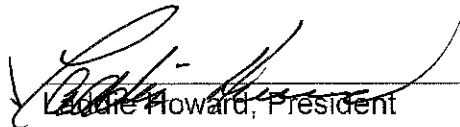
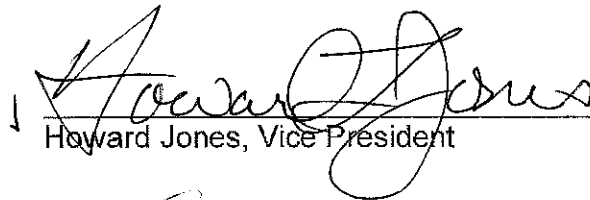



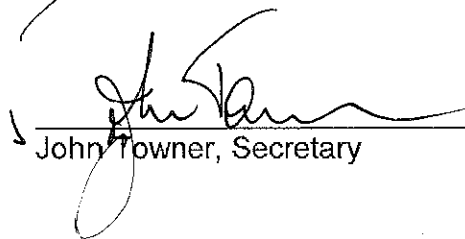
Section 4B Industrial Development Corporation
Quarterly Investment Report
Ending September 30, 2012

The attached information comprises the quarterly investment report for the Section 4B Industrial Development Corporation, League City, Texas for the quarter ended September 30, 2012. The undersigned acknowledge that the Board's investment portfolio has been and is in compliance with the policies and strategies as contained in the Board's Investment Policy and also in compliance with the Public Funds Investment Act of the State of Texas. The annual review of the investment policy was approved by the Board on December 5, 2011.


Laddie Howard, President


Howard Jones, Vice President


Larry Tylka, Treasurer

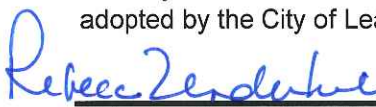

John Towner, Secretary

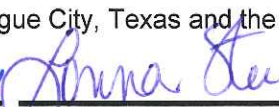
**SECTION 4B INDUSTRIAL DEVELOPMENT CORPORATION
 QUARTERLY INVESTMENT REPORT
 AS OF SEPTEMBER 30, 2012**


	<u>BEGINNING BALANCE</u>	<u>FUND CHANGES</u>	<u>INTEREST EARNED</u>	<u>ENDING BALANCE</u>
<u>Funds Invested by Account</u>				
<u>Fund 305 - 4B Operating Fund</u>				
TEX Pool	\$ 6,478,746.63	\$ 403,506.64	\$ 2,354.00	\$ 6,884,607.27
Cash in Bank	<u>142,128.25</u>	<u>(96,532.74)</u>	<u>13.47</u>	<u>45,608.98</u>
<u>Total Fund 305</u>	<u>\$ 6,620,874.88</u>	<u>\$ 306,973.90</u>	<u>\$ 2,367.47</u>	<u>\$ 6,930,216.25</u>

TexPool Average earnings rate by month		Average earnings for period	0.1366%
July	0.1316%		
August	0.1313%		
September	0.1572%		

I hereby affirm that the investments contained in this report are in compliance with the investment policies as adopted by the City of League City, Texas and the 4B Industrial Development Corporation.


 Rebecca Underhill, CPA
 Finance Director


 Lonna Stein
 Controller


 Quercelia Goins
 Accounting Manager

**FUND 305 - SECTION 4B INDUSTRIAL DEVELOPMENT CORPORATION
QUARTERLY INVESTMENT REPORT
AS OF SEPTEMBER 30, 2012**

Beginning Balance	\$ 6,620,874.88
Revenue	
4B - Sales Tax	503,506.65
Interest	2,366.24
Expenditures	
Transfer to Fund 307 - (25% of Sales Tax)	(125,876.67)
Design Contract Costs	(65,282.51)
Network Installation Costs	<u>(5,372.34)</u>
 Total Expenditures	 <u>(196,531.52)</u>
 Total	 <u>\$ 6,930,216.25</u>
Tex Pool	\$ 6,884,607.27
Cash	<u>45,608.98</u>
 Total	 <u>\$ 6,930,216.25</u>

FUND 306 - 2011 CERTIFICATE OF OBLIGATION BONDS

AS OF SEPTEMBER 30, 2012

FUND SUMMARY

This fund is used to account for the acquisition, construction, and equipping of park facilities, specifically the Eastern Regional Park.

Beginning Balance \$ 1,128,906.14

Revenue

Interest 198.79

Expenditures

Brookstone LP (800,690.80)

Executime Software LLC (2,362.95)

Vanguard Environments Inc (25,595.62)

Total Expenditures (828,649.37)

Balance 9/30/12 \$ 300,455.56

Brookstone Contract

Contract Amount - Fund 306 \$ 8,897,145.00

Contract Amount - Fund 305 1,092,855.00

Paid to Date (8,983,977.11)

Remaining Contract Balance \$ 1,006,022.89

FUND 307 - PARK MAINTENANCE OPERATIONS FUND

AS OF SEPTEMBER 30, 2012

FUND SUMMARY

This fund is used to segregate funds received from the 4B Industrial Development Corporation (4B). The use of these funds is governed by State law and the interlocal agreement between the City and the 4B. This fund includes maintenance and support for the Eastern Regional Park. This fund also shows the payment of the debt service of the 4B Certificates of Obligation Bonds.

Beginning Balance	\$	578,869.01
Revenue		
Transfer from 4B - Sales Tax		125,876.67
Interest		151.53
Expenditures		
Principal payment		0.00
Interest payment		(165,368.13)
Salary Expenses		(25,386.07)
Centerpoint Energy Houston Electric		(3,600.00)
Dolphin Chemical & Supply Co		(1,658.40)
Lowe's		(49.98)
Main Paper & Party		(4.50)
Kilgore's		(80.96)
Ewing Irrigation Products		(1,757.07)
Nasco Catalog Sales		(212.08)
Baytec Service LLC		(199.55)
Sam's Club		(409.50)
League City Outdoor Power		<u>(921.00)</u>
Total Expenditures		<u>(199,647.24)</u>
Balance 9/30/12	\$	<u>505,249.97</u>