

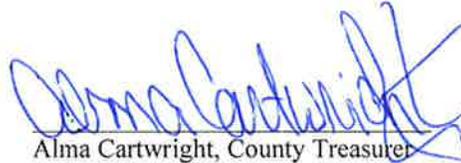
Aransas County Treasurer's Report
4th Quarter Ending December 31, 2012

The Treasurer's Quarterly Investment Report includes all activity and positions for the 3rd Quarter, 2012.

The total of all cash and investments that are in the custody of the County Treasurer at the time of this report is:

\$24,251,731.62

Therefore, I, ALMA CARTWRIGHT, County Treasurer of Aransas County, Texas, who being fully sworn and subscribed before the County Judge and the County Commissioners of said Aransas County, state that the within and foregoing report is true and correct to the best of my knowledge. Filed with accompanying reports, in open **Regular Session Commissioners' Court**, on this date, **February 11, 2013**.


Alma Cartwright, County Treasurer

Commissioners' Court having reviewed the Treasurer's Report as presented, having taken reasonable steps to ensure its accuracy and based upon presentations of the Treasurer's Office approve the report, and request that it be filed with the official minutes of this meeting. {LGC 114.026(c)}

WITNESS OUR HANDS, officially this 11th day of **February, 2013**.

C.H. "Burt" Mills, Jr., County Judge

Jack Chaney, Commissioner Pct 1

Leslie Casterline, Commissioner Pct 2

Charles Smith, Commissioner Pct 3

Russel Cole, Commissioner Pct 4

FILED FOR RECORD this 11th day of February, 2013 and recorded the _____ day of _____, 2013.

Peggy L. Friebele, County Clerk

ARKANSAS COUNTY INVESTMENT PORTFOLIO
4th Quarter 2012 Ending 12/31/12

	2012 Interest Earned	2012 Interest Budgeted	Percent of Budget
1st Qtr	12,548.53		
2nd Qtr	13,942.90		
3rd Qtr	12,370.30		
4th Qtr	55,593.11		
Accrued	94,454.84		
	10,300.60		
	104,755.44	50,900.00	205.806%

Total All Funds/All Investment Types	Beginning Balance 1/1/12	Ending Balance 3/31/12	Ending Balance 6/30/12	Ending Balance 9/30/12	Ending Balance 12/31/12
Operating Funds	11,764,294.57	14,170,814.62	12,449,900.28	11,382,837.27	12,186,000.64
CO's 2003 I&S	782,628.20	698,056.81	739,075.70	613,700.99	481,918.91
CO's 2007 I&S	233,473.98	218,775.15	231,529.83	233,975.28	316,671.73
CO's 2009 I&S	247,118.27	254,652.78	273,927.67	198,799.56	323,169.97
2009 Capital Projects	735,015.33	378,260.09	371,533.67	318,592.97	250,831.54
CO's 2011 Flood I&S	138,573.42	90,546.49	109,351.96	31,791.10	174,635.28
2011 Flood Capital Projects	5,500,168.83	5,502,331.32	5,405,764.35	5,278,808.58	5,275,134.00
CO's 2012 I&S	xxxxxx	xxxxxx	xxxxxx	xxxxxx	54,589.38
2012 Capital Projects	xxxxxx	xxxxxx	xxxxxx	xxxxxx	2,250,469.14
LTR Bonds 2012 I&S	xxxxxx	xxxxxx	xxxxxx	xxxxxx	377,703.28
CO's 2011 Venue I&S	51,618.18	10,877.04	10,883.35	10,889.42	10,594.62
2011 Venue Capital Projects	2,356,395.93	2,210,934.74	2,205,510.76	2,060,251.07	1,995,990.59
Venue Projects Account	xxxxxx	xxxxxx	xxxxxx	xxxxxx	206,836.60
Venue Tax Account	301,326.48	335,259.29	415,764.83	408,091.53	347,185.94
	22,110,613.19	23,870,508.33	22,213,242.40	20,537,737.77	24,251,731.62

Investments Detailed by Fund	Book Value 10/1/12	Deposits 10/1/12-12/31/12	Interest Credited 10/1/12-12/31/12	Withdrawals 10/1/12-12/31/12	Book Value 12/31/12	Percent of Portfolio	Maturity	Avg. Yield	Accrued Interest	Interest Earned prior periods	YTD Interest Earned	
OPERATING FUNDS												
American Bank	709,087.27	11,145,645.60	0.00	9,429,436.49	2,425,296.38	10.0005%					0.00	
TexPool	1,382,910.07	0.00	530.45	230,000.00	1,153,440.52	4.7561%	Daily	0.1458%	0.00	2,179.93	2,710.38	
Cash Account Trust	1,341,056.57	150,000.00	101.92	34,000.00	1,457,158.49	6.0085%	Daily	0.0300%	0.00	319.20	421.12	
TEXAS CLASS	2,665,588.87	120,000.00	1,267.68	912,000.00	1,874,856.55	7.7308%	Daily	0.2100%	0.00	4,587.38	5,855.06	
Tex STAR	2,536,194.49	670,000.00	1,053.64	920,000.00	2,287,248.13	9.4313%	Daily	0.1647%	0.00	2,118.84	3,172.48	
Wells Fargo Heritage Money Market Fund	0.00	0.00	0.57	0.00	0.57	0.0000%			0.00	0.00	0.57	
IBC Bank CD#2910129438	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	3/26/13	0.7500%	1,438.36	2,129.47	3,567.83	
Prosperity Bank CD#89000864	250,000.00	0.00	471.31	471.31	250,000.00	1.0309%	10/29/13	0.7500%	330.98	1,712.60	2,514.89	
First Victoria Bank CD#99090465	250,000.00	0.00	282.79	282.79	250,000.00	1.0309%	9/29/13	0.4500%	286.64	843.00	1,412.43	
Charter Bank CD#21314	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	1/19/13	0.2500%	275.68	739.73	1,015.41	
Ally Bank UT CD#02005Q5P9	248,000.00	0.00	0.00	0.00	248,000.00	1.0226%	8/19/13	0.8000%	739.25	1,989.43	2,728.68	
Discover Bank DE CD#254670Q39	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	8/19/13	0.7500%	698.63	1,880.14	2,578.77	
Goldman Sachs Bank NY CD#381426K8	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	9/3/13	0.8000%	668.50	2,005.47	2,673.97	
BMW Bank N America CD#05568PR25	0.00	0.00	564.04	564.04	250,000.00	0.0000%	Matured	0.3500%	0.00	872.60	872.60	
Beal Bank SSB, Plano TX CD#07370TCN1	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	1/2/13	0.4500%	265.07	564.04	1,393.15	
21st CenturyBank.Loretto MN CD#90136SEX0	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2000%	0.00	250.71	250.71	
Huntington Natl Bank,Columbus OH CD#446438NS8	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	1/27/14	0.8000%	860.27	997.26	1,857.53	
American Momentum Bank, Tampa FLA CD#02756TAN	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2000%	0.00	123.29	123.29	
Glacier Bank, Kalispell, Mont CD#37637WAK8	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.1500%	0.00	186.99	186.99	
BMW Bank N America CD#05568PY76	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	8/18/14	0.8500%	791.78	0.00	791.78	
Customers Bank, PA CD#23204HADO	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	4/29/13	0.4500%	382.19	0.00	382.19	
Affinity Bank, Wyoming PA CD#00829DAR1	0.00	240,000.00	0.00	0.00	240,000.00	0.9896%	10/18/13	0.4000%	192.00	0.00	192.00	
Various Interest other Offices	0.00	0.00	1,106.38	0.00	0.00				0.00	(1,454.32)	(347.94)	
Operating Funds - Total Detailed	11,382,837.27	12,325,645.60	5,378.78	11,526,754.63	12,186,000.64	50.2480%		0.4475%	6,929.35	22,045.76	34,353.89	

ARANSAS COUNTY INVESTMENT PORTFOLIO
4th Quarter 2012 Ending 12/31/12

Investments Detailed by Fund	Book Value 10/1/12	Deposits 10/1/12-12/31/12	Interest Credited 10/1/12-12/31/12	Withdrawals 10/1/12-12/31/12	Book Value 12/31/12	Percent of Portfolio	Maturity	Avg. Yield	Accrued Interest	Interest Earned prior periods	YTD Interest Earned	
CO's 2003 I&S												
American Bank	5,089.54	227,491.09	0.00	229,761.92	2,818.71	0.0116%			0.00	0.00	0.00	
Cash Account Trust	159,972.47	0.00	12.03	0.00	159,984.50	0.6597%	Daily	0.0300%	0.00	0.00	75.24	
Texas CLASS	448,638.98	50,000.00	238.64	179,761.92	319,115.70	1.3158%		0.2100%	0.00	0.00	638.98	
CO's 2003 I&S - Total Detailed												
	613,700.99	277,491.09	250.67	409,523.84	481,918.91	1.9872%		0.1200%	0.00	0.00	714.22	
CO's 2007 I&S												
American Bank	4,511.38	82,626.58	0.00	85,000.00	2,137.96	0.0088%			0.00	0.00	0.00	
Cash Account Trust	114,318.38	30,000.00	8.48	0.00	144,326.86	0.5951%	Daily	0.0300%	0.00	0.00	28.69	
Texas CLASS	115,145.52	55,000.00	61.39	0.00	170,206.91	0.7018%		0.2100%	0.00	0.00	145.52	
CO's 2007 I&S - Total Detailed												
	233,975.28	167,626.58	69.87	85,000.00	316,671.73	1.3058%		0.1200%	0.00	0.00	174.21	
CO's 2009 I&S												
American Bank	4,330.33	124,292.49	0.00	127,000.00	1,622.82	0.0067%			0.00	0.00	0.00	
Cash Account Trust	59,214.86	50,000.00	4.61	0.00	109,219.47	0.4504%	Daily	0.0300%	0.00	0.00	19.32	
Texas CLASS	135,254.37	77,000.00	73.31	0.00	212,327.68	0.8755%		0.2100%	0.00	0.00	254.37	
CO's 2009 I&S - Total Detailed												
	198,799.56	251,292.49	77.92	127,000.00	323,169.97	1.3326%		0.1200%	0.00	0.00	273.69	
2009 CAPITAL PROJECTS												
American Bank	9,849.81	80,000.00	0.00	67,784.31	22,065.50	0.0910%			0.00	0.00	0.00	
Cash Account Trust	308,743.16	0.00	22.88	80,000.00	228,766.04	0.9433%	Daily	0.0300%	0.00	0.00	97.73	
2009 Capital Projects - Total Detailed												
	318,592.97	80,000.00	22.88	147,784.31	250,831.54	1.0343%		0.0300%	0.00	0.00	97.73	
CO's 2011 FLOOD I&S												
American Bank	6,660.66	142,827.80	0.00	145,000.00	4,488.46	0.0185%	Daily		0.00	0.00	0.00	
Texas CLASS	25,130.44	145,000.00	16.38	0.00	170,146.82	0.7016%		0.2100%	0.00	0.00	130.44	
CO's 2011 Flood I&S - Total Detailed												
	31,791.10	287,827.80	16.38	145,000.00	174,635.28	0.7201%		0.2100%	0.00	0.00	130.44	

ARKANSAS COUNTY INVESTMENT PORTFOLIO
 4th Quarter 2012 Ending 12/31/12

Investments Detailed by Fund	Book Value 10/1/12	Deposits 10/1/12-12/31/12	Interest Credited 10/1/12-12/31/12	Withdrawals 10/1/12-12/31/12	Book Value 12/31/12	Percent of Portfolio	Maturity	Avg. Yield	Accrued Interest	Interest Earned prior periods	YTD Interest Earned	
2011 FLOOD CAPITAL PROJECTS												
American Bank	277,075.74	10,553.16	0.00	14,767.85	272,861.05	1.1251%			0.00	0.00	0.00	
Cash Account Trust	2,248.31	0.00	0.13	0.00	2,248.44	0.0093%	Daily	0.0300%	0.00	5.92	6.05	
Texas CLASS	751,482.58	700,000.00	487.29	0.00	1,451,969.87	5.9871%	Daily	0.2100%	0.00	1,482.58	1,969.87	
Tex STAR	0.00	800,000.00	52.69	0.00	800,052.69	3.2990%		0.1647%	0.00	0.00	52.69	
Wells Fargo Heritage Money Market Fund	1.95	0.00	0.00	0.00	1.95	0.0000%		0.0600%	0.00	3.56	3.56	
Illini Bank CD#451769AH6	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.1500%	0.00	125.34	125.34	
Farmers & Merchants Bank CD#307812HEO	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2500%	0.00	520.55	520.55	
HomeBank Natl Assn CD#43738ACU8	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2500%	0.00	313.36	313.36	
Merchants Bank, Ind CD3588493BW5	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.1500%	0.00	94.52	94.52	
Merchants Bank, Ind CD#588493CM6	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2000%	0.00	123.29	123.29	
CLT Bank, SaltLakeCity,UT CD#17284AZQ4	248,000.00	0.00	1,243.40	1,243.40	248,000.00	1.0226%	10/4/13	1.0000%	591.12	1,243.40	3,077.92	
CLT Bank, SaltLakeCity,UT CD#17284AZQ4	250,000.00	0.00	1,002.74	1,002.74	250,000.00	1.0309%	10/7/13	0.8000%	476.71	1,002.74	2,482.19	
Safra Natl Bank, NY CD#78658OUJ7	250,000.00	0.00	1,002.74	251,002.74	0.00	0.0000%	Matured	0.4000%	0.00	0.00	1,002.74	
Apple Bank for Svgs, NY CD#3783OAX4	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.3500%	0.00	297.27	297.27	
Bank of North Carolina CD#06414QRE1	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.3500%	0.00	753.41	915.05	
First State Bank, Mendota,IL CD#33649XB69	250,000.00	0.00	161.64	250,161.64	0.00	0.0000%	Matured	0.4000%	0.00	0.00	997.26	
Wright Express Finl,Meride,UT CD#98233PXG7	250,000.00	0.00	997.26	250,997.26	0.00	0.0000%	Matured	0.4000%	0.00	0.00	997.26	
First Trust Bank,Charlotte,NC CD#33732NCU7	250,000.00	0.00	373.98	373.98	250,000.00	1.0309%	8/5/13	0.6000%	110.93	1,130.16	1,615.07	
Medallion Bank, SaltLakeCity,UT CD#584038WFF9	250,000.00	0.00	945.21	945.21	250,000.00	1.0309%	5/3/13	0.7500%	297.94	934.93	2,178.08	
Sterling Savings, WA CD#8595314Z5	250,000.00	0.00	752.05	250,752.05	0.00	0.0000%	Matured	0.3000%	0.00	0.00	752.05	
Key Bank Natl Assn,OH CD#493065NP7	250,000.00	0.00	752.05	250,752.05	0.00	0.0000%	Matured	0.3000%	0.00	0.00	752.05	
Barclays Bank, Delaware CD#06740KES2	250,000.00	0.00	1,008.22	1,008.22	250,000.00	1.0309%	11/25/13	0.8000%	208.22	997.26	2,213.70	
Midland States Bank CD#59774QDJ8	250,000.00	0.00	417.80	417.80	250,000.00	1.0309%	5/30/13	0.5000%	3.45	938.34	1,359.59	
The Citizens State Bank,Owensboro, KY CD#17669WDX8	250,000.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2000%	0.00	250.71	250.71	
Town North Bank,Dallas,TX CD#89213TKC5	250,000.00	0.00	1,002.74	251,002.74	0.00	0.0000%	Matured	0.4000%	0.00	0.00	1,002.74	
USNY Bank,Geneva,NY CD#90344LBC2	0.00	0.00	59.43	59.43	0.00	0.0000%	Matured	0.3000%	0.00	501.04	560.47	
Independence Bank of Kentucky,Owensboro, KY CD#45340KZ1	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.2000%	0.00	250.71	250.71	
Private Bank & Trust, Chicago, IL CD#7426765K4	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	5/24/13	0.4000%	602.74	0.00	602.74	
First Natl Bank, Omaha, NE CD#332135EJ7	0.00	0.00	0.00	0.00	0.00	0.0000%	Matured	0.5000%	0.00	41.10	41.10	
First Natl Bank, Omaha, NE CD#332135EM0	250,000.00	0.00	626.71	626.71	250,000.00	1.0309%	9/20/13	0.5000%	37.67	104.45	664.38	
Independence Bank of KY,Owensboro, KY CD#45340KCH0	250,000.00	0.00	207.19	250,207.19	0.00	0.0000%	Matured	0.2500%	0.00	0.00	311.64	
First Business Bank CD#31938QYQ1	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	7/2/13	0.3500%	436.30	0.00	436.30	
First Business Bank CD#31938QYQ1	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	8/8/13	0.5000%	496.58	0.00	496.58	
Sovereign Bank CD#84603M2K1	250,000.00	0.00	0.00	0.00	250,000.00	1.0309%	5/21/13	0.4000%	109.59	0.00	109.59	
Hancock Bank, Guilford MS CD#409746AB0	0.00	250,000.00	0.00	0.00	250,000.00	1.0309%						
2011 Flood Capital Projects - Total Detailed	5,278,808.58	1,760,553.16	11,093.27	1,775,321.01	5,275,134.00	21.7516%			3,371.25	11,114.64	25,579.16	
CO's 2011 VENUE I&S												
American Bank	999.99	0.00	0.00	300.00	699.99	0.0029%			0.00	0.00	0.00	
Texas CLASS	9,889.43	0.00	5.20	0.00	9,894.63	0.0408%	Daily	0.2100%	0.00	21.25	26.45	
CO's 2011 Venue I&S - Total Detailed	10,889.42	0.00	5.20	300.00	10,594.62	0.0437%			0.00	21.25	26.45	

ARANSAS COUNTY INVESTMENT PORTFOLIO

4th Quarter 2012 Ending 12/31/12

2011 VENUE CAPITAL PROJECTS

American Bank	19,522.48	50,000.00	0.00	65,317.88	4,204.60	0.0173%	0.00	0.00	0.00	0.00	0.00	0.00
Texas CLASS	1,838,115.41	0.00	950.84	50,000.00	1,789,066.25	7.3771%	Daily	0.2100%	0.00	3,596.39	4,547.23	0.00
Texas CLASS - RESERVE	202,613.18	0.00	106.56	0.00	202,719.74	0.8359%	Daily	0.2100%	0.00	362.84	469.40	0.00
2011 VENUE Capital Projects - Total Detailed	2,060,251.07	50,000.00	1,057.40	115,317.88	1,995,990.59	8.2303%		0.2100%	0.00	3,959.23	5,016.63	0.00

VENUE TAX ACCOUNT

American Bank	113,339.36	223,456.35	0.00	314,515.38	22,280.33	0.0919%		0.00	0.00	0.00	0.00	0.00
TexSTAR	294,752.17	135,000.00	153.44	105,000.00	324,905.61	1.3397%	Daily	0.1647%	0.00	239.41	392.85	0.00
Venue Tax Account - Total Detailed	408,091.53	358,456.35	153.44	419,515.38	347,185.94	1.4316%		0.1647%	0.00	239.41	392.85	0.00

VENUE PROJECTS ACCOUNT

American Bank	0.00	206,836.60	0.00	155,000.00	51,836.60	0.2137%		0.00	0.00	0.00	0.00	0.00
Texas CLASS	0.00	50,000.00	0.00	0.00	50,000.00	0.2062%	Daily	0.2100%	0.00	0.00	0.00	0.00
TexSTAR	0.00	105,000.00	0.00	0.00	105,000.00	0.4330%	Daily	0.1647%	0.00	0.00	0.00	0.00
Venue Projects Account - Total Detailed	0.00	361,836.60	0.00	155,000.00	206,836.60	0.8529%		0.1874%	0.00	0.00	0.00	0.00

CO's 2012 I & S

American Bank	0.00	35,853.88	0.00	0.00	35,853.88	0.1478%		0.00	0.00	0.00	0.00	0.00
Texas CLASS	0.00	0.00	18,735.50	0.00	18,735.50	0.0773%	Daily	0.2100%	0.00	0.00	18,735.50	0.00
CO's 2012 I&S - Total Detailed	0.00	35,853.88	18,735.50	0.00	54,589.38	0.2251%		0.2100%	0.00	0.00	18,735.50	0.00

2012 CAPITAL PROJECTS

American Bank	0.00	2,255,000.00	0.00	2,250,060.66	4,939.34	0.0204%		0.00	0.00	0.00	0.00	0.00
Texas CLASS	0.00	2,250,000.00	529.80	5,000.00	2,245,529.80	9.2593%	Daily	0.2100%	0.00	0.00	529.80	0.00
2012 Capital Projects - Total Detailed	0.00	4,505,000.00	529.80	2,255,060.66	2,250,469.14	9.2796%		0.2100%	0.00	0.00	529.80	0.00

LTR BONDS 2012 I&S

American Bank	0.00	361,811.94	0.00	352,072.58	9,739.36	0.0402%		0.00	0.00	0.00	0.00	0.00
Texas CLASS	0.00	349,761.92	18,202.00	0.00	367,963.92	1.5173%	Daily	0.2100%	0.00	0.00	18,202.00	0.00
LTR Bonds 2012 I&S - Total Detailed	0.00	711,573.86	18,202.00	352,072.58	377,703.28	1.5574%		0.2100%	0.00	0.00	18,202.00	0.00

55,593.11

10,300.60

38,770.58

104,664.29

ARANSAS COUNTY INVESTMENT PORTFOLIO
4th Quarter 2012 Ending 12/31/12

Total Investments by Investment Type	Book Value		Deposits		Interest Credited		Withdrawals		Book Value		Investment Type	% of Portfolio
	10/1/12	10/1/12-12/31/12	10/1/12-12/31/12	10/1/12-12/31/12	10/1/12-12/31/12	10/1/12-12/31/12	10/1/12-12/31/12	10/1/12-12/31/12	12/31/12			
American Bank	1,150,466.56	14,946,395.49	0.00	13,236,017.07	2,860,844.98						Depository Bank-Operations	10.0005%
TexPool	1,382,910.07	0.00	530.45	230,000.00	1,153,440.52						Depository Bank-Bond Funds	1.7959%
Cash Account Trust	1,985,553.75	230,000.00	150.05	114,000.00	2,101,703.80						Pools-Operating Funds	27.9267%
Texas CLASS	6,191,858.78	3,796,761.92	40,674.59	1,146,761.92	8,882,533.37						Pools-Bond Funds	36.6249%
TexSTAR	2,830,946.66	1,710,000.00	1,259.77	1,025,000.00	3,517,206.43						CD's-Operations	12.3208%
Wells Fargo MM	1.95	0.00	0.57	0.00	2.52						CD's-Bond Funds	11.3311%
CD's	6,996,000.00	490,000.00	11,871.30	1,761,871.30	5,736,000.00						MM-Bond Funds	0.000010%
Various Offices	20,537,737.77	21,173,157.41	55,593.11	17,513,650.29	24,251,731.62							

Comparative Rates	Aransas County - Average Earned											
	3rd Qtr 2010	4th Qtr 2010	1st Qtr 2011	2nd Qtr 2011	3rd Qtr 2011	4th Qtr 2011	1st Qtr 2012	2nd Qtr 2012	3rd Qtr 2012	4th Qtr 2012	3rd Qtr 2012	4th Qtr 2012
13 Week Treasury Bill	0.157%	0.142%	0.101%	0.031%	0.023%	0.015%	0.0700%	0.0840%	0.0760%	0.0480%	0.0480%	0.0480%
6 Month Treasury Bill	0.188%	0.183%	0.131%	0.102%	0.053%	0.051%	0.1300%	0.1550%	0.1320%	0.1100%	0.1100%	0.1100%
12 Month Treasury Bill	0.249%	0.269%	0.275%	0.183%	0.104%	0.104%	0.1950%	0.2060%	0.1520%	0.1500%	0.1500%	0.1500%
24 Month Treasury Bill	0.408%	0.593%	0.821%	0.458%	0.245%	0.239%	0.3230%	0.3010%	0.2340%	0.2700%	0.2700%	0.2700%
60 Month Treasury Bill	1.247%	2.009%	2.263%	1.761%	0.953%	0.832%	1.0080%	0.7180%	0.6200%	0.7600%	0.7600%	0.7600%
Cash Account Trust-Average	0.080%	0.040%	0.070%	0.060%	0.030%	0.030%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%	0.0300%
TexPool-Average	0.220%	0.190%	0.150%	0.090%	0.080%	0.090%	0.1150%	0.1300%	0.1400%	0.1458%	0.1458%	0.1458%
Texas CLASS-Average	0.270%	0.230%	0.180%	0.160%	0.140%	0.190%	0.2500%	0.2600%	0.2300%	0.2100%	0.2100%	0.2100%
TexSTAR-Average	0.211%	0.171%	0.141%	0.089%	0.090%	0.082%	0.1148%	0.1379%	0.1574%	0.1647%	0.1647%	0.1647%

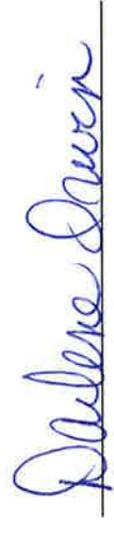
Cash & Investment Position - 3 Year Comparison

ARANSAS COUNTY INVESTMENT PORTFOLIO
4th Quarter 2012 Ending 12/31/12

Fund #	Fund	Balance 12/31/10	Balance 12/31/11	Balance 12/31/12	Depository Bank Securities
120	General Fund	3,554,752.35	4,427,360.30	5,057,017.69	
140	Unclaimed Property Fund	894.43	463.15	2,204.32	978,326.42
150	Payroll Fund	88,572.39	85,744.44	55,743.54	1,952,470.15
200	Road & Bridge Fund	1,573,059.68	1,583,658.29	1,537,660.58	12,561,033.20
220	Flood Control Fund	832,471.36	1,031,950.01	1,025,195.53	20,158,143.04
270	Waterway Restoration Hotel/Motel Tax Fund	xxxxxxx	xxxxxxx	97,742.73	13,539,359.62
280	County Clerk Records Archive Fee	556,122.58	399,406.48	382,114.70	
350	County Child Abuse Prevention	207,059.38	207,024.77	112,297.48	
370	County Attorney Hot Check Fund	498.07	626.17	707.89	
380	District Clerk Records Management	5,615.46	7,484.49	7,066.74	
390	Mosquito Control Fund	17,975.69	20,291.39	22,244.23	
400	Library Fund	166,836.17	161,352.75	21,341.52	
410	Credit Card Clearing Fund	69,090.82	77,454.32	57,064.81	
420	Capital Projects (Grants) Fund	1,363.00	1,914.90	420.00	
430	Special Contingency Fund	(474,874.64)	122,306.82	(247,813.14)	
440	County Clerk Records Management	85,060.05	88,270.27	90,963.02	
450	OMNI	138,319.72	119,954.08	111,188.79	
460	Law Library	3,244.47	3,144.01	3,023.05	
470	Courthouse Security Fund	47,502.05	47,860.59	46,146.26	
480	County Wide Record Management	19,320.04	6,948.87	21.08	
490	Airport Fund	153,655.89	164,740.82	174,416.29	
500	Indigent Health Care	494,564.16	499,314.74	582,388.90	
520	Aransas County Assistance Program	24,308.62	(14,944.92)	(67,767.98)	
530	ARRA Grant	31,303.73	40,301.48	45,596.63	
540	Health Care Sales Tax Fund	0.00	0.00	0.00	
550	Pre-Trial Intervention Program	91,805.69	26,606.96	213,427.02	
560	Title IV-D Child Support	1,000.00	22,100.74	19,301.81	
570	Out of County Juvenile Detention	10,511.10	10,511.10	10,511.10	
580	Road Bond I&S	348.52	348.52	348.52	
600	Court Reporter-Service Fee Fund	97.61	97.61	98.84	
610	Chapter 19 Voter Registration	56,575.21	62,576.20	69,592.94	
650	Officers Fee Accounts	888.67	91.75	0.00	
660	Juvenile Case Management Fund	101,823.88	113,486.64	84,141.87	
670	DEA Forfeiture Fund	21,856.32	21,535.04	22,923.24	
680	Fine Dept Capital Projects	86,906.96	67,924.92	67,524.92	
700	Local Bond- Security	0.00	0.00	0.00	
710	Commissary Profit Fund	587.89	0.00	0.00	
720	Right of Way Purchase	0.00	0.00	0.00	
730	Appellate Judicial System Fund	8,920.14	9,929.88	2,311.29	
740	Special Forfeiture Fund	3,476.60	6,454.23	6,137.23	
800	County & District Court Tech Fund	458.62	1,409.90	2,427.98	
810	Technology Fund	94,076.76	94,656.79	90,169.40	
820	District Court Records Tech Fund	916.30	1,890.50	2,888.51	
830	Court Record Preservation Fund	5,125.20	10,909.19	16,722.56	
840	Civil Process Fund	5,948.45	6,048.45	6,048.45	
850	Advance Tax Collections	2,527,365.14	2,204,084.21	2,415,643.01	
890	Escheat (State)	0.00	0.00	0.00	
910	Tecluse- Training Fund	26,779.84	21,401.72	18,794.14	
960	CO's 2011 Flood I&S	xxxxxxx	138,573.42	174,635.28	
230	2011 Flood Capital Projects	xxxxxxx	5,500,168.83	5,275,134.00	
240	Venue Tax Fund	15,233.43	301,326.48	347,185.94	
290	Venue Projects Account	xxxxxxx	xxxxxxx	206,836.60	
295	CO's 2011 Venue I&S	xxxxxxx	51,618.18	10,594.62	
300	2011 Venue Capital Projects	xxxxxxx	2,356,395.93	1,995,990.59	
310	CO's 2012 I&S	xxxxxxx	xxxxxxx	54,589.38	
320	2012 Capital Projects	xxxxxxx	xxxxxxx	2,250,469.14	
330	LTR Bonds 2012 I&S	xxxxxxx	xxxxxxx	377,703.28	
340	CO's 2003 I&S	738,551.77	782,628.20	481,918.91	
620	CO's 2008 I&S	165,689.03	233,473.98	316,671.73	
630	CO's 2009 I&S	196,383.01	247,118.27	323,169.97	
640	2007 Capital Projects	0.00	xxxxxxx	0.00	
750	2009 Capital Projects	1,781,318.01	735,015.33	250,831.54	
760		13,539,359.62	22,110,613.19	24,251,731.62	


 Alma Cartwright, County Treasurer
 Date: 2-1-13


 Lezlie M. Kirk, County Auditor
 Date: 2-1-13


 Darlene Irwin, Chief Deputy Treasurer
 Date: 2-1-13

FUND NAME & NUMBER	BEG BALANCE 1/1/2012	RECEIPTS 2012	JE RECEIPTS 2012	TOTAL AVAILABLE	DISBURSEMENTS 2012	JE DISB /MISC 2012	ENDING BALANCE	SECURITIES 12/31/2013	CKG BALANCE 41,639.00
#120 GENERAL	4,427,360.30	10,883,804.41	2,957,204.68	18,286,369.39	6,880,524.53	6,330,827.17	5,057,017.69	4,708,978.05	348,039.64
#140 UNCLAIMED PROPERTY	463.15	1,767.05	0.00	2,230.20	25.88	0.00	2,204.32	0.00	2,204.32
#150 PAYROLL	85,744.44	100,217.28	7,182,320.09	7,368,281.81	7,302,253.96	10,284.31	55,743.54	0.00	55,743.54
#200 ROAD & BRIDGE	1,583,658.29	2,069,433.32	3,027,225.47	3,955,817.08	1,537,660.58	1,279,309.36	1,457,680.78	1,457,680.78	79,979.80
#220 FLOOD CONTROL	1,031,550.01	246,537.94	88,265.35	1,366,353.30	151,388.31	189,769.46	1,025,195.53	1,004,598.35	20,597.18
#270 WATERWAY RESTORATION	0.00	0.00	100,000.00	100,000.00	2,257.27	0.00	97,742.73	90,000.00	7,742.73
#280 HOTEL - MOTEL TAX	389,406.48	262,389.71	0.00	661,796.19	129,398.02	150,283.47	326,201.57	326,201.57	55,913.13
#350 CO CLERK ARCHIVE FEE	207,024.77	33,772.71	0.00	240,797.48	128,500.00	0.00	112,297.48	106,841.66	5,455.82
#370 CHILD ABUSE PREVENTION	626.17	81.72	0.00	707.89	0.00	0.00	707.89	0.00	707.89
#380 CO ATTY HOT CHECK FUND	7,484.49	19,848.28	0.00	27,332.77	20,266.03	0.00	7,066.74	0.00	7,066.74
#390 DIST CLERK REC MGMT	20,291.39	1,953.62	5.09	22,250.10	0.00	0.00	22,244.23	16,800.00	5,444.23
#400 MOSQUITO CONTROL	161,352.75	23,367.57	94,470.64	279,190.96	101,385.45	156,463.99	21,341.52	13,793.70	7,547.82
#410 LIBRARY	77,454.32	9,819.34	137,282.00	224,555.66	56,263.96	111,226.89	57,064.81	34,493.50	22,571.31
#420 CREDIT CARD FUND	1,914.90	301,152.95	106.00	303,173.85	302,647.85	106.00	420.00	0.00	420.00
#430 CAP PROJECTS (GRANTS)	122,306.82	2,754,620.62	122,371.31	2,999,228.75	2,959,834.85	287,277.04	-247,813.14	0.00	(247,813.14)
#440 SPECIAL CONTINGENCY	88,270.27	2,698.62	0.00	90,968.89	0.00	0.00	90,968.89	85,234.89	5,728.13
#450 CO. CLERK REC.MGMT	119,954.08	34,220.27	0.00	154,174.35	14,455.09	28,530.47	111,188.79	108,739.80	2,448.99
#460 OMNI	3,144.01	4,108.73	0.00	7,252.74	3,023.05	0.00	4,229.69	0.00	3,023.05
#470 LAW LIBRARY	47,860.59	11,629.87	0.00	59,490.46	13,344.20	0.00	46,146.26	42,698.49	3,447.77
#480 COURTHOUSE SECURITY	6,948.87	21,918.04	1,538.00	30,404.91	13,383.83	17,000.00	21.08	0.00	21.08
#490 CO. WIDE REC.MGMT	164,740.82	9,680.56	0.00	174,421.38	0.00	5.09	174,416.29	168,179.76	6,236.53
#500 AIRPORT	489,314.74	1,098,743.19	288.57	1,598,346.50	858,572.09	157,385.51	582,388.90	446,958.82	135,430.08
#520 INDIGENT HEALTH CARE	-14,944.92	50,428.93	604,999.00	640,483.01	708,250.99	0.00	-67,767.98	0.00	(67,767.98)
#530 ASSISTANCE DEPT.	40,301.48	41,912.91	153,779.00	235,993.39	63,790.30	126,606.46	45,596.63	15,000.00	30,596.63
#540 ARRA GRANT	0.00	5,000.00	0.00	5,000.00	4,960.97	39.03	0.00	0.00	(0.00)
#550 HEALTH CARE SALES TAX	26,606.96	1,220,081.88	47,043.50	1,293,732.34	274,483.82	805,821.50	213,427.02	150,345.99	63,081.03
#560 THERAPEUTIC INTERVENTION PRC	22,100.74	15,762.26	0.00	37,863.00	18,548.93	12.26	19,301.81	14,000.74	5,301.07
#570 TITLE IV-D CHILD SUPPORT	10,511.10	0.00	0.00	10,511.10	0.00	0.00	10,511.10	9,978.48	532.62
#580 OUT OF CO. JUVENILE DETEN	348.52	0.00	0.00	348.52	0.00	0.00	348.52	348.52	0.00
#600 ROAD BOND I&S	97.61	1.23	0.00	98.84	0.00	0.00	98.84	0.00	98.84
#610 COURT REPORTER	62,576.20	7,028.42	0.00	69,604.62	0.00	11.68	69,592.94	65,000.00	4,592.94
#650 CHAP 19 VOTER REG	91.75	3,230.80	0.00	3,322.55	2,140.00	1,182.55	0.00	0.00	0.00
#660 OFFICERS FEES	113,488.64	382,817.34	0.00	496,305.98	340,896.56	71,267.55	84,141.87	0.00	84,141.87
#670 JUVENILE CASE MGMT	21,535.04	39,088.91	0.00	60,623.95	8,998.84	28,701.87	22,823.24	14,600.00	8,323.24
#680 DEFA FORFEITURE FUND	67,924.92	41.85	0.00	67,966.77	400.00	41.85	67,524.92	67,002.96	521.96
#700 FIRE DEPT CAPITAL PROJ	0.00	0.00	119,829.00	119,829.00	0.00	0.00	0.00	0.00	0.00
#710 LOCAL BORDER SEC PROG	0.00	3.15	0.00	3.15	-20,000.00	0.00	20,003.15	20,003.15	0.00
#720 COMMISSARY PROFIT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
#730 RIGHT OF WAY PURCHASE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
#740 APPELLATE JUDICIAL SYS	9,929.88	2,311.29	0.00	12,241.17	9,929.88	0.00	2,311.29	0.00	2,311.29
#800 SPECIAL FORFEITURE	6,454.23	22,617.45	0.00	29,071.68	18,491.50	4,442.95	6,137.23	0.00	6,137.23
#810 CO & DIST COURT TECH FUND	1,409.90	1,018.08	0.00	2,427.98	0.00	0.00	2,427.98	0.00	2,427.98
#820 TECH FUND	94,656.79	11,687.32	363.45	106,707.56	15,068.64	1,469.52	90,169.40	89,244.28	925.12
#830 DIST COURT RECORDS TECH	1,890.50	998.01	0.00	2,888.51	0.00	0.00	2,888.51	0.00	2,888.51
#840 COURT RECORD PRESERV	10,909.19	5,819.28	0.00	16,728.47	0.00	5.91	16,722.56	10,000.25	6,722.31
#850 CIVIL PROCESS	6,048.45	100.00	0.00	6,148.45	100.00	0.00	6,048.45	5,500.00	548.45
#890 ADVANCE TAX COLLECTIONS	2,204,084.21	2,415,780.63	0.00	4,619,864.84	0.00	2,204,221.83	2,415,643.01	670,042.95	1,745,600.06
#910 ESCHEAT (STATE)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
#960 TECLUSE TRAINING	21,401.72	50.00	0.00	21,451.72	2,371.89	285.69	18,794.14	18,437.57	356.57
TOTAL OPERATIONS	11,764,294.57	22,117,545.54	11,912,591.15	45,794,431.26	21,645,639.47	11,962,591.15	12,186,000.64	9,760,704.26	2,425,296.38
#230 2011 CO'S FLOOD I&S	138,573.42	423,907.14	0.00	562,480.56	387,845.28	0.00	174,635.28	170,146.82	4,488.46
#240 FLOOD CAPITAL PROJECTS	5,500,168.83	22,250.38	0.00	5,522,419.21	247,242.74	42.47	5,275,176.47	5,002,272.95	272,881.05
#290 VENUE TAX FUND	301,326.48	409,247.09	0.00	710,573.57	258,387.63	105,000.00	347,185.94	324,905.61	22,280.33
#295 VENUE PROJECTS	51,836.60	155,000.00	0.00	206,836.60	0.00	0.00	206,836.60	155,000.00	51,836.60
#300 CO'S 2011 VENUE I&S	51,618.18	158,926.45	0.00	210,544.63	199,950.01	0.00	10,594.62	9,894.63	699.99
#310 2011 VENUE CAPITAL PROJ	2,356,395.93	5,016.63	0.00	2,361,412.56	365,421.97	0.00	1,995,990.59	1,981,785.99	4,204.60
#320 CO'S 2012 I&S	54,589.38	54,589.38	0.00	109,178.76	54,589.38	0.00	54,589.38	18,735.50	35,853.88
#330 CAPITAL PROJECTS 2012	2,250,529.80	2,250,529.80	0.00	4,501,059.60	60.66	0.00	4,501,059.60	2,245,529.80	4,939.34
#340 LTR BONDS 2012 I&S	200,252.02	179,761.92	0.00	380,013.94	2,310.66	0.00	377,703.28	367,963.92	9,739.36
#620 CO'S 2003 I&S	782,628.20	737,789.53	0.00	1,520,417.73	857,332.64	181,166.18	479,100.20	479,100.20	2,818.71
#630 CO'S 2007 I&S	233,473.98	315,033.49	1,404.26	549,911.73	233,240.00	0.00	316,671.73	314,533.77	2,137.96
#640 CO'S 2009 I&S	247,118.27	424,401.70	0.00	671,519.97	348,350.00	0.00	323,169.97	321,547.15	1,622.82
#760 2009 CAPITAL PROJECTS	735,015.33	120.81	0.00	735,136.14	484,304.40	0.00	250,831.54	228,768.04	22,068.50
TOTALS	22,110,613.19	27,171,446.36	12,248,757.33	61,530,816.88	25,030,285.46	12,248,799.80	24,251,731.62	21,390,896.64	2,860,844.98

SIGNED: *Alma Cartwright*
ALMA CARTWRIGHT, County Treasurer

SIGNED: *Leslie M Kirk*
LESLIE M. KIRK, County Auditor

2-1-13
Date

2-1-13
Date

INVESTMENTS & CASH

12/31/2012

Issue/Renew Date	Settlement Date	BANK	TYPE	NO.	AMOUNT	RATE	TERM	MATURES	INTEREST PAID	NEXT INTEREST	% of Portfolio	Broker Issued By	Safe Keeping
3/26/12		IBC Bank	CD	2910129438	250,000.00	0.750%	1 Yr	3/26/13	Maturity	3/26/13	1.03%	R&B	IBC
2/17/12	2/17/12	Gleason-Bank, Kellsport, West	CD	37637WAK8	*-250,000.00±	0.150%	6 months	8/17/12	Maturity	8/17/12			
8/29/12	8/29/12	Customers Bank, Phoenixville, PA	CD	23204HAD0	250,000.00	0.450%	8 months	4/29/13	Maturity	4/29/13	1.03%	R&B	WellsFargo
10/19/12	10/19/12	Affinity Bank, Wyoming, PA	CD	00829DAR1	240,000.00	0.400%	1 Yr	10/18/13	Maturity	10/18/13	0.99%	AIRPORT	WellsFargo
4/29/12		Prosperity Bank	CD	89000864	250,000.00	0.750%	1 1/2 Yrs	10/29/13	Quarterly	1/29/13	1.03%	GEN	Prosperity
9/29/12		First Victoria Bank	CD	99110776	250,000.00	0.450%	1 Yr	9/29/13	Quarterly	12/29/12	1.03%	GEN	1st Victoria
7/23/12	7/23/12	Charter Bank	CD	21314	250,000.00	0.250%	6 months	1/19/13	Maturity	1/19/13	1.03%	GEN	Charter
8/17/11	8/23/11	Ally Bank UT	CD	02005QSP9	248,000.00	0.800%	2 Yrs	8/19/13	Semi-Annual	2/17/13	1.02%	GEN	WellsFargo
8/17/11	8/23/11	Discover Bank DE	CD	254670Q39	250,000.00	0.750%	2 Yrs	8/19/13	Semi-Annual	2/17/13	1.03%	GEN	WellsFargo
8/31/11	9/1/11	Goldman Sachs Bank NY	CD	381426K8	250,000.00	0.800%	2 Yrs	9/3/13	Semi-Annual	2/28/13	1.03%	GEN	WellsFargo
8/19/11	8/23/11	BMW-Bank-North-America	CD	05568PR28	*-250,000.00±	0.300%	1 Yr	8/17/12	Maturity	8/17/12			
10/5/11	10/5/11	Beal Bank SSB	CD	07370TCN1	250,000.00	0.450%	15 months	1/2/13	Semi-Annual	1/2/13	1.03%	GEN	WellsFargo
12/16/11	12/16/11	21st-Century-Bank-Lovette-Minn	CD	90136SE80	*-250,000.00±	0.200%	6 months	6/18/12	Monthly	6/18/12			
1/27/12	1/27/12	Huntington Natl Bank, Columbus OH	CD	446438NS8	250,000.00	0.800%	2 Yrs	1/27/14	Semi-Annual	1/27/13	1.03%	GEN	WellsFargo
2/10/12	2/10/12	American-Momentum-Bank-Tampa-FLA	CD	02756TAN8	*-250,000.00±	0.200%	3 months	5/10/12	Maturity	5/10/12			
8/17/12	8/17/12	BMW Bank North America	CD	09568P776	250,000.00	0.850%	2 Yrs	8/18/14	Semi-Annual	2/17/13	1.03%	GEN	WellsFargo
10/5/11	10/5/11	CIT Bank Salt Lake City	CD	17284AZQ4	248,000.00	1.000%	2 Yrs	10/4/13	Semi-Annual	4/5/13	1.02%	FLOOD	WellsFargo
10/5/11	10/5/11	SAFRA Natl Bank NY	CD	786580UJ7	250,000.00	0.800%	2 Yrs	10/7/13	Semi-Annual	4/5/13	1.03%	FLOOD	WellsFargo
10/3/11	10/3/11	Merchants-Bank-IND	CD	588493BW5	*-250,000.00±	0.150%	3 months	1/3/12	Maturity	1/3/12			
9/30/11	9/30/11	Elfin-Bank-Springfield-ILL	CD	451769AH6	*-250,000.00±	0.150%	4 months	1/30/12	Maturity	1/30/12			
10/3/11	10/3/11	HomeBanc-Neth-Asern-FLA	CD	43738ACJ8	*-250,000.00±	0.250%	6 months	4/3/12	Maturity	4/3/12			
10/7/11	10/7/11	Bank-of-North-Carolina	CD	06414QRE1	*-250,000.00±	0.350%	6 months	4/9/12	Monthly	3/7/12			
9/30/11	9/30/11	Farmers-&Merchants-Bank, NC	CD	307812HE0	*-250,000.00±	0.250%	10 months	7/30/12	Maturity	7/30/12			
10/5/11	10/5/11	Apple-Bank-for-Svcs-NY	CD	037830AX4	*-250,000.00±	0.400%	1 Yr	10/5/12	Maturity	10/5/12			
11/3/11	11/3/11	Medallion Bank, SaltLakeCity, UT	CD	564038WF9	250,000.00	0.750%	18 months	5/3/13	Semi-Annual	5/3/13	1.03%	FLOOD	WellsFargo
11/4/11	11/4/11	Winght-Express-Fint-Svcs	CD	98233PX67	*-250,000.00±	0.400%	1 Yr	11/2/12	Maturity	11/2/12			
11/4/11	11/4/11	First Trust Bank, Charlotte, NC	CD	33732NCU7	250,000.00	0.600%	21 months	8/5/13	Monthly	1/4/13	1.03%	FLOOD	WellsFargo

INVESTMENTS & CASH

12/31/2012

Issue/Renew Settlement Date

Issue/Renew Date	Settlement Date	BANK	TYPE	NO.	AMOUNT	RATE	TERM	MATURES	INTEREST PAID	NEXT INTEREST	% of Portfolio	Broker Issued By	Safe Keeping
11/4/11	11/4/11	First State Bank, Mendota, IL	CD	35649X869	\$ 250,000.00	0.400%	1 Yr	11/27/12	Monthly	11/27/12			
11/16/11	11/16/11	Stearns Savings WA	CD	8595314Z5	\$ 250,000.00	0.300%	1 Yr	11/16/12	Maturity	11/16/12			
11/23/11	11/23/11	Keybank-Nett-Aasen	CD	493065NP7	\$ 250,000.00	0.300%	1 Yr	11/23/12	Maturity	11/23/12			
11/30/11	11/30/11	Midland State Bank	CD	59774QDJ8	250,000.00	0.500%	18 months	5/30/13	Monthly	1/30/13	1.03%	FLOOD WellsFargo	WellsFargo
11/23/11	11/23/11	Barclays Bank Delaware	CD	06740KES2	250,000.00	0.800%	2 Yrs	11/25/13	Semi-Annual	5/23/13	1.03%	FLOOD WellsFargo	WellsFargo
12/21/11	12/21/11	Town North Bank, Dallas, TX	CD	89213TK65	\$ 250,000.00	0.400%	1 Yr	12/21/12	Maturity	12/21/12			
12/21/11	12/21/11	The Citizens State Bank, Okemah OK	CD	17669WVK8	\$ 250,000.00	0.200%	6 months	6/21/12	Monthly	6/21/12			
12/28/11	12/28/11	Independence Bank of Kentucky, Owensboro	CD	45340KGG1	\$ 250,000.00	0.200%	6 months	6/28/12	Monthly	6/28/12			
12/30/11	12/30/11	USNY Bank Geneva NY	CD	90344LBC2	\$ 250,000.00	0.300%	9 months	9/28/12	Monthly	8/30/12			
2/16/12	2/16/12	Merchants Bank of Indiana, Lynn	CD	588493CM6	\$ 250,000.00	0.200%	3 months	5/16/12	Maturity	5/16/12			
5/25/12	5/25/12	Private Bank & Trust, Chicago, ILL	CD	74267GSK4	250,000.00	0.400%	1 Yr	5/24/13	Maturity	5/24/13	1.03%	FLOOD WellsFargo	WellsFargo
6/18/12	6/18/12	First Natl Bank, Omaha, Nebraska	CD	32135EJ7	\$ 250,000.00	0.500%	18 months	12/9/13	Semi-Annual	12/18/12			
6/20/12	6/20/12	First Natl Bank, Omaha, Nebraska	CD	332135EM0	250,000.00	0.500%	15 months	9/20/13	Annually	9/20/13	1.03%	FLOOD WellsFargo	WellsFargo
6/29/12	6/29/12	Independence Bank of Kentucky, Owensboro	CD	45340KCH0	\$ 250,000.00	0.250%	6 months	12/28/12	Monthly	12/28/12			
7/2/12	7/2/12	First Business Bank	CD	31938QYQ1	250,000.00	0.350%	1 Yr	7/2/13	Maturity	7/2/13	1.03%	FLOOD WellsFargo	WellsFargo
8/8/12	8/8/12	Sovereign Bank, Wilmington, DE	CD	84603M2K1	250,000.00	0.500%	1 Yr	8/8/13	Maturity	8/8/13	1.03%	FLOOD WellsFargo	WellsFargo
11/21/12	11/21/12	Hancock Bank, Gulfport MS	CD	409746A80	250,000.00	0.400%	6 months	5/21/13	Maturity	5/21/13	1.03%	FLOOD WellsFargo	WellsFargo

5,736,000.00

All CD's 23.65%

CD s-GEN		9.27%
3 months	0.00	0.00%
6 months	250,000.00	1.03%
1 year	250,000.00	1.03%
15 months	250,000.00	1.03%
1 1/2 years	250,000.00	1.03%
2 years	1,248,000.00	5.15%
2,248,000.00		

CD s-AIRPORT		0.99%
1 year	240,000.00	0.99%
240,000.00		

CD s-R&B		2.06%
6 months	0.00	0.00%
8 months	250,000.00	1.03%
1 year	250,000.00	1.03%
500,000.00		

CD s-FLOOD		11.33%
3 months	0.00	0.00%
4 months	0.00	0.00%
6 months	250,000.00	1.03%
9 months	0.00	0.00%
10 months	0.00	0.00%
1 year	750,000.00	3.09%
15 months	250,000.00	1.03%
18 months	500,000.00	1.03%
24 months	250,000.00	1.03%
2 years	748,000.00	3.06%
2,748,000.00		

INVESTMENTS & CASH

12/31/2012

Issue/Renew Date

Settlement Date

Broker Issued By

Safe Keeping

% of Portfolio

Issue/Renew Date	Settlement Date	BANK	TYPE	NO.	AMOUNT	RATE	TERM	MATURES	INTEREST PAID	NEXT INTEREST	% of Portfolio
1,153,440.52		TexPool	Pool		1,153,440.52	0.054%			Monthly		4.76%
2,101,703.80		CAT	Pool		1,457,158.49	0.030%			Monthly		6.01%
		CAT-2011FLOOD CAPITAL PROJECTS	Pool		2,248.44	0.030%			Monthly		0.01%
		CAT-CO's 2003 I&S	Pool		159,984.50	0.030%					
		CAT-CO's 2007 I&S	Pool		144,326.86	0.030%					
		CAT-CO's 2009 I&S	Pool		109,219.47	0.030%					
		CAT-2009 Capital Projects	Pool		228,766.04	0.030%					
		Texas CLASS	Pool		1,784,856.55	0.240%					
8,882,333.37		Texas CLASS-Venue Tax Account	Pool		0.00	0.240%					
		Texas CLASS-CO's 2011 Venue I&S	Pool		9,894.63	0.240%					
		Texas CLASS-2011 Venue Capital Proj	Pool		1,789,066.25	0.240%					
		Texas CLASS-2011 Venue Reserve	Pool		202,719.74	0.240%					
		Texas CLASS-Venue Projects	Pool		50,000.00	0.240%					
		Texas CLASS-2011 Flood I&S	Pool		170,146.82	0.240%					
		Texas CLASS-2011 Flood Cap Proj	Pool		1,451,969.87	0.240%					
		Texas CLASS-Waterway Restoration	Pool		90,000.00						
		Texas CLASS-CO's 2003 I&S	Pool		319,115.70	0.240%					
		Texas CLASS-CO's 2007 I&S	Pool		170,206.91	0.240%					
		Texas CLASS-CO's 2009 I&S	Pool		212,327.68	0.240%					
		Texas CLASS-CO's 2012 I&S	Pool		18,735.50	0.240%					
		Texas CLASS-Capital Projects 2012	Pool		2,245,529.80	0.240%					
		Texas CLASS-LTR Bonds 2012 I&S	Pool		367,963.92	0.240%					
3,517,206.43		TexSTAR	Pool		2,287,248.13	0.060%					
		TexSTAR-2011 Flood Cap Proj	Pool		800,052.69	0.060%					
		TexSTAR-Venue Projects	Pool		105,000.00	0.060%					
		TexSTAR-Venue Tax Account	Pool		324,905.61	0.060%					
2.52		Wells Fargo Advantage Heritage MM	MM		0.57	0.049%					
		Wells Fargo Advantage Heritage MM	MM		1.95	0.049%					

Oper Pools	27.56%
Bond Pools	37.00%
All Pool	64.55%
All Securities	88.20%
Oper Cash	10.00%
Bond Cash	1.80%
All Cash	11.80%

6,682,704.26
8,972,182.38
15,654,886.64
21,390,886.64
2,425,296.38
435,548.60
2,860,844.98

GRAND TOTAL 24,251,731.62

American Bank
American Bank - BONDS
Depository
Depository

AMERICAN BANK, N.A.

Aransas County
 ATTN: Alma Cartwright
 301 N Live Oak
 Rockport, Texas 78382

Pledged Securities
 12/31/2013

Security Description	Par Value	Rate	Due Date	Fair Value	Receipt #
NEEDVILLE TX ISD	690,000.00	3.50%	2/15/2014	712,811.40	
STANTON TX ISD	580,000.00	3.50%	2/15/2014	581,937.20	
BROWN CNTY	625,000.00	4.00%	9/1/2015	674,206.25	
STANTON TX ISD	610,000.00	4.00%	2/15/2016	612,409.50	
YOAKUM COUNTY TX	775,000.00	4.00%	2/15/2016	798,846.75	
CAMERON ISD	395,000.00	4.00%	2/15/2017	432,623.75	
HEMPSTEAD TX ISD	220,000.00	5.00%	2/15/2017	256,612.39	
DRISCOLL TX ISD	255,000.00	4.00%	8/15/2017	283,116.29	
ROANOKE TX	200,000.00	4.00%	8/15/2017	221,290.00	
MEDINA VALLEY ISD	540,000.00	4.00%	2/15/2018	591,435.00	
MCLENNAN CNTY TX	725,000.00	4.00%	6/1/2018	756,044.50	
EAST CENTRAL TX ISD	840,000.00	3.00%	8/15/2018	933,609.60	
ROBERT LEE TX ISD	320,000.00	4.00%	8/15/2018	326,441.60	
NORTHSIDE TX ISD	625,000.00	4.00%	8/15/2019	723,606.25	
LA FERIA TX ISD	485,000.00	4.10%	2/15/2021	531,099.25	
CORPUS CHRISTI	690,000.00	4.00%	3/1/2022	770,136.59	
FRIENDSWOOD TX	490,000.00	4.45%	3/1/2023	563,990.00	
Total Pledged	9,065,000.00			9,770,216.32	

FDIC Coverage

250,000.00

Total Coverage

10,020,216.32

Balances at 12/31/2012

7,226,339.95

Percentage Covered

139%

Rate of Interest at 1/1/2013

0.00%

Prepared by:


 Melissa Bellows

RECEIVED
 JAN 10 2013
 Aransas County Treasurer's Office

AMERICAN BANK, N.A.

Aransas County
ATTN: Alma Cartwright
301 N Live Oak
Rockport, Texas 78382

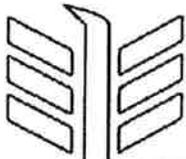
AMERICAN BANK Held for Aransas County
12/31/2013

Security Description	Par Value	Rate	Due Date	Cusip#
Beal Bank	250,000.00	0.450%	1/2/2013	07370TCN1
Discover Bank	250,000.00	0.750%	8/19/2013	254670Q39
Ally Bank UT	248,000.00	0.800%	8/19/2013	02005QSP9
Goldman Sachs Bank	250,000.00	0.800%	9/3/2013	3814264K8
Huntington Nat'l Bank	250,000.00	0.800%	1/27/2014	446438NS8
BMW Bank of NA	250,000.00	0.850%	8/18/2024	05568PY76
	<u>1,498,000.00</u>			

Prepared by:


Melissa Bellows

RECEIVED
JAN 10 2013
Aransas County Treasurer's Office



RECEIVED
JAN 07 2013
Aransas County Treasurer's Office

MONEY MARKET RATE REVIEW

7 DAY AVG WEEK ENDING	CAT	30-DAY	90-DAY	180-DAY	2 YEAR	FED	ON
	DWS Govt Cash * SIMPLE **	T BILL **	T BILL **	T BILL **	NOTE **	FUNDS **	REPOS **
12/28/12	0.03%	0.023%	0.048%	0.110%	0.263%	0.173%	0.197%
12/21/12	0.03%	0.012%	0.048%	0.103%	0.270%	0.169%	0.214%
12/14/12	0.03%	0.028%	0.058%	0.112%	0.242%	0.164%	0.224%
12/07/12	0.03%	0.054%	0.090%	0.133%	0.243%	0.161%	0.236%
AVERAGE	0.03%	0.029%	0.061%	0.115%	0.255%	0.167%	0.218%

* Cash Account Trust Government Securities Portfolio – SEC Registered Money Market Fund for Public Funds -- Past Performance does not indicate future results
** Rates as reported on Bloomberg

“CLASS – INDULGE ME”

I ask, may I demand, that our President, Legislators and the media stop using the word “class” when referring to demographic income strata in the United States. To refer to a “middle class” of Americans is to infer directly that there is a lower class and an upper class.

Our country is a classless society. The U.S. was founded and is still populated by people fleeing the tyranny and suppression of socio-economic governance. Be it the autocracies of Europe or the caste system of the Indian subcontinent (where members of the lowest caste or class, are actually called the “untouchables”), our country has offered the alternative of opportunity. In America, the individual is recognized by accomplishment and contribution – not by the bounds of socio-economic class.

I have known virtual paupers who carried themselves with impeccable, undaunted dignity in all matters and circumstances. Unfortunately, I have also known multi-millionaires so abjectly devoid of class, they could not find the definition in a dictionary.

There are economic and financial strata in the U.S. If recognition of those strata is a sad necessity to the drafting of a functional fiscal policy, so be it. But I admonish our President and Legislators: Stop inciting rhetorical class warfare to camouflage your fiscal policy-making ineptitude.

TexPool Rate History for December, 2012

Date	Daily Rate	Daily Allocation Factor	7 Day Yield	TexPool Invested Balance	Market Value Per Share	WAM Days ⁽¹⁾	WAM Days ⁽²⁾
12/01	0.1644%	0.000004505	0.1500%	\$13,887,380,416.02	1.00005	50	82
12/02	0.1644%	0.000004505	0.1500%	\$13,887,380,416.02	1.00005	50	82
12/03	0.1620%	0.000004439	0.1500%	\$13,905,149,430.40	1.00006	48	79
12/04	0.1594%	0.000004366	0.1600%	\$13,905,362,359.34	1.00006	50	80
12/05	0.1608%	0.000004405	0.1600%	\$13,841,819,509.49	1.00006	52	82
12/06	0.1693%	0.000004637	0.1600%	\$13,876,132,025.95	1.00006	51	82
12/07	0.1645%	0.000004507	0.1600%	\$13,848,151,809.52	1.00008	53	83
12/08	0.1645%	0.000004507	0.1600%	\$13,848,151,809.52	1.00008	53	83
12/09	0.1645%	0.000004507	0.1600%	\$13,848,151,809.52	1.00008	53	83
12/10	0.1430%	0.000003919	0.1600%	\$13,841,552,463.99	1.00009	53	83
12/11	0.1537%	0.000004211	0.1600%	\$14,056,095,492.14	1.00010	52	81
12/12	0.1425%	0.000003905	0.1600%	\$14,373,454,012.61	1.00010	51	80
12/13	0.1482%	0.000004061	0.1500%	\$14,296,635,599.00	1.00011	51	80
12/14	0.1498%	0.000004105	0.1500%	\$14,476,854,050.39	1.00013	52	80
12/15	0.1498%	0.000004105	0.1500%	\$14,476,854,050.39	1.00013	52	80
12/16	0.1498%	0.000004105	0.1500%	\$14,476,854,050.39	1.00013	52	80
12/17	0.1488%	0.000004077	0.1500%	\$14,425,992,744.60	1.00013	51	79
12/18	0.1494%	0.000004094	0.1500%	\$14,533,125,460.51	1.00010	51	79
12/19	0.1412%	0.000003868	0.1500%	\$14,582,798,313.19	1.00011	52	80
12/20	0.1424%	0.000003900	0.1500%	\$14,599,419,088.66	1.00011	52	79
12/21	0.1453%	0.000003980	0.1500%	\$14,717,716,006.10	1.00010	52	79
12/22	0.1453%	0.000003980	0.1500%	\$14,717,716,006.10	1.00010	52	79
12/23	0.1453%	0.000003980	0.1500%	\$14,717,716,006.10	1.00010	52	79
12/24	0.1451%	0.000003974	0.1400%	\$15,097,985,079.86	1.00010	49	75
12/25	0.1451%	0.000003974	0.1400%	\$15,097,985,079.86	1.00010	49	75
12/26	0.1466%	0.000004017	0.1400%	\$15,207,363,278.27	1.00010	47	74
12/27	0.1371%	0.000003755	0.1400%	\$15,380,205,668.28	1.00010	47	73
12/28	0.1399%	0.000003833	0.1400%	\$15,423,507,726.20	1.00009	47	73
12/29	0.1399%	0.000003833	0.1400%	\$15,423,507,726.20	1.00009	47	73
12/30	0.1399%	0.000003833	0.1400%	\$15,423,507,726.20	1.00009	47	73
12/31	0.1458%	0.000003994	0.1400%	\$15,644,804,938.10	1.00009	46	71

Performance data quoted represents past performance which is no guarantee of future results. Investment return will fluctuate. The value of an investment when redeemed may be worth more or less than the original cost. Current performance may be higher or lower than performance stated.

- (1) "WAM Days" is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.
- (2) "WAM Days" is calculated in the same manner as the described in footnote 1, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.
- (3) All current yields for TexPool Prime, for each date, reflect a waiver of some of all management fees.



Monthly Newsletter - December 2012

Performance

As of December 31, 2012

Current Invested Balance	\$5,411,874,896.68
Weighted Average Maturity (1)	44 Days
Weighted Average Maturity (2)	53 Days
Net Asset Value	1.000123
Total Number of Participants	767
Management Fee on Invested Balance	0.05%*
Interest Distributed	\$901,422.13
Management Fee Collected	\$209,777.76
% of Portfolio Invested Beyond 1 Year	0.00%
Standard & Poor's Current Rating	AAAm

December Averages

Average Invested Balance	\$4,953,290,851.30
Average Monthly Yield, on a simple basis	0.1647%
Average Weighted Average Maturity (1)*	49 Days
Average Weighted Average Maturity (2)*	60 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 instrument 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.

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

New Participants

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

★ Jefferson County WCID No. 10 ★ Post ISD

Holiday Reminder

In observance of Martin Luther King Jr. holiday, **TexSTAR will be closed Monday, January 21, 2013.** All ACH transactions initiated on Friday, January 18th will settle on Tuesday, January 22nd.

In observance of Presidents' Day, **TexSTAR will be closed Monday, February 18, 2013.** All ACH transactions initiated on Friday, February 15th will settle on Tuesday, February 19th.

Economic Commentary

Global equity and credit markets were volatile in the fourth quarter as investors shifted their focus from the ongoing credit concerns in Europe to the U.S. elections and the potential economic implications of the "fiscal cliff". U.S. economic data was generally a bit better in the fourth quarter, with housing showing the strongest improvement. After much anticipation, the election was status quo with President Obama re-elected and a Congress that remained divided. U.S. equity markets and short-term interest rates fell as the "fiscal cliff" took center stage. Markets swung back and forth on news about a potential for a deal or lack thereof. Uncertainty remained on concerns that negotiations would be protracted. Finally, Congress was able to pass a last-minute bill at the end of the year that averted the full brunt of the "fiscal cliff." However, the measures, which include higher marginal tax rates for upper income households, higher tax rates for capital gains and dividends, and a higher tax rate on estates, only addressed revenue. Congress put off the more important decisions regarding spending cuts via sequestration and the debt ceiling until February and March. Given the difficulty in reaching the deal on taxes, fiscal uncertainty is likely to linger as the new Congress faces a difficult challenge in seeking agreement on spending cuts. The U.S. officially reached the debt ceiling limit on December 31st, but the U.S. Treasury is undertaking extraordinary measures in order to continue paying its obligations for approximately another two months.

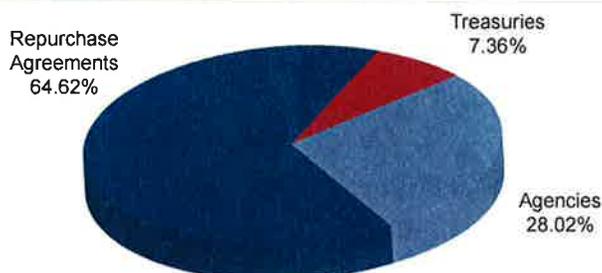
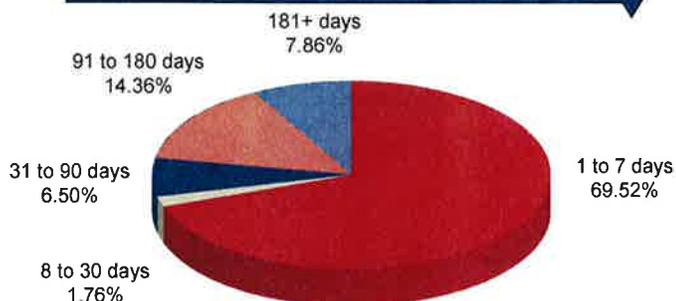
The three major concerns that dominated 2012 appear to have eased as investor fears of a eurozone debt crisis, the fiscal cliff and a Chinese economic hard landing have abated. The conversion of the Fed's Operation Twist to outright open-ended Treasury purchases and the fiscal cliff compromise are positive forces in the U.S. The amount of liquidity being injected into the global financial system by central banks is overwhelming and provides significant monetary conditions for a recovery. The transmission mechanism into economic growth has not yet been triggered, but the likelihood of this happening in the near-term has increased. However, while central banks have reduced tail risks, the ongoing political struggle in the U.S. over spending cuts and the debt ceiling creates significant uncertainty.

This information is an excerpt from an economic report dated December 2012 provided to TexSTAR by JP Morgan Asset Management, Inc., the investment manager of the TexSTAR pool

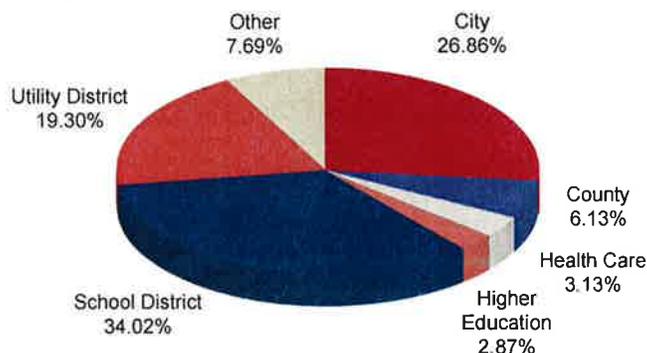
For more information about TexSTAR, please visit our web site at www.texstar.org.

Information at a Glance

Portfolio by Type of Investment As of December 31, 2012



Portfolio by Maturity As of December 31, 2012



Distribution of Participants by Type As of December 31, 2012

Historical Program Information

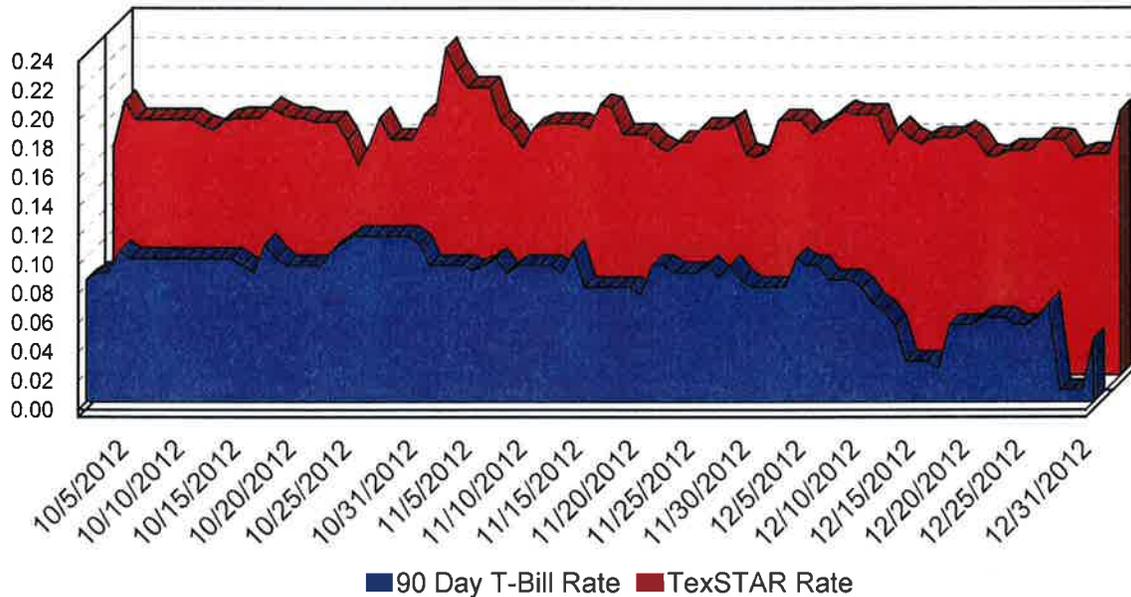
Month	Average Rate	Book Value	Market Value	Net Asset Value	WAM (1)*	WAM (2)*	Number of Participants
Dec 12	0.1647%	\$5,411,874,896.68	\$5,412,541,199.28	1.000123	49	60	767
Nov 12	0.1720%	4,745,368,285.66	4,745,870,906.22	1.000105	51	63	765
Oct 12	0.1746%	4,755,942,789.56	4,756,394,096.44	1.000094	45	60	763
Sep 12	0.1574%	4,659,065,730.90	4,659,684,743.38	1.000132	46	63	759
Aug 12	0.1326%	4,724,281,980.85	4,724,862,450.42	1.000122	49	67	759
Jul 12	0.1359%	5,189,684,471.14	5,190,308,464.19	1.000120	46	66	757
Jun 12	0.1379%	4,983,255,681.46	4,983,767,166.12	1.000102	48	70	756
May 12	0.1273%	5,178,606,480.90	5,179,224,581.51	1.000119	47	70	754
Apr 12	0.1098%	5,255,005,296.99	5,255,613,981.07	1.000115	46	69	752
Mar 12	0.1148%	5,668,145,582.64	5,668,844,552.57	1.000123	48	71	751
Feb 12	0.0986%	6,014,562,468.35	6,015,309,681.45	1.000124	48	70	751
Jan 12	0.0902%	6,122,141,791.23	6,122,989,120.67	1.000138	46	73	750

Portfolio Asset Summary as of December 31, 2012

	Book Value	Market Value
Uninvested Balance	\$ 559.04	\$ 559.04
Accrual of Interest Income	2,312,257.88	2,312,257.88
Interest and Management Fees Payable	(966,996.60)	(966,996.60)
Payable for Investment Purchased	0.00	0.00
Repurchase Agreement	3,496,604,000.00	3,496,604,000.00
Government Securities	1,913,925,076.36	1,914,591,378.96
Total	\$ 5,411,874,896.68	\$ 5,412,541,199.28

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 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 at \$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 consist 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.

Daily Summary for December 2012

Date	Mny Mkt Fund Equiv. [SEC Std.]	Daily Allocation Factor	TexSTAR Invested Balance	Market Value Per Share	WAM Days (1)*	WAM Days (2)*
12/1/2012	0.1759%	0.00004820	\$4,745,368,285.66	1.000105	51	63
12/2/2012	0.1759%	0.00004820	\$4,745,368,285.66	1.000105	51	63
12/3/2012	0.1670%	0.00004575	\$4,718,617,672.82	1.000114	51	62
12/4/2012	0.1702%	0.00004662	\$4,730,948,870.32	1.000111	51	62
12/5/2012	0.1765%	0.00004835	\$4,744,373,132.38	1.000107	51	62
12/6/2012	0.1820%	0.00004987	\$4,706,007,698.73	1.000107	53	64
12/7/2012	0.1795%	0.00004918	\$4,763,183,648.56	1.000120	51	62
12/8/2012	0.1795%	0.00004918	\$4,763,183,648.56	1.000120	51	62
12/9/2012	0.1795%	0.00004918	\$4,763,183,648.56	1.000120	51	62
12/10/2012	0.1597%	0.00004375	\$4,767,022,703.40	1.000127	51	62
12/11/2012	0.1709%	0.00004683	\$4,789,844,987.34	1.000135	52	63
12/12/2012	0.1633%	0.00004475	\$4,738,799,748.87	1.000137	53	64
12/13/2012	0.1596%	0.00004372	\$4,707,117,681.63	1.000144	53	64
12/14/2012	0.1636%	0.00004481	\$4,862,050,519.24	1.000160	50	60
12/15/2012	0.1636%	0.00004481	\$4,862,050,519.24	1.000160	50	60
12/16/2012	0.1636%	0.00004481	\$4,862,050,519.24	1.000160	50	60
12/17/2012	0.1679%	0.00004601	\$4,841,103,286.19	1.000167	49	60
12/18/2012	0.1631%	0.00004469	\$4,923,028,412.66	1.000157	49	59
12/19/2012	0.1517%	0.00004155	\$5,008,270,382.11	1.000160	52	62
12/20/2012	0.1507%	0.00004129	\$4,983,079,507.42	1.000164	52	62
12/21/2012	0.1549%	0.00004244	\$5,137,451,097.57	1.000160	49	59
12/22/2012	0.1549%	0.00004244	\$5,137,451,097.57	1.000160	49	59
12/23/2012	0.1549%	0.00004244	\$5,137,451,097.57	1.000160	49	59
12/24/2012	0.1628%	0.00004461	\$5,187,211,359.65	1.000152	48	57
12/25/2012	0.1628%	0.00004461	\$5,187,211,359.65	1.000152	48	57
12/26/2012	0.1618%	0.00004433	\$5,168,922,992.23	1.000149	48	58
12/27/2012	0.1497%	0.00004101	\$5,198,340,221.64	1.000132	47	57
12/28/2012	0.1523%	0.00004172	\$5,320,483,036.42	1.000125	43	52
12/29/2012	0.1523%	0.00004172	\$5,320,483,036.42	1.000125	43	52
12/30/2012	0.1523%	0.00004172	\$5,320,483,036.42	1.000125	43	52
12/31/2012	0.1820%	0.00004985	\$5,411,874,896.68	1.000123	44	53
Average	0.1647%	0.00004511	\$4,953,290,851.30		49	60

TexSTAR Participant Services
First Southwest Asset Management, Inc.
325 North St. Paul Street, Suite 800
Dallas, Texas 75201



TexSTAR Board Members

<i>William Chapman</i>	<i>Central Texas Regional Mobility Authority</i>	<i>Governing Board President</i>
<i>Nell Lange</i>	<i>City of Frisco</i>	<i>Governing Board Vice President</i>
<i>Kenneth Huewitt</i>	<i>Houston ISD</i>	<i>Governing Board Treasurer</i>
<i>Michael Bartolotta</i>	<i>First Southwest Company</i>	<i>Governing Board Secretary</i>
<i>Joni Freeman</i>	<i>JP Morgan Chase</i>	<i>Governing Board Asst. Sec./Treas.</i>
<i>Hardy Browder</i>	<i>City of Cedar Hill</i>	<i>Advisory Board</i>
<i>Oscar Cardenas</i>	<i>Northside ISD</i>	<i>Advisory Board</i>
<i>Stephen Fortenberry</i>	<i>Plano ISD</i>	<i>Advisory Board</i>
<i>Monte Mercer</i>	<i>North Central TX Council of Government</i>	<i>Advisory Board</i>
<i>Becky Brooks</i>	<i>Government Resource Associates, LLC</i>	<i>Advisory Board</i>
<i>Len Santow</i>	<i>Griggs & Santow</i>	<i>Advisory Board</i>

For more information contact TexSTAR Participant Services ★ 1-800-TEX-STAR ★ www.texstar.org

FirstSouthwest 

J.P.Morgan
Asset Management

Texas CLASS Daily Rates

December 2012

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910



<i>Date</i>	<i>Daily Rates</i>	<i>Annual Yield</i>
12/01/12	0.22%	0.22%
12/02/12	0.22%	0.22%
12/03/12	0.21%	0.21%
12/04/12	0.21%	0.21%
12/05/12	0.21%	0.21%
12/06/12	0.21%	0.21%
12/07/12	0.21%	0.21%
12/08/12	0.21%	0.21%
12/09/12	0.21%	0.21%
12/10/12	0.21%	0.21%
12/11/12	0.21%	0.21%
12/12/12	0.21%	0.21%
12/13/12	0.21%	0.21%
12/14/12	0.21%	0.21%
12/15/12	0.21%	0.21%
12/16/12	0.21%	0.21%
12/17/12	0.21%	0.21%
12/18/12	0.20%	0.20%
12/19/12	0.20%	0.20%
12/20/12	0.20%	0.20%
12/21/12	0.20%	0.20%
12/22/12	0.20%	0.20%
12/23/12	0.20%	0.20%
12/24/12	0.20%	0.20%
12/25/12	0.20%	0.20%
12/26/12	0.20%	0.20%
12/27/12	0.20%	0.20%
12/28/12	0.20%	0.20%
12/29/12	0.20%	0.20%
12/30/12	0.20%	0.20%
12/31/12	0.21%	0.21%
Average	0.21%	0.21%

Rates can vary over time. Past performance is no guarantee of future results.

Texas CLASS Portfolio Holdings December 2012

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910



Face Amount		Maturity Date	Yield/Rate	Value
FEDERAL FARM CREDIT BANK NOTES				
\$25,000,000.00	Federal Farm Credit Bank Notes	05/24/2013	0.17%	\$24,991,125.00
\$20,000,000.00	Federal Farm Credit Bank Notes	08/05/2013	0.18%	\$19,984,480.00
\$45,000,000.00 TOTAL FEDERAL FARM CREDIT BANK NOTES				\$44,975,605.00
 FEDERAL HOME LOAN BANK NOTES				
\$25,000,000.00	Federal Home Loan Bank Notes	08/08/2013	0.23%	\$25,000,575.00
\$30,000,000.00	Federal Home Loan Bank Notes	04/17/2013	0.25%	\$30,001,650.00
\$55,000,000.00 TOTAL FEDERAL HOME LOAN BANK NOTES				\$55,002,225.00
 FEDERAL AGRICULTURAL MTGE ASSC				
\$25,000,000.00	Federal Agricultural Mtge Assc	08/01/2013	0.19%	\$24,980,975.00

For more information, call Texas CLASS at (800)707-6242
 Fax: (855)848-9910

FEDERAL AGRICULTURAL MTGE ASSC

\$25,000,000.00	Federal Agricultural Mtge Assc	09/13/2013	0.16%	\$24,975,325.00
\$20,000,000.00	Federal Agricultural Mtge Assc	12/27/2013	0.18%	\$19,968,140.00
<hr/>				
\$70,000,000.00	TOTAL FEDERAL AGRICULTURAL MTGE ASSC			\$69,924,440.00

FARMER MAC NOTES

\$25,000,000.00	FARMER MAC Notes	10/10/2013	0.17%	\$24,970,775.00
<hr/>				
\$25,000,000.00	TOTAL FARMER MAC NOTES			\$24,970,775.00

REPURCHASE AGREEMENTS

\$75,000,000.00	Collateral Total Amount = \$76,500,000.00 or 102%.	01/02/2013	0.18%	\$75,000,000.00
\$75,000,000.00	Collateral Total Amount = \$76,500,000.00 or 102%.	01/02/2013	0.20%	\$75,000,000.00
\$100,056,022.29	Collateral Total Amount = \$102,057,142.74 or 102%.	01/02/2013	0.15%	\$100,056,022.29

For more information, call Texas CLASS at (800)707-6242
 Fax: (855)848-9910

REPURCHASE AGREEMENTS

\$178,295,683.81	Collateral Total Amount = \$181,861,597.49 or 102%.	01/02/2013	0.02%	\$178,295,683.81
<hr/>				
\$428,351,706.10	TOTAL REPURCHASE AGREEMENTS			\$428,351,706.10

US TREASURY SECURITIES

\$25,000,000.00	US Treasury Securities	01/31/2013	0.13%	\$25,010,750.00
<hr/>				
\$25,000,000.00	TOTAL US TREASURY SECURITIES			\$25,010,750.00

MUNICIPAL

\$4,400,000.00	State of Texas	10/01/2013	0.22%	\$4,556,772.00
\$3,435,000.00	City of Dallas TX	02/15/2013	0.20%	\$3,442,522.65
\$20,000,000.00	State of Texas	08/30/2013	0.22%	\$20,308,800.00
<hr/>				
\$27,835,000.00	TOTAL MUNICIPAL			\$28,308,094.65

COMMERCIAL PAPER

\$25,000,000.00	Autobahn Funding Co LLC	01/02/2013	0.20%	\$24,999,735.00
-----------------	----------------------------	------------	-------	-----------------

For more information, call Texas CLASS at (800)707-6242
 Fax: (855)848-9910

COMMERCIAL PAPER

\$30,000,000.00	Fairway Finance LLC	06/10/2013	0.24%	\$29,997,390.00
\$45,000,000.00	ING US Funding LLC	03/06/2013	0.64%	\$44,979,120.00
\$5,950,000.00	ING US Funding LLC	05/06/2013	0.46%	\$5,942,419.70
\$14,500,000.00	University of Texas Prem	01/07/2013	0.18%	\$14,500,000.00
\$22,250,000.00	Rabobank USA Fin Corp	01/09/2013	0.52%	\$22,249,163.40
\$25,000,000.00	Svenska Handelsbank Inc	03/18/2013	0.29%	\$24,987,682.50
\$10,309,000.00	Golden Funding Corp	01/09/2013	0.23%	\$10,308,510.32
\$45,000,000.00	Victory Receivables Corp	01/08/2013	0.23%	\$44,998,101.00
\$25,000,000.00	Fairway Finance LLC	01/08/2013	0.25%	\$25,000,250.00
\$23,250,000.00	Surrey Funding Corp	01/18/2013	0.61%	\$23,248,023.75
\$30,000,000.00	Surrey Funding Corp	03/05/2013	0.30%	\$29,989,173.00
\$41,500,000.00	ING US Funding LLC	02/15/2013	0.69%	\$41,487,749.20
\$20,000,000.00	Fairway Finance LLC	01/07/2013	0.26%	\$20,000,140.00
\$20,000,000.00	Kells Funding LLC	02/11/2013	0.30%	\$19,995,846.00
\$10,000,000.00	ING US Funding LLC	03/15/2013	0.62%	\$9,994,471.00
\$25,000,000.00	Sheffield Receivables Co	02/08/2013	0.25%	\$24,994,962.50
\$25,000,000.00	Autobahn Funding Co LLC	02/12/2013	0.26%	\$24,993,760.00

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

COMMERCIAL PAPER

\$25,000,000.00	Alpine Securitization Corp	01/14/2013	0.51%	\$24,998,347.50
\$15,975,000.00	Barclays US Funding LLC	05/13/2013	0.43%	\$15,954,342.73
\$50,000,000.00	Market Street Fdg LLC	02/25/2013	0.21%	\$49,985,220.00
\$50,000,000.00	Kells Funding LLC	05/03/2013	0.33%	\$50,000,350.00
\$18,750,000.00	Rabobank USA Fin Corp	01/11/2013	0.52%	\$18,749,141.25
\$25,000,000.00	Credit Suisse/New York NY	07/05/2013	0.42%	\$24,999,200.00
\$50,000,000.00	Starbird Funding Corp	01/25/2013	0.23%	\$49,993,265.00
\$25,000,000.00	Manhattan Asset Fdg Corp	01/23/2013	0.23%	\$24,996,932.50
\$25,000,000.00	Rabobank USA Fin Corp	01/10/2013	0.52%	\$24,998,957.50
\$25,000,000.00	Working Capital Mgmt	01/18/2013	0.21%	\$24,997,875.00
\$35,000,000.00	Nordea North Am	05/28/2013	0.29%	\$34,960,047.50
\$35,000,000.00	Barclays US Funding LLC	03/18/2013	0.61%	\$34,981,810.50
\$25,000,000.00	Barclays US Funding LLC	02/08/2013	0.25%	\$24,994,907.50
\$34,000,000.00	Manhattan Asset Fdg Corp	01/16/2013	0.20%	\$33,997,130.40

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

COMMERCIAL PAPER

\$50,000,000.00	Gotham Funding Corp	01/04/2013	0.20%	\$49,998,945.00
\$25,000,000.00	Surrey Funding Corp	01/31/2013	0.35%	\$24,996,102.50
\$43,000,000.00	Barclays US Funding LLC	06/11/2013	0.44%	\$42,916,795.00
\$25,000,000.00	Credit Suisse New York	09/16/2013	0.41%	\$24,908,930.00
\$20,000,000.00	Fairway Finance LLC	03/07/2013	0.25%	\$20,001,060.00
\$25,000,000.00	Rabobank USA Fin Corp	02/11/2013	0.49%	\$24,995,332.50
\$25,000,000.00	Market Street Fdg LLC	03/04/2013	0.21%	\$24,991,645.00
\$50,000,000.00	Standard Chartered Bank	04/22/2013	0.31%	\$49,954,995.00
\$40,000,000.00	Autobahn Funding Co LLC	01/04/2013	0.20%	\$39,999,156.00
\$25,000,000.00	Credit Suisse New York	04/02/2013	0.34%	\$24,986,540.00
\$50,000,000.00	Natl Australia Funding DE	04/05/2013	0.23%	\$50,000,250.00
\$25,000,000.00	Nieuw Amsterdam Rec Corp	01/14/2013	0.25%	\$24,998,347.50
\$25,000,000.00	UBS Finance DE LLC	03/26/2013	0.18%	\$24,989,002.50
\$10,000,000.00	Starbird Funding Corp	01/11/2013	0.23%	\$9,999,419.00

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

COMMERCIAL PAPER

\$35,000,000.00	Working Capital Mgmt	01/02/2013	0.25%	\$34,999,671.00
-----------------	----------------------	------------	-------	-----------------

\$1,354,484,000.00 TOTAL COMMERCIAL PAPER

\$1,354,010,215.75

MONEY MARKET ACCOUNTS

\$75,000,000.00	JPMorgan Chase	01/02/2013	0.25%	\$75,000,000.00
-----------------	----------------	------------	-------	-----------------

\$115,000,000.00	Blackrock Liquidity TempFund	01/02/2013	0.11%	\$115,000,000.00
------------------	---------------------------------	------------	-------	------------------

\$200,000,000.00	Compass Bank	01/02/2013	0.40%	\$200,000,000.00
------------------	--------------	------------	-------	------------------

\$115,000,000.00	Wells Fargo Heritage MMF	01/02/2013	0.12%	\$115,000,000.00
------------------	-----------------------------	------------	-------	------------------

\$125,000,000.00	JPMorgan Chase	01/02/2013	0.35%	\$125,000,000.00
------------------	----------------	------------	-------	------------------

\$630,000,000.00 TOTAL MONEY MARKET ACCOUNTS

\$630,000,000.00

\$2,660,670,706.10 TOTAL INVESTMENTS

\$2,660,553,811.50

Portfolio Participants

December 2012

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

Alamo Heights ISD	Alice ISD	Allen ISD
Alvin ISD	Anahuac ISD	Angleton Independent School
Aransas County ISD	Aransas County	Arlington ISD
Athens ISD	Atlanta ISD	City of Austin
Baker Road M.U.D.	City of Balch Springs	Barker Cypress M.U.D.
Bastrop County	Beckville ISD	City of Bedford
Village of Bee Cave	Beechnut M.U.D.	Beeville ISD
Bell County	Bexar County Tax Assessor Collector	Birdville ISD
Blinn College	Blue Ridge West M.U.D.	Brazoria County
Brazoria County M.U.D. # 1	Brazoria County M.U.D. # 2	Brazoria County M.U.D. # 3
Brazoria County M.U.D. # 6	Brenham ISD	Brewster County
Brookshire Municipal Water District	City of Brownsville	Brownsville ISD
City of Buda	City of Bulverde	Bulverde Area Rural Library District
Burleson County	City of Burleson	Burnet County
Caldwell County Appraisal District	Caldwell County	Caldwell ISD
Calhoun County ISD	Canutillo ISD	Canyon Lake Library District
Carroll ISD	Carson County	Cass County
City of Castle Hills	Castlewood M.U.D.	City of Cedar Hill
Celina ISD	Central Texas College	Channelview ISD
Chapel Hill ISD	Chelford One M.U.D.	Cinco M.U.D. #9
City of Boerne	City of Burnet	City of Conroe
City of El Paso	City of Friendswood	City of Haltom City
City of Harker Heights	City of Huntsville	City of Kerrville
City of Kingsville	City of Kyle	City of Laredo
City of Longview	City of Montgomery	City of Navasota
City of Piney Point Village	City of Schertz	City of Tomball
City of Troup	City of Whitehouse	City of Woodcreek
Clear Creek ISD	City of Cleburne	Coastal Bend College
Coastal Plains MHMR	Coke County	Collin County
Colorado County	Columbia - Brazoria ISD	City of Columbus
Columbus ISD	City of Commerce	Connally ISD
Conroe ISD	City of Converse	City of Converse Econ. Dev. Corp.

For more information, call Texas CLASS at (800)707-6242
 Fax: (855)848-9910

Coppell ISD	Corpus Christi ISD	Crosbyton CISD
Crowley I.S.D.	Cypress Forest P.U.D.	Dallas County Utility & Reclamation District
Dallas County Schools	Dallas Housing Authority	Dallas ISD
City of DeSoto	DeSoto ISD	DeWitt Medical District
Deer Park ISD	City of Deer Park	Del Valle ISD
Denton County	Denton County District Clerk	Devers ISD
Dickinson ISD	Duncanville ISD	Eagle Mountain-Saginaw ISD
Eanes ISD	East Central ISD	Ector County
Edcouch-Elsa ISD	Edgewood ISD	Edinburg C.I.S.D.
City of El Campo	El Paso County	El Paso ISD
El Paso County 911 District	Eldridge Road M.U.D.	Ellis County
Encanto Real U.D.	Ennis I.S.D.	Everman ISD
Farmersville ISD	First Colony Levee Improvement District	City of Floresville
Floresville 4A Corporation	Forney I.S.D.	Fort Bend County M.U.D. # 2
Fort Bend County M.U.D. # 111	Fort Bend County	Fort Bend County M.U.D. # 140
Fort Bend County District Clerk	Fort Bend County M.U.D. # 25	Fort Bend County M.U.D. # 34
Fort Bend County M.U.D. # 35	Fort Bend County M.U.D. # 41	Fort Bend County M.U.D. # 94
Fort Bend County, Office of County Clerk	Fort Bend Emergency Service District No. 2	Fort Bend M.U.D. # 66
Fort Bend M.U.D. No. 142	Fort Sam Houston ISD	Fort Worth I.S.D.
Franklin County	Frankston ISD	Fredericksburg ISD
Frenship ISD	Friendswood ISD	City of Fulshear
Guadalupe Blanco River Authority	Gainsville Hospital District DBA North Texas Medical Center	Gilbert County
Galveston County M.U.D. # 14	Galveston County M.U.D. # 15	Galveston County M.U.D. # 29
Galveston Independent School District	City of Garland	George West ISD
Georgetown ISD	Gillespie County	City of Goliad
Goliad ISD	Gonzales ISD	Grand Lakes M.U.D. # 1
Grand Lakes M.U.D. # 2	Grand Lakes M.U.D. # 4	Grand Lakes WC & ID
Grand Prairie ISD	Green Trails M.U.D.	Greenville I.S.D.
City of Greenville	Groesbeck ISD	Guadalupe County
Gulf Coast Waste Disposal Authority	Gunter ISD	Fort Hancock ISD
Hardin ISD	Harlandale ISD	Harlingen CISD
Harris County M.U.D. # 153	Harris County M.U.D. # 148	Harris County E.S.D. # 48
Harris County M.U.D. # 81	Harris County Utility District # 14	Harris County M.U.D. # 46
Harris County M.U.D. # 239	Harris County Utility District # 6	Harris County M.U.D. # 151
Harris County M.U.D. # 280	Harris County M.U.D. # 118	Harris County M.U.D. # 150
Harris County M.U.D. # 166	Harris County M.U.D. # 180	Harris County M.U.D. # 183
Harris County M.U.D. # 200	Harris County M.U.D. # 205	Harris County M.U.D. # 238

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

Harris County M.U.D. # 249	Harris County M.U.D. # 257	Harris County M.U.D. # 264
Harris County M.U.D. # 276	Harris County M.U.D. # 278	Harris County M.U.D. # 281
Harris County M.U.D. # 284	Harris County M.U.D. # 286	Harris County M.U.D. # 290
Harris County M.U.D. # 304	Harris County M.U.D. # 316	Harris County M.U.D. # 341
Harris County M.U.D. # 342	Harris County M.U.D. # 344	Harris County M.U.D. # 345
Harris County M.U.D. # 359	Harris County M.U.D. # 36	Harris County M.U.D. # 360
Harris County M.U.D. # 370	Harris County M.U.D. # 373	Harris County M.U.D. # 383
Harris County M.U.D. # 389	Harris County M.U.D. # 49	Harris County M.U.D. # 70
Harris County M.U.D. # 96	Harris County M.U.D. No. 215	Harris County M.U.D. # 149
Harris County MUD No. 390	Harris County U.D. # 16	Harris County U.D. #15
Harris County W.C.I.D. Fondren Road	Harris County WC & ID # 89	Harris County WCID # 132
Harris County WCID #119	Harris-Fort Bend M.U.D. # 3	Harris-Fort Bend M.U.D. # 5
Harrison County	Hays CISD	Hays County
Hereford ISD	Hidalgo County	Hidalgo County Drainage District Number One
City of Highland Village	City of Hill Country Village	Hill County
Hitchcock ISD	Hopkins County	Howard County
Hudson I.S.D.	Huntsville I.S.D.	Hurst Euless Bedford ISD
Hutto ISD	Industrial ISD	Irving ISD
Jackrabbit Road P.U.D.	Jackson County	City of Jacksonville
Jacksonville ISD	Jefferson County, Texas	Johnson County
Kaufman ISD	Kemp ISD	Kenedy ISD
Kilgore ISD	Killeen ISD	La Porte ISD
La Vega ISD	La Vernia ISD	Lake Dallas ISD
Lake Travis ISD	Lake Worth I.S.D.	Lamar CISD
City of Lancaster	Lancaster ISD	Langham Creek U.D .
Laredo ISD	Leander ISD	City of Leander
Lee County	City of Levelland	City of Levelland Economic Dev Corp
Leveretts Chapel I.S.D.	Limestone County	Little Cypress-Mauriceville CISD
Little Elm ISD	Lockhart ISD	City of Lockhart
Longhorn Town U.D.	Longview Independent School District	Lorenzo ISD
Lovejoy I.S.D.	Mabank ISD	Magnolia ISD
City of Mansfield	Marshall ISD	City of McKinney
McKinney ISD	McLennan County	County of Medina
Mercedes ISD	City of Mercedes	Meyersville ISD
Midland County	Midland ISD	Midway ISD
Millsap ISD	Mission CISD	Mission Bend M.U.D. #2
Montgomery County	Montgomery County M.U.D. # 18	Montgomery County M.U.D. # 46

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

Montgomery County M.U.D. # 67	Montgomery County M.U.D. # 7	Montgomery County M.U.D. # 47
Montgomery County M.U.D. # 36	Montgomery County M.U.D. # 40	Montgomery County M.U.D. # 6
Montgomery County M.U.D. # 60	Montgomery County MUD No. 84	Montgomery I.S.D.
Mt. Pleasant I.S.D.	Nacogdoches ISD	Navarro County
New Braunfels ISD	City of New Braunfels	North East ISD
North Forest ISD	City of North Richland Hills	North Texas Tollway Authority
Northpointe W.C.I.D.	Northside ISD	Northwest Frwy M.U.D.
Northwest Harris County M.U.D. # 21	Northwest Harris County M.U.D. # 16	Nueces County Hospital District
Nueces County	OST/Alameda Redevelopment	Overton ISD
Palestine ISD	Palmer ISD	Palmer Plantation M.U.D. #1
Palmer Plantation M.U.D. #2	Paris Economic Development Corporation	Paris ISD
City of Pasadena	Pecan Grove M.U.D.	Pettus ISD
Pflugerville ISD	Pharr-San Juan-Alamo ISD	Pine Tree ISD
Plantation M.U.D.	Polk County	Prosper I.S.D.
Queen City ISD	Randolph Field ISD	Raymondville ISD
Red Oak ISD	Redwater ISD	Refugio County Appraisal District
Refugio ISD	Region One ESC	Region 19 ESC
Region 2 ESC	Reid Road M.U.D. #2	Remington M.U.D. # 1
Rice CISD	Richardson ISD	Rio Grande City CISD
River Road ISD	Rockett Special Utility District (SUD)	Rockwall County
Rockwall ISD	Rogers ISD	Roma ISD
Roosevelt ISD	City of Rosenberg	S & S CISD
Sabine ISD	Sagemeadow Utility District	Salado Public Library District
Salado ISD	San Angelo ISD	San Benito CISD
San Felipe - Del Rio CISD	San Jacinto County	San Patricio Cnty. Drainage Dist. (U.D.)
San Patricio County	Santa Fe ISD	Schertz Cibolo Universal City ISD
Schertz/Seguin Local Gov't Corp.	Scurry - Rosser ISD	Sealy I.S.D.
Seguin ISD	Seguin Economic Development Corp.	Sharyland ISD
City of Shavano Park	Sherman ISD	City of Sherman
Sinton ISD	Smith County	South San Antonio ISD
South Texas Water Authority (U.D.)	City of Southlake	Spencer Road Public Utility District
Stafford MSD	Stamford ISD	Sweeny Independent School District
Taft ISD	Tarrant County	Tatum ISD
Taylor ISD	City of Taylor	Taylor County
City of Temple	Temple ISD	Temple Junior College
Terrell ISD	Texarkana ISD	Texas School for the Blind ISD
Texas School for the Deaf	The Woodlands M.U.D. #2	Thorndale ISD

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

Tom Green County
Troup ISD
United ISD
Victoria ISD
Walker County
Washington County
Webb County
West ISD
Westador M.U.D.
White Oak ISD
Willacy County
Wylie ISD
Zapata County ISD

Tom Green County Clerk
Tuloso - Midway ISD
Van Alstyne ISD
Vidor I.S.D.
Waller County
Waxahachie ISD
Wells Fargo Bank NA as TTEE for Brownsville
West Harris County M.U.D. # 11
Westlake M.U.D.
Whitehouse I.S.D.
Williamson County MUD No. 9
Yorktown ISD

Tropical Texas Behavioral Health
Tyler ISD
Van Zandt County
Waco ISD
Waller ISD
Weatherford ISD
Del Rio ISD
West Park M.U.D.
City of White Oak
Whitesboro I.S.D.
Willow Fork Drainage District (U.D.)
Ysleta ISD

Notes

December 2012

For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910

Please note the new address for Texas CLASS Client Services. All correspondence and audit confirmation requests should be mailed to:

Texas CLASS Client Services
113 King Street
Armonk, NY 10504

The toll-free phone and fax numbers remain the same.

You may now view and print your Participant Profile on Client Connection. Under Summaries and Reports, click on Statement Reports and then Participant Profile. Follow the instructions to make revisions to your Participant information.

The portfolio manager for Texas CLASS is Marc McClure, CFA.

For the month of December 2012, Cutwater Investor Services Corp. ("Cutwater"), in its role as Program Administrator, accrued fees of \$127,207 based on average assets for Texas CLASS of \$2,530,432,387. The fee is accrued on a daily basis by multiplying the value of the investment property as determined each day by the fee rate divided by 365 Days. Cutwater reserves the right to abate fees listed in the Fifth Amended and Restated Trust Agreement. The monthly fee is the sum of all daily fee accruals for the month of December. The fee is paid monthly upon notification to the custodial bank. As of December 31, 2012 the fee was 10.4 basis points.

The following information is provided in accordance with Texas State Statute 2256.0016. As of December 31, 2012, the portfolio contained the following securities by type:

US Government Agency Bond	-	8.27%	
US Commercial Paper	-		50.91%
Repurchase Agreement	-		16.10%
Certificate of Deposits	-		15.03%
Municipal Securities	-		1.05%
Money Market Mutual Funds	-	8.64%	

The portfolio is marked-to-market at the end of each business day.

Market Value at 12/31/2012:	\$2,660,553,811.50	
Amortized Cost at 12/31/2012:	\$2,660,387,223.01	
Difference:		\$166,588.49

**For more information, call Texas CLASS at (800)707-6242
Fax: (855)848-9910**

Dollar Weighted Average Maturity (to Reset): 40 Days
Dollar Weighted Average Maturity (to Final): 50 Days

The final maturity dates of all securities are less than one year.

Current information can be provided by calling your Client Service Representative at 800-707-6242.

The custodial bank for Texas CLASS is Wells Fargo Bank, NA.

As a registered investment adviser, Cutwater is required to furnish you with a copy of our ADV Part 2A of the SEC registration form. If you would like a copy of this form, please go to:

<http://www.texasclass.com/document/documents/7E-ADVPART2ACISC.PDF>

The holiday schedule for 2013 is as follows:

January 21, 2013 - Martin Luther King Jr. Day

February 18, 2013 - President's Day

May 27, 2013 - Memorial Day

July 4, 2013 - Independence Day

September 2, 2013 - Labor Day

October 14, 2013 - Columbus Day

November 15, 2013 - Veterans Day

November 28, 2013 - Thanksgiving Day

December 25, 2013 - Christmas Day

Thursday, January 10, 2013



Fixed Income Market & Portfolio Strategy

Short-Term Market

Garret Sloan, CFA

Short-Term Fixed-Income Market Strategist

(704) 410-3686

garret.sloan@wellsfargo.com

Lisa Dotzenrod

Fixed Income Strategy Associate

(612) 316-4308

Lisa.a.dotzenrod@wellsfargo.com

Public Entities Strategy

Post Unlimited FDIC: Implications for Public Entity Investing

The End of an Insurance Era

The amount of interest from public entity and corporate investors around the expiration of Dodd-Frank unlimited FDIC insurance (a.k.a. TAG insurance) at year-end 2012 has been both remarkable and understandable. The impact that potentially sizeable deposit outflows could have on the short-term yield curve is ultimately unknowable in terms of its magnitude, but certain in terms of its direction.

TAG Deposits are Largely Concentrated in Banks with Assets over \$100 Billion

Asset Size	Number of Institutions	Total Assets (\$ Bil)	Total (\$ Bil.)	Amt. Above the \$250,000 Limit (\$ Bil.)	Average Account Size (\$000)	Average Number of Accounts per Institution
< \$1 Billion	6,522	\$1,410	\$77	\$50	\$713	17
\$1 - \$10 Billion	551	\$1,424	\$111	\$82	\$952	212
\$10-\$50 Billion	71	\$1,389	\$110	\$89	\$1,308	81,185
\$50-\$100 Billion	18	\$1,371	\$153	\$135	\$2,155	3,948
> \$100 Billion	19	\$8,627	\$1,243	\$1,136	\$2,906	22,509
Total	7,181	\$13,926	\$1,694	\$1,492	\$2,097	112

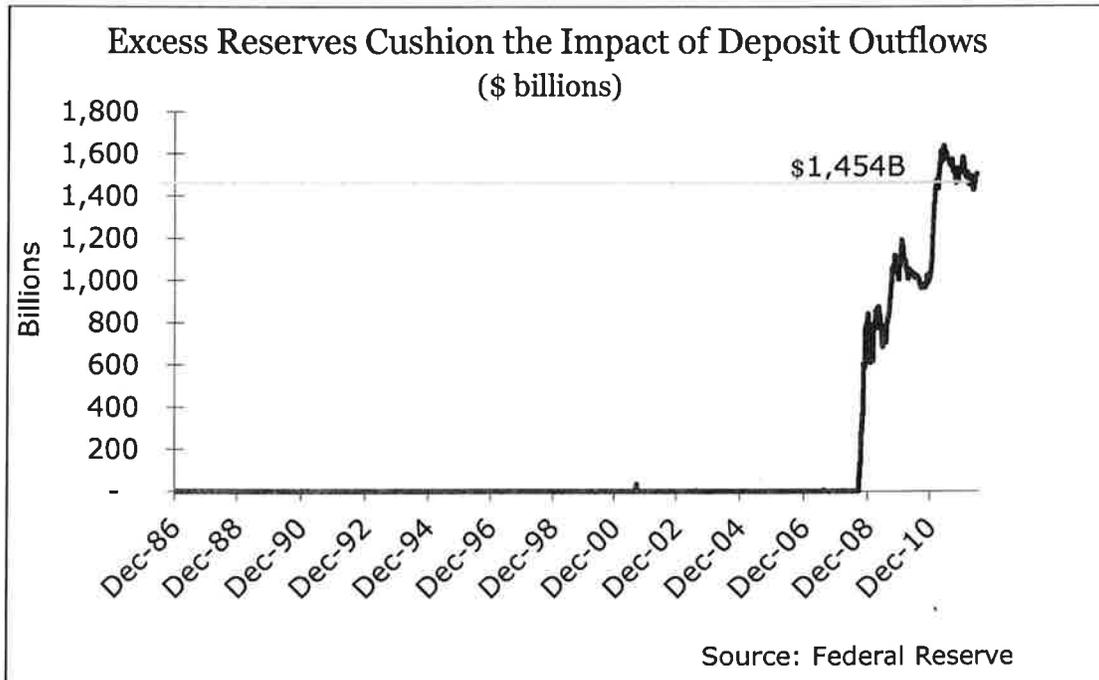
Source: FDIC and Wells Fargo Securities

There has been concern from small and regional banks that the potential for deposit outflows could impact their funding sources. Our opinion is that there is less reason for smaller community banks to be concerned than for short-term investors generally. Exhibit 1 shows that potential deposit outflow activity at smaller banks is likely overstated.

Together we'll go far



The majority of the deposits currently insured under the Dodd-Frank program already reside at financial institutions with assets in excess of \$100 billion.

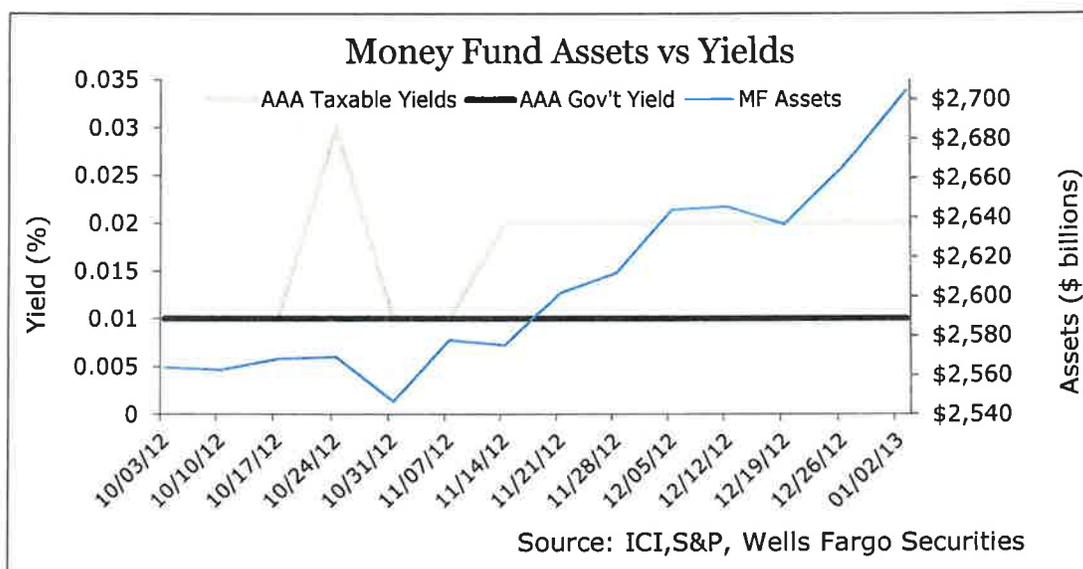


The potential for deposit outflows at larger institutions is also a thought to be a concern, yet large banks were the most vocal opponents of the extension of unlimited FDIC coverage, illustrating their conviction that outflows would either be minimal, or welcomed given the level of excess reserves on bank balance sheets.

The end of unlimited FDIC insurance will, in our opinion, not be systemically destabilizing to banks, but the outflows that we have seen should continue to place downward pressure on both investment and deposit rates. Many public entity investors have been able to take advantage of above market pricing on deposit products in non-interest-bearing transaction accounts. Some of this subsidy has come because of the TAG program. Going forward we anticipate that downward pressure on deposit rates will accelerate as banks are forced to collateralize public entity deposits with low-yielding government securities. We encourage investors to begin looking at alternatives to deposits in anticipation of this change.

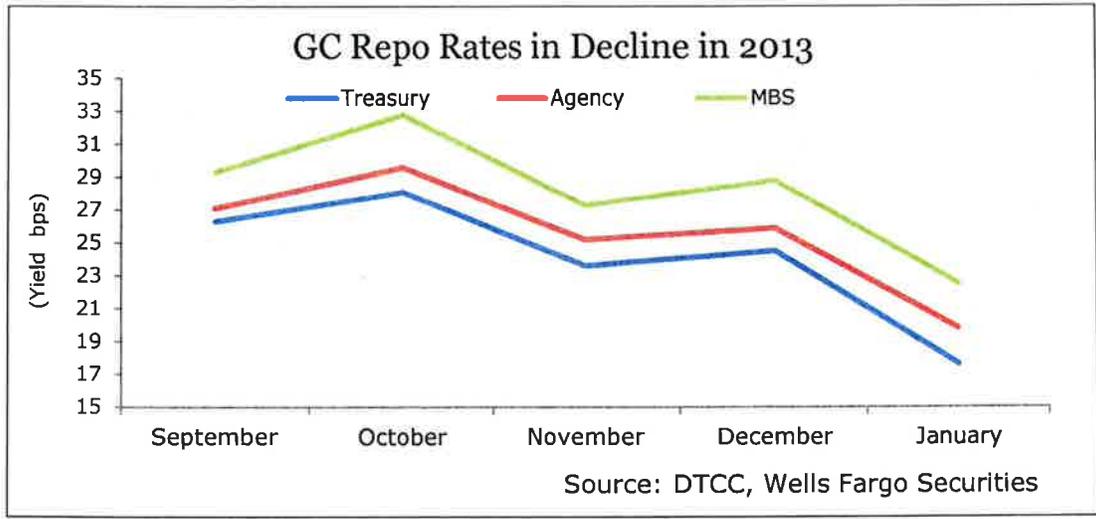
The Government Curve

While we do not anticipate that deposit outflows will deal a lethal blow to smaller banks, the front-end of the yield curve has been, and will continue to be significantly pressured by shifts in deposit activity. Flows into money market funds and direct investment products have grown in recent weeks but despite the increased demand, money market fund yields have not yet moved. This may partly be due to the already near-zero net yields in the market and a possible increase in fund fee waivers to shield investors from slightly lower yields. The net result gives the illusion that there has been little to no impact on funds from lower rates. If rates do move lower, it will likely be observed through further consolidation in the money market fund space.



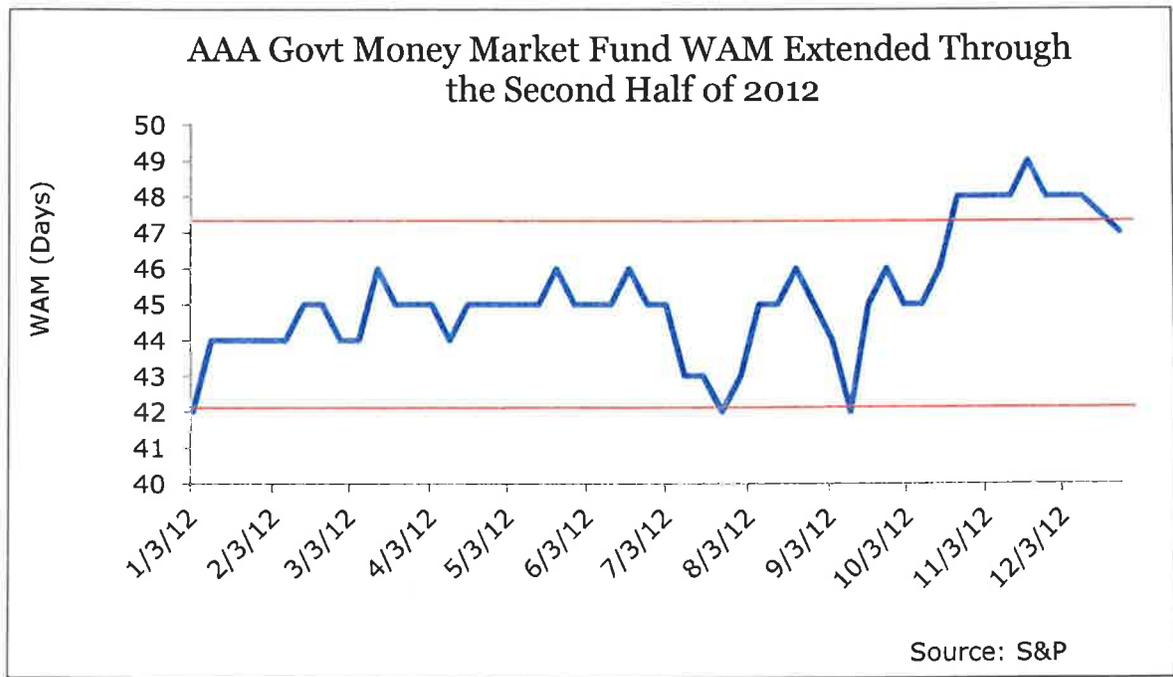
Other impacts on the front-end of the yield curve include the uncertain fiscal situation in Washington. Until that is resolved, we believe that monetary policy will continue to be a counterbalance for markets by continuing to grow their balance sheet. Two other forces pressuring rates lower include the Federal Reserve's December announcement to keep short-term rates exceptionally low until unemployment falls below 6.5% and the termination of *Operation Twist* in December, which will no longer provide investors with additional short-term supply. For these, among other reasons, we see pressure continuing to mount in short-term rates. Case in point, the trend in repo rates has been down over the past few months and it has accelerated in the New Year.

Overnight repo, largely an overnight lending tool that broker/dealers and banks use to finance securities portfolios, has been falling, and putting pressure on other short-term products.

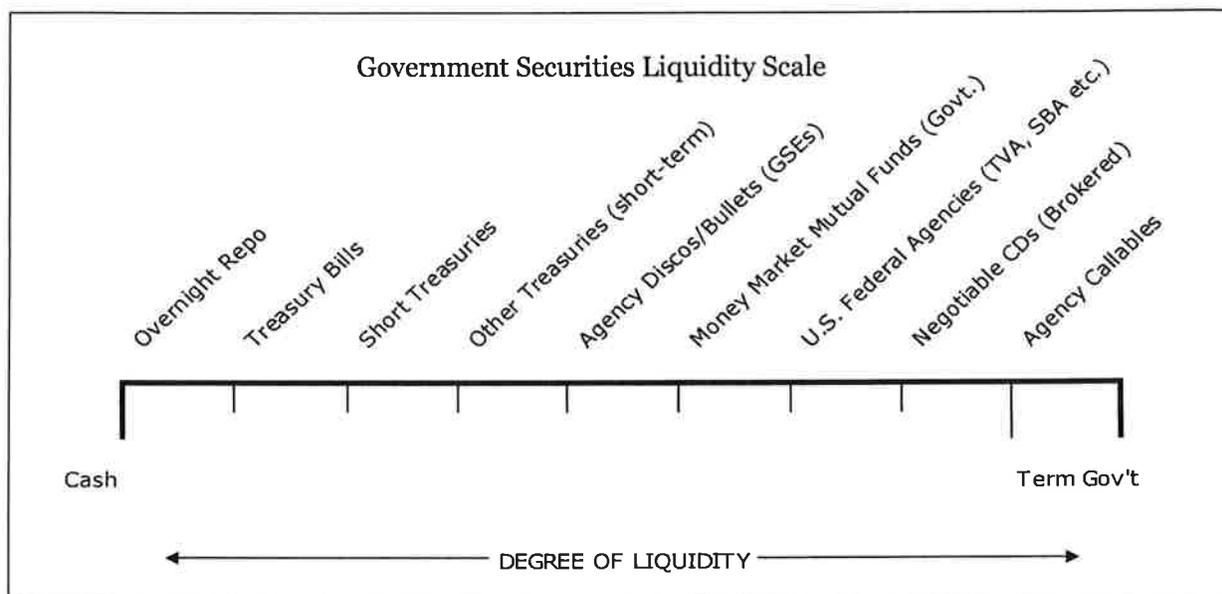


Government Investment Options for Public Entity Investors

Treasury and Government money market funds have been stuck in a holding pattern, purchasing products that are yielding very little because of the maturity restrictions of SEC rule 2a-7 that limits weighted average portfolio maturities to 60 days or less. Even so, it is instructive to look at these short-term asset managers investment strategies to learn how and in what products they are generating additional yield. What we have seen in the government-only money fund space is the trend toward extending portfolio duration. In 2012, government money market funds extended portfolio weighted average maturities (WAM) by 12 percent.



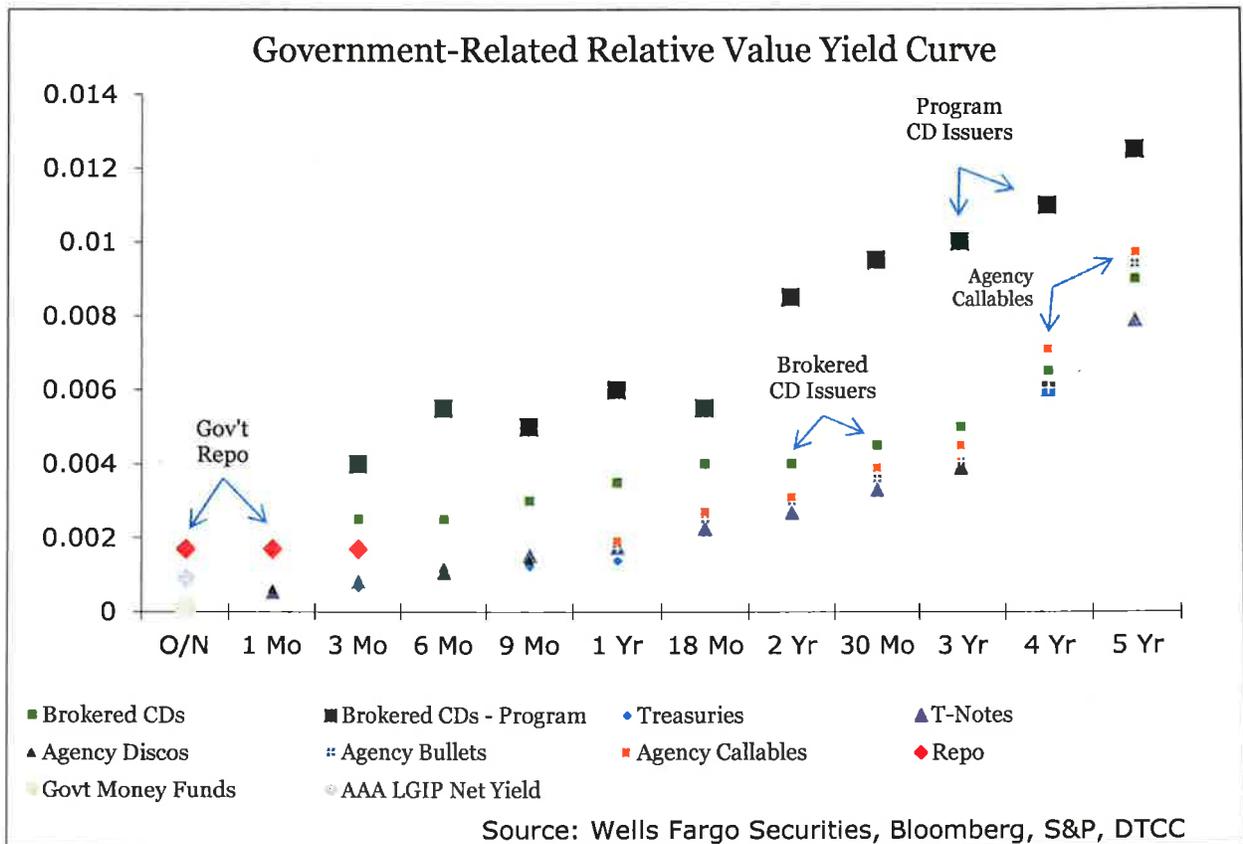
The lesson for public entity investors is that from a product standpoint, there are few alternatives available when it comes to strictly government-related assets, especially in the immediate front-end of the yield curve. The spectrum of available products begins with Treasuries and ends with Agencies, in between there are FDIC-insured deposits under \$250 thousand and government-backed repo. Because credit risk in government-only portfolios is very limited, the remaining risk lies in the relative *liquidity* of the instrument.



Source: Wells Fargo Securities, GFOA: *Investing Public Funds*

The exhibit illustrates the relative liquidity position of various government-related securities. The liquidity gradations from one instrument to the next are not equidistant; however, we can make assumptions about the relative yield that clients should earn for the incremental liquidity risk being assumed in each product category.

Looking at government-related products on a yield basis, the market is dominated by government repo on the front-end, and by brokered CDs on the back end. The brokered CD space is further bifurcated between higher yielding program issuers, or those banks that are almost continuously in the market, and less frequent issuers that benefit from the scarcity premium of their name.



For small public entity investors, the clear choice in the current compressed rate environment is the brokered CD space, using either program issuers or less frequent issuers. Smaller investors that are able to structure a ladder of portfolio maturities in brokered CDs should be able to outperform their agency/treasury counterparts by a significant margin. Clients should recognize that any single brokered CD allocation will have somewhat less liquidity should the client need to liquidate the position. I.e. the bid/ask spread on a brokered CD will be wider than on a Treasury security, but a similarly-structured portfolio, even one with a slightly shorter duration to compensate for less relative liquidity, outperforms in the short-intermediate term.

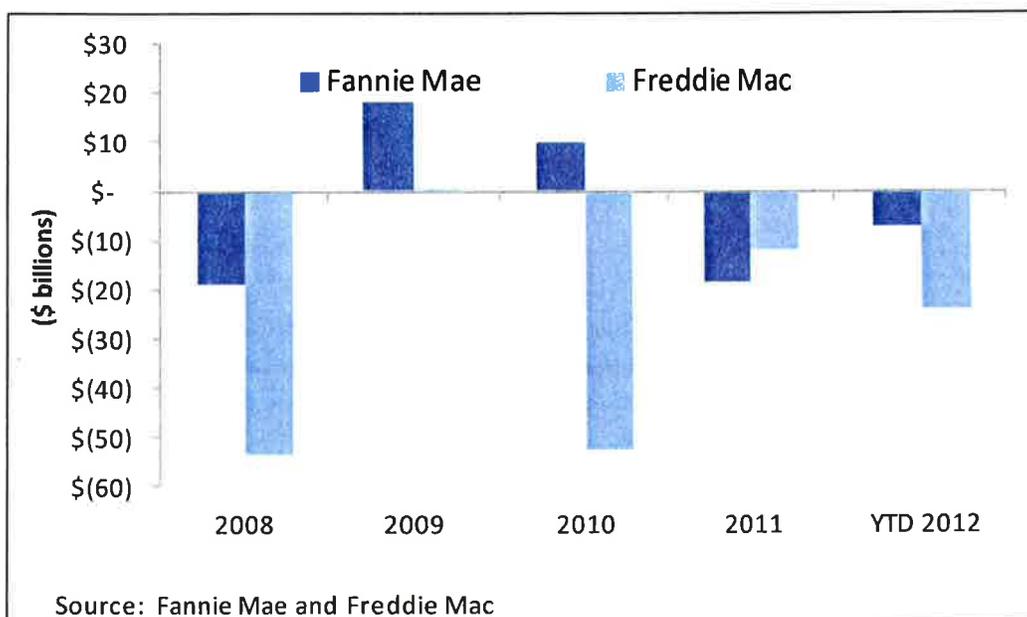
Gov't-Only Laddered Portfolio Comparative Yield to Maturity		
	36 Month Ladder 1.4 Year Eff. Duration	60 Month Ladder 2.0 Year Eff. Duration
Treasury	0.22%	0.32%
Agency	0.27%	0.37%
Brokered CD	0.72%	0.84%

Source: Wells Fargo Securities, BondEdge

Larger public entity investors that cannot efficiently access the brokered CD market should look to the agency bullet market three years and in as the slight pickup, while small is still a pickup. We recommend agency bullets in all maturities inside of four years for larger investors as the current pickup in short-dated callable agencies is insufficient to compensate for the optionality of the callable structure in our opinion, even at the currently low levels of market volatility. We believe this is the case in terms of both standard callables and step-up callables relative to bullets. For those that have a view of significantly higher interest rates in the near term, step-up structures do partially hedge against that risk, but generally the interest rate move would need to be dramatic, otherwise investors will rarely see the final steps in most structures. For those that do have that view, we recommend that investors look to step-ups with relatively front-end loaded step-up structures where the first and subsequent reset dates are competitive with near-term rates rather than look at structures that are back-end loaded with coupons the investor will not likely see. We continue to regard the agency space as largely interchangeable from a credit standpoint with the Treasury space even after year-end 2012 ended the unlimited guarantee provided by the U.S. Treasury under the Preferred Stock Purchase Agreement.

Agency Market Focus: *Supply, Demand and Regulatory Changes*

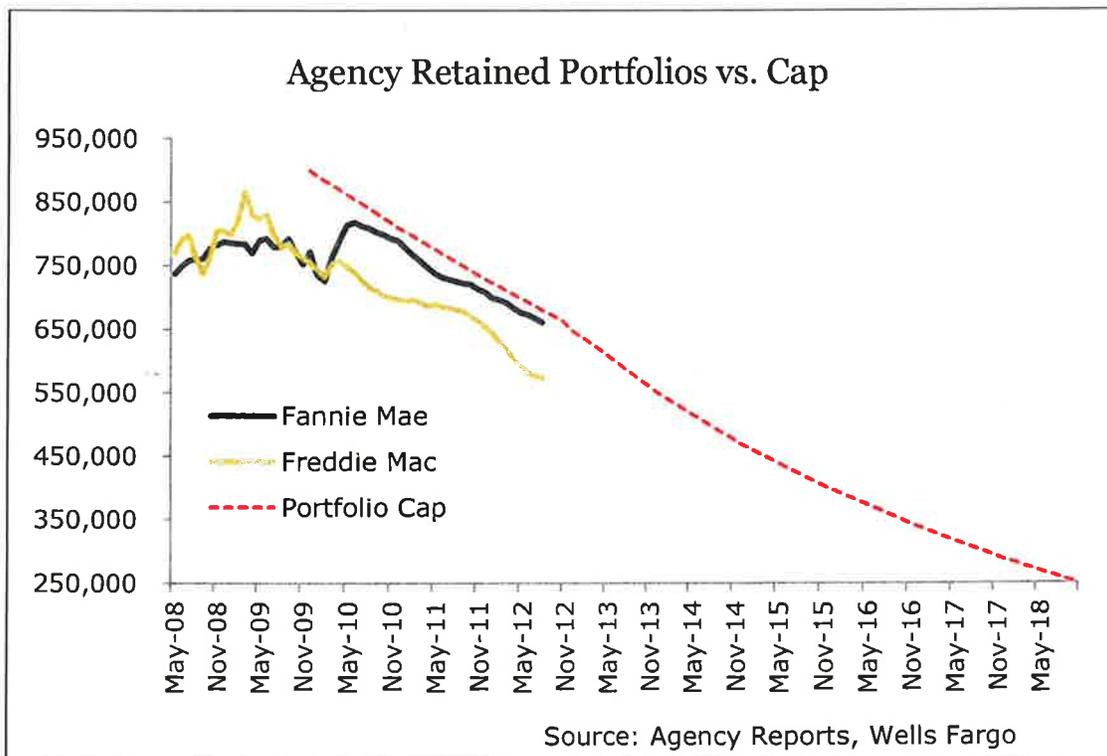
One challenge investors have faced, and will continue to face, is the trend of decreased issuance by the agencies. Since the conservatorship was put into place in 2008, issuance has been constrained for Fannie Mae and Freddie Mac. Year-to-date through October 2012, Fannie Mae and Freddie Mac had negative net callable issuance of approximately -\$7.2 billion and -\$24.4 billion, respectively.



In August 2012, the U.S. Department of Treasury announced modifications to the Preferred Stock Purchase Agreements (PSPAs), one of which was the expedited wind down of Fannie Mae and Freddie Mac. The PSPAs now dictate that Fannie Mae and Freddie Mac may not own more than \$650 billion of Mortgage Assets as of December 31, 2012, and must decrease the balance of Mortgage Assets owned by 15% per year instead of the

10% prescribed in the original agreement. As a result, Fannie Mae and Freddie Mac will accelerate the reductions in their mortgage holdings by four years, ending at the \$250 billion regulatory limit in 2018.

Consequently, we expect negative net issuance in all forms, for Fannie Mae and Freddie Mac to continue until the wind down process is complete. However, we believe this will mainly take place in the callable space as callable structures are mainly used by the agencies to offset optionality in their mortgage portfolios. As of October, both Fannie Mae and Freddie Mac were ahead of schedule for the wind down as the size of their Mortgage Asset portfolios were \$643 billion and \$569 billion, respectively.



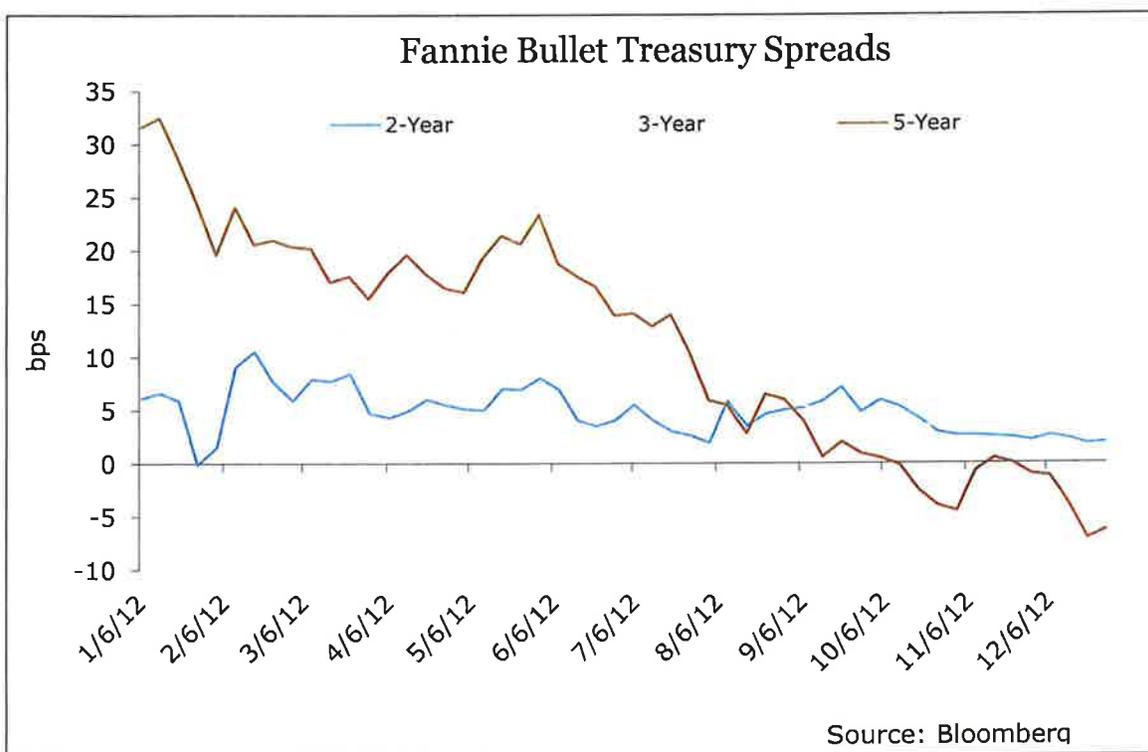
Freddie Mac is clearly ahead of schedule in terms of the wind down as their Mortgage Asset portfolio is \$16.5 billion shy of the maximum balance allowed at the end of 2013. Therefore, they are in the position to slow down the reduction of their portfolio which in turn may result in less drastic negative net debt issuance or even positive debt issuance in the years to come.

On the subject of the PSPAs, it is worth noting that the unlimited commitment from the Treasury expired on December 31st, 2012, and the amount of preferred stock that Fannie Mae and Freddie Mac may issue to the Treasury to support losses is now fixed at \$124.8 billion and \$149.3 billion, respectively. This amount may be adjusted if a capital surplus occurs at the end of 2012. Treasury also discontinued the 10 percent preferred stock dividend that it was charging the housing GSEs, instead telling the companies that they will pay the Treasury any capital surplus they earn going forward. We anticipate that The future of Fannie Mae and Freddie Mac is uncertain as the Federal Housing Finance Agency (FHFA) has yet to decide on a concrete plan for the role of these organizations going forward, but in our opinion, some semblance of the organizations will exist, but

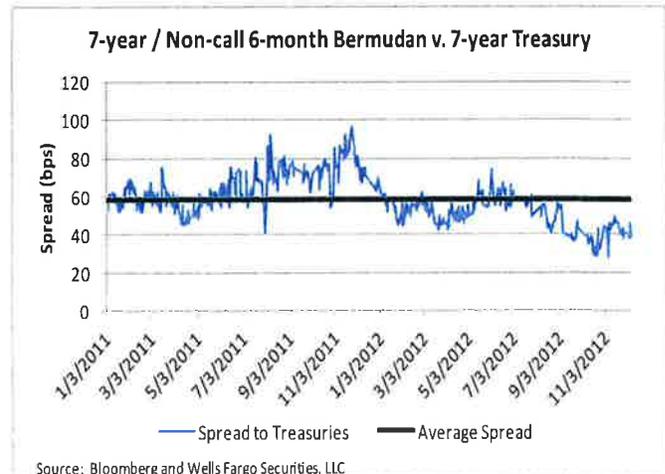
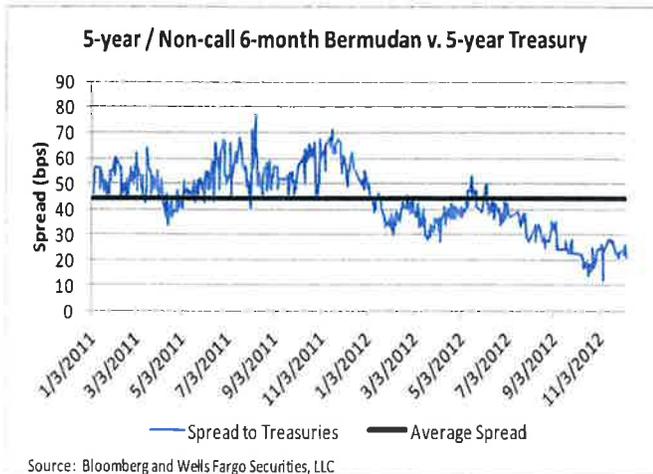
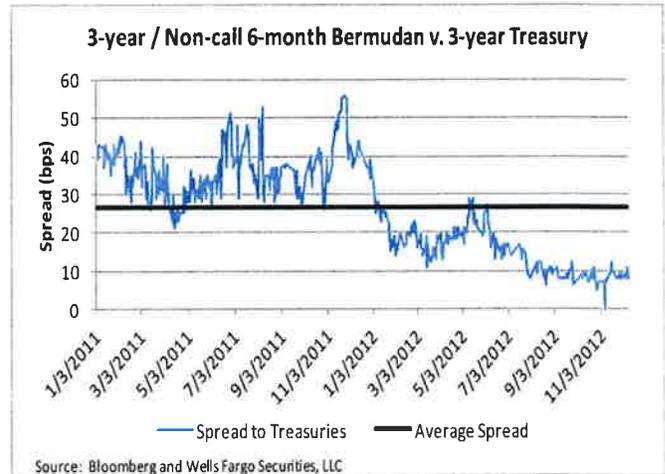
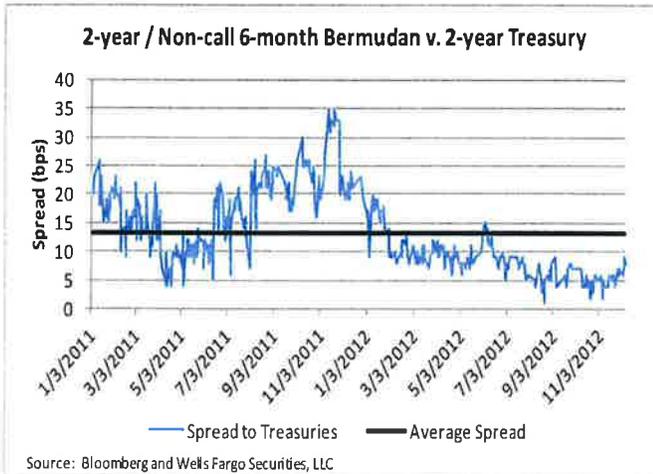
given that they are now sending all retained earnings to the Treasury (i.e. they have no ability to build capital), they are unlikely to return to the market as individual private entities.

Rate and Issuance Trends

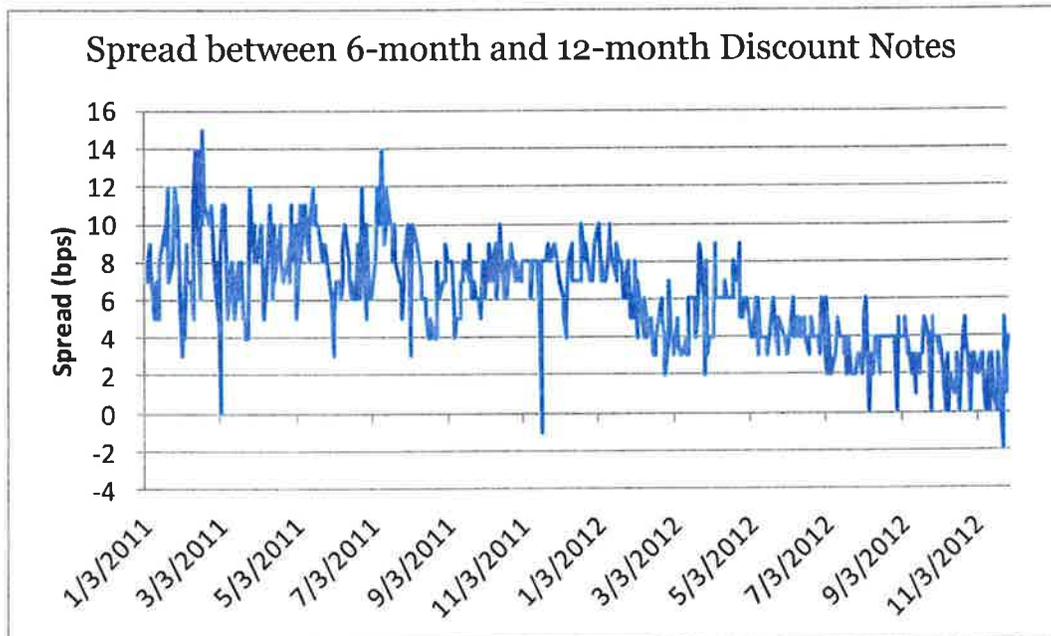
Treasury yields are at or close to all-time lows, and agency spreads to Treasuries have tightened in as well, making the relative value of agencies diminish relative to Treasuries, however, a yield pickup remains for what we consider to be an almost equivalent asset from a credit perspective.



The low rates available on agency investments will be exacerbated by the supply constraints resulting from the shrinking of the two agencies. The graphs below show the secular reduction of agency spreads over the past 2 years. The trend will also weigh on agency securities issued by other GSEs including Farm Credit and the Federal Home Loan Banks.



From a short-term rate perspective, similar to other short-term products, agency rates remain low and the curve remains quite flat. Since January 2011, the average steepness of the discount note curve between 1-month and 3-months, and 3-month and 6-months has been about 3-4 basis points. The spread between the 6-month and 12-month agency discount curve has averaged 6 basis points, and there has been a noticeable flattening of the curve as investors extend portfolio durations and bid up longer-dated agency paper.



Source: Bloomberg

The callable issuance trends for Fannie Mae, Freddie Mac, and the Federal Home Loan Bank for the months of September, October, and November show that the majority of Fannie Mae and Freddie Mac's callable issuance had a final maturity greater than 5 years, and the majority of Federal Home Loan Bank's issuance had a final maturity greater than 3 years. The trend for lock-out varies depending on the issuer: the majority of Federal Home Loan Bank's issuance had a 0-3 month lock-out; the majority of Fannie Mae's issuance had a 6-12 month lock-out; and Freddie Mac's issuance was fairly evenly distributed between 3-6 month, 6-12 month, and 12+ month lock-outs.

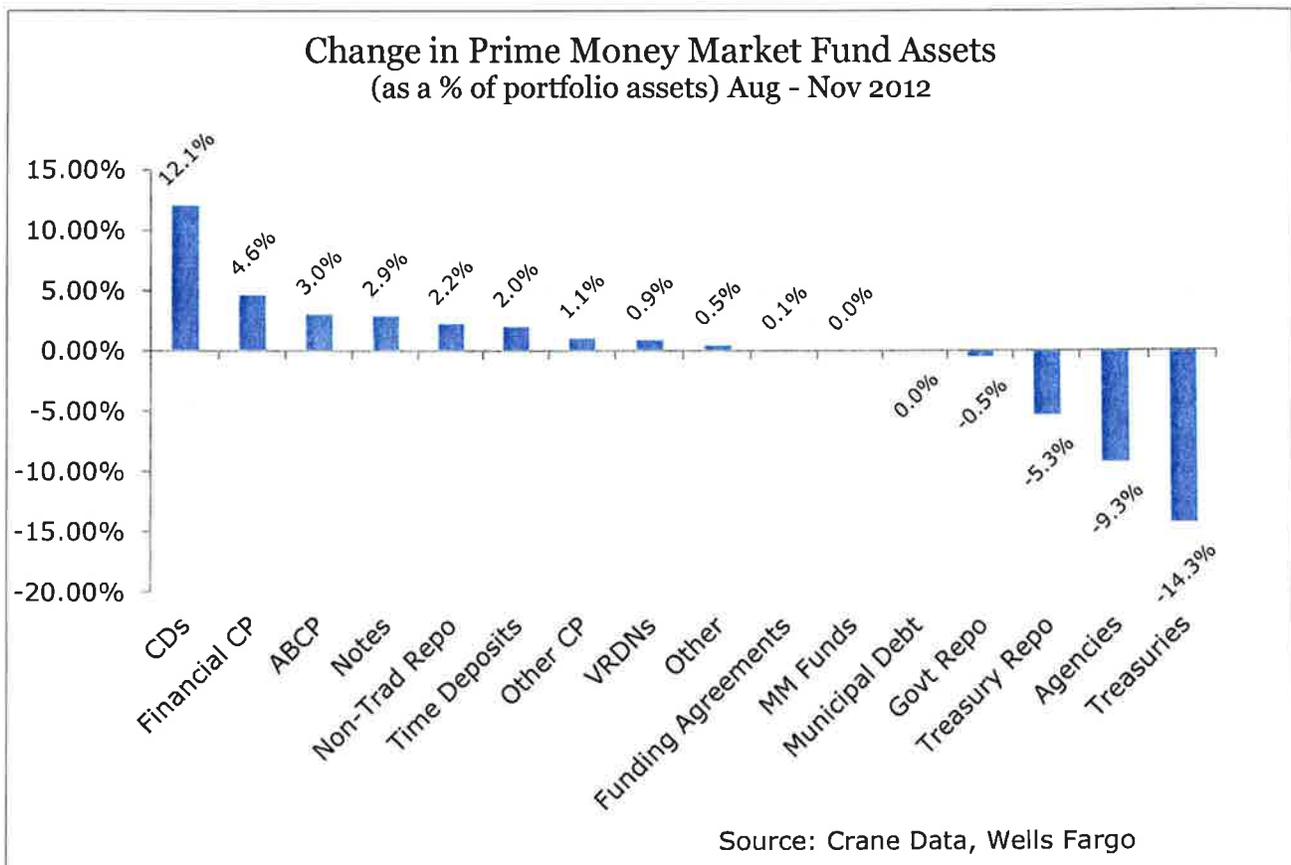
Government-Only Portfolio Recommendations

Regardless of the size of the issuer, clients in the government space should primarily look to extend portfolio duration to augment yield in the current rate environment. We anticipate that supply constraints, the current and expected shape and level of the yield curve, the expected monetary policy outlook, heightening demand for high quality government-related assets, uncertainty around fiscal policy all suggest that in the government space there is opportunity to move further out along the curve. In this context, we are primarily referring to investments for operational purposes inside of five years. We recommend that clients look to manage their liquidity more closely through asset/liability laddering strategies and attempt to better match asset maturities with expected liabilities. In the government space clients that take this approach are more likely to outperform in the current and expected rate environment than clients that maintain overly short-dated portfolio allocations.

Credit Investment Options for Public Entity Investors

As in the government-only market, it may be instructive for public entities that have the ability to access the credit markets to look to money funds for relative value ideas, or at least understand how the funds are adding value for their investors.

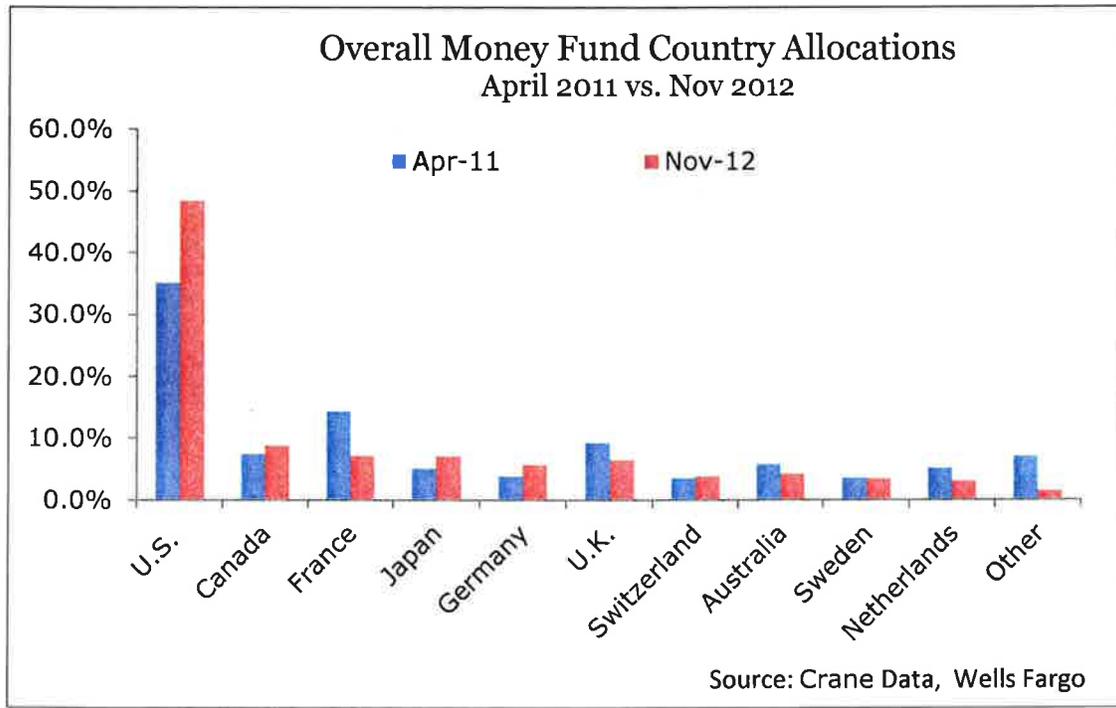
Moreover, many local government investment pools may be incorporating these strategies and purchasing many of these same assets to generate incremental yield for their investors, depending on the state in which they operate. Two of the primary ways in which fund managers have been finding yield are in the Yankee CD space, the financial CP space and the non-traditional repo space. There has been significant growth in money market fund exposure to CDs issued by New York branches of foreign financial institutions. The net change in prime fund asset allocations over the second half of 2012 is shown below. Overall growth has been the highest in the CD and financial CP space.



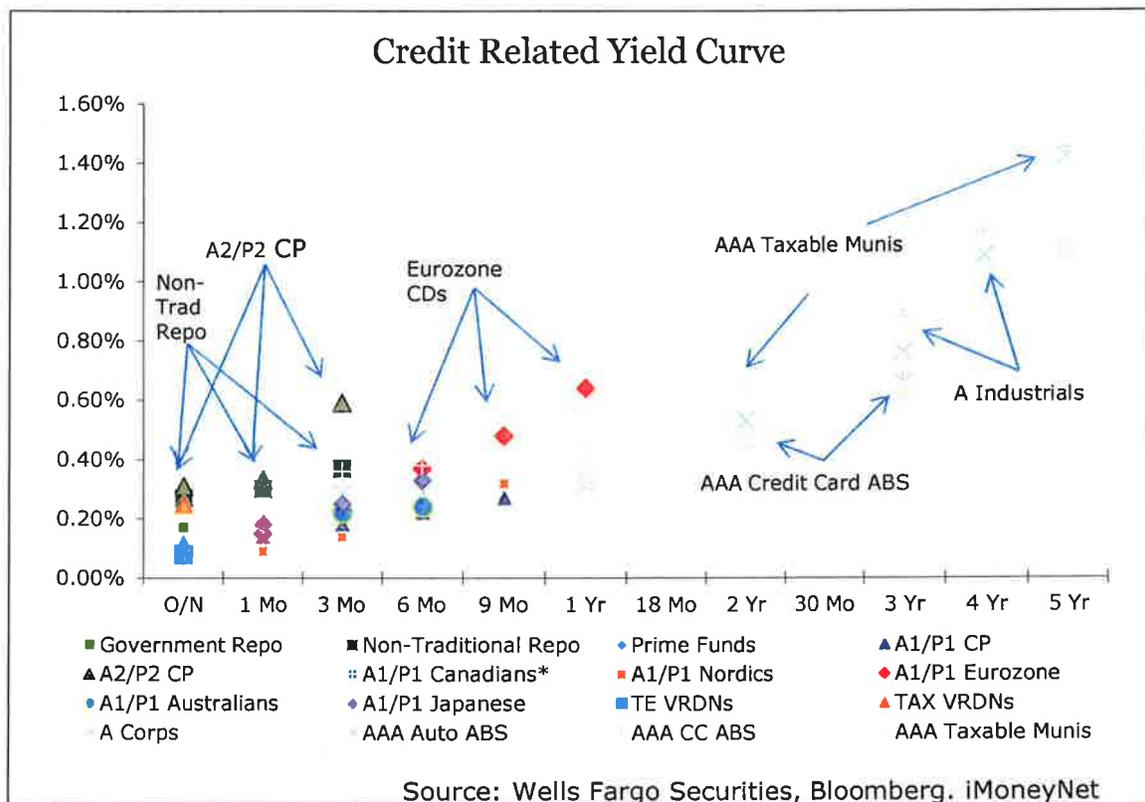
Foreign Exposure Increases but Remains Historically Low

From a country perspective, funds have been looking to increase exposure to foreign assets, while divesting out of extremely low-yielding US government assets. Over the course of the latter half of 2012, the three biggest areas of country growth in funds have been France, Germany and Sweden, this is primarily a result of

a migration out of these areas in 2011 and early 2012. Despite the recent growth, foreign country allocations remains well below early-2011 exposures.



We believe that public entity investors whose statutes allow for purchases of US Dollar assets by foreign issuers could follow suit by prudently making room for modest foreign country asset allocations. This is not only advantageous from a yield perspective, but gives portfolios some diversification away from strictly U.S. credit exposure, while remaining in dollars. The primary product for US Dollar exposure to foreign companies is in the Yankee CD and Foreign CP space. We believe public entities may find opportunities in this sector to prudently increase exposure and portfolio yields.



In longer-dated credit sectors, which we believe many public entities could increase exposure to three areas. The AAA consumer ABS sector performed very well over the course of the financial crisis and remains a very strong credit alternative. For those looking at relative value options at the AAA level of credit risk, this is an area to consider. Inventories of these securities are in extremely high demand by money market funds in the front-end, but beyond money markets there may be more opportunities for public entities to participate .

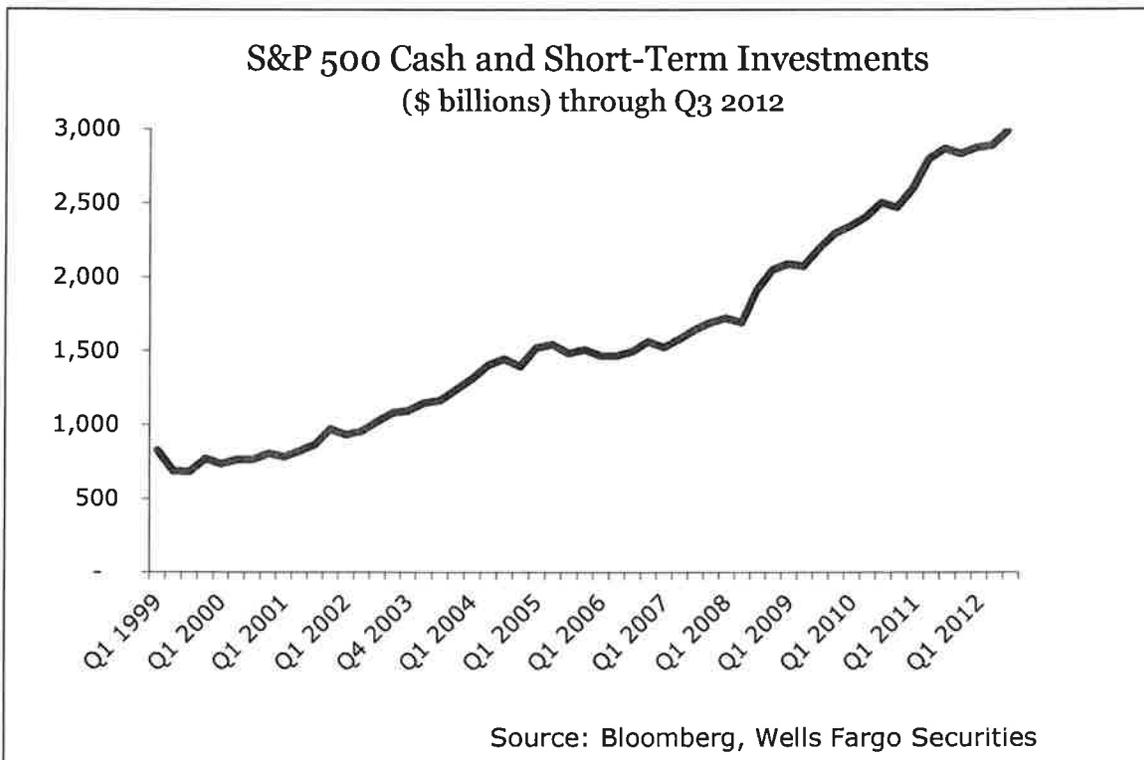
Another asset class of interest in the AAA-credit space is the taxable municipal sector. Taxable municipal securities are used to fund projects that the Federal government has deemed not significant enough to the general public to warrant a tax exemption. Even so, the market for these securities continues to grow and generate interest from investors due to their strong credit profile and attractive yields. Liquidity in this product is limited relative to other AAA-rated assets, but for investors that are managing their portfolios with a “bucket” strategy”, maintaining sufficient liquidity buckets while allocating portions of the portfolio to higher yielding longer-duration buckets, taxable municipals represent a high yielding, highly-rated investment alternative to lower-rated credit or even relatively expensive AA-rated Agency securities.

Further down the credit curve, the broad investment grade credit markets continue to perform well. As we talk to investors about our recommendations on adding value, we currently recommend adding credit exposure relative to duration exposure. The current levels garnered in the government market are not attractive inside of 5 years relative to the credit alternatives available.

Corporate credit continues to look attractive relative to government-related products for those that have the ability to participate. The current health of corporate balance sheets, estimated by the

amount of cash sitting on corporate balance sheets, coupled with record issuance because of low interest rates makes the investment-grade corporate market a good way to add value. Unlike the agency market, where supply constraints continue to grow, new issuance in the corporate space was at a historical high in 2012.

For short-term credit investors, the pickup in the A2/P2 commercial paper space continues to be a great story for public entities looking to augment yield. The performance of the A2/P2 CP space over the credit crisis was extremely strong, even relative to certain A1/P1 commercial paper issuers, and the pickup in A2/P2 CP over A1/P1 CP remains quite wide as A1/P1 CP falls and will likely continue to fall as other top tier short-term rates continue to feel pressure.



Disclosure Appendix

Market Strategist Commentary is a product of Wells Fargo Securities, LLC's fixed income sales and is not a product of Wells Fargo Securities, LLC's Global Research Department. The views of the Market Strategist may differ from that of the Global Research Department.

About Wells Fargo Securities

Wells Fargo Securities is the trade name for the capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including but not limited to Wells Fargo Securities, LLC, a member of NYSE, FINRA, NFA and SIPC, Wells Fargo Institutional Securities, LLC, a member of FINRA and SIPC, Wells Fargo Prime Services, LLC, a member of FINRA, NFA and SIPC and Wells Fargo Bank, N.A. Wells Fargo Securities, LLC carries and provides clearing services for Wells Fargo Institutional Securities, LLC customer accounts. Wells Fargo Securities, LLC, Wells Fargo Institutional Securities, LLC and Wells Fargo Prime Services, LLC are distinct entities from affiliated banks and thrifts.

Important Disclosures Relating to Conflicts of Interest and Potential Conflicts of Interest

Wells Fargo Securities, LLC may sell or buy the subject securities to/from customers on a principal basis. Wells Fargo Securities, LLC has or may have proprietary positions in the securities mentioned herein. The trading desk has or may have proprietary positions in the securities mentioned herein. The author's compensation is based on, among other things, Wells Fargo Securities, LLC's overall performance, the profitability of Wells Fargo Securities, LLC's Fixed Income Department and the profitability of the trading desk.

Accuracy of Information

The information presented in this report is based on data provided by the client or obtained from the client's Wells Fargo Fixed Income Sales account and data provided by Interactive Data Corporation. While we believe the data to be reliable, Wells Fargo Fixed Income Sales does not guarantee accuracy or completeness. This information should not be construed as investment advice of a solicitation to sell or buy any security. This BSMS Review was prepared by Wells Fargo Balance Sheet Management Strategies and is not a substitute for your monthly statements. The information herein was obtained from sources which Wells Fargo Securities, LLC and its suppliers believe reliable, but they do not guarantee its accuracy. Security prices and yields are subject to market fluctuation and availability. Past performance is no guarantee of future results. Wells Fargo Securities, LLC cannot provide tax advice. Please see your tax advisor to determine how this information may apply to your own situation. Neither the information, nor any opinion expressed, constitute a solicitation of the purchase or sale of any securities. This account summary was prepared by Wells Fargo Balance Sheet Management Strategies and is not a substitute for your monthly statement or trade confirmation. Prices and yields are current as of the date of this summary and are subject to change and availability; past performance is no guarantee of future results. Municipal leases are shown at their par value. Any rating provided for a municipal lease investment is a rating associated with the lessee, and does not constitute a rating of the lease investment itself.

This report is for your information only and is not an offer to sell, or a solicitation of an offer to buy, the securities or instruments named or described in this report. Interested parties are advised to contact the entity with which they deal, or the entity that provided this report to them, if they desire further information. The information in this report has been obtained or derived from sources believed by Wells Fargo Securities, LLC to be reliable, but Wells Fargo Securities, LLC does not represent that this information is accurate or complete. Any opinions or estimates contained in this report represent the judgment of Wells Fargo Securities, LLC at this time and are subject to change without notice. Wells Fargo Securities, LLC and its affiliates may from time to time provide advice with respect to, acquire, hold or sell a position in, the securities or instruments named or described in this report. Wells Fargo Securities, LLC is a separate legal entity and distinct from affiliated banks.

Copyright © 2013 Wells Fargo & Company

SECURITIES: NOT FDIC-INSURED/NOT BANK-GUARANTEED/MAY LOSE VALUE

Other Important Disclosures

The remarketing agent is responsible for using its best efforts to find investors to purchase VRDOs that are tendered for purchase. Wells Fargo Securities acts as remarketing agent for a variety of VRDOs and, in its sole discretion, routinely purchases VRDOs for its own account. Wells Fargo Securities may, but is not obligated to, purchase tendered VRDOs for its own account and, in its sole discretion, may routinely purchase such tendered VRDOs in order to achieve a successful remarketing of the VRDOs in the event that there are not enough buyers to purchase the VRDOs, or for other reasons. However, Wells Fargo Securities is not obligated to purchase any tendered VRDOs if investors cannot be identified, and may cease doing so at any time without notice. Wells Fargo Securities regularly creates a market in the VRDOs for which it is remarketing agent by routinely purchasing and selling VRDOs other than in connection with a remarketing. Such purchases and sales may be at or below par. However, Wells Fargo Securities is not required to make a market in VRDOs, and may discontinue trading in VRDOs without notice for any reason at any time. The purchase of VRDOs by Wells Fargo Securities may create the appearance that there is greater third party demand for VRDOs in the market than is actually the case. The practices described above also may result in fewer VRDOs being tendered in a remarketing.

Wells Fargo Securities may also buy and sell VRDOs other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require holders that wish to tender their VRDOs to do so through the tender agent with appropriate notice as may be required by the terms of the governing instrument. Investors who purchase VRDOs should not assume that they will be able to sell their VRDOs other than by tendering the VRDOs in accordance with the tender process.

On any interest rate determination date, there may or may not be VRDOs tendered and remarketed. Wells Fargo Securities as remarketing agent may or may not be able to remarket any VRDOs tendered for purchase on such date at par, and may sell VRDOs at varying prices to different investors on such date or any other date. Wells Fargo Securities is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the VRDOs at the remarketing price.

The remarketing agent is appointed, and compensated for its services, by the issuer or the third party borrower. As a result, the interests of the remarketing agent may differ from those of existing holders and potential purchasers of the VRDOs.

A more complete description of the tender process and other aspects of a VRDO can be found in the particular VRDO's offering document. Offering documents for many VRDOs are available on the Municipal Securities Rulemaking Board's EMMA web site at <http://emma.msrb.org/>, and can be located by entering the security's CUSIP number or the name of the issuer in the search box on that page.

COASTAL SECURITIES, INC.

Volume 21

January 2013

Halting Start To 2013

Although we're card-carrying members of the community of dismal scientists, we generally prefer to side with optimists whenever possible. Sadly, it's becoming increasingly difficult to retain that bias. As 2012 drew to a close, a litany of negative developments battered the economy and damaged prospects for 2013. At this writing, the task of avoiding the fiscal cliff had still not been resolved, allowing uncertainty to fester and pessimism to weigh ever more heavily on households and businesses. Even if a deal is struck around the turn of the year, or shortly thereafter, some taxes are sure to go up; many households will be hit with a new tax associated with the Affordable Care Act, businesses will lose the tax write-off granted by expiring bonus depreciation rules, and the 2 percent payroll tax holiday in effect for the past two years will probably be rescinded. What's more, about 2 million long-term unemployed workers stand to lose their jobless benefits after January 2 unless Congress extends the Emergency Unemployment Compensation program.

The political impasse preventing a deal had a palpable effect on the economy and financial markets during the fourth quarter. Business put off hiring and spending decisions, consumers retreated and investors pulled the rug out from under a solid stock market rally in the third quarter. Collectively, these negative influences took a toll on the economy. After posting a decent 3.1 percent growth rate in the third quarter, the nation's growth engine downshifted markedly over the following three-month period, closing out the year at about half that pace. Things do not look much better as the curtain rises on 2013. Thanks to the looming fiscal drag noted above, a worsening economic environment overseas and the lingering effects of the year-end anxiety over the fiscal cliff, the opening months of the new year are poised for a sluggish start.

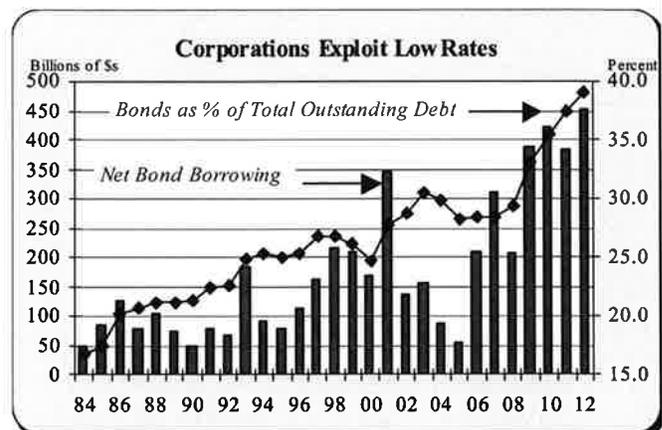
That said, the outlook is not devoid of some promising signs, which should kick in during the spring and flourish as the year unfolds. The housing recovery is gaining traction and should provide ongoing support to a broad swath of the economy throughout the year. Households are steadily getting their finances in better shape, giving them the wherewithal to satisfy pent-up demands for aging autos and other durable goods. Likewise, business balance sheets have been restored to health, thanks to burgeoning cash coffers fed by record profits. What's more, businesses – like households – have greatly lowered debt-servicing charges by refinancing a huge amount of outstanding liabilities with new bond issues at much lower rates. That's only one of the many benefits the Federal Reserve's extended low interest-rate policy is having on the economy.

Bond Explosion

Since bringing its benchmark short-term rate down to near zero in December 2008, the Federal Reserve has made life much easier for borrowers. True, lowered rates delivered a significantly bigger economic punch in past recoveries, thanks mainly to the time-honored boost it had on housing activity. But restrictive mortgage conditions muted the positive housing impact this time, depriving the recovery of a major source of strength. While low rates have enabled millions of homeowners to refinance their mortgages and lighten debt burdens, many more were prevented from participating in the refi wave because of tightened lending standards.

Not so for corporate America, as low rates have ignited a veritable explosion of bond offerings from prime as well as less creditworthy companies. Like households, much of the funds raised were used to refinance outstanding bonds at lower rates. But whereas households strove to reduce outstanding debt – and are still deleveraging – corporations raised copious amounts of funds by expanding the liability side of their balance sheets. Over the past four years, nonfinancial corporations have raised an average of \$41.1 billion of net new funds a year in the bond markets, including an annual rate of \$45.2 billion from January through September of 2012. That's more than double the annual volume raised in the 10 years prior to 2008.

Not only did corporations refinance higher-yielding issues in the capital markets, they also retired more than \$500 billion of bank loans and other short-term debt since the end of 2008. One result: a record share of corporate liabilities is locked in at rock-



bottom interest rates for a long period of time. At the end of the third quarter, bonds accounted for 39 percent of total corporate liabilities, a whopping 10 percentage points higher than at the end of 2008. That means corporations have built themselves a sizeable protective

The revival in home prices is particularly encouraging because of its broad implications for the economy. As property values rise, more homeowners are able to dig themselves out of negative equity positions. That, in turn, makes it easier to obtain

COASTAL SECURITIES, INC.

To be sure, the surge in bond offerings was part and parcel of the Fed's grand design when it first embarked on its bond-purchase program, better known as quantitative easing, back in 2008. The program, which has since been extended and made open-ended, confines its purchases to high-grade Treasury and agency-backed mortgage securities. But by knocking down rates on those issues, investors had to purchase riskier assets to obtain higher yields. That, in turn, opened the floodgates for lower-rated companies to tap the bond market, where even so-called junk bonds were greeted with open arms by investors, driving down their yields in the process.

Unfortunately, the Fed has been less successful in opening the mortgage credit spigot. Reeling from a mountain of bad loans made during the speculative housing bubble, financial institutions are still aggressively paring loan losses and striving to repair balance sheets. Not surprisingly, they have toughened lending standards, requiring larger down payments and higher credit scores, which shuts out a big segment of potential mortgage borrowers, particularly those with a less than pristine credit rating. That said, by driving mortgage rates down to historic lows, the Fed has made a home purchase more affordable to a broader swath of households.

With the government intensifying its effort to encourage refinancing through various programs and financial institutions becoming more receptive to distressed sales, i.e., allowing homeowners to sell their homes for less than they owe on their mortgages, the financial restraints that have weighed so heavily on the housing market are steadily loosening up. As this process continues, the Fed's low-rate policy will have a broader influence on housing activity, adding fuel to the modest recovery that is already underway. And, while restrictive credit has slowed the housing revival the credit spigot has opened wide for the auto sector, facilitating a strong rebound in car sales that has been a pillar of strength for the economy

Self-Reinforcing Influences

The mark of a sustained expansion is when the fundamentals driving growth reinforce each other. By most measures, the economy is at that point, minimizing the odds of a recession in 2013. The labor market is steadily improving, generating about 150 thousand jobs a month. At that pace, it would still take more than two years before employment is restored to prerecession levels. But it is strong enough to gradually lower the unemployment rate and underpin a pace of consumer spending that would sustain business hiring. Simply put, a virtuous circle has been set in motion whereby jobs and consumption feed back to each other in a positive direction.

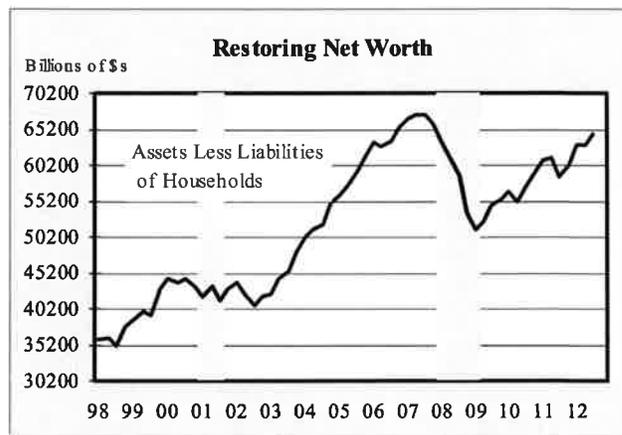
A similar story is unfolding in the housing sector. True, the housing recovery is still not firing on all cylinders. But since turning the corner last spring, construction, sales and prices have been rising steadily and reinforcing each other on the way up. Homebuilder sentiment is at a six year high, and inventories have been whittled down substantially, indicating that the housing sector will be one of the certain bright spots in the economy during the coming year.

dominant influence on wealth. The housing bust that precipitated the financial crises vaporized \$7 trillion in homeowners' equity, amplifying the consumer retrenchment that deepened the Great Recession, and holding back the recovery. But that vicious circle has now morphed into a virtuous one, as rising home values together with mortgage paydowns have restored \$1.2 trillion in housing equity over the first three quarters of 2012. Along with the 3-½ year bull market in stocks, households have recovered about 85 percent of the net worth destroyed by the housing bust and financial crises.

Firmer Underpinnings

As we enter 2013, the economy is struggling to overcome some headwinds from 2012 that will make for a sluggish start to the year. Business spending on capital equipment, one of the driving forces early in the recovery, weakened considerably in the last half of 2012 and a slump in new capital goods orders late in the year points to continued weakness over the near term. Likewise, the strength in exports in 2010 and 2011 dissipated as 2012 unfolded, reflecting the downturn in Europe and Japan as well as the slowdown in emerging markets, including China. Governments are also pulling back, particularly on the state and local level where budgets are still under stress.

But the recovery has firmer underpinnings than it did last year or the year before, and is better able to withstand these headwinds. What's more, the headwinds themselves may soon abate. To the extent companies put off hiring and spending decisions due to uncertainty over the fiscal cliff, they should restore budget plans in coming months when there is more clarity on the fiscal front. If recessionary forces in Europe ease by the spring, as expected, exports will get a renewed lift later in the year from strengthening global demand. Finally, state tax collections are rising once again, alleviating the budget squeeze that is still causing layoffs of public workers. Once the early-year challenges are overcome, the stage should be set for stronger growth as the year progresses.



KEY ECONOMIC AND FINANCIAL INDICATORS

COASTAL SECURITIES, INC.

FINANCIAL INDICATORS*

	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>	<u>June</u>	<u>May</u>	<u>12-Month Range</u>	
								<u>High</u>	<u>Low</u>
Prime Rate	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3-Month CD Rate	0.23	0.23	0.24	0.26	0.30	0.32	0.29	0.49	0.23
3-Month Treasury Bill Rate	0.09	0.10	0.11	0.10	0.10	0.09	0.09	0.11	0.01
5-Year Treasury Note Rate	0.67	0.71	0.67	0.71	0.62	0.71	0.76	1.02	0.62
10-Year Treasury Note Rate	1.65	1.75	1.72	1.68	1.53	1.62	1.80	2.17	1.53
20-Year Treasury Bond Rate	2.39	2.51	2.49	2.40	2.22	2.31	2.53	2.94	2.22
Tax-Exempt Bond Yield	3.46	3.65	3.73	3.74	3.78	3.94	3.77	3.95	3.46
Corporate Bond Yield (AAA)	3.50	3.47	3.49	3.48	3.40	3.64	3.80	3.99	3.40
Dow Jones Industrial average	12896	13380	13419	13134	12814	12555	12721	13419	12076
S&P 500 Index	1395	1438	1443	1403	1360	1323	1341	1443	1243
Dividend Yield (S&P)	2.28	2.27	2.22	2.25	2.28	2.29	2.37	2.37	2.09
P/E Ratio (S&P)	14.4	14.4	14.7	14.3	14.0	13.8	13.2	14.7	13.2
Dollar Exchange Rate (vs. Major Currencies)	73.6	72.7	72.6	74.2	75.2	75.0	73.9	75.2	72.3

* Monthly Averages

ECONOMIC INDICATORS

	<u>November</u>	<u>October</u>	<u>September</u>	<u>August</u>	<u>July</u>	<u>June</u>	<u>May</u>	<u>12-Month Range</u>	
								<u>High</u>	<u>Low</u>
Housing Starts (In Thousands)	861	888	843	750	728	754	706	888	697
New Home Sales (Thousands of Units)		368	369	366	366	360	369	369	339
New Home Prices (Thousands of Dollars)		238	248	254	237	233	239	254	218
Retail Sales (% Change Year Ago)	3.7	3.7	5.4	4.9	4.0	3.5	5.2	6.8	3.5
Industrial Production (% Change Year Ago)	2.5	1.6	2.9	2.9	4.2	4.5	4.7	5.2	1.6
Operating Rate (% of Capacity)	78.4	77.7	78.3	78.3	79.2	78.8	78.9	79.2	77.7
Inventory Sales Ratio (Months)		1.29	1.28	1.29	1.28	1.29	1.27	1.29	1.25
Real Gross Domestic Product (Annual % Change)			3.1			1.3		4.1	1.3
Unemployment Rate (Percent)	7.7	7.9	7.8	8.1	8.3	8.2	8.2	8.5	7.7
Payroll Employment (Change in Thousands)	146	138	132	192	181	45	87	275	45
Personal Income (% Change Year Ago)		3.0	3.1	3.1	3.2	3.5	3.1	3.6	2.6
Savings Rate (Percent of Disposable Income)		3.4	3.3	3.7	3.9	4.1	3.9	4.1	3.3
Hourly Earnings (% Change Year Ago)	1.7	1.6	1.9	1.7	1.7	2.0	1.8	2.1	1.6
Consumer Credit (Change in Mil. Of Dollars)		14158	12193	18930	-1816	11445	19295	19295	-1816
Consumer Prices (% Change Year Ago)	1.8	2.2	2.0	1.7	1.4	1.7	1.7	3.0	1.4
CPI Less Food & Energy (% Change Year Ago)	1.9	2.0	2.0	1.9	2.1	2.2	2.3	2.3	1.9
Wholesale Prices (% Change Year Ago)	1.5	2.3	2.1	2.0	0.5	0.7	0.7	4.8	0.5

Economic Brief - The Budget Deal

• *The House (by a vote of 257-167) and the Senate (by a vote of 89-9) approved the Senate's plan to avoid most of the fiscal cliff. The president is expected to sign the bill into law.*

• *The plan would raise taxes on upper income households, provide a permanent fix to the Alternative Minimum Tax, and postpone spending cuts for two months. It does not prevent a 2% increase in payroll taxes, which will have a significant impact on consumer spending growth in the near term, nor does it address the federal debt ceiling.*

• *The deal sets up further confrontation over spending cuts, the debt ceiling, and the longer-term budget outlook.*

A summary of the package:

Marginal tax rates rise permanently to 39.6% (from 36.0%) for upper income households (individuals with incomes above \$400,000, families with income above \$450,000). Marginal tax rates for others permanently remain lower.

The tax rate on **capital gains and dividend income** for upper income earners permanently rises to 20% (from 15%), but stays permanently the same (15%) for everyone else.

The **estate tax** will rise to 40% with a \$5 million exemption (which will now be indexed to inflation).

Spending cuts (the sequester) will be delayed for two months.

Tax breaks for low-income earners (the Earned Income Tax Credit, the Child Tax Credit, and the American Opportunity Tax Credit) will be extended for five years.

Temporary tax breaks for businesses will be extended for another year.

The **Alternative Minimum Tax** will be permanently patched (no more annual fixes).

Limits on tax exemptions and deductions for upper income earners will be re-imposed: Personal Exemption Phaseout will be set at \$250,000 and the itemized deduction limitation starts at \$300,000. Note that these provisions do not alter the municipal bond exemption.

Scheduled cuts to doctors under Medicare will be postponed for a year, to be paid for by unspecified cuts to spending.

Federal unemployment insurance benefits will be extended for another year.

The individual **payroll tax** rate rises from 4.2% TO 6.2%. For someone making \$60,000 per year, this would amount to a reduction in take-home pay of \$100 per month.

A nine-month farm bill was attached to the deal (avoiding the "milk cliff").

Analysis:

The Senate deal has its detractors. The far right opposes any increase in taxes and felt that there weren't enough cuts in spending. The far left believes that too much was given away and the White House "squandered" a clear negotiating advantage. In the House, Democrats voted 172-16 to approve the plan, while Republicans voted 85-151, signaling a troubled leadership (this was already evident in the House's failure to vote on the leadership's package in mid-December).

The biggest economic impact will come through the increase in payroll taxes, which is expected to shave about a full percentage point from consumer spending growth in 1Q13. The failure to extend the 2% payroll tax reduction was not a surprise, as there was little support from either party. Payroll taxes are there to support Social Security, so the 2% reduction generated some strains in the long-term outlook for the program. Tax increases for upper income households should have only a minor impact on consumer spending and overall economic activity.

The package does relatively little to address the long-term budget shortfall, reducing the projected 10-year deficit by only \$600 billion (vs. \$4.5 trillion if the full fiscal cliff had hit), not counting added interest expense. The U.S. is still lacking a plan to reduce the budget deficit over the long term.

The passage of the budget deal removes major uncertainties about tax policy, which is helpful for the stock market. Equity futures are higher on the news. However, deficit reduction in the plan was less than anticipated, a negative for the bond market (higher bond yields) and the dollar. S&P downgraded the credit rating of the U.S. in 2011, citing the inability of the two parties to come together to deal with the long-term budget outlook. The current budget package should be enough to prevent another possible downgrade, but not by much.

The package also sets up a mini-cliff in two months. Large spending cuts (the sequestration) are now set for March 1. In addition, Treasury has bumped up against the debt ceiling. Treasury can take evasive action to fund the government for another two or three months, but Congress must act to raise the ceiling over the next several weeks. Many House members are furious about the budget package and will be looking for more spending cuts and reforms to entitlement programs in exchange for raising the debt ceiling. At some point, after the near-term euphoria subsides, market participants are likely to turn their focus to Washington's unfinished business.

© 2013 Raymond James & Associates, Inc., member New York Stock Exchange/SIPC. All rights reserved.

All expressions of opinion reflect the judgment of the Research Department of Raymond James & Associates, Inc. (RIA) as of the date stated above and are subject to change. Information has been obtained from third-party sources we consider reliable, but we do not guarantee that the facts cited in the foregoing report are accurate or complete. Other departments of RIA may have information that is not available to the Research Department about companies mentioned in this report. RIA or its affiliates may execute transactions in the securities mentioned in this report that may not be consistent with the report's conclusions.

International Headquarters: The Raymond James Financial Center | 880 Canillon Parkway | St. Petersburg, Florida 33716 | 800-248-8863

Scott Waltmon
Vice President Fixed Income

Raymond James & Associates
(800) 869-9908 (713) 840-3648
5599 San Felipe, Suite 1090, Houston, Texas 77056

RAYMOND JAMES

Morgan Keegan

Prepared for informational purposes only. Not an official confirmation of terms. Based on information generally available to the public from sources believed to be reliable. No representation is made that it is accurate or complete, that any returns indicated will be achieved or that you should rely on it to make an investment decision. Changes to assumptions may materially impact returns. Past performance is not indicative of future results. Price/availability is subject to change without notice. This is neither an offer to sell nor a solicitation of an offer to buy a new issue. For further information on a new issue, including a prospectus, please contact your Raymond James salesperson. Raymond James & Associates, Inc. and Morgan Keegan & Company, Inc. are wholly-owned subsidiaries of Raymond James Financial, Inc. and affiliated broker-dealers utilizing the trade name Raymond James | Morgan Keegan.