000.00	20,000,000.00	0.00	0.00		
820	8/23/2010	0	20,000,000	Certificate of Deposit	2/23/2011		0.600%	20,000,000.00	0.00	0.00	20,000,000.00	20,000,000.00		
		<u>55,000,000</u>	<u>55,000,000</u>	TOTAL INVESTMENTS					<u>55,000,732.55</u>	<u>55,000,732.55</u>	<u>55,000,733.11</u>	<u>55,000,733.11</u>		
				HOSPITAL FUNDS INVESTED					55,000,732.55	55,000,732.55	55,000,733.11	55,000,733.11		
				CASH ON HAND				0.500%	<u>40,525,489.24</u>		<u>50,731,416.68</u>			
				TOTAL					<u>95,526,221.79</u>		<u>105,732,149.79</u>			
NAVIGATION DISTRICT														
				LOGIC POOL - BOND FUND				0.259%		874.68	874.68	875.35	874.68	
				LOGIC POOL - OPERATING FUND				0.259%		917.81	917.81	918.51	918.51	
OPERATE	8/24/2010	0	1,000,000	Certificate of Deposit	2/24/2011		0.600%	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00		
OPERATE	8/24/2010	0	3,000,000	Certificate of Deposit	8/24/2011		0.800%	3,000,000.00	0.00	0.00	3,000,000.00	3,000,000.00		
OPERATE	8/19/2009	3,000,000	0	Certificate of Deposit	8/19/2010	(Matured)	1.150%	3,000,000.00	3,000,000.00	3,000,000.00	0.00	0.00		
		<u>3,000,000</u>	<u>4,000,000</u>	TOTAL INVESTMENTS					<u>3,001,792.49</u>	<u>3,001,792.49</u>	<u>4,001,793.86</u>	<u>4,001,793.19</u>		
				NAVIGATION DISTRICT INVESTMENTS					3,001,792.49	3,001,792.49	4,001,793.86	4,001,793.19		
				BANK BALANCE - NOT BOOK BALANCE										
				CASH ON HAND				0.500%	<u>2,317,026.15</u>		<u>919,874.06</u>			
				TOTAL					<u>5,318,818.64</u>		<u>4,921,667.92</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
		63,000,000	64,000,000	GRAND TOTAL INVESTMENTS					63,002,525.04	63,002,525.04	64,002,526.97	64,002,526.30	

CASH & INVESTMENT SUMMARY BY FUND

TOTAL COUNTY FUNDS
 TOTAL HOSPITAL FUNDS
 TOTAL NAVIGATION DISTRICT FUNDS

JULY 1, 2010

16.1259% 19,388,727.14
 79.4504% 95,526,221.79
 4.4237% 5,318,818.64
 100.00% 120,233,767.57

SEPTEMBER 30, 2010

15,141,463.14 12.0366%
 105,732,149.79 84.0510%
 4,921,667.92 3.9124%
 125,795,280.85 100.00%

Above totals include cash.

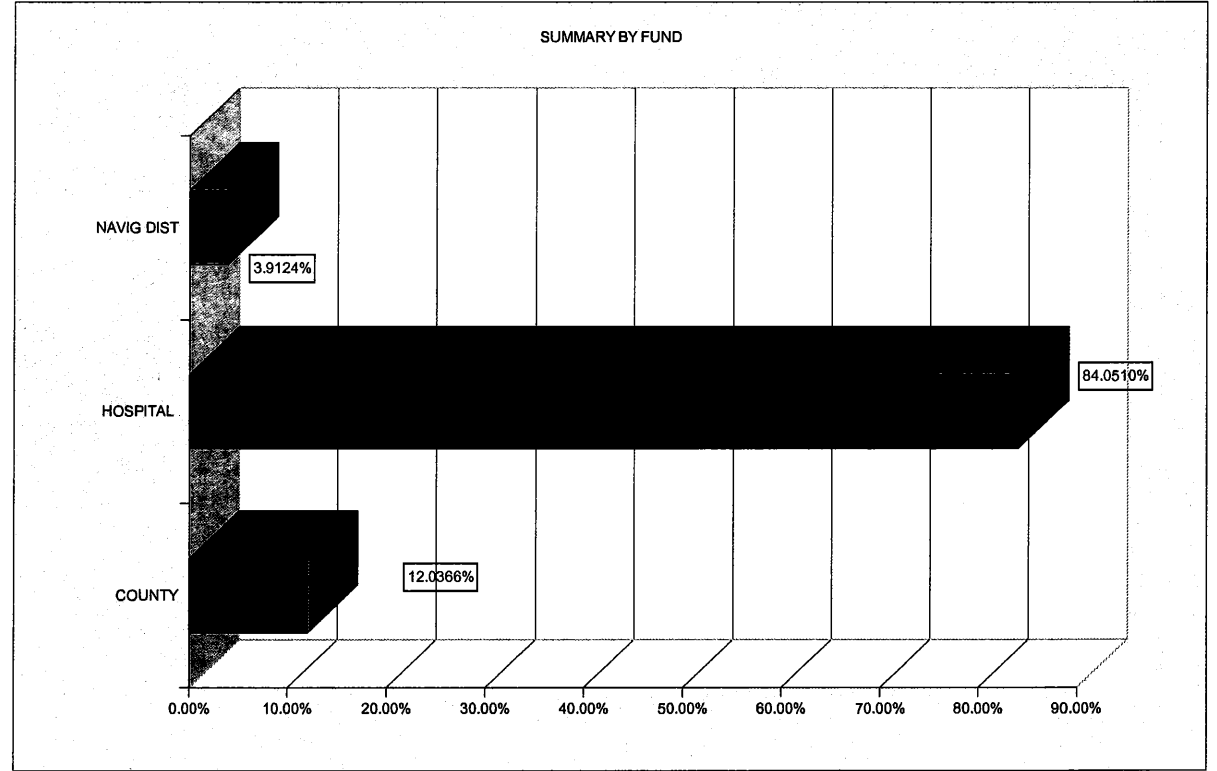
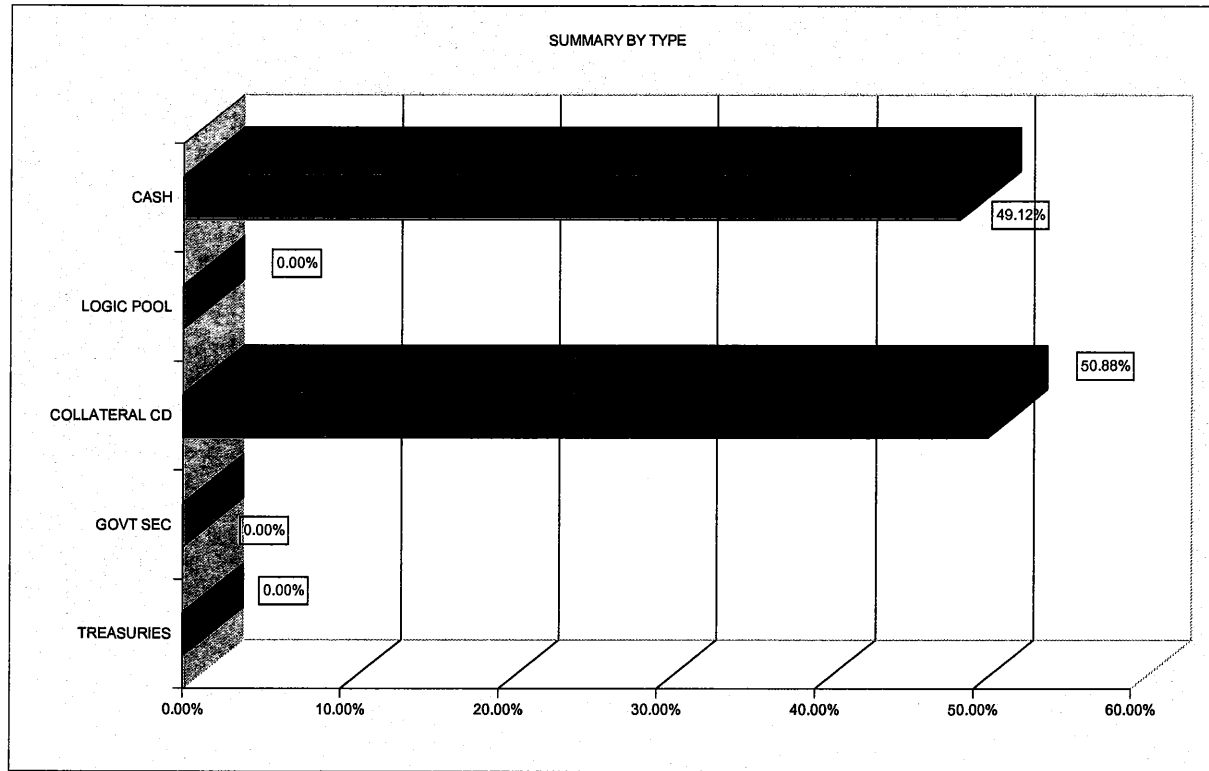
Above totals include cash.

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
 52.3979% 63,000,000.00
 0.0021% 2,525.04
 52.4000% 63,002,525.04
 47.6000% 57,231,242.53
 100.00% 120,233,767.57

0.00 0.0000%
 0.00 0.0000%
 64,000,000.00 50.8763%
 2,526.97 0.0020%
 64,002,526.97 50.8783%
 61,792,753.88 49.1217%
 125,795,280.85 100.00%



VICTORIA COUNTY
 PORTFOLIO INVENTORY
 SEPTEMBER 30, 2010

9/30/2010 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									
9/30/2010	Cash					0.500%	57,231,242.53	57,231,242.53	61,792,753.88	61,792,753.88		4,561,511.35	1	49.122%			ALL		
7/2/2010	CD COLLATERALIZED	5,000,000.00			1/4/2010	0.850%	5,000,000.00	5,000,000.00	0.00	0.00		(5,000,000.00)	0	0.000%			100		
7/8/2011	CD COLLATERALIZED	5,000,000.00			7/8/2010	0.800%	0.00	0.00	5,000,000.00	5,000,000.00		5,000,000.00	281	3.975%			100		
4/21/2011	CD COLLATERALIZED	17,500,000.00			4/21/2010	0.750%	17,500,000.00	17,500,000.00	17,500,000.00	17,500,000.00		0.00	203	13.911%			820		
7/16/2010	CD COLLATERALIZED	17,500,000.00			1/19/2010	0.850%	17,500,000.00	17,500,000.00	0.00	0.00		(17,500,000.00)	0	0.000%			820		
1/17/2011	CD COLLATERALIZED	17,500,000.00			7/16/2010	0.600%	0.00	0.00	17,500,000.00	17,500,000.00		17,500,000.00	109	13.911%			820		
8/23/2010	CD COLLATERALIZED	20,000,000.00			2/23/2010	0.750%	20,000,000.00	20,000,000.00	0.00	0.00		(20,000,000.00)	0	0.000%			820		
2/23/2011	CD COLLATERALIZED	20,000,000.00			8/23/2010	0.600%	0.00	0.00	20,000,000.00	20,000,000.00		20,000,000.00	146	15.899%			820		
2/24/2011	CD COLLATERALIZED	1,000,000.00			8/24/2010	0.600%	0.00	0.00	1,000,000.00	1,000,000.00		1,000,000.00	147	0.795%			NAV OPERAT		
8/19/2010	CD COLLATERALIZED	3,000,000.00			8/19/2009	1.150%	3,000,000.00	3,000,000.00	0.00	0.00		(3,000,000.00)	0	0.000%			NAV OPERAT		
8/24/2011	CD COLLATERALIZED	3,000,000.00			8/24/2010	0.800%	0.00	0.00	3,000,000.00	3,000,000.00		3,000,000.00	328	2.385%			NAV OPERAT		
9/30/2010	Investment Pools LOGIC					0.3000%	2,525.04	2,525.04	2,526.97	2,526.97		1.93	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					0.6188%	120,233,767.57	120,233,767.57	125,795,280.85	125,795,280.85	0.00	0.00	100.00%		0.00		0.00	

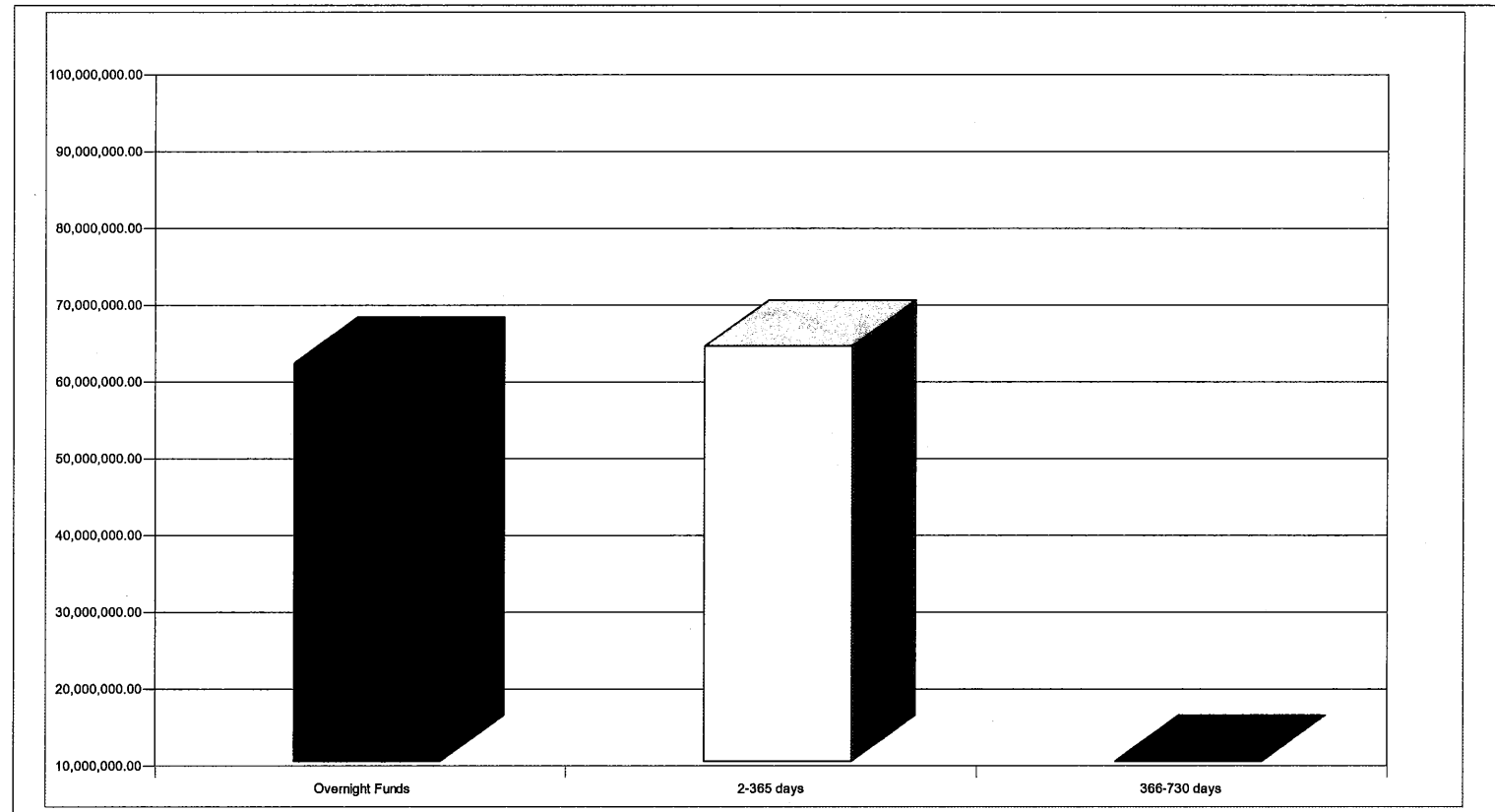
Avg Yld on total
 portfolio →

VICTORIA COUNTY
PORTFOLIO INVENTORY
SEPTEMBER 30, 2010

Maturity Break
by Book Value

	Overnight Funds	61,795,280.85
	2-365 days	64,000,000.00
1-2 yrs	366-730 days	0.00
		<u>125,795,280.85</u>

* All short-term callable
investments



VICTORIA COUNTY TRANSACTION REPORT
 SEPTEMBER 30, 2010

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	7/8/2010		CD	5,000,000.00		7/8/2011		5,000,000.00				5,000,000.00		0.850%	11-78
820	7/16/2010		CD	17,500,000.00		1/17/2011		17,500,000.00				17,500,000.00		0.600%	11-117
820	8/23/2010		CD	20,000,000.00		2/23/2011		20,000,000.00				20,000,000.00		0.600%	11-223
NAV DIST	8/24/2010		CD	1,000,000.00		2/24/2011		1,000,000.00				1,000,000.00		0.600%	11-224
NAV DIST	8/24/2010		CD	3,000,000.00		8/24/2011		3,000,000.00				3,000,000.00		0.800%	11-824

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
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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	1/4/2010		CD	5,000,000.00		7/2/2010	5,000,000.00		5,000,000.00	20,878.70	0.00	5,020,878.70	0.8500%	10-72
820	1/19/2010		CD	17,500,000.00		7/16/2010	17,500,000.00		17,500,000.00	72,666.43	0.00	17,572,666.43	0.8500%	10-716
820	2/23/2010		CD	20,000,000.00		8/23/2010	20,000,000.00		20,000,000.00	74,498.90	0.00	20,074,498.90	0.7500%	10-823
NAV DIST	8/19/2009		CD	3,000,000.00		8/19/2010	3,000,000.00		3,000,000.00	35,161.68	0.00	3,035,161.68	1.1500%	10-819
				0.00					0.00	0.00	0.00	0.00	0.0000%	
									45,500,000.00	203,205.71	0.00	45,703,205.71		

INTEREST EARNED STATEMENT
SEPTEMBER
2010

FUND	FUND NAME	2010				
		2006	2007	2008	2009	YR TO DATE
100	GENERAL FUND	795,541.51	931,043.98	381,906.66	136,009.22	50,122.13
200	ROAD & BRIDGE FUND	125,029.77	153,267.99	72,560.72	21,956.19	12,889.77
231	JUVENILE PROBATION FUND	3,535.02	5,450.21	2,770.89	872.44	574.98
600	ROAD BONDS SINKING	4,390.94	3,904.28	1,994.88	514.94	0.00
640	JAIL BONDS SINKING	3,622.42	4,067.68	2,259.03	584.55	0.00
660	COURTHOUSE BDS SKG	3,626.93	3,824.92	1,937.44	497.32	0.00
670	BRIDGE ST. ANNEX BDS SKG	6,094.04	6,628.14	3,340.75	912.81	0.00
700	DEBT SERVICE	0.00	0.00	0.00	404.85	28,201.36
710	LATERAL ROAD FUND	4,711.48	3,690.26	314.73	0.00	0.00
720	LAW LIBRARY FUND	1,929.54	1,272.64	549.28	152.07	51.09
750	ROAD BONDS FUND	3,519.18	0.00	0.00	0.00	0.00
770	CAPITAL PROJECTS	0.00	0.00	0.00	0.00	6,402.61
	Sub-Total Budgeted Funds	952,000.83	1,113,150.10	467,634.38	161,904.39	98,241.94
120	RECORDS MANAGEMENT	10,616.37	8,301.66	2,420.95	485.89	227.69
121	COURTHOUSE SECURITY	1,728.10	2,023.39	900.16	222.11	148.71
122	JUSTICE CRT BLDG SECURITY	175.55	683.86	408.60	170.51	120.21
123	DIST CLERK RECORD MGMT	155.70	202.53	134.99	43.85	21.96
221	JUVENILE RESTITUTION	0.00	0.00	0.72	0.00	0.00
240	DRUG COURTS PROGRAM	0.00	6.21	104.95	78.82	62.51
265	FED FOSTER CARE	19,659.02	15,927.90	5,013.47	439.36	0.00
280	JUVENILE DELQ PREVENTION	4.77	5.20	2.36	0.75	0.43
281	JUSTICE TECHNOLOGY FUND	1,516.39	2,142.88	884.63	179.42	70.20
283	CO/DIST TECHNOLOGY FUND	0.00	0.00	0.00	0.00	18.31
300	CDA PROCESSING FEE	7,107.63	6,514.81	2,574.46	525.20	182.50
310	4-H SHOOTING RANGE	2,299.76	2,422.30	666.91	179.35	91.87
320	AIRPORT	14,116.27	6,936.66	6,138.95	960.07	544.59
321	AIRPORT RETAINAGE	0.00	0.00	777.71	505.20	0.00
330	SPECIAL SERVICE FUND	35,549.87	8,743.89	2,157.44	617.59	692.47
338	SCAAP	0.00	0.00	196.46	148.83	0.00
340	LOCAL LAW ENF BLK GRNT	218.08	0.00	0.00	0.00	0.00
360	SHERIFF'S SPECIAL PURPOSE	1,696.03	1,800.66	799.84	232.76	102.36
361	SHERIFF'S DONATION	0.00	0.00	0.00	4.81	18.70
370	CDA CONTRABAND FORFEIT.	1,835.59	2,641.25	1,316.29	528.83	232.94
371	CDA HOMELAND FORFEITURE	366.11	0.00	0.00	0.00	0.00
372	SHERIFF DOT FED FORFEIT	454.19	51.04	0.00	0.00	8.89
380	COMMISSARY FUND	4,195.02	3,489.11	1,180.30	249.28	117.62
390	JUVENILE COMMISSARY	140.21	168.55	76.99	25.76	15.89
410	HEALTH INSURANCE	15.97	1,767.50	0.00	0.00	307.36
420	EMPLOYEE BENEFIT FUND	314.50	317.79	92.65	21.69	12.36
450	ELECTION ADMINISTRATOR	311.60	404.25	29.88	77.82	11.13
499	TAX ASSR SPECIAL FUND	20,541.98	15,538.55	5,842.95	1,080.66	623.34
500	HISTORICAL COMMISSION	694.86	757.61	335.83	103.68	54.46
845	NAVARRO LEASE PROJECT	7,340.76	9,250.64	2,799.79	119.18	5.50
870	FLEXIBLE BENEFIT PLAN	1,133.68	1,705.51	836.01	200.19	125.98
820	HOSPITAL	3,531,360.67	4,284,495.35	2,213,727.61	664,106.49	514,522.50
820	CMC 125 PLAN	1,255.53	1,328.92	537.29	169.61	47.46
830	CMC ACCOUNTS PAYABLE	54,090.66	60,897.43	29,124.43	7,315.11	4,607.32
840	CMC PAYROLL	13,366.58	20,158.51	6,691.00	3,391.45	1,167.41
870	CMC PROF. LIABILITY	27,578.16	39,981.47	16,100.22	4,416.27	2,496.81
890	CMC FUNDED DEPRECIATION	387,317.55	510,318.43	228,083.97	71,913.80	37,497.27
950	NAVIGATION DISTRICT	397,641.69	303,366.57	121,655.90	93,930.64	33,567.12
950	NAVIG DISTRICT RETAINAGE	0.00	0.00	0.00	0.00	0.00
960	NAVIG. CONSTRUCTION FUND	1.02	2.75	65,077.00	83,419.05	2,000.23
960	CONSTRUCTION ESCROW	12.95	0.00	0.00	0.00	0.00
970	NAVIG. INTEREST & SINKING	13,426.16	5,359.66	3,158.07	1,231.21	561.95
	TOTAL	5,510,239.81	6,430,862.94	3,187,483.16	1,098,999.63	698,527.99