

For any inquiries regarding the College's investments please contact:

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**Investment Report
Fiscal Year 2006-2007
For The Three Months Ending February 28, 2007 - Unaudited**

Investment Position of the Entity as of February 28, 2007

Type of Deposit at Texas State Bank	Fund	MM/CD No.	Maturity Date	Interest Rate	Beginning Market Value December 1, 2006	Principal Additions & (Deductions)	Ending Market Value February 28, 2007
Certificate of Deposit	Operating	2432022	03/01/07	5.33%	26,291,556.31	6,000,000.00	32,632,907.61
Certificate of Deposit	Endowment	2286837	03/01/07	5.33%	15,141.60		15,340.60
Certificate of Deposit	Endowment - Futuro Brillante	3068370	03/01/07	5.33%	202,801.51		205,478.50
Certificate of Deposit	Construction - E&G Transfer	2495400	09/01/07	5.36%	20,406,514.31	(7,500,000.00)	13,139,288.05
Certificate of Deposit	Interest & Sinking - Bond 96	2417955	09/01/07	5.36%	201,276.00		203,901.35
Certificate of Deposit	LTGO Bond 2002 # 16	3402189	05/01/07	5.10%	6,842,093.53		6,913,932.54
Certificate of Deposit	LTGO Bond 2003	3637548	02/28/07	5.46%	674,770.19		683,793.54
Total Investments at February 28, 2007					\$54,634,153.45	(\$1,500,000.00)	\$53,794,642.19

The difference between the beginning and ending market value is a result of accrued and earned interest and transfers to or from money market bank accounts.

Type of Deposit at Texas State Bank	Fund	MM/CD No.	Interest Earned *			For the Period of December 1, 2006 through February 28, 2007
			December	January	February	
Certificate of Deposit	Operating	2432022	117,441.90	117,441.91	106,467.49	341,351.30
Certificate of Deposit	Endowment	2286837	68.54	68.54	61.92	199.00
Certificate of Deposit	Endowment - Futuro Brillante	3068370	918.05	922.21	836.73	2,676.99
Certificate of Deposit	Construction - E&G Transfer	2495400	86,419.77	83,319.08	63,034.89	232,773.74
Certificate of Deposit	Interest & Sinking - Bond 96	2417955	895.20	895.19	834.96	2,625.35
Certificate of Deposit	LTGO Bond 2002 # 16	3402189	29,231.46	29,353.98	13,253.57	71,839.01
Certificate of Deposit	LTGO Bond 2003	3637548	3,129.08	3,143.60	2,750.67	9,023.35
Total Interest Earned - December 1, 2006 through February 28, 2007			\$238,104.00	\$235,144.51	\$187,240.23	\$660,488.74

*Includes Accrued Interest

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The depository funds at Texas State Bank are collateralized by the following securities:

Security Type	Cusip No.	Coupon Rate	Maturity Date	ID Number	Par	Book Value February 28, 2007	Fair Value February 28, 2007
ALAMO HEIGHTS TX IS	011338KN9	4.400%	7/1/2013	292	160,000.00	162,067.06	162,202.53
FHLB	3133M73G9	5.480%	1/8/2009	602	1,500,000.00	1,510,171.72	1,509,895.80
FHLB	3133MBKX4	7.630%	05/15/07	622	500,000.00	502,137.84	502,390.04
FHLB	3133MBKX4	7.630%	05/15/07	644	500,000.00	502,137.84	502,390.04
FHLB	3133MBKX4	7.630%	05/15/07	644	1,500,000.00	1,506,413.51	1,507,170.12
FHLB	3133MDAS2	5.630%	02/15/08	737	700,000.00	702,797.72	702,223.72
FNMA BULLET	31359MMP5	5.250%	04/15/07	895	5,000,000.00	4,999,006.69	4,999,411.94
FNMA	31359MPP2	3.700%	11/01/07	1953	1,500,000.00	1,483,290.12	1,484,402.16
FNMA	31359MPP2	3.700%	11/01/07	1953	1,500,000.00	1,483,290.12	1,484,402.16
FNMA	31359MPP2	3.700%	11/01/07	1957	1,600,000.00	1,582,176.13	1,583,362.30
FNMA	31359MPP2	3.700%	11/01/07	2063	1,500,000.00	1,483,290.12	1,484,402.16
FNMA	31359MPZ0	3.250%	11/15/07	2123	5,000,000.00	4,926,790.55	4,929,535.04
FNMA BULLET	31359MMP5	5.250%	04/15/07	2126	5,000,000.00	4,999,006.69	4,999,411.94
FNMA BULLET	31359MMP5	5.250%	04/15/07	2136	5,000,000.00	4,999,006.69	4,999,411.94
FHLB BULLET	3133MNPQ8	4.880%	05/15/07	2132	350,000.00	349,650.83	349,667.79
FHLB BULLET	3133MNPQ8	4.880%	05/15/07	2132	3,150,000.00	3,146,857.47	3,147,010.15
FHLB BULLET	3133MNPQ8	4.880%	05/15/07	2132	450,000.00	449,551.07	449,572.88
FHLB BULLET	3133MNPQ8	4.880%	05/15/07	2132	50,000.00	49,950.12	49,952.54
FNMA BULLET	31359MMP5	5.250%	04/15/07	2137	5,000,000.00	4,999,006.27	4,999,411.94
FNMA	31359MRW5	2.880%	05/19/08	2164	3,000,000.00	2,920,188.57	2,918,453.73
FNMA	31359MQP1	3.500%	01/28/08	2166	552,071.67	543,795.37	543,372.15
FNMA	31359MQP1	3.500%	01/28/08	2166	447,928.33	441,213.29	440,869.90
FNMA	31359MQP1	3.500%	01/28/08	2166	895,856.66	882,426.57	881,739.80
FNMA	31359MQP1	3.500%	01/28/08	2166	1,104,143.34	1,087,590.75	1,086,744.30
FHLB BULLET	3133MNPQ8	4.880%	05/15/07	2168	500,000.00	499,501.18	499,525.42
FNMA	3136F4BT0	4.100%	08/28/08	2209	520,000.00	512,488.57	511,994.41
FNMA	3136F4BT0	4.100%	08/28/08	2209	2,080,000.00	2,049,954.28	2,047,977.63
EDINBURG TEX CISD	280785MK9	2.750%	02/15/08	2232	280,000.00	277,183.56	276,980.18
FNMA	3136F4PV0	3.750%	10/24/08	2241	1,000,000.00	978,812.46	978,155.80
FHLMC	312925YN4	4.560%	07/18/07	2255	2,000,000.00	1,993,763.10	1,994,425.84
FNMA	31359MTF0	3.750%	09/15/08	2280	1,000,000.00	980,166.19	979,267.38
FNMA	31359MTF0	3.750%	09/15/08	2280	2,000,000.00	1,960,332.38	1,958,534.76
FHLB	3133MTQB7	3.500%	11/15/07	2290	1,000,000.00	987,082.25	987,632.22
FNMA	3136F2H76	3.550%	01/17/08	2665	5,000,000.00	4,929,560.35	4,925,863.04
FNMA	31359MTF0	3.750%	09/15/08	2666	3,000,000.00	2,940,498.57	2,937,802.14
FHLMC	3128X3BO5	3.500%	04/28/08	2670	800,000.00	785,201.02	784,764.93
FHLMC	3128X3WY5	4.000%	09/22/09	2720	3,000,000.00	2,930,939.58	2,924,966.34
FHLMC	3128X3WY5	4.000%	09/22/09	2730	5,000,000.00	4,884,899.35	4,874,943.90
FHLMC	3128X3WY5	4.000%	09/22/09	2731	1,125,000.00	1,099,102.34	1,096,862.38
FHLMC	3128X3WY5	4.000%	09/22/09	2731	375,000.00	366,367.45	365,620.79
FHLMC	3128X3WY5	4.000%	09/22/06	2733	2,000,000.00	1,953,959.74	1,949,977.56
PROGRESO TEX ISD	743259FZ1	5.750%	02/15/10	2737	35,000.00	36,808.89	36,774.24
DEER PARK TX	244109ZG2	3.250%	03/15/11	2762	265,000.00	258,705.75	258,208.83
WOODLANDS METRO	979686JE3	3.750%	04/01/13	2770	590,000.00	584,815.97	582,509.74
FHLB	3133X3YY3	3.500%	2/13/209	2790	2,500,000.00	2,427,317.77	2,425,960.24
FNMA	3136F6PL7	4.000%	11/30/09	2808	2,000,000.00	1,930,282.80	1,926,586.76
FNMA	3136F6G29	3.900%	02/28/08	2816	900,000.00	884,407.02	886,676.23
FNMA	31359MWC3	3.410%	08/30/07	2839	700,000.00	693,486.28	693,706.42
HARRIS CNTY TEX MU	413952EK4	4.000%	06/01/20	2916	700,000.00	692,071.64	692,153.93
RICE TEX ISD	762829DG1	4.000%	02/15/18	2997	50,000.00	49,943.12	49,779.76
BELLAIRE TX	078275UE2	3.700%	02/15/18	3017	50,000.00	48,619.72	48,462.37
TULOSO MIDWAY TX ISD	899474JP6	3.750%	02/15/19	3051	1,150,000.00	1,116,101.88	1,114,341.98

Continued

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WALLER TX ISD	932493BL2	4.000%	02/15/18	3060	1,260,000.00	1,258,566.66	1,254,449.90
CNP UTIL DIST TEX	126133KZ9	4.000%	04/01/21	3119	835,000.00	823,248.46	823,172.61
FHLMC	3134A4FM1	6.000%	06/15/11	3149	2,500,000.00	2,597,978.21	2,592,450.71
Subtotal					90,175,000.00	89,243,979.65	89,197,935.51
FHLB	3133X7UW2	4.130%	08/04/08	2739	15,000,000.00	14,739,291.45	14,706,850.20
FNMA	3136F6SG5	3.800%	06/30/08	2791	666,666.67	655,221.59	654,793.20
FNMA	3136F6SG5	3.800%	06/30/08	2791	333,333.33	327,610.80	327,396.60
Subtotal					16,000,000.00	15,722,123.84	15,689,040.00
NORTHWEST HARRIS	667903HG6	4.000%	10/01/13	2793	615,000.00	618,388.48	616,176.59
ALICE TX ISD	016158LV7	4.000%	02/15/18	2947	730,000.00	729,169.58	726,784.47
Subtotal					1,345,000.00	1,347,558.06	1,342,961.06
FDIC - Money Market Accts						100,000.00	100,000.00
FDIC - Certificate of Deposits						100,000.00	100,000.00
Total Collateralized Securities as of February 28, 2007					\$107,520,000.00	\$106,513,661.55	\$106,429,936.57

Money Market Account	\$43,573,651.27
Certificate of Deposit	53,794,642.19
Total Bank Accounts Balances	\$97,368,293.46

The College's investments are in compliance with:

- (A) the investment strategy expressed in the College investment policy; and
- (B) relevant provisions of Chapter 2256 of the Public Funds Investment Act.

The primary objective of all investments activity is the preservation of capital and the safety of principal in the overall portfolio in accordance with STC's Board approved Investment Policy. The depository bank paid the College the highest rate of interest possible at the time of investment and in accordance with the depository bank contract.

Diana Pena, Vice President for Finance and Administrative Services

March 3, 2007
Date

Maria G. Elizondo, CPA, Comptroller

March 3, 2007
Date

Dr. Alejo Salinas, Board of Trustees, Designated Investment Officer

March 3, 2007
Date