

Nueces County Hospital District
 Quarterly Investment Report
 July 1, 2012 - September 30, 2012

Summary Holdings Statistics:

Portfolio as of June 30, 2012		Portfolio as of September 30, 2012	
Beginning Book Value	\$45,485,172	Ending Book Value	\$33,255,684
Beginning Market Value	\$45,486,735	Ending Market Value	\$33,257,560
Unrealized Gain/Loss	\$1,563	Unrealized Gain/Loss	\$1,877
Beginning WAM	53 Days	Ending WAM	32 Days
Change in Market Value	(\$12,229,175)		
Investment Income for Period	\$15,655		
Quarter Average Yield	0.158%		
Quarter Average Yield - 6 Mth T-Bill	0.140%		

This report reflects Nueces County Hospital District's investment policy and strategies in accordance with the Public Funds Investment Act.

INVESTMENT OFFICERS:


 JONNY F. HIPPI, ADMINISTRATOR


 DENA BRUNI, ASSISTANT ADMINISTRATOR


 DONNA LITTLEFIELD, DIRECTOR OF ACCOUNTING & FINANCE

Notes

1. On a quarterly basis, the value of the portfolio declined by \$12,229,175. However, of that decline, \$12,229,488 represents net expenditures by the District for operations. There was a net unrealized gain of \$314, but the District does not sell securities prior to maturity. Therefore, the gain is for notation purposes only.

Nueces County Hospital District
 Inventory Report - Holdings by Fund
 As of: 09/30/2012

Settle Date	Maturity Date	Fund Name	Location	Security	CUSIP	Avg Yield/ Coupon	Purchase Price	PAR	Beginning Book Value 06/30/2012	Beginning Market Value 06/30/2012	Ending Book Value 09/30/2012	Ending Market 09/30/2012	Gain/Loss	Accrued Interest	Yield	D-T-M
Indigent Care Fund																
09/30/2012	10/01/2012	Indigent Care Fund	TexPool	Investment Pool	#0002	0.157%	10,038,786	10,038,786	15,029,152	15,029,152	10,038,786	10,038,786	0	88	0.157%	1
09/30/2012	10/01/2012	Indigent Care Fund	LOGIC	Investment Pool		0.196%	17,272	17,272	17,263	17,272	17,272	17,272	0	0	0.196%	1
09/30/2012	10/01/2012	Indigent Care Fund	TexSTAR	Investment Pool		0.157%	15,030,357	15,030,357	12,019,270	12,019,270	15,030,357	15,030,357	0	131	0.157%	1
07/26/2011	07/26/2013	Indigent Care Fund	Safekeeping	FHLMC - Step Call	3134GZSQ6	0.400%	0	0	3,000,000	3,000,054	0	0	0	0	0.400%	299
02/21/2012	02/21/2014	Indigent Care Fund	Safekeeping	FHLMC - Callable	3134G3LZ1	0.500%	2,000,000	2,000,000	2,000,000	2,001,356	2,000,000	2,001,366	1,366	1,083	0.500%	509
		Subtotal					27,086,415	27,086,415	32,067,686	32,067,686	27,086,415	27,088,281	1,866	1,303	0.183%	39

Tobacco Settlement Fund																
09/30/2012	10/01/2012	Tobacco Settlement	TexPool	Investment Pool	#00007	0.157%	749	749	749	749	749	749	0	0	0.157%	1
		Subtotal					749	749	749	749	749	749	0	0	0.157%	1

Employee Health Benefits Trust Fund																
09/30/2012	10/01/2012	Emp Health Benefits Trust	Frost Trust	Short Term Treasury	AIM	0.020%	360,937	360,937	361,370	361,370	360,937	360,937	0	6	0.020%	1
		Subtotal					360,937	360,937	361,370	361,370	360,937	360,937	0	6	0.020%	1

General Fund																
10/01/1988	10/15/2016	General Fund	Frost Safekeeping	GNMA Pool #155679	3621582L4	9.000%	460	467	1,406	1,406	465	475	11	4	9.350%	1,476
09/30/2012	10/01/2012	General Fund	TexPool	Investment Pool	#00004	0.157%	5,119,647	5,119,647	10,798,267	10,798,267	5,119,647	5,119,647	0	45	0.157%	1
09/30/2012	10/01/2012	GF - Operating	Frost Bank	Commercial Checking	664025679	0.010%	213,638	213,638	505,594	505,594	213,638	213,638	0	0	0.010%	1
09/30/2012	10/01/2012	GF - Payroll	Frost Bank	Commercial Checking	664027221	0.010%	1,367	1,367	1,557	1,557	1,367	1,367	0	0	0.010%	1
		Subtotal					5,335,102	5,335,116	11,306,825	11,306,825	5,335,116	5,335,127	11	48	0.152%	1

Debt Service Fund																
09/30/2012	10/01/2012	Debt Svc Fund	TexPool	Investment Pool	#00003	0.157%	472,466	472,466	1,750,695	1,750,695	472,466	472,466	0	4	0.157%	1
		Subtotal					472,466	472,466	1,750,695	1,750,695	472,466	472,466	0	4	0.157%	1

TOTAL PORTFOLIO																
							33,255,870	33,255,686	45,485,172	45,486,735	33,255,684	33,257,560	1,877	1,361	0.176%	32
															WAY	WAM

Nueces County Hospital District
Investment Transaction Activity
July 1, 2012 - September 30, 2012

Settle Date	Maturity	Call Date	Fund	Type	CUSIP	Coupon	Price	Par	Principal	Acc'd Interest	Total Settlement	Yield to Mat/Call	Broker
Purchases													
Total Purchases:													
								0.00	0.00	0.00	0.00		
Maturities/Calls													
07/26/2011	07/26/2013	07/26/2012	Indigent Care Fund	FHLMC - Step Call	3134G2SQ6	0.400%	100.0000	3,000,000.00	3,000,000.00	6,000.00	3,006,000.00	0.70/40%	Mizuho
Total Maturities/Calls:													
								3,000,000.00	3,000,000.00	6,000.00	3,006,000.00		

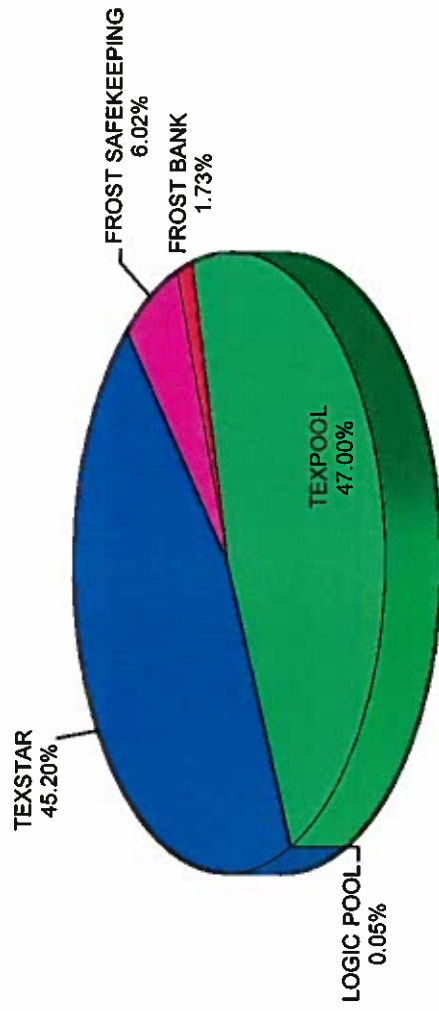
NUECES COUNTY HOSPITAL DISTRICT
 INVESTMENTS SUMMARY BY TYPE & LOCATION
 FY 2012 4TH QUARTER (JUL 1 - SEP 30, 2012)

	FROST BANK		TEXPOOL	LOGIC	TEXSTAR	FROST SAFEKEEPING		TOTAL	PERCENT BY TYPE OF INVESTMENT
CASH - INTEREST BEARING	\$215,005	\$0	\$0	\$0	\$0	\$0	\$0	\$215,005	0.6%
MONEY MKT MUTUAL FUNDS	\$360,937	\$0	\$0	\$0	\$0	\$0	\$0	\$360,937	1.1%
GOV'T INVESTMENT POOLS	\$0	\$15,631,648	\$17,272	\$15,030,357	\$0	\$0	\$0	\$30,679,277	92.3%
CERTIFICATES OF DEPOSIT	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
TREASURY NOTES AND BONDS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
AGENCIES	\$0	\$0	\$0	\$0	\$0	\$2,000,465	\$0	\$2,000,465	6.0%
TOTAL INVESTMENTS	\$575,942	\$15,631,648	\$17,272	\$15,030,357	\$0	\$2,000,465	\$0	\$33,255,684	100.0%

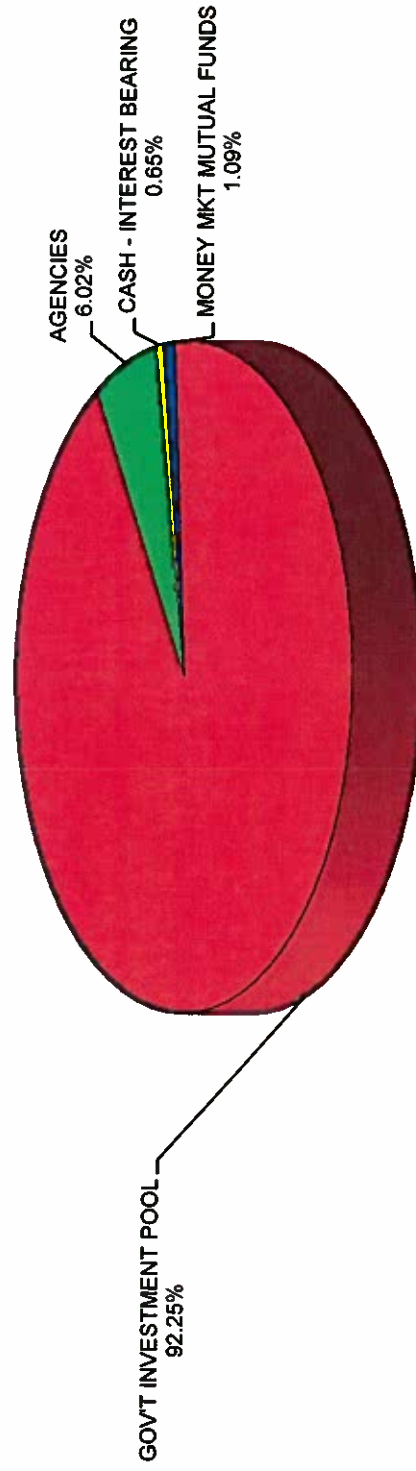
PERCENT BY HOLDER OF INVESTMENTS	1.73%	47.00%	0.05%	45.20%	6.02%	100.00%
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NOTE: THE ABOVE INVESTMENTS INCLUDE ALL TRUST FUNDS.

NUECES COUNTY HOSPITAL DISTRICT INVESTMENT BY LOCATION SEPTEMBER 30, 2012

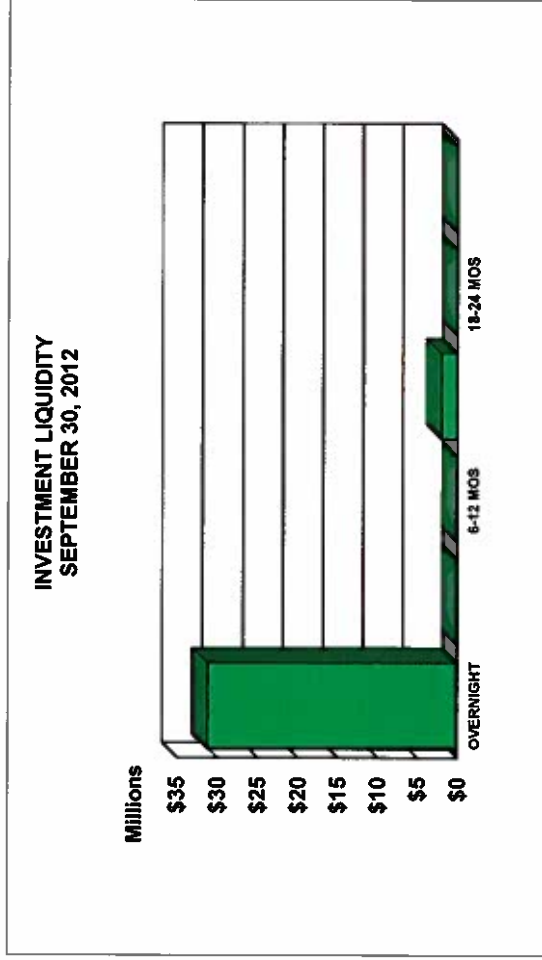


NUECES COUNTY HOSPITAL DISTRICT INVESTMENTS BY TYPE SEPTEMBER 30, 2012

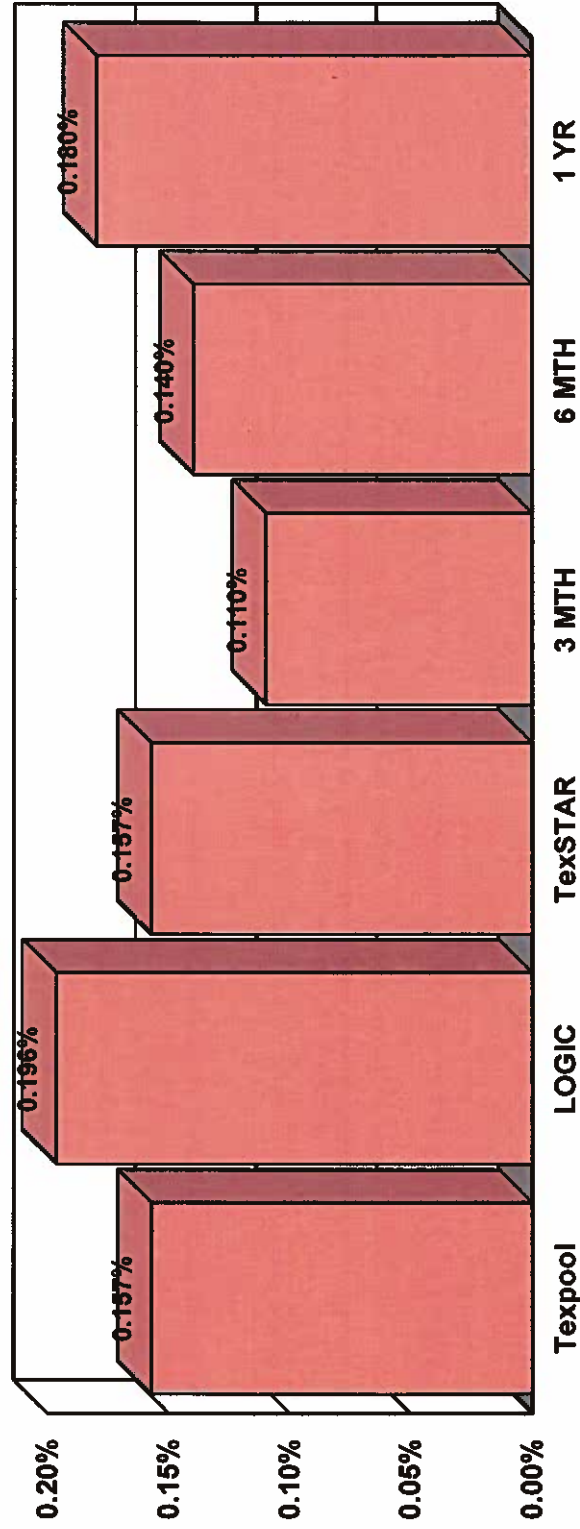


**NUECES COUNTY HOSPITAL DISTRICT
 INVESTMENT SUMMARY BY LIQUIDITY
 FY 2012 4TH QUARTER (JUL 1 - SEP 30, 2012)**

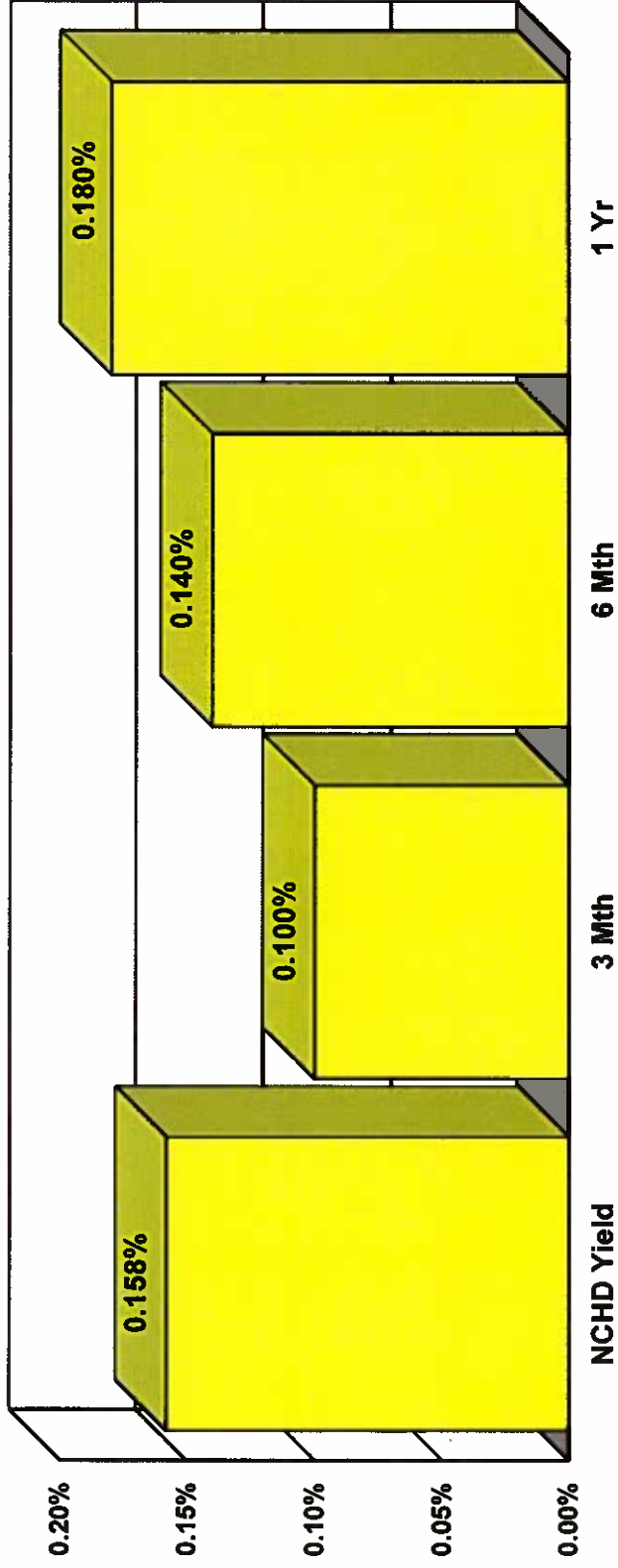
<u>INVESTMENT-YRS TO MATURITY</u>	<u>AMOUNT</u>	
CASH & CASH EQUIVALENTS	\$31,255,219	94.0%
MATURES IN 0-3 MONTHS	\$0	0.0%
MATURES IN 6-12 MONTHS	\$0	0.0%
MATURES IN 12-18 MONTHS	\$2,000,000	6.0%
MATURES IN 18-24 MONTHS	\$0	0.0%
MATURES IN OVER 2 YEARS	\$465	0.0%
TOTAL	\$33,255,684	100.0%



**NUECES COUNTY HOSPITAL DISTRICT
POOL RATES V. TREASURIES
SEPTEMBER 30 2012**



**NUECES COUNTY HOSPITAL DISTRICT
QUARTERLY BENCHMARK COMPARISON
SEPTEMBER 30, 2012**



**Nueces County Hospital District
Investment Policy Compliance
For the Quarter Ended September 30, 2012**

These are the major compliance issues regarding our investment policy. Any negative responses are explained below.

	Yes	No
1.) Are at least 33% of the District's investments backed by U.S. Government securities to assure return of principal?	<u>X</u>	<u> </u>
2.) Are all investments maturing less than 3 years from the date of purchase?	<u> </u>	<u>X</u>
3.) Are at least 10% of the investments short-term maturing within 60-90 days?	<u>X</u>	<u> </u>
4.) Is the weighted average maturity of the District's portfolio 18 months or less?	<u>X</u>	<u> </u>
5.) With the exception of U.S. Treasury Bills, U.S. Treasury Notes and Bonds, are less than 20% of the District's portfolio invested with a common maturity date, a specific issue or a specific type or class.	<u>X</u>	<u> </u>
6.) Does the District's weighted average yield exceed the U.S. Treasury Bill benchmark compared to the District's maximum weighted average maturity for each class of security?		
District U.S. Treasury 6 Mo.	<u>0.158%</u>	<u>0.140%</u>
Quarter Avg Rate	<u>X</u>	<u> </u>

Responses:

#2 - The Frost Trust Investments were set up in prior years when the District operated Memorial Hospital. Investments were purchased with maturity dates as long as the year 2016. However, the interest rates are as high as 9.00%.