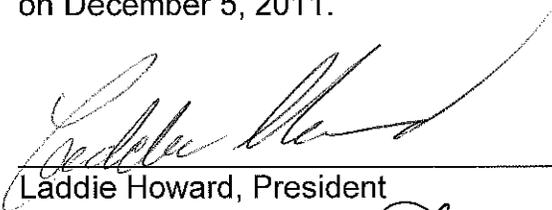
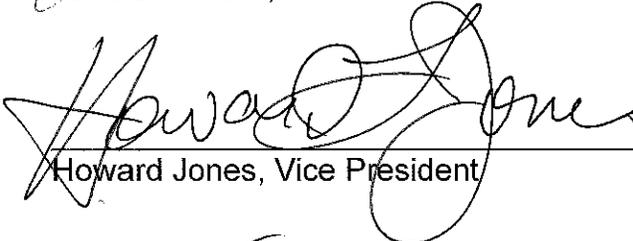


Section 4B Industrial Development Corporation
Quarterly Investment Report
Ending June 30, 2012

The attached information comprises the quarterly investment report for the Section 4B Industrial Development Corporation, League City, Texas for the quarter ended June 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.



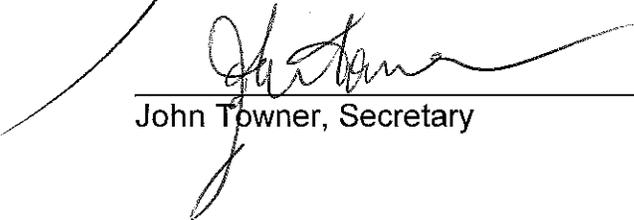
Laddie Howard, President



Howard Jones, Vice President



Larry Tylka, Treasurer



John Towner, Secretary

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

INVESTMENT IN TEXPOOL

FUND	BEGINNING BALANCE	FUND CHANGES	INTEREST EARNED	ENDING BALANCE
Revenue Fund	6,215,319.24	261,410.15	2,017.24	6,478,746.63
Total	6,215,319.24	261,410.15	2,017.24	6,478,746.63

INVESTMENT IN CASH IN BANK

FUND	BEGINNING BALANCE	FUND CHANGES	INTEREST EARNED	ENDING BALANCE
Operating Acct	210,035.61	(67,925.78)	18.42	142,128.25
Total	210,035.61	(67,925.78)	18.42	142,128.25

INVESTMENT IN SECURITIES

FUND	BEGINNING BALANCE	FUND CHANGES	INTEREST EARNED	ENDING BALANCE
Revenue Fund	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

INVESTMENT IN CERTIFICATE OF DEPOSIT

FUND	BEGINNING BALANCE	FUND CHANGES	INTEREST EARNED	ENDING BALANCE
Revenue Fund	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00

TOTAL FUNDS INVESTED **6,620,874.88**

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

SUMMARY BY FUND

FUND	CASH IN CHECKING	INVESTMENT IN TEXPOOL	INVESTMENT IN CERT OF DEPOSIT	TOTAL
Revenue	0.00	6,478,746.63	0.00	6,478,746.63
Operating Acct	142,128.25	0.00	0.00	142,128.25
				6,620,874.88

SUMMARY BY INVESTMENT TYPE

INVESTMENT TYPE	DEBT SERVICE	REVENUE FUND	OPERATING FUND	TOTAL
Cash in Checking	0.00	0.00	142,128.25	142,128.25
Texpool	0.00	6,478,746.63	0.00	6,478,746.63
				6,620,874.88

Chase Bank (repo account) interest rate for the quarter ended 06/30/2012: 0.05%
Texpool average interest rate for the month of April 2012: 0.1110%
Texpool average interest rate for the month of May 2012: 0.1246%
Texpool average interest rate for the month of June 2012: 0.1383%

Investment in Texpool Fund Changes

Transfers between Cash and Texpool - April 2012	133,223.58
Transfers between Cash and Texpool - May 2012	184,061.70
Transfers between Cash and Texpool - June 2012	(55,875.13)
	<hr/>
	261,410.15

Investment in Cash in Bank Fund Changes

The Broussard Group	(28,279.61)
Clark Condon Associates Inc.	(2,229.48)
Terracon	(2,631.00)
C Link Corp.	(36,486.00)
Teamwork Construction	(92,264.74)
Presidio Network Solutions	(6,474.00)
Galveston Daily News	0.00
JPMorgan Chase - Pcard	(4,108.40)
Transfer for Debt Service	0.00
Galveston County Parks Reimbursement	19,900.00
January Sales Tax Payment	133,223.58
February Sales Tax Payment	184,061.70
March Sales Tax Payment	144,124.87
Transfer 25% of April Sales Tax to City's 4B Fund 307	(33,305.90)
Transfer 25% of May Sales Tax to City's 4B Fund 307	(46,015.43)
Transfer 25% of June Sales Tax to City's 4B Fund 307	(36,031.22)
Transfers between Cash and Texpool - April 2012	(133,223.58)
Transfers between Cash and Texpool - May 2012	(184,061.70)
Transfers between Cash and Texpool - June 2012	55,875.13
	<hr/>
	(67,925.78)

**FUND 307 - SECTION 4B INDUSTRIAL DEVELOPMENT PARK MAINTENANCE OPERATIONS FUND
 QUARTERLY INVESTMENT REPORT
 AS OF JUNE 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	522,039.82	
 Revenue		
Interest	152.97	
Transfer from 4B - Sales Tax	115,352.55	25% of monthly 4B Sales Tax
Transfer from 4B - Debt		Prin & Int payments
 Expenditures		
Wells Fargo Bank	0.00	Paying Agent Fees
Principal payment	0.00	2011 Cert of Obligation
Interest payment	0.00	2011 Cert of Obligation
Salary Expenses	(7,417.59)	
Ewing Irrigation	(5,058.72)	
BSN/Sport Supply	(11,975.06)	
Mower Shop	(13,700.00)	
Phillip Motors	(18,196.21)	
JPMorgan Chase - Pcard	(2,328.75)	
	<hr/>	
 Total	 578,869.01	

**FUND 306 - SECTION 4B INDUSTRIAL DEVELOPMENT 2011 CERTIFICATE OF OBLIGATION BONDS
 QUARTERLY INVESTMENT REPORT
 AS OF JUNE 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	4,826,109.15
Revenue	
Interest	857.82
Expenditures	
Brookstone LP	(3,698,060.83)
	<hr/>
Total	1,128,906.14

<u>Brookstone Contract</u>	
Contract Amount - Fund 306	8,897,145.00
Contract Amount - Fund 305	409,226.00
Paid to Date	<u>(8,914,305.62)</u>
Remaining Contract Balance	392,065.38