BOARD OF MANAGERS
Finance Committee - Regular Meeting
Monday, August 17, 2026 at 10:30 AM

AGENDA

1. **WELCOME**

2. **ROLL CALL OF COMMITTEE MEMBERS**

___ Pamela Brower, Chair
___ Sylvia Tryon Oliver
___ Karen O'Connor Urban

3. **CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:**

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Notice is hereby provided that the Committee may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 Budget ("FY26 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Committee may discuss the FY26 Budget at this meeting. The adopted FY26 Budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: https://www.nchdcc.org/public_notices/finance.php.

The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") is currently under development and may be discussed by the Committee at this meeting. Because the FY27

Budget has not yet been adopted, a taxpayer impact statement for Fiscal Year 2027 is not currently available.

5. **ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST**. Any Conflict of Interest, or Appearance of a Conflict of Interest, relating to items on this agenda shall be disclosed at this time. Members declaring such conflicts shall abstain from voting and are requested to refrain from discussion on the affected items. Any conflicts identified later in the meeting must be disclosed immediately upon discovery.

6. **PUBLIC COMMENT** - This section provides the public an opportunity to address the Committee on any matter within its authority. In-person attendees wishing to comment on any agenda item or other subject within the Committee's jurisdiction must complete and submit the "Agenda Item Request to Speak" form, available at the entrance of the meeting room, no later than five (5) minutes before the meeting begins. Remote attendees participating by audio or video conference must verbally notify the presiding officer of their desire to comment when public comment is called. Comments are limited to three (3) minutes per speaker, except that commenters using a translator are allowed up to six (6) minutes. The presiding officer may, in his or her discretion, limit the number of speakers and/or the time allotted to each. By law, the Committee may act only on matters specifically listed on the agenda. Items raised that are not on the agenda will be referred to District staff for review, as appropriate. Materials submitted to the Committee during public comment will not be returned. Commenters intending to provide documents must bring at least ten (10) copies for distribution, clearly marked with the commenter's name and, if applicable, the relevant agenda item number.

7. **CONSENT AGENDA** - The Consent Agenda includes items that are routine, administrative in nature, and not requiring separate discussion. Any item that a Committee member requests to be considered individually shall, at the direction of the presiding officer, be removed from the Consent Agenda and placed on the Regular Agenda for separate discussion at the appropriate time. All remaining Consent Agenda items will be considered and voted upon together in a single vote:

A. Approve Finance Committee Regular Meeting minutes of June 23, 2026. 7

B. Discuss and recommend receipt of summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date: 13

1. Salaries, benefits, and supplies at/for City of Corpus Christi/Nueces County Public Health District;

2. Emergency medical services provided in unincorporated areas of Nueces County;

3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;

4. Medical services provided at County correctional facilities:
   a. Nueces County Jail; and
   b. Nueces County Juvenile Detention Center;

5. Funding for alcohol and drug abuse treatment programs:
   a. Cenikor (Charlie's Place); and
   b. Council on Alcohol and Drug Abuse;
6. Funding for diabetes prevention and supporting programs; and

7. Public health grants.

C. Discuss and recommend receipt of imputed claims summaries on medical and hospital care furnished to the Nueces Aid Program population, prepared pursuant to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, for Fiscal Year 2026 year-to-date. 14

D. Discuss and recommend receipt of fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03. 16

E. Discuss and recommend receipt of fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222. 17

F. Discuss and recommend receipt of statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended. 18

G. Discuss and recommend receipt of summary reports of cumulative actual intergovernmental transfers (IGTs) made in support of local and other healthcare providers participating in Medicaid directed, and supplemental payment programs sponsored by the Texas Health and Human Services Commission (HHSC), and receive estimates of provider payments resulting 22

from the IGTs:

1. Directed Payment Programs - IGTs for HHSC's Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:
   a. Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS);
   b. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
   c. Network Access Improvement Program (NAIP); and
   d. Texas Incentives for Physicians and Professional Services (TIPPS); and

2. Supplemental Payment Programs - IGTs for HHSC Medicaid payments made to hospitals, separate from and in addition to base payments, for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:
   a. Disproportionate Share Hospital (DSH);
   b. Graduate Medical Education (GME);
   c. Hospital Augmented Reimbursement Program (HARP); and
   d. Hospital Uncompensated Care (UC).

H. Nueces Aid Enrollment:
1. Discuss and recommend receipt of reports relating to Nueces Aid Program enrollment for the months ended June 30 and July 31, 2026:
   a. Referral Sources; 26
   b. Total Persons and Households Enrolled; 30
   c. Enrollment Summary; 32
   d. Denials; 34
   e. Application Processing Summary; and 36
   f. Enrollment by Zip Code. 44

8. **REGULAR AGENDA** - The Regular Agenda consists of items that are non-routine, not administrative in nature, or otherwise require separate consideration. Each item listed under the Regular Agenda shall be addressed individually and, if action is required, voted upon separately.

A. Financial Statements:

1. Discuss and consider recommending approval of unaudited financial statements for the month and fiscal year-to-date ended June 30, 2026. 50
(ACTION)

B. Investment Report:

1. Discuss and consider recommending receipt of Quarterly Investment Report and ratification of related investment transactions for fiscal quarter-ended June 30, 2026. ***(ACTION)*** 60

C. Investment Policy:

1. Discuss and consider recommending adoption of Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.005(e). ***(ACTION)*** 92

2. Discuss and consider recommending adoption of Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.025. ***(ACTION)*** 131

D. CHRISTUS Spohn Health System:

1. Discuss and consider recommending adoption of Board of Managers Resolution approving the Member Revenue Specified Annual Percentage for the period October 1, 2026 – September 30, 2027, pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. ***(ACTION)*** 141

2. Discuss and consider recommending the Administrator be authorized to execute an Intergovernmental Transfer (IGT) Responsibility Contract with the Texas Health and Human Services Commission (HHSC), Contract No. HHS001711400008, for the transfer of public funds as the non-federal share of Network Access Improvement Program (NAIP) payments benefiting CHRISTUS Spohn Health System for the period September 1, 2026 through August 31, 2027, in an amount not to exceed $3,347,716.00. ***(ACTION)*** 150

E. Fiscal Year 2027 Budget:

1. Discuss and consider recommending adoption of Board of Managers Resolution committing a specified amount of the September 30, 2026, fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 162

2026. ***(ACTION)***

2. Discuss and consider recommending adoption of Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2027 Annual Budget (October 1, 2026 – September 30, 2027) for:

a. County Healthcare Expenditures; and 169

b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. 177 ***(ACTION)***

3. Discuss and consider recommending adoption of Board of Managers Resolution approving Fiscal Year 2027 Annual Budget (October 1, 2026–September 30, 2027), approval pursuant to Texas Health and Safety Code, §281.091(b); Budget includes: 185

a. General Fund;
b. Tobacco Fund;
c. Opioid Settlement Fund; and
d. Indigent Care Fund. ***(ACTION)***

F. Administrator's Briefing:

1. Next scheduled regular Committee meeting (meeting's date, time, and location are subject to change):

a. Next Meeting: Tuesday, September 22, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401.

9. **ADJOURN**

10. Public Notice Posting Receipt. 202

DRAFT

BOARD OF MANAGERS
NUECES COUNTY HOSPITAL DISTRICT
FINANCE MEETING
JUNE 23, 2026

The Nueces County Hospital District Board of Managers met at, 11:30 a.m., June 23, 2026 in the NCHD Board Room at 555 N. Carancahua, Suite 950 – A Corpus Christi, Texas.

HOSPITAL DISTRICT REPRESENTATIVES:

Jonny F. Hipp	Administrator/CEO
Belinda Espinoza	Asst. Administrator, Admin. Services
Donna Littlefield	Director, Accounting & Finance
Mary Esther Guerra	Assistant County Attorney – via Zoom
John B. Martinez	General Counsel
Adam Robison	Legal Counsel
Melissa Quintanilla	Executive Assistant/Human Resources
Carmina Hernandez Moreno	Administrative Assistant

OTHERS PRESENT:

Becky Rios	Christus Spohn – via Zoom
read.ai meeting notes	- via Zoom

BOARD OF MANAGERS
FINANCE MEETING
MINUTES
JUNE 23, 2026

1. **WELCOME**

2. **ROLL CALL OF COMMITTEE MEMBERS**

_Y__ Pamela Brower, Chair
_X__ Sylvia Tryon Oliver
_Y__ Karen O'Connor Urban

3. **CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:**

A. Call to order – Pamela Brower, Chair.
Meeting was called to order by Pamela Brower, Chair at 11:30 a.m.

B. Establish quorum – Pamela Brower, Chair.
A quorum was present with two members in attendance.

Pamela Brower, Chair – PRESENT
Karen O'Connor Urban, Member – PRESENT
Sylvia Tryon Oliver, Member - ABSENT

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Notice is hereby provided that the Committee may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 budget has been duly adopted by the Board and approved by Commissioners Court. At this meeting, the Committee may discuss the budget. The budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: https://www.nchdcc.org/public_notices/finance.php.

5. **ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST**. Any Conflict of Interest, or Appearance of a Conflict of Interest, relating to items on this agenda shall be disclosed at this time. Members declaring such conflicts shall abstain from voting and are requested to refrain from discussion on the affected items. Any conflicts identified later in the meeting must be disclosed immediately upon discovery.

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A. Approve Finance Committee Regular Meeting minutes of April 28, 2026.

B. Discuss and recommend receipt of summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date:

1. Salaries, benefits, and supplies at/for City of Corpus Christi/Nueces County Public Health District;

2. Emergency medical services provided in unincorporated areas of Nueces County;

3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;

4. Medical services provided at County correctional facilities:
   a. Nueces County Jail; and
   b. Nueces County Juvenile Detention Center;

5. Funding for alcohol and drug abuse treatment programs:
    a. Cenikor (Charlie's Place); and
    b. Council on Alcohol and Drug Abuse;
6. Funding for diabetes prevention and supporting programs; and

7. Public health grants.

C. Discuss and recommend receipt of imputed claims summaries on medical and hospital care furnished to the Nueces Aid Program population, prepared pursuant to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, for Fiscal Year 2026 year-to-date.

D. Discuss and recommend receipt of fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03.

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F. Discuss and recommend receipt of statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended.

G. Discuss and recommend receipt of summary reports of cumulative actual intergovernmental transfers (IGTs) made in support of local and other healthcare providers participating in Medicaid directed, and supplemental payment programs sponsored by the Texas Health and Human Services Commission (HHSC), and receive estimates of provider payments resulting from the IGTs:

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H. Nueces Aid Enrollment:
1. Discuss and recommend receipt of reports relating to Nueces Aid Program enrollment for months ended April 30 and May 31, 2026:
a. Referral Sources;
b. Total Persons and Households Enrolled;
c. Enrollment Summary;
d. Denials;
e. Application Processing Summary; and
f. Enrollment by Zip Code.

Consent Agenda Approved. Motion by Karen O'Connor Urban and seconded by Pamela Brower. MOTION CARRIED.

8. **REGULAR AGENDA** - The Regular Agenda consists of items that are non-routine, not administrative in nature, or otherwise require separate consideration. Each item listed under the Regular Agenda shall be addressed individually and, if action is required, voted upon separately.

A. Financial Statements:

1. Discuss and consider recommending approval of unaudited financial statements for the months and fiscal year-to-dates ended April 30 and May 31, 2026. ***(ACTION)***

Motion by Karen O'Connor Urban and seconded by Pamela Brower. MOTION CARRIED.

B. Tobacco Settlement Proceeds.

1. Discuss and consider recommending receipt of information on State Comptroller of Public Accounts' 2026 pro-rata distributions of Calendar Year 2025 income from Tobacco Permanent Settlement Trust Account; distributions pursuant to Texas Administrative Code, Title 25, Part 1, Chapter 102, Rule §102.2. ***(ACTION)***

Motion by Karen O'Connor Urban and seconded by Pamela Brower. MOTION CARRIED.

C. Administrator's Briefing:

1. Next scheduled regular Committee meeting (meeting's date, time, and location are subject to change):

a. Finance Committee: July 28, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401.

9. **ADJOURN**

Pamela Brower, Chair motion to adjourn.
Meeting adjourned at 11:56 a.m.

Nueces County Hospital District
County Health Care Department Expenditures
Cash Disbursements Relating to
Fiscal Year 2026

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Fiscal YTD	Budget 2026	Balance
County Healthcare Services															
Health Dept - County	0.00	0.00	450,000.00	0.00	0.00	300,000.00	0.00	0.00	600,000.00	0.00	0.00	0.00	1,350,000.00	**1,800,000.00**	450,000.00
Mobile Medical Clinic	0.00	0.00	176.28	0.00	0.00	549.36	0.00	0.00	120.15	0.00	0.00	0.00	845.79	**60,000.00**	59,154.21
Emergency Medical Services	0.00	0.00	114,600.00	0.00	0.00	128,400.00	0.00	0.00	0.00	0.00	0.00	0.00	243,000.00	**650,000.00**	407,000.00
NC MHID - Fund Matching	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	242,280.00	0.00	0.00	0.00	726,840.00	**969,129.00**	242,289.00
NC MHID - Jail Programs	82,275.04	97,058.26	108,821.22	137,908.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	426,062.63	**1,500,000.00**	1,073,937.37
NC Juvenile Center	0.00	0.00	107,521.00	0.00	0.00	129,837.85	0.00	0.00	135,302.78	0.00	0.00	0.00	372,661.63	**474,000.00**	101,338.37
Nueces County Jail Infirmary Svcs	563,401.59	103,680.13	669,987.28	640,084.17	664,806.31	682,100.04	666,031.23	629,908.58	671,255.39	0.00	0.00	0.00	5,291,254.72	**8,532,015.00**	3,240,760.28
Cenikor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	60,000.00	0.00	0.00	60,000.00	**60,000.00**	0.00
Council on Alcohol & Drug Abuse	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50,000.00	0.00	0.00	50,000.00	**50,000.00**	0.00
Diabetes Program - County	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12,215.27	0.00	0.00	0.00	12,215.27	**60,000.00**	47,784.73
HALO-Flight Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15,750.00	0.00	0.00	0.00	0.00	15,750.00	**15,750.00**	0.00
County Public Health Grants	85,000.00	0.00	0.00	65,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	150,000.00	**336,000.00**	186,000.00
Totals	730,676.63	200,738.39	1,693,385.78	842,992.28	664,806.31	1,483,167.25	666,031.23	645,658.58	1,661,173.59	110,000.00	0.00	0.00	8,698,630.04	**14,506,894.00**	5,808,263.96

Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2026
As if Adjudicated January 1, 2026 through June 30, 2026

Service	Claims	Billed	Contract Amt.	Co Insurance	Co Pay	Net
ER	2,557	2,172,127	260,099	10,000		250,099
ASU	3	53,404	7,652	99		7,553
Clinic	3,741	2,341,490	745,234	38,203		707,031
Obs	-	-	-	0		-
OP	13,713	35,850,032	9,214,210	526,993		8,687,217
Subtotal	20,014	40,417,052	10,227,195	575,294	-	9,651,901
IP	511	54,821,695	2,367,549	42,750		2,324,799
SNF	-					-
RX	46,958	3,276,073	2,850,498	114,428		2,736,070
Physician	17,123	49,717,326	4,798,828	211,932		4,586,896
Total	84,606	148,232,146	20,244,069	944,403	-	19,299,666

NOTE:

The Revised and Restated Indigent Care Agreement was terminated effective September 30, 2012. After that date, the District no longer makes payment to CHRISTUS Spohn for providing health care services to the Nueces Aid Indigent population. Under the terms of the Membership Agreement amended and restated effective November 18, 2015, CHRISTUS Spohn has committed to continue to provide health care services to the Nueces Aid Indigent population and, and at the request of the District, continues to submit informational claims to the District to permit the District to monitor the volume of health care services furnished to the Nueces Aid Indigent population.

Nueces County Hospital District
Imputed Claims Experience for Calendar Year 2026
As if Adjudicated January 1, 2026 through July 31, 2026

Service	Claims	Billed	Contract Amt.	Co Insurance	Net
ER	3,450	3,317,459	341,194	13,125	328,069
ASU	3	53,404	7,652	99	7,553
Clinic	4,205	2,600,859	823,615	44,793	778,823
Obs	-	-	-	0	-
OP	5,223	40,379,125	10,383,300	590,164	9,793,136
Subtotal	12,881	46,350,847	11,555,761	648,180	10,907,581
IP	574	60,403,643	2,607,291	53,524	2,553,767
SNF	-				-
RX	54,963	3,997,198	3,469,141	140,108	3,329,033
Physician	20,173	56,743,388	5,499,822	239,826	5,259,995
Total	88,591	167,495,076	23,132,015	1,081,638	22,050,377

NOTE:

The Revised and Restated Indigent Care Agreement was terminated effective September 30, 2012. After that date, the District no longer makes payment to CHRISTUS Spohn for providing health care services to the Nueces Aid Indigent population. Under the terms of the Membership Agreement amended and restated effective November 18, 2015, CHRISTUS Spohn has committed to continue to provide health care services to the Nueces Aid Indigent population and, and at the request of the District, continues to submit informational claims to the District to permit the District to monitor the volume of health care services furnished to the Nueces Aid Indigent population.

Nueces County Hospital District
Spohn Corporate Member Revenue Analysis
Fiscal Year 2026

Member Revenue % 17.0%

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Membership Revenue Deposits													
Week 1	1,511,157.21	2,417,944.61	1,630,641.06	1,526,816.31	1,589,308.71	2,052,269.03	1,995,149.15	2,453,481.92	2,471,713.49	2,234,594.13	1,735,805.14		21,618,880.76
Week 2	1,403,285.99	2,163,527.85	2,308,254.99	1,672,309.25	1,712,675.50	2,060,253.40	2,077,508.23	2,290,298.87	2,403,073.04	1,951,151.20			20,042,338.32
Week 3	1,495,552.66	2,470,202.03	2,292,403.21	2,104,939.01	1,973,974.33	1,919,955.83	2,076,907.99	2,472,459.73	2,390,859.98	2,271,415.51			21,468,670.28
Week 4	2,559,686.42	holiday	2,039,849.68	1,855,237.00	2,098,068.57	2,084,883.65	2,066,306.32	2,189,102.49	2,212,622.21	1,676,578.74			18,782,335.08
Week 5	1,904,908.74		2,125,558.12	2,017,332.89				1,793,695.92		2,043,609.38			9,885,105.05
Subtotal	8,874,591.02	7,051,674.49	10,396,707.06	9,176,634.46	7,374,027.11	8,117,361.91	8,215,871.69	11,199,038.93	9,478,268.72	10,177,348.96	1,735,805.14	0.00	91,797,329.49

Nueces County Hospital District
Opioid Settlement Fund Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	2,938,513.01	2,948,849.83	2,958,516.90	2,968,133.15	2,977,485.17	2,985,891.97	2,995,205.01	3,427,116.81	3,437,665.37	3,447,969.69	3,419,653.08	3,419,653.08	2,938,513.01
Deposits													
Distribution #3							421,974.39						421,974.39
													0.00
													0.00
Interest	10,336.82	9,667.07	9,616.25	9,352.02	8,406.80	9,313.04	9,937.41	10,548.56	10,304.32	10,684.10			98,166.39
Total Deposits	**10,336.82**	**9,667.07**	**9,616.25**	**9,352.02**	**8,406.80**	**9,313.04**	**431,911.80**	**10,548.56**	**10,304.32**	**10,684.10**	**0.00**	**0.00**	**520,140.78**
Programs													
Outpatient Substance Abuse										(39,000.71)			(39,000.71)
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
													0.00
Total Expenditures	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**(39,000.71)**	**0.00**	**0.00**	**(39,000.71)**
													0.00
Ending Balance	**2,948,849.83**	**2,958,516.90**	**2,968,133.15**	**2,977,485.17**	**2,985,891.97**	**2,995,205.01**	**3,427,116.81**	**3,437,665.37**	**3,447,969.69**	**3,419,653.08**	**3,419,653.08**	**3,419,653.08**	**3,419,653.08**

TEXAS

Local Governments with LPPFs by Managed Care Service Delivery Area

**City of Amarillo Hospital District within Potter/Randall Counties*

LUBBOCK
Service Delivery Area

MRSA WEST
Service Delivery Area

EL PASO
Service Delivery Area

TRAVIS
Service Delivery Area

BEXAR
Service Delivery Area

HIDALGO
Service Delivery Area

TARRANT
Service Delivery Area

DALLAS
Service Delivery Area

MRSA NORTHEAST
Service Delivery Area

MRSA CENTRAL
Service Delivery Area

JEFFERSON
Service Delivery Area

HARRIS
Service Delivery Area

NUECES
Service Delivery Area

Jurisdiction Operating a Local Provider Participation Fund

Northeast Healthcare Provider Participation District

TEXAS Health and Human Services

Map Prepared by: Texas Health and Human Services Commission.
Office of Data, Analytics and Performance. MRL.
January 15, 2025

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Texas Local Provider Participation Fund (LPPF) Programs

Overview

The Texas Local Provider Participation Fund (LPPF) is a locally administered financing mechanism authorized under Texas law that permits counties, hospital districts, and certain multi-jurisdictional entities to impose mandatory assessments on participating hospitals. Funds collected through an LPPF are used to finance the non-federal share of Medicaid supplemental and directed payment programs, thereby leveraging federal matching funds. These supplemental and directed payment programs are established, administered, and overseen by the Texas Health and Human Services Commission.

Purpose

LPPFs exist to support Medicaid payments without relying on state general revenue or local property taxes. By pooling hospital assessments locally and transferring them to the state through intergovernmental transfers (IGTs), local governments enable hospitals to receive significantly higher Medicaid reimbursements.

How LPPFs Work

Hospitals within an authorized jurisdiction are assessed a uniform mandatory payment, typically based on net patient revenue. These payments are deposited into a segregated Local Provider Participation Fund. The local government then transfers funds to the Texas Health and Human Services Commission to serve as the non-federal share for Medicaid payments. Federal matching funds are drawn down and redistributed back to hospitals through approved Medicaid payment programs.

Programs Supported

LPPF-supported funds are commonly used for Medicaid supplemental and directed payment programs, including uncompensated care payments and uniform rate enhancements. These programs are designed to support hospitals that serve a large share of Medicaid and uninsured patients.

Benefits

LPPFs allow local dollars to leverage substantial federal Medicaid funding, strengthen the financial stability of safety-net hospitals, and avoid increasing property taxes. They provide local control over healthcare financing while supporting access to care.

Legal Framework

The Nueces County Hospital District's LPPF is authorized under Texas Health and Safety Code, Chapter 298C, and is implemented pursuant to approval by the Board of Managers of the associated Health Care Provider Participation Program. Funds

deposited into the LPPF are restricted to authorized health care–related purposes and may not be used to expand Medicaid eligibility. The program is subject to applicable federal oversight to ensure compliance with Medicaid financing requirements.

Policy Considerations

Key considerations include the financial impact of mandatory assessments on participating hospitals; the administrative and compliance complexity associated with operating an LPPF; and reliance on ongoing state legislative authority and federal policy. While many LPPFs are subject to statutory sunset provisions requiring periodic legislative renewal, the Nueces County Hospital District LPPF is not subject to a sunset provision.

Summary

LPPFs are a central component of Texas's Medicaid financing strategy, enabling local governments and hospitals to maximize federal Medicaid funding while maintaining local control and minimizing taxpayer impact.

# # #

01/28/2026

Nueces County Hospital District
Nueces LPPF Activity
Fiscal Year 2026

	October	November	December	January	February	March	April	May	June	July	August	September	Totals
Beginning Balance	36,037,687.34	88,352,681.09	46,775,249.76	46,889,995.07	47,098,478.43	43,388,108.10	43,523,426.60	102,601,327.88	102,671,201.57	17,301,701.03	29,151,669.08	46,936,232.08	36,037,687.34
Deposits													
Christus Spohn	20,140,043.00						19,976,378.00				9,988,189.00		50,104,610.00
CCMC							14,672,857.50				7,336,428.75		22,009,286.25
CC Rehab							607,311.50				303,655.75		910,967.25
Driscoll	31,555,659.00						22,502,282.00			11,251,141.00			65,309,082.00
PAM Specialty							720,612.00			360,306.00			1,080,918.00
PAM Rehab							836,253.00			418,126.50			1,254,379.50
Oceans Behavioral	625,158.00							312,579.00			156,289.50		1,094,026.50
Subtotal	52,320,860.00	0.00	0.00	0.00	0.00	0.00	59,315,694.00	312,579.00	0.00	12,029,573.50	17,784,563.00	0.00	141,763,269.50
Interest	302,419.15	249,184.61	151,883.76	147,530.06	122,923.21	135,318.50	148,258.08	312,924.78	170,716.52	54,498.60			1,795,657.27
Transfers In	1,538,911.28	91,314.97		627,998.64				3,192,163.74					5,450,388.63
Total Deposits	**54,162,190.43**	**340,499.58**	**151,883.76**	**775,528.70**	**122,923.21**	**135,318.50**	**59,463,952.08**	**3,817,667.52**	**170,716.52**	**12,084,072.10**	**17,784,563.00**	**0.00**	**149,009,315.40**
Inter-Governmental Transfers													
UC			(37,138.45)		(3,833,293.54)					(53,109.52)			(3,923,541.51)
DSRIP													0.00
CHIRP		(41,917,930.91)							(84,883,602.42)				(126,801,533.33)
TIPPS									(656,614.64)				(656,614.64)
DSH													0.00
HARP				(386,050.81)			(386,050.80)						(772,101.61)
GME				(180,994.53)						(180,994.53)			(361,989.06)
ATLIS	(1,847,196.68)							(3,747,793.83)					(5,594,990.51)
Total IGT's	**(1,847,196.68)**	**(41,917,930.91)**	**(37,138.45)**	**(567,045.34)**	**(3,833,293.54)**	**0.00**	**(386,050.80)**	**(3,747,793.83)**	**(85,540,217.06)**	**(234,104.05)**	**0.00**	**0.00**	**(138,110,770.66)**
Transfers Out													0.00
Bank Fees													0.00
Ending Balance	**88,352,681.09**	**46,775,249.76**	**46,889,995.07**	**47,098,478.43**	**43,388,108.10**	**43,523,426.60**	**102,601,327.88**	**102,671,201.57**	**17,301,701.03**	**29,151,669.08**	**46,936,232.08**	**46,936,232.08**	**46,936,232.08**

Texas HHSC Medicaid Supplemental and Directed Payment Programs

Texas Medicaid is a partnership between the state and federal governments that provides health coverage to low-income families, older adults, and people with disabilities. The federal government shares in the cost of the program by matching state Medicaid spending, and providers are paid for the care they deliver to Medicaid patients. Federal rules allow states to determine how providers are paid, and Medicaid payments generally fall into three categories: base payments, supplemental payments, and directed payments. Base Payments are made for specific services (e.g., surgery, x-rays, diagnostic tests) provided to persons with Medicaid. These payments can be made through a fee-for-service (FFS) method or through a managed care service delivery system.

1. **Supplemental Payment Programs.** Supplemental Payments are Medicaid payments that supplement base reimbursement and provide additional funding to selected providers, including hospitals. Payments may be made as lump sums or structured to support quality goals, graduate medical education, or providers that serve large numbers of uninsured or low-income patients, such as rural and safety-net providers.

    A. Key Programs:
        1) **Disproportionate Share Hospital (DSH)**: These payments provide additional funding to hospitals that serve a large share of Medicaid and low-income patients. DSH payments help offset uncompensated care costs for Medicaid and uninsured patients and are capped at a hospital's allowable uncompensated costs. Eligible providers: Hospitals serving a high proportion of Medicaid or indigent patients.
        2) **Uncompensated Care (UC):** This Program was initially created to support Texas's expansion of Medicaid managed care while preserving supplemental payments to hospitals. UC payments help reduce uncompensated costs for qualifying medical services provided to uninsured individuals under a provider's charity care policy and must meet the federal definition of "medical assistance." Eligible providers: Public and private hospitals, public ambulance providers, government dental providers, and physician practice groups.
        3) **Graduate Medical Education (GME)**: These supplemental payments support medical residency training at teaching hospitals, which face higher costs related to resident compensation, increased testing, and the care of more complex patients. Eligible providers: State-owned teaching hospitals and government-operated teaching hospitals.
        4) **Hospital Augmented Reimbursement Program (HARP)**: Provides Medicaid payments to hospitals for inpatient and

outpatient services provided to Texas Medicaid patients under the fee-for-service model, serving as a financial transition for former DSRIP providers and helping offset the cost of delivering Medicaid services.

5) ****Aligning Technology by Linking Interoperable Systems for Client Health Outcomes (ATLIS): To** enhance electronic health information exchange among Medicaid Managed Care Organizations (MCOs) to improve client health outcomes and advance alternative payment models.
6) ***Public Health Providers-Charity Care Program (PHP-CCP):** Reimburses qualifying providers for the cost of delivering certain health care services that are not reimbursed by another source. Health care services include behavioral health services, immunizations, public health services, and other preventative services. Eligible providers: Publicly owned and operated community mental health clinics, local behavioral health authorities or local mental health authorities, local health departments, and Public Health Districts.
7) ***Ambulance Services Supplemental Payment Program:** Program for publicly owned ground emergency ambulance providers participating in Medicaid fee-for-service that provides additional payments aligned with average commercial insurance rates for the same services.

2. **Directed Payment Programs.** State-guided Medicaid managed care spending to support delivery system reform and improved performance by requiring Medicaid managed care organizations to make certain payments to providers, either through capitation rate adjustments or separate payment arrangements.

   A. Key Programs:
      1) **Comprehensive Hospital Increase Reimbursement Program (CHIRP)**: Provides enhanced Medicaid payments for inpatient and outpatient services delivered to STAR and STAR+PLUS enrollees. Eligible providers include: (1) hospital-based rural health clinics (RHCs), including non-state government-owned and private RHCs, and (2) free-standing RHCs.
      2) **Network Access Improvement Program (NAIP)**: Pass-through payment program aimed at strengthening access to effective primary care for Medicaid recipients by incentivizing health-related institutions and public hospitals to provide high-quality, coordinated, and continuous care.
      3) **Rural Access to Primary and Preventive Services (RAPPS)**: Provides incentives for rural health clinics (RHCs) to deliver primary and preventive care to STAR, STAR+PLUS, and STAR Kids

enrollees in rural areas of the state. Eligible providers include (1) hospital-based RHCs, including non-state government-owned and private RHCs, and (2) free-standing RHCs.

4) **The Texas Incentives for Physicians and Professional Services (TIPPS)**: Provides enhanced Medicaid payments for health care services delivered by eligible physician groups to STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include: (1) health-related institution (HRI) physician groups; (2) physician groups affiliated with hospitals receiving indirect medical education (IME) funding; and (3) other physician groups.
5) ***The Directed Payment Program for Behavioral Health Services (DPP BHS)**: Enhances access to behavioral health services, care coordination, and care transitions for STAR, STAR+PLUS, and STAR Kids enrollees. Eligible providers include Community Mental Health Centers (CMHCs) and Local Behavioral Health Authorities (LBHAs) with Certified Community Behavioral Health Clinic (CCBHC) certification.
6) ***Quality Incentive Payment Program (QIPP)**: A performance-based payment program that incentivizes nursing facilities to improve care quality and foster innovation.

* NCHD does not participate in this Program.
** HHSC terminated this program for the state fiscal year 2026.

01/28/2026

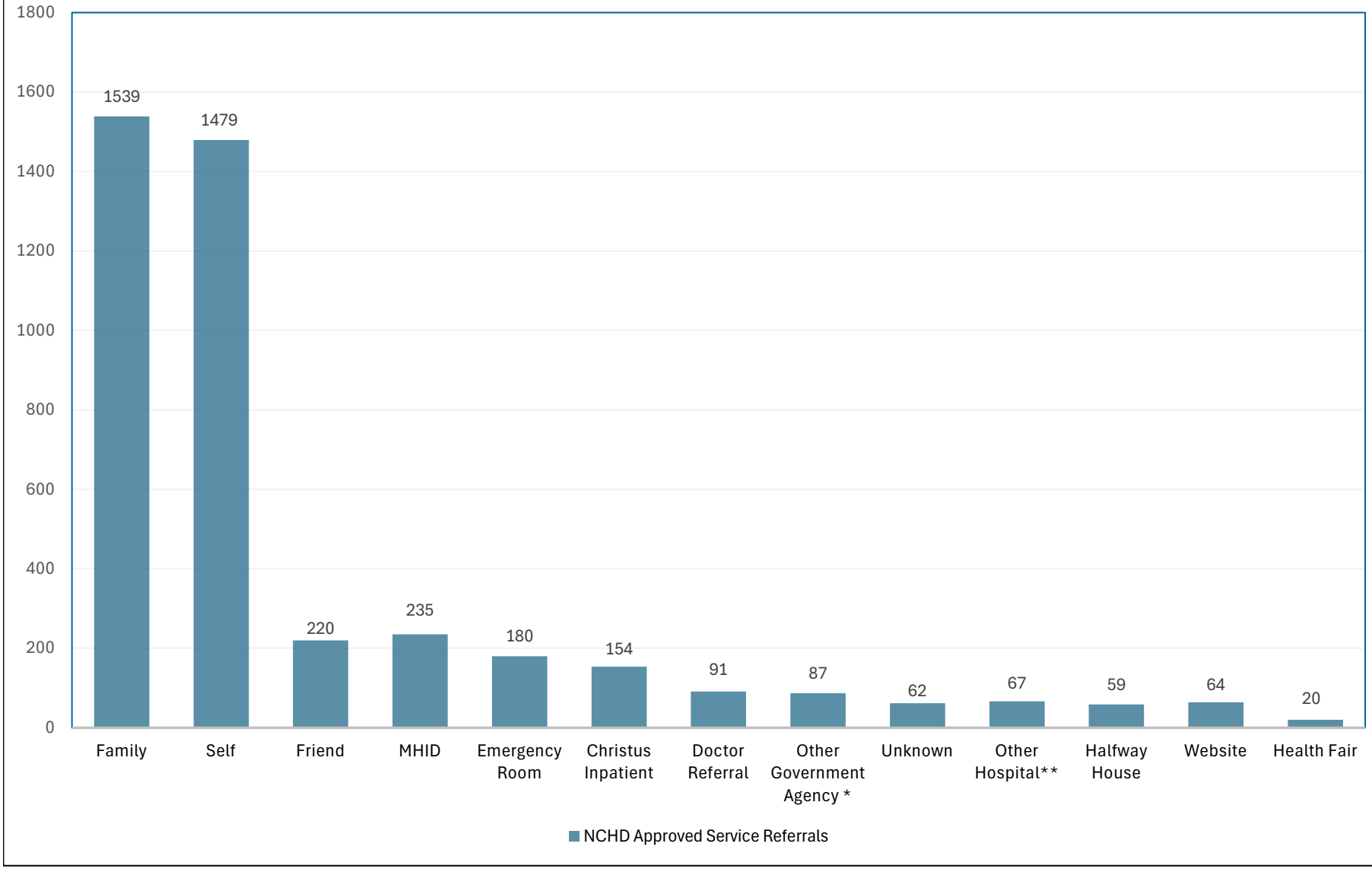
Nueces County Hospital District
Medicaid Payment Programs/Directed Payment Programs
Estimated Provider Payments & IGT History
FY2012 to Present

Provider	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS	
Christus Spohn - Corpus Christi	393,023,597	660,707,639	271,742,566	54,617,146	177,526,110	166,774,230	3,631,000	11,988,586	33,135,453	4,729,455	**1,777,875,781**	39%
Christus Spohn Rural (Alice/Beeville/Kleberg)	48,398,858	236,198,894	0	14,571,054	0	32,111,589	0	0	872,324	5,998,487	**338,151,207**	7%
Corpus Christi Medical Center	121,850,134	194,737,114	0	47,168,955	0	219,205,565	0	9,652,366	14,766,291	23,359,490	**630,739,914**	14%
Driscoll Childrens Hospital	314,822,705	36,747,666	0	0	0	1,084,250,462	3,650,435	26,804,632	160,612,868	41,040,138	**1,667,928,905**	37%
Detar Hospital	24,949,804	47,723,156	0	15,076,184	0	0	0	0	0	0	**87,749,145**	2%
North Bay General Hospital	0	0	0	503,238	0	0	0	0	0	0	**503,238**	0%
South Texas Surgical Hospital	0	0	0	889,769	0	0	0	0	0	0	**889,769**	0%
Corpus Chrisit Rehab Hospital	0	0	0	286,797	0	0	0	0	0	734,825	**1,021,622**	0%
PAM Specialty Hospital	0	0	0	1,330	0	0	0	0	0	1,948,682	**1,950,012**	0%
PAM Rehab Hospital	0	0	0	141,201	0	1,480,848	0	0	0	1,812,337	**3,434,386**	0%
Zoom Rehabilitation Inc.	0	0	0	0	0	0	0	0	0	173,631	**173,631**	0%
Oceans Behavioral Hospital	0	0	0	0	0	53,995	0	0	0	1,273,186	**1,327,181**	0%
Nueces County Health Dept	21,809,410	0	0	0	0	0	0	0	0	0	**21,809,410**	0%
TOTALS	**924,854,508**	**1,176,114,469**	**271,742,566**	**133,255,675**	**177,526,110**	**1,503,876,688**	**7,281,435**	**48,445,584**	**209,386,936**	**81,070,230**	**4,533,554,201**	100%

* Estimated Receipts for Entities (IGT + FMAP), Subject to HHSC Review and Administrative Fees

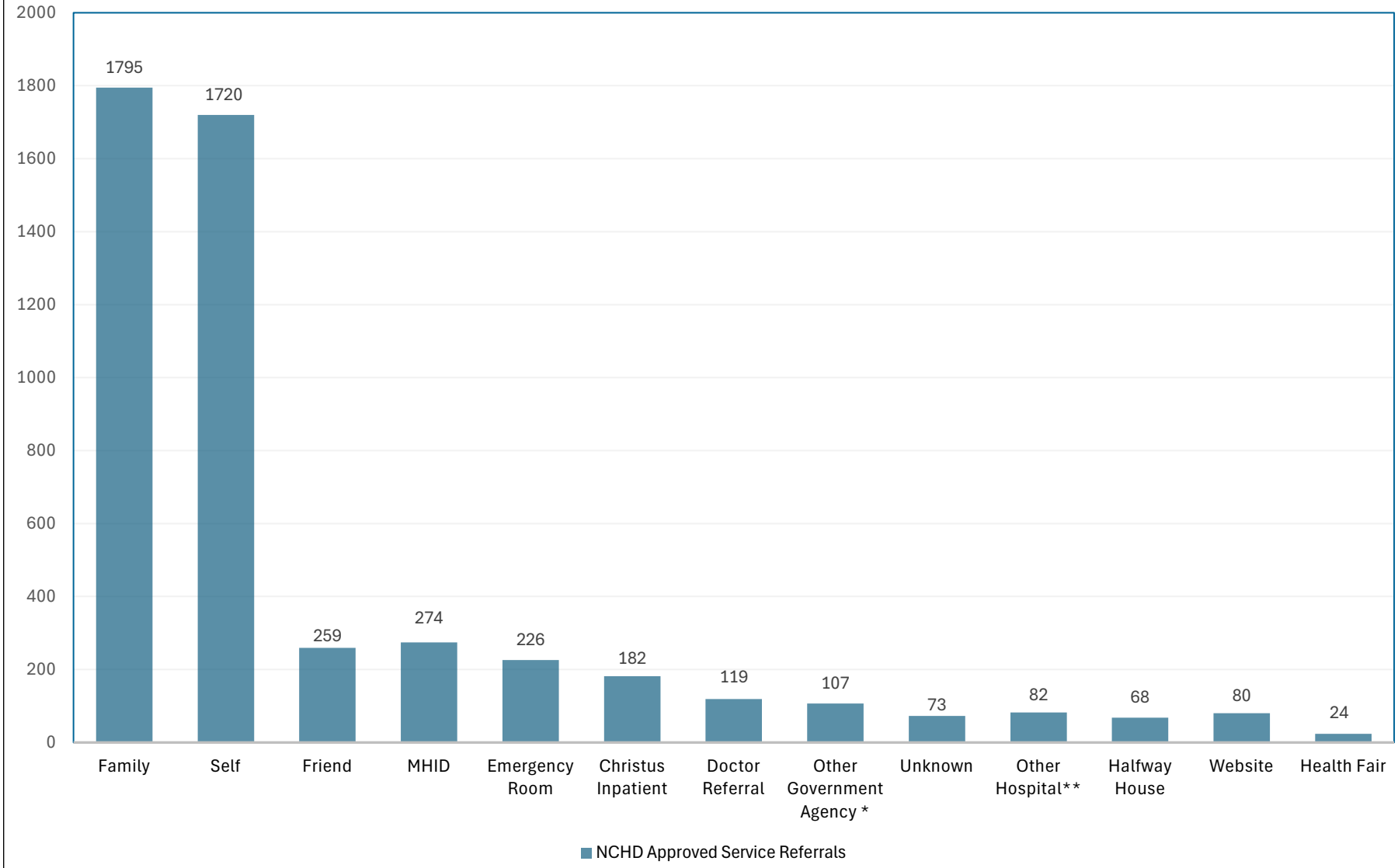
IGT Source	DSRIP	UC	DSH	UHRIP	NAIP	CHIRP	TIPPS	GME	HARP	ATLIS	TOTALS
Nueces County Hospital District	338,074,018	381,888,025	96,250,465	58,389,165	70,040,718	177,013,892	0	13,306,303	77,574,950	20,731,634	**1,233,269,171**
Nueces LPPF	27,902,997	77,553,074	7,478,253	0	0	413,336,502	2,412,214	4,715,212	5,852,488	11,733,795	**550,984,533**
TOTALS	**365,977,014**	**459,441,099**	**103,728,718**	**58,389,165**	**70,040,718**	**590,350,393**	**2,412,214**	**18,021,515**	**83,427,437**	**32,465,429**	**1,784,253,704**

Nueces County Hospital District
Enrollment Referral Source
YTD 2026



Nueces County Hospital District													
Application Referral Sources Calendar Year 2026													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026
Applications Approved	772	686	741	748	628	695							4270
Referral Source													
Family	296	261	263	265	214	240							1539
Self	242	242	286	246	230	233							1479
Friend	39	39	32	41	22	47							220
MHID	50	22	36	40	42	45							235
Emergency Room	34	32	22	23	33	36							180
Christus Inpatient	27	19	21	34	25	28							154
Doctor Referral	19	22	12	13	17	8							91
Other Government Agency *	16	8	15	22	9	17							87
Unknown	8	15	12	16	3	8							62
Other Hospital**	15	9	10	13	12	8							67
Halfway House	15	7	11	11	7	8							59
Website	6	4	16	17	10	11							64
Health Fair	3	4	4	4	3	2							20
Medicaid Office	1	2	1	3	1	3							11
TWC	1	0	0	0	0	0							1
MD Anderson	0	0	0	0	0	1							1
NAACP	0	0	0	0	0	0							0
Workmans Comp	0	0	0	0	0	0							0
*-Includes Nueces County Jail Referrals.													
**-Includes Non-Christus Hospitals.													

Nueces County Hospital District
Enrollment Referral Source
YTD 2026



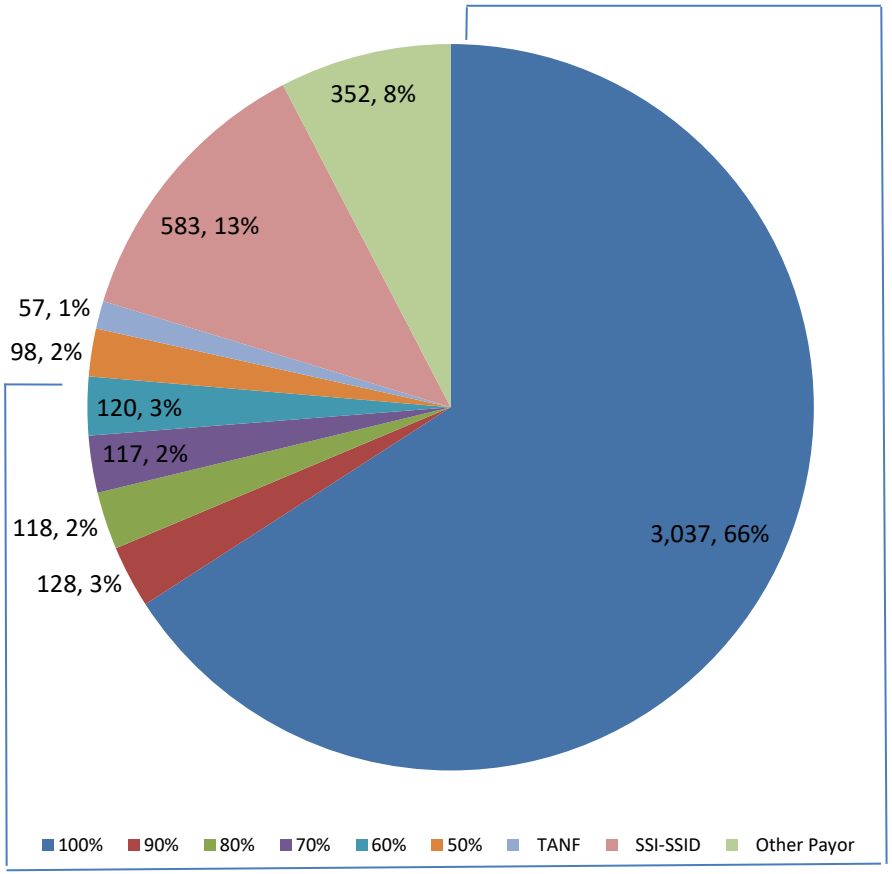
Nueces County Hospital District													
Application Referral Sources Calendar Year 2026													
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026
Applications Approved	772	686	741	748	628	695	754						5024
Referral Source													
Family	296	261	263	265	214	240	256						1795
Self	242	242	286	246	230	233	241						1720
Friend	39	39	32	41	22	47	39						259
MHID	50	22	36	40	42	45	39						274
Emergency Room	34	32	22	23	33	36	46						226
Christus Inpatient	27	19	21	34	25	28	28						182
Doctor Referral	19	22	12	13	17	8	28						119
Other Government Agency *	16	8	15	22	9	17	20						107
Unknown	8	15	12	16	3	8	11						73
Other Hospital**	15	9	10	13	12	8	15						82
Halfway House	15	7	11	11	7	8	9						68
Website	6	4	16	17	10	11	16						80
Health Fair	3	4	4	4	3	2	4						24
Medicaid Office	1	2	1	3	1	3	1						12
TWC	1	0	0	0	0	0	1						2
MD Anderson	0	0	0	0	0	1	0						1
NAACP	0	0	0	0	0	0	0						0
Workmans Comp	0	0	0	0	0	0	0						0
*-Includes Nueces County Jail Referrals.													
**-Includes Non-Christus Hospitals.													

June 2026

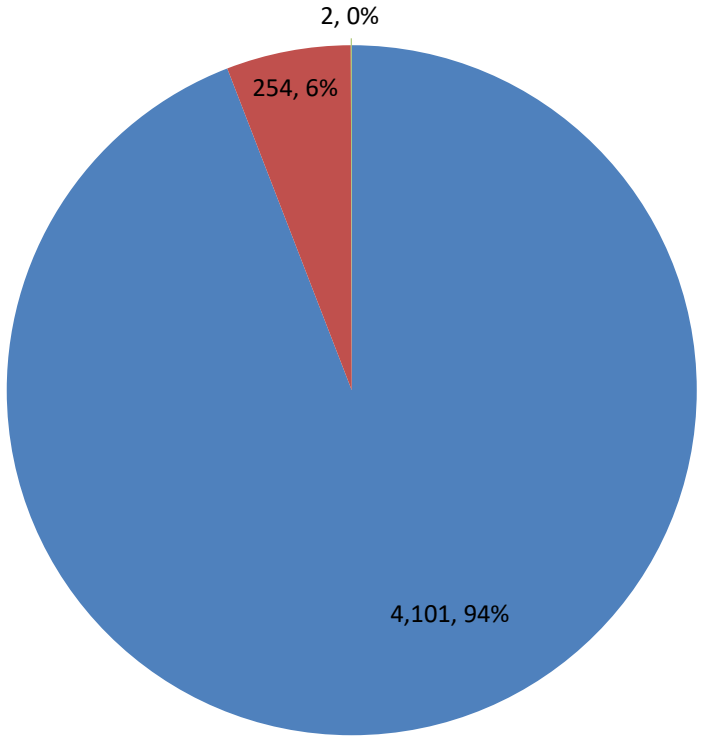
Nueces Aid Program Enrollment

Total Enrolled: 4,610

Total recipients – Other Payer Coverage: 992



Total Households 4,357

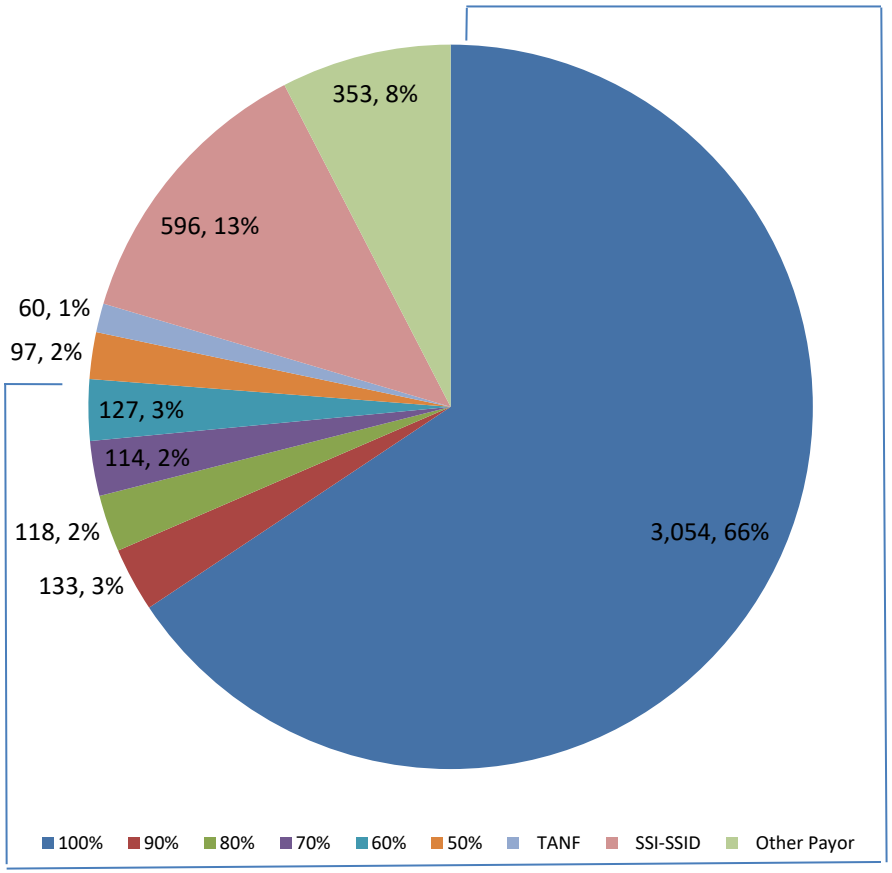


July 2026

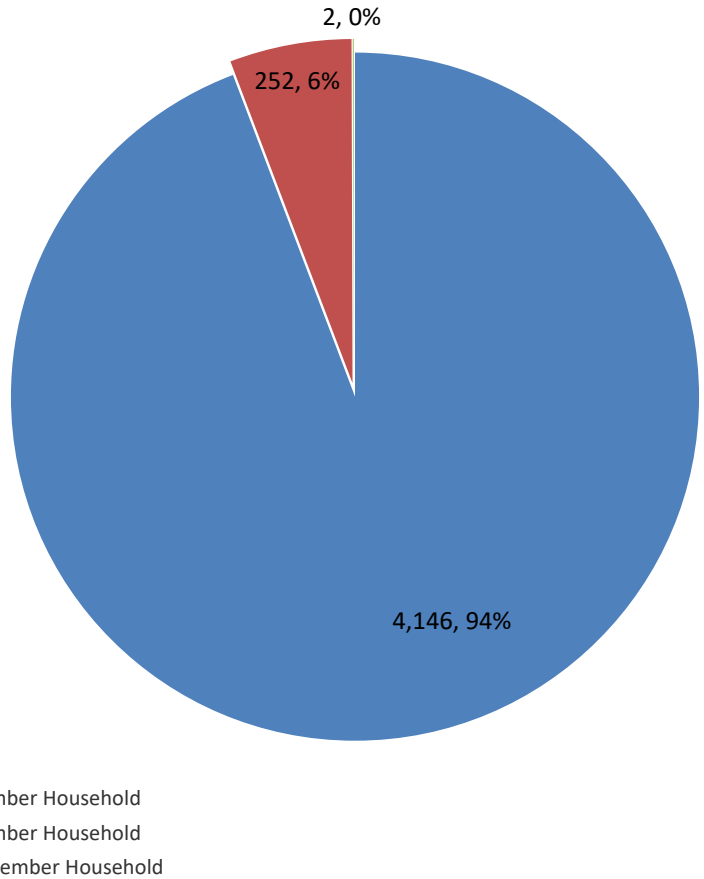
Nueces Aid Program Enrollment

Total Enrolled: 4,652

Total recipients – Other Payer Coverage: 1,009



Total Households 4,400



Nueces Aid Program
Enrollment Summary Calendar Year 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026 Average	Comments
TOTAL RECIPIENTS	4,521	4,512	4,510	4,570	4,540	4,610							4,544	
NUECES AID - All Service Levels														The percentage for each plan option is calculated by dividing the number for each option by the number of total recipients.
100%	2,926	2,948	2,967	3,034	3,001	3,037							2,986	
%	64.7%	65.3%	65.8%	66.4%	66.1%	65.9%							65.7%	
90%	135	131	123	118	117	128							125	
%	3.0%	3%	3%	3%	3%	3%							2.8%	
80%	114	117	120	118	117	118							117	
%	2.5%	2.6%	2.7%	2.6%	2.6%	2.6%							2.6%	
70%	115	113	113	112	111	117							114	
%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%							2.5%	
60%	88	93	104	110	104	120							103	
%	1.9%	2.1%	2.3%	2.4%	2.3%	2.6%							2.3%	
50%	88	94	84	98	101	98							94	
%	1.9%	2.1%	1.9%	2.1%	2.2%	2.1%							2.1%	
TANF	65	54	68	52	54	57							58	These individuals are eligible for NCHD assistance if denied assistance by other payer.
%	1.4%	1.2%	1.5%	1.1%	1.2%	1.2%							1.3%	
SSI-SSID	657	631	599	595	598	583							611	
%	14.5%	14.0%	13.3%	13.0%	13.2%	12.6%							13.4%	
Other Payor	333	331	332	333	337	352							336	
%	7.4%	7.3%	7.4%	7.3%	7.4%	7.6%							7.4%	
TOTAL NUECES AID	4,521	4,512	4,510	4,570	4,540	4,610							4,544	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							100.0%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,048	4,032	4,013	4,066	4,042	4,101							4,050	The percentage for each size household is calculated by dividing the number of each member household by the total number of households.
%	94.4%	94.3%	94.1%	94.1%	94.2%	94.1%							94.2%	
2 Member Household	234	237	246	250	247	254							245	
%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%							5.7%	
>=3 Member Household	5	5	4	3	3	2							4	
%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%							0.1%	
TOTAL HOUSEHOLDS	4,287	4,274	4,263	4,319	4,292	4,357							4,299	

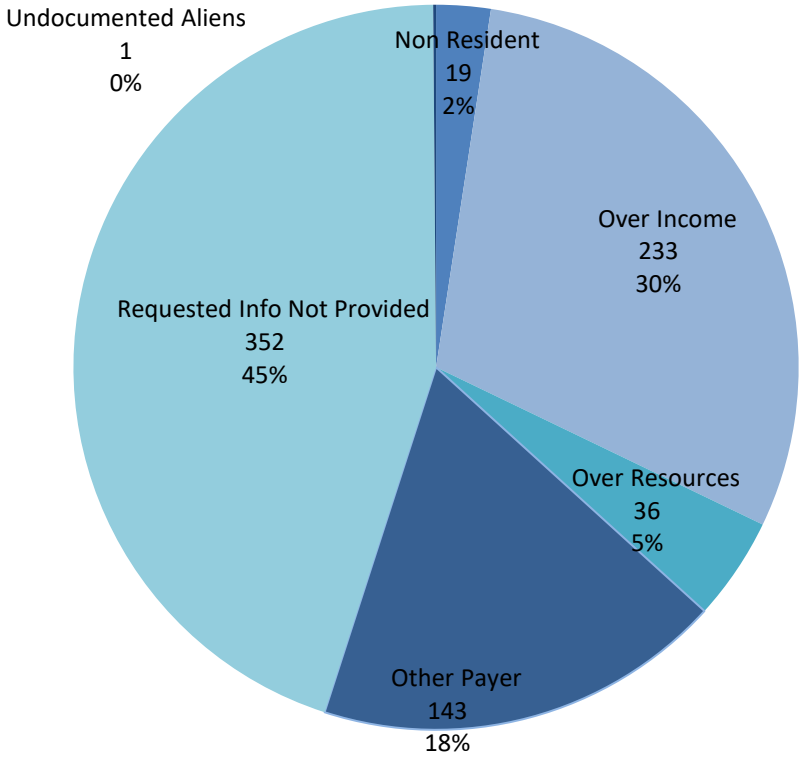
Nueces Aid Program
Enrollment Summary Calendar Year 2026

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD 2026 Average	Comments
TOTAL RECIPIENTS	4,521	4,512	4,510	4,570	4,540	4,610	4,652						4,559	
NUECES AID - All Service Levels														The percentage for each plan option is calculated by dividing
100%	2,926	2,948	2,967	3,034	3,001	3,037	3,054						2,995	the number for each option
%	64.7%	65.3%	65.8%	66.4%	66.1%	65.9%	65.6%						65.7%	by the number of total recipients.
90%	135	131	123	118	117	128	133						126	
%	3.0%	3%	3%	3%	3%	3%	3%						2.8%	
80%	114	117	120	118	117	118	118						117	
%	2.5%	2.6%	2.7%	2.6%	2.6%	2.6%	2.5%						2.6%	
70%	115	113	113	112	111	117	114						114	
%	2.5%	2.5%	2.5%	2.5%	2.4%	2.5%	2.5%						2.5%	
60%	88	93	104	110	104	120	127						107	
%	1.9%	2.1%	2.3%	2.4%	2.3%	2.6%	2.7%						2.3%	
50%	88	94	84	98	101	98	97						94	
%	1.9%	2.1%	1.9%	2.1%	2.2%	2.1%	2.1%						2.1%	
TANF	65	54	68	52	54	57	60						59	These individuals are eligible
%	1.4%	1.2%	1.5%	1.1%	1.2%	1.2%	1.3%						1.3%	for NCHD assistance if denied assistance by other
SSI-SSID	657	631	599	595	598	583	596						608	payer.
%	14.5%	14.0%	13.3%	13.0%	13.2%	12.6%	12.8%						13.3%	
Other Payor	333	331	332	333	337	352	353						339	
%	7.4%	7.3%	7.4%	7.3%	7.4%	7.6%	7.6%						7.4%	
TOTAL NUECES AID	4,521	4,512	4,510	4,570	4,540	4,610	4,652						4,559	
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						100.0%	
HOUSEHOLDS BY SIZE														
1 Member Household	4,048	4,032	4,013	4,066	4,042	4,101	4,146						4,064	The percentage for each size
%	94.4%	94.3%	94.1%	94.1%	94.2%	94.1%	94.2%						94.2%	household is calculated by dividing the number of each
2 Member Household	234	237	246	250	247	254	252						246	member household by the
%	5.5%	5.5%	5.8%	5.8%	5.8%	5.8%	5.7%						5.7%	total number of households.
>=3 Member Household	5	5	4	3	3	2	2						3	
%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%						0.1%	
TOTAL HOUSEHOLDS	4,287	4,274	4,263	4,319	4,292	4,357	4,400						4,313	

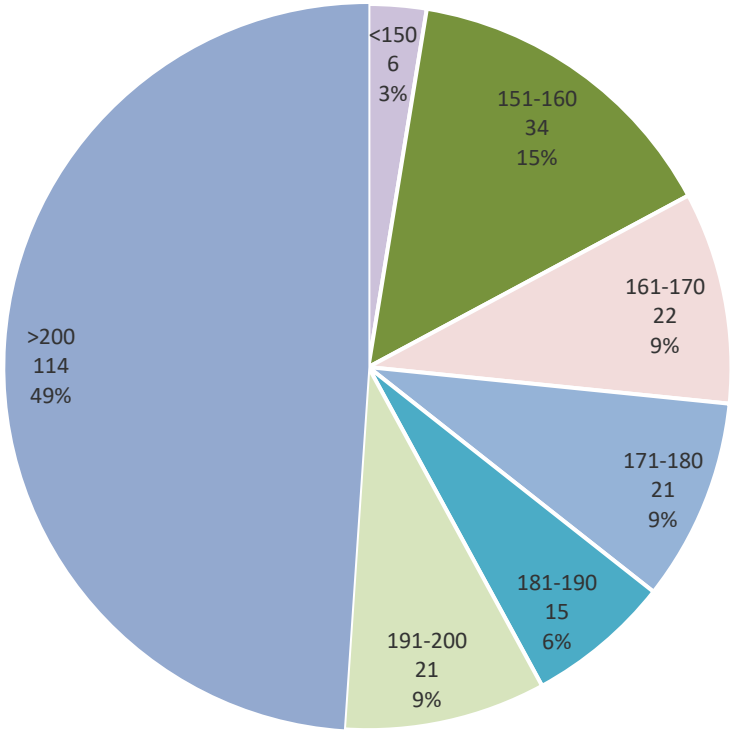
NUECES AID DENIALS

Calendar Year 2026: January - June

Denial Reasons



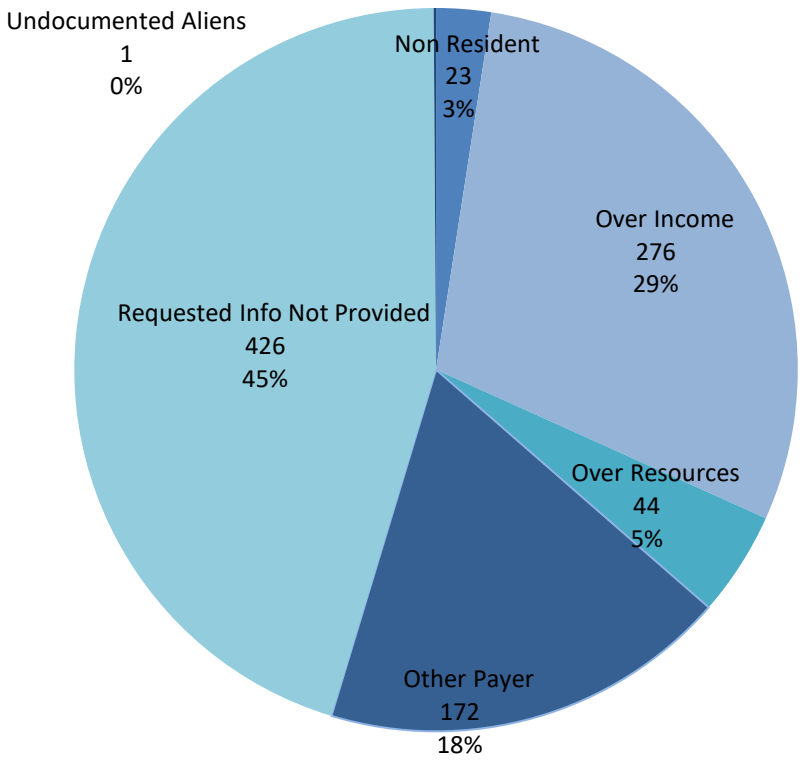
Comparison of Over Income Case to 2026 HHS Poverty Guidelines



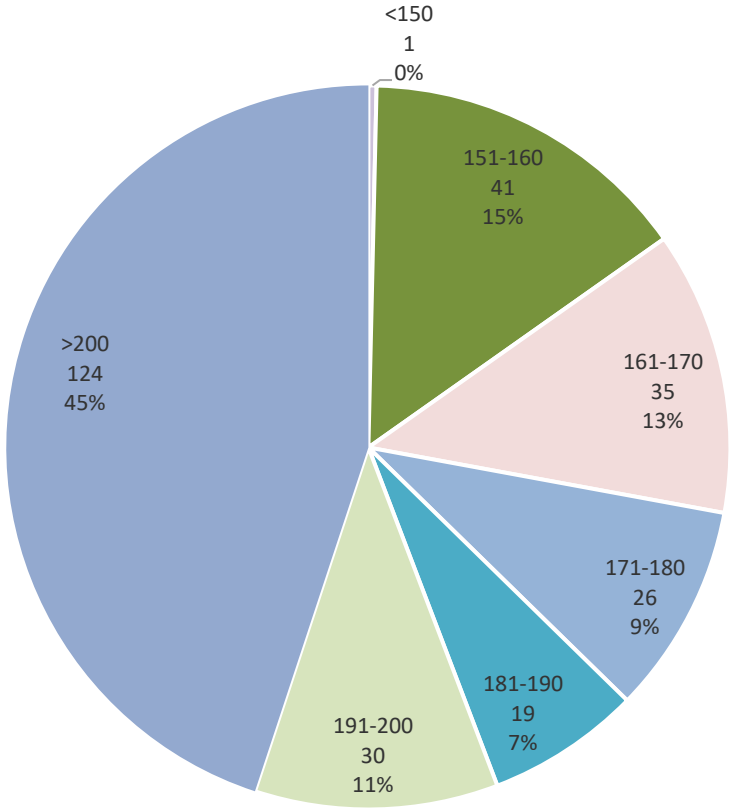
NUECES AID DENIALS

Calendar Year 2026: January - July

Denial Reasons



Comparison of Over Income Case to 2026 HHS Poverty Guidelines



Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
TOTAL APPLICATIONS	914	801	888	864	774	813	0	0	0	0	0	0	5,054	
Approved	772	686	741	748	628	695							4,270	
%	84.5%	85.6%	83.4%	86.6%	81.1%	85.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	84.5%	
Denied	142	115	147	116	146	118							784	Since FY 1999, the denial rate is based on all deniced individuals in the household.
%	15.5%	14.4%	16.6%	13.4%	18.9%	14.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	15.5%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Service Levels														
100%	522	468	509	538	442	477							2,956	
%	67.6%	68.2%	68.7%	71.9%	70.4%	68.6%							69%	The percentage of approvals by plan option is alculated by deviding the number for each plan option by the total numbers of approved applications.
90%	22	21	17	16	15	27							118	
%	2.8%	3.1%	2.3%	2.1%	2.4%	3.9%							2.8%	
80%	30	24	27	18	12	12							123	
%	3.9%	3.5%	3.6%	2.4%	1.9%	1.7%							2.9%	
70%	15	18	18	20	19	23							113	
%	1.9%	3%	2.4%	2.7%	3.0%	3.3%							2.6%	
60%	20	19	18	18	10	32							117	
%	2.6%	2.8%	2.4%	2.4%	1.6%	4.6%							2.7%	
50%	20	19	16	18	16	11							100	
%	2.6%	2.8%	2.2%	2.4%	2.5%	1.6%							2.3%	
TANF	14	12	17	13	18	15							89	
%	2%	1.7%	2.3%	1.7%	2.9%	2.2%							2%	
SSI-SSID	62	59	59	52	55	44							331	
%	8%	8.6%	8.0%	7.0%	8.8%	6.3%							8%	
Other Payor	67	46	60	55	41	54							323	
%	9%	6.7%	8.1%	7.4%	6.5%	7.8%							8%	
TOTAL	772	686	741	748	628	695	0	0	0	0	0	0	4,363	
%	100%	100.0%	100.0%	100.0%	100.0%	100.0%							102.2%	
PENDING APPLICATIONS														
														The YTD number for incomplete applications is the average of the monthly incomplete applications.
Pending Documentation	92	95	95	106	69	103							93	

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	0	2	4	3	3	7							19	
%	0.0%	1.7%	2.7%	2.6%	2.1%	5.9%							2.4%	
Over Income	40	28	42	37	45	41							233	
%	28.2%	24.3%	28.6%	31.9%	30.8%	34.7%							29.7%	
Over Resources	7	7	10	2	7	3							36	
%	4.9%	6.1%	6.8%	1.7%	4.8%	2.5%							4.6%	
Other Payer	35	30	26	13	24	15							143	
%	24.6%	26.1%	17.7%	11.2%	16.4%	12.7%							18.2%	The percentage for each denial reason is calculated by dividing the number of individuals for each rason by the total number of individuals denied.
Requested Info Not Provided	60	48	64	61	67	52							352	
%	42.3%	41.7%	43.5%	52.6%	45.9%	44.1%							44.9%	
Undocumented Aliens	0	0	1	0	0	0							1	
%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%							0.1%	
TOTAL DENIALS	142	115	147	116	146	118	0	0	0	0	0	0	784	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	686	608	641	677	564	603							3,779	The percentage for each size household is calcualted by dividing the number of hoseholds in the category by the total number of approved households. Any households pending other payers are not included.
%	94.0%	94.0%	92.8%	95.0%	94.5%	92.9%							93.8%	
2 Member Household	43	39	50	34	32	46							244	
%	5.9%	6.0%	7.2%	4.8%	5.4%	7.1%							6.1%	
3 or > Member Household	1	0	0	2	1	0							4	
%	0.1%	0.0%	0.0%	0.3%	0.2%	0.0%							0.1%	
TOTAL HOUSEHOLDS APPROVED	730	647	691	713	597	649							4,027	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	115	97	115	91	116	93							627	The denial percentage for each size household is calcualted by dividing the number for each household size by the total number of denied households. Any households pending other payors are not included.
%	88.5%	92%	86%	87%	87%	87%							87.8%	
2 Member Household	13	8	17	12	14	11							75	
%	10.0%	7.5%	12.8%	11.4%	10.5%	10.3%							10.5%	
3 or > Member Household	2	1	1	2	3	3							12	
%	1.5%	0.9%	0.8%	1.9%	2.3%	2.8%							1.7%	
TOTAL HOUSEHOLDS DENIED	130	106	133	105	133	107							714	

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
TOTAL APPLICATIONS	914	801	888	864	774	813	912	0	0	0	0	0	5,966	
Approved	772	686	741	748	628	695	754						5,024	
%	84.5%	85.6%	83.4%	86.6%	81.1%	85.5%	82.7%	0.0%	0.0%	0.0%	0.0%	0.0%	84.2%	
Denied	142	115	147	116	146	118	158						942	Since FY 1999, the denial rate is based on all deniced individuals in the household.
%	15.5%	14.4%	16.6%	13.4%	18.9%	14.5%	17.3%	0.0%	0.0%	0.0%	0.0%	0.0%	15.8%	
APPROVALS BY PLAN TYPE														
NUECES AID - All Service Levels														
100%	522	468	509	538	442	477	515						3,471	
%	67.6%	68.2%	68.7%	71.9%	70.4%	68.6%	68.3%						69%	The percentage of approvals by plan option is alculated by deviding the number for each plan option by the total numbers of approved applications.
90%	22	21	17	16	15	27	29						147	
%	2.8%	3.1%	2.3%	2.1%	2.4%	3.9%	3.8%						2.9%	
80%	30	24	27	18	12	12	22						145	
%	3.9%	3.5%	3.6%	2.4%	1.9%	1.7%	2.9%						2.9%	
70%	15	18	18	20	19	23	12						125	
%	1.9%	3%	2.4%	2.7%	3.0%	3.3%	1.6%						2.5%	
60%	20	19	18	18	10	32	24						141	
%	2.6%	2.8%	2.4%	2.4%	1.6%	4.6%	3.2%						2.8%	
50%	20	19	16	18	16	11	19						119	
%	2.6%	2.8%	2.2%	2.4%	2.5%	1.6%	2.5%						2.4%	
TANF	14	12	17	13	18	15	16						105	
%	2%	1.7%	2.3%	1.7%	2.9%	2.2%	2.1%						2%	
SSI-SSID	62	59	59	52	55	44	65						396	
%	8%	8.6%	8.0%	7.0%	8.8%	6.3%	8.6%						8%	
Other Payor	67	46	60	55	41	54	52						375	
%	9%	6.7%	8.1%	7.4%	6.5%	7.8%	6.9%						7%	
TOTAL	772	686	741	748	628	695	754	0	0	0	0	0	5,121	
%	100%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%						101.9%	
PENDING APPLICATIONS														
														The YTD number for incomplete applications is the average of the monthly incomplete applications.
Pending Documentation	92	95	95	106	69	103	117						97	

Nueces Aid Program
Application Processing Summary Calendar Year 2026

2026	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD	Comments
NCHD DENIALS - Reasons for Denials														
Non Resident	0	2	4	3	3	7	4						23	
%	0.0%	1.7%	2.7%	2.6%	2.1%	5.9%	2.5%						2.4%	
Over Income	40	28	42	37	45	41	43						276	
%	28.2%	24.3%	28.6%	31.9%	30.8%	34.7%	27.2%						29.3%	
Over Resources	7	7	10	2	7	3	8						44	
%	4.9%	6.1%	6.8%	1.7%	4.8%	2.5%	5.1%						4.7%	
Other Payer	35	30	26	13	24	15	29						172	
%	24.6%	26.1%	17.7%	11.2%	16.4%	12.7%	18.4%						18.3%	The percentage for each denial reason is calculated by dividing the number of individuals for each rason by the total number of individuals denied.
Requested Info Not Provided	60	48	64	61	67	52	74						426	
%	42.3%	41.7%	43.5%	52.6%	45.9%	44.1%	46.8%						45.2%	
Undocumented Aliens	0	0	1	0	0	0	0						1	
%	0.0%	0.0%	0.7%	0.0%	0.0%	0.0%	0.0%						0.1%	
TOTAL DENIALS	142	115	147	116	146	118	158	0	0	0	0	0	942	
HOUSEHOLDS BY SIZE - APPROVED														
1 Member Household	686	608	641	677	564	603	667						4,446	The percentage for each size household is calcualted by dividing the number of hoseholds in the category by the total number of approved households. Any households pending other payers are not included.
%	94.0%	94.0%	92.8%	95.0%	94.5%	92.9%	93.8%						93.8%	
2 Member Household	43	39	50	34	32	46	43						287	
%	5.9%	6.0%	7.2%	4.8%	5.4%	7.1%	6.0%						6.1%	
3 or > Member Household	1	0	0	2	1	0	1						5	
%	0.1%	0.0%	0.0%	0.3%	0.2%	0.0%	0.1%						0.1%	
TOTAL HOUSEHOLDS APPROVED	730	647	691	713	597	649	711						4,738	
HOUSEHOLDS BY SIZE - DENIED														
1 Member Household	115	97	115	91	116	93	124						751	The denial percentage for each size household is calcualted by dividing the number for each household size by the total number of denied households. Any households pending other payors are not included.
%	88.5%	92%	86%	87%	87%	87%	88%						87.8%	
2 Member Household	13	8	17	12	14	11	17						92	
%	10.0%	7.5%	12.8%	11.4%	10.5%	10.3%	12.1%						10.8%	
3 or > Member Household	2	1	1	2	3	3	0						12	
%	1.5%	0.9%	0.8%	1.9%	2.3%	2.8%	0.0%						1.4%	
TOTAL HOUSEHOLDS DENIED	130	106	133	105	133	107	141						855	

NCHD
Eligibility History

2020	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310	-14%
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377	-15%
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%	
2021	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847	-11%
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005	-6%
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852	-10%
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%	
2022	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851	0%
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145	14%
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996	3%
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%	
2023	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565	3,548	3,566	3,598	3,613	3,545	42,939	3,578	-7%
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177	1,181	1,183	1,185	1,186	1,166	14,539	1,212	6%
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	4,729	4,749	4,783	4,799	4,711	57,478	4,790	-4%
% of PY	101%	102%	101%	98%	97%	95%	94%	92%	91%	92%	95%	95%	96%	96%	
2024	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,523	3,573	3,563	3,596	3,605	3,597	3,643	3,650	3,629	3,646	3,546	3,464	43,035	3,586	0%
Pend	1,161	1,185	1,175	1,171	1,177	1,157	1,180	1,182	1,177	1,183	1,159	1,121	14,028	1,169	-4%
Total	4,684	4,758	4,738	4,767	4,782	4,754	4,823	4,832	4,806	4,829	4,705	4,585	57,063	4,755	-1%
% of PY	95%	98%	97%	100%	100%	100%	102%	102%	101%	101%	98%	97%	99%	99%	
2025	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,494	3,407	3,380	3,397	3,375	3,424	3,461	3,463	3,489	3,526	3,459	3,435	41,310	3,443	-4%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	1,103	1,100	1,098	1,049	1,048	13,309	1,109	-5%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	4,566	4,589	4,624	4,508	4,483	54,619	4,552	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	94%	95%	96%	96%	98%	96%	96%	
2026	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,466	3,496	3,511	3,590	3,551	3,618							21,232	3,539	3%
Pend	1,055	1,016	999	980	989	992							6,031	1,005	-9%
Total	4,521	4,512	4,510	4,570	4,540	4,610	-	-	-	-	-	-	27,263	4,544	0%
% of PY	98%	100%	100%	101%	101%	101%	0%	0%	0%	0%	0%	0%	50%	100%	

NCHD
Eligibility History

2020	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	4,963	4,955	4,903	4,731	5,132	4,698	4,198	3,660	3,260	3,604	3,752	3,868	51,724	4,310	-14%
Pend	1,268	1,243	1,218	1,141	1,187	1,106	1,043	968	861	899	923	945	12,802	1,067	-18%
Total	6,231	6,198	6,121	5,872	6,319	5,804	5,241	4,628	4,121	4,503	4,675	4,813	64,526	5,377	-15%
% of PY	95%	96%	96%	93%	101%	93%	83%	73%	65%	70%	75%	79%	85%	85%	
2021	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,806	3,678	3,567	3,521	3,667	3,852	3,953	4,080	4,142	4,091	3,948	3,863	46,168	3,847	-11%
Pend	932	921	922	964	981	1,014	1,052	1,028	1,039	1,060	1,070	1,076	12,059	1,005	-6%
Total	4,738	4,599	4,489	4,485	4,648	4,866	5,005	5,108	5,181	5,151	5,018	4,939	58,227	4,852	-10%
% of PY	76%	74%	73%	76%	74%	84%	95%	110%	126%	114%	107%	103%	90%	90%	
2022	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,781	3,711	3,738	3,755	3,805	3,869	3,910	3,945	4,042	3,987	3,884	3,785	46,212	3,851	0%
Pend	1,093	1,061	1,110	1,113	1,144	1,150	1,147	1,183	1,191	1,191	1,181	1,171	13,735	1,145	14%
Total	4,874	4,772	4,848	4,868	4,949	5,019	5,057	5,128	5,233	5,178	5,065	4,956	59,947	4,996	3%
% of PY	103%	104%	108%	109%	106%	103%	101%	100%	101%	101%	101%	100%	103%	103%	
2023	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,767	3,186	3,727	3,611	3,614	3,599	3,565	3,548	3,566	3,598	3,613	3,545	42,939	3,578	-7%
Pend	1,145	1,677	1,148	1,157	1,173	1,161	1,177	1,181	1,183	1,185	1,186	1,166	14,539	1,212	6%
Total	4,912	4,863	4,875	4,768	4,787	4,760	4,742	4,729	4,749	4,783	4,799	4,711	57,478	4,790	-4%
% of PY	101%	102%	101%	98%	97%	95%	94%	92%	91%	92%	95%	95%	96%	96%	
2024	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,523	3,573	3,563	3,596	3,605	3,597	3,643	3,650	3,629	3,646	3,546	3,464	43,035	3,586	0%
Pend	1,161	1,185	1,175	1,171	1,177	1,157	1,180	1,182	1,177	1,183	1,159	1,121	14,028	1,169	-4%
Total	4,684	4,758	4,738	4,767	4,782	4,754	4,823	4,832	4,806	4,829	4,705	4,585	57,063	4,755	-1%
% of PY	95%	98%	97%	100%	100%	100%	102%	102%	101%	101%	98%	97%	99%	99%	
2025	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,494	3,407	3,380	3,397	3,375	3,424	3,461	3,463	3,489	3,526	3,459	3,435	41,310	3,443	-4%
Pend	1,113	1,106	1,129	1,147	1,140	1,141	1,135	1,103	1,100	1,098	1,049	1,048	13,309	1,109	-5%
Total	4,607	4,513	4,509	4,544	4,515	4,565	4,596	4,566	4,589	4,624	4,508	4,483	54,619	4,552	-4%
% of PY	98%	95%	95%	95%	94%	96%	95%	94%	95%	96%	96%	98%	96%	96%	
2026	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	CY Total	Avg	
NCHD	3,466	3,496	3,511	3,590	3,551	3,618	3,643						24,875	3,554	3%
Pend	1,055	1,016	999	980	989	992	1,009						7,040	1,006	-9%
Total	4,521	4,512	4,510	4,570	4,540	4,610	4,652	-	-	-	-	-	31,915	4,559	0%
% of PY	98%	100%	100%	101%	101%	101%	101%	0%	0%	0%	0%	0%	58%	100%	

Nueces County Hospital District

Annual Comparative Enrollment Report
Calendar Year 2026

	Enrollment			Increase/(Decrease)	
Month	**2026**	**2025**		**%**	**Enrollees**
Jan	4,521	4,607		-1.87%	-86
Feb	4,512	4,513		-0.02%	-1
Mar	4,510	4,509		0.02%	1
Apr	4,570	4,544		0.57%	26
May	4,540	4,515		0.55%	25
June	4,610	4,565		0.99%	45
Jul					
Aug					
Sep					
Oct					
Nov					
Dec					

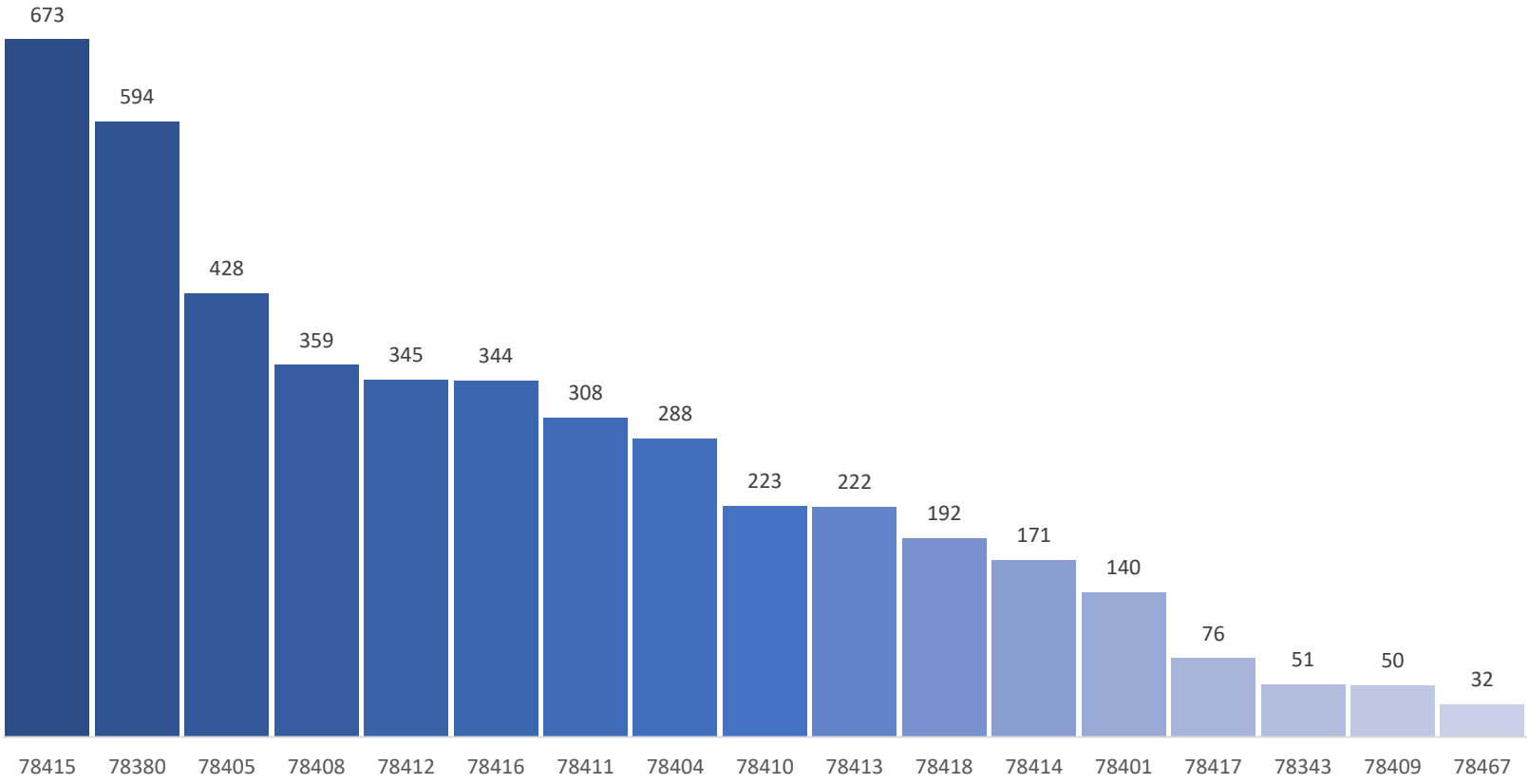
Nueces County Hospital District

Annual Comparative Enrollment Report
Calendar Year 2026

	Enrollment			Increase/(Decrease)	
Month	**2026**	**2025**		**%**	**Enrollees**
Jan	4,521	4,607		-1.87%	-86
Feb	4,512	4,513		-0.02%	-1
Mar	4,510	4,509		0.02%	1
Apr	4,570	4,544		0.57%	26
May	4,540	4,515		0.55%	25
June	4,610	4,565		0.99%	45
Jul	4,652	4,596		1.22%	56
Aug					
Sep					
Oct					
Nov					
Dec					

Nueces County Hospital District

Enrollment by Zipcode as of June 2026

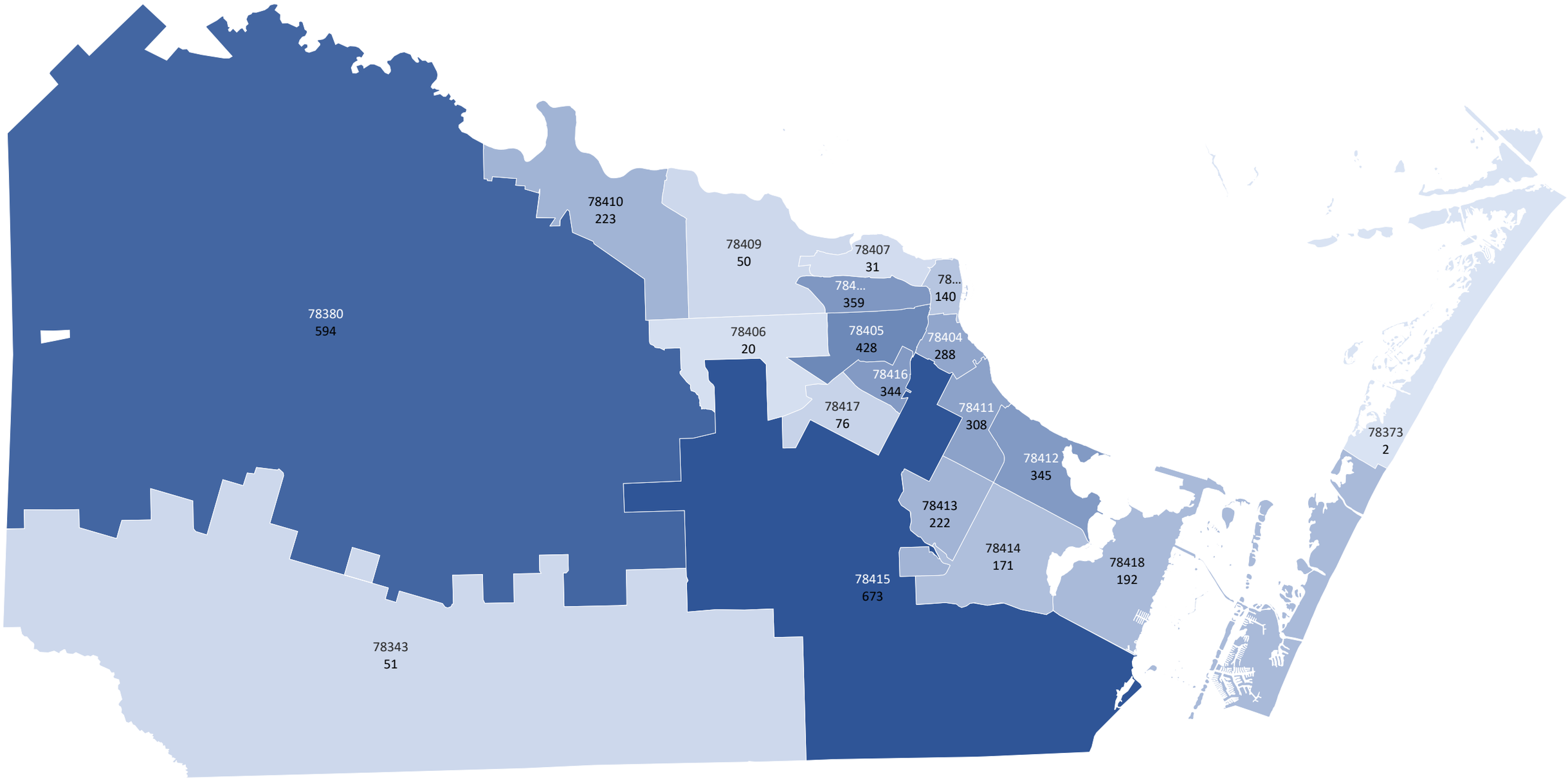


Nueces County Hospital District
Enrollment by Zip Code
As of 06/30/2026

Zip Code	Description	Members	% to Total
78415	Description	673	15%
78380	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	594	13%
78405	Robstown	428	9%
78408	CC:19th to Port Ave to Agnes, includes HPG	359	8%
78412	CC:Hwy 358 to Lipan Between I-37 & Agnes	345	7%
78416	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	344	7%
78411	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	308	7%
78404	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	288	6%
78410	CC:Six Points	223	5%
78413	CC:Annaville and Calallen	222	5%
78418	CC:Weber to Holly rd to So Staples to Oso Pkwy	192	4%
78414	CC:Flour Bluff	171	4%
78401	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	140	3%
78417	CC:Downtown and Cargo Docks	76	2%
78343	CC:Old Brownsville to Ayers to Saratoga	51	1%
78409	Bishop + FM 665 to CR 107 W to CR 57E	50	1%
78467	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	32	1%
	Subtotal	4,496	98%
	Total	4,610	

Nueces County Hospital District

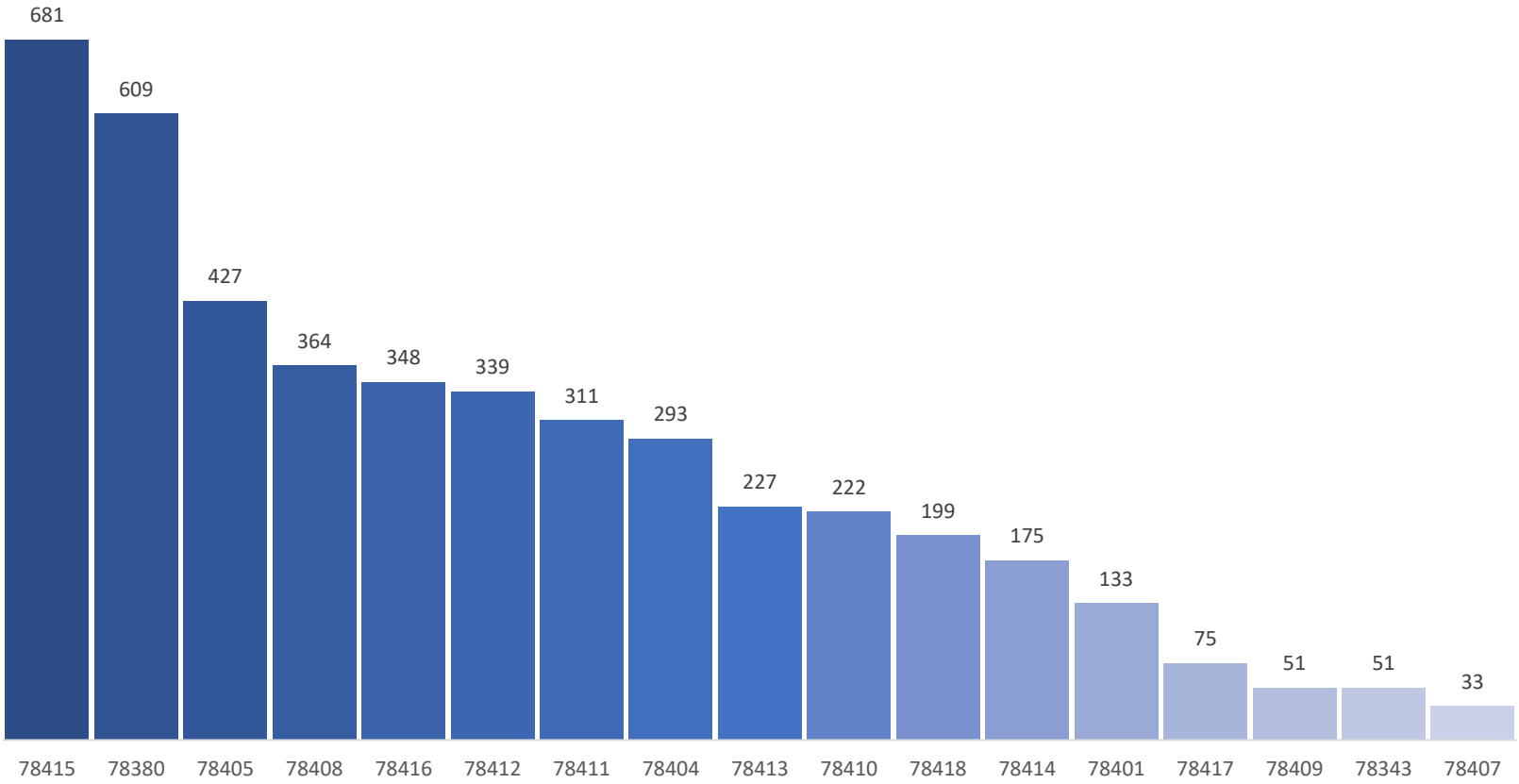
Enrollment Map



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Nueces County Hospital District

Enrollment by Zipcode as of July 2026

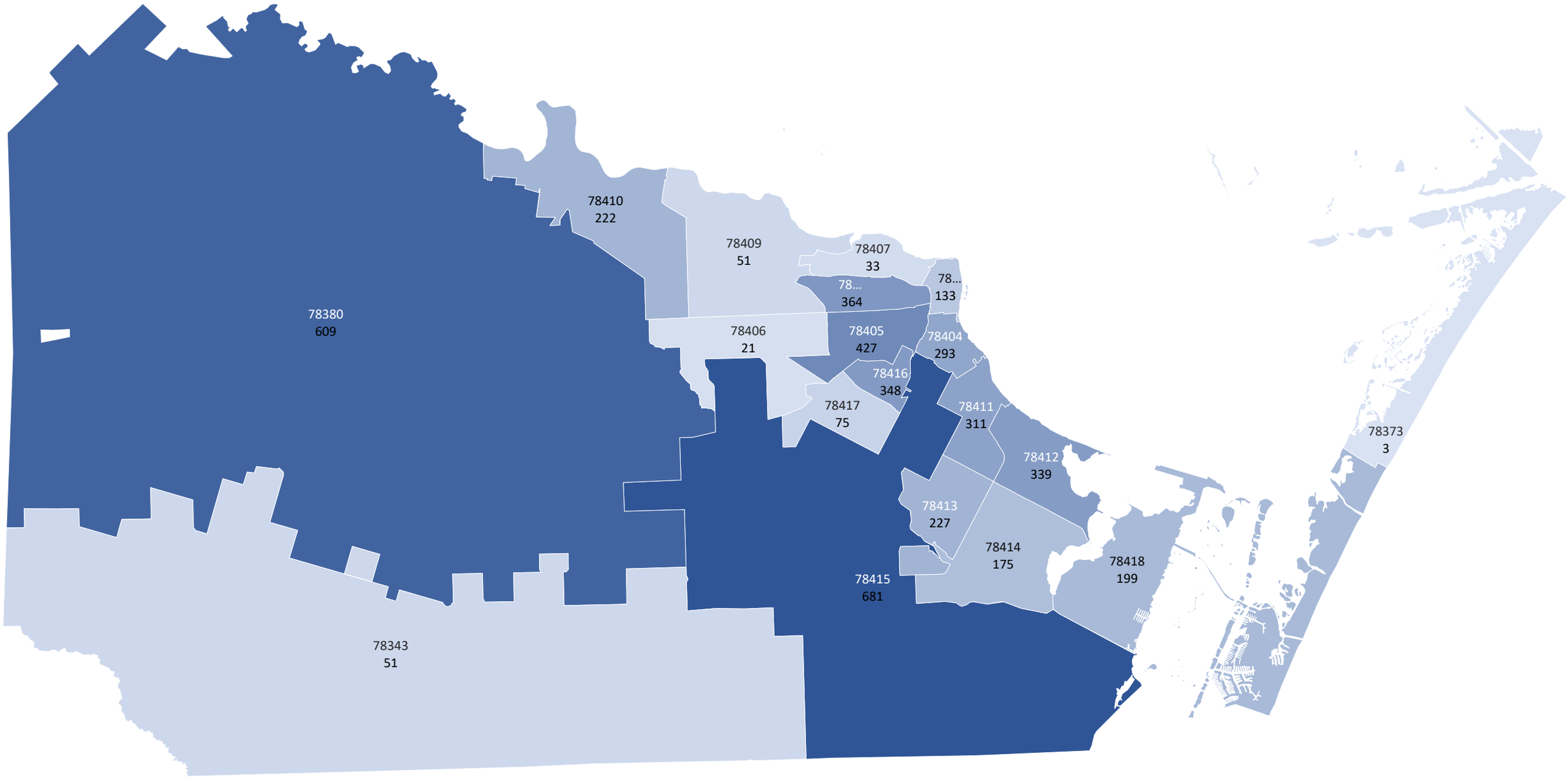


Nueces County Hospital District
Enrollment by Zip Code
As of 07/31/2026

Zip Code	Description	Members	% to Total
78415	CC:FM 665 to CR 61 to County Line to Weber & Crosstown	681	15%
78380	Robstown	609	13%
78405	CC:19th to Port Ave to Agnes, includes HPG	427	9%
78408	CC:Hwy 358 to Lipan Between I-37 & Agnes	364	8%
78416	CC:Hwy 358 to Old Brownsville to Tarlton to Weber, includes Molina	348	7%
78412	CC:Airline to Hwy 358 to Ennis Joslin to Ocean Drive	339	7%
78411	CC:Ocean Drive to So Staples to Hwy 358 to Weber to Kostoryz	311	7%
78404	CC:Six Points	293	6%
78413	CC:Weber to Holly rd to So Staples to Oso Pkwy	227	5%
78410	CC:Annaville and Calallen	222	5%
78418	CC:Flour Bluff	199	4%
78414	CC:So Staples to Holly Rd to Cayo Del Oso to Oso Creek	175	4%
78401	CC:Downtown and Cargo Docks	133	3%
78417	CC:Old Brownsville to Ayers to Saratoga	75	2%
78409	CC:Hwy 44 to Up River Rd to Rand Morgan E to Hwy 358	51	1%
78343	Bishop + FM 665 to CR 107 W to CR 57E	51	1%
78407	CC: I-37 Up River Rd to South Port Ave to Joe Fulton Corridor	33	1%
	Subtotal	4,538	98%
	Total	4,652	

Nueces County Hospital District

Enrollment Map



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NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Unaudited Financial Statements as of June 30, 2026

PERIOD: Nine Months Ended June 30, 2026

Purpose

To provide the Board of Managers with a general overview of the District's unaudited financial position and operating results through June 30, 2026, with emphasis on overall financial condition, performance relative to budget, liquidity, and significant considerations for the remainder of Fiscal Year 2026.

Overall Financial Position

The District remains in a favorable financial position through the first nine months of Fiscal Year 2026. General Fund revenues are ahead of budget, expenditures remain below budget on a year-to-date basis, and the District continues to maintain substantial cash resources and fund balances.

At June 30, the District reports approximately $207.9 million in combined assets and approximately $182.4 million in combined fund equity. Cash and cash equivalents constitute a substantial portion of the District's assets, providing significant liquidity for ongoing operations, healthcare financing obligations, and other District purposes.

The General Fund balance is approximately $99.6 million, while Special Revenue Fund balances total approximately $68.6 million. These balances provide the District with substantial financial resources as it enters the final quarter of Fiscal Year 2026.

General Fund Performance

General Fund operating results through June are favorable compared with budget. Year-to-date revenues total approximately $124.6 million, while expenditures total approximately $117.8 million.

After operating transfers, the General Fund reports an approximately $7.7 million increase in fund balance through June. This compares favorably with the budget, which anticipated a decrease in fund balance at this point in the fiscal year.

The favorable position reflects a combination of revenues exceeding budget expectations and expenditures remaining below budget overall. Significant contributors include corporate member revenue, investment earnings, tax collections, and the timing of healthcare-related expenditures and intergovernmental transfers.

Intergovernmental Transfers and Expenditure Timing

Intergovernmental transfers continue to represent the District's largest and most variable expenditure category. Because these transfers can be substantial and do not necessarily occur evenly throughout the fiscal year, individual monthly results may differ considerably from budget.

June illustrates this timing effect, with substantial IGT activity producing expenditures considerably higher than the monthly budget. Nevertheless, intergovernmental transfers remain below budget on a year-to-date basis through June.

Accordingly, the District's financial position is better evaluated using cumulative year-to-date results and anticipated payment schedules rather than relying upon the results of an individual month.

Special Revenue Funds

The District's Special Revenue Funds continue to maintain substantial balances. These funds include resources associated with the Tobacco Settlement, Opioid Settlement, and Indigent Care activities.

In the aggregate, Special Revenue Fund balances increased during the first nine months of the fiscal year and totaled approximately $68.6 million at June 30, 2026. Activity within these funds continues to reflect investment earnings, settlement receipts, limited program expenditures, and transfers authorized for District purposes.

Budget Perspective

Through June 30, overall General Fund performance is materially more favorable than the year-to-date budget. Revenue performance has exceeded expectations while expenditures, in the aggregate, remain below budget.

This favorable variance provides additional financial capacity as the District enters the final quarter of the fiscal year. However, a portion of the current variance reflects the timing of revenues and expenditures and should not necessarily be interpreted as a projection of the District's final Fiscal Year 2026 operating result.

Overall Assessment

Based on the unaudited financial statements through June 30, 2026, the District remains in a favorable year-to-date financial position relative to budget, with substantial liquidity and fund balances.

The financial statements indicate that the District has maintained strong financial capacity through the first three quarters of Fiscal Year 2026. The principal consideration during the remaining quarter will be the timing and magnitude of healthcare financing transactions and other expenditures that may affect the year-end position.

Caution Regarding Unaudited Information

The June 30, 2026 financial statements are unaudited interim financial statements. Reported amounts remain subject to normal year-end accruals, reconciliations, reclassifications, and audit adjustments.

Accordingly, the June statements should be viewed as an interim assessment of the District's financial condition and operating performance and not as a projection of final Fiscal Year 2026 results.

Nueces County Hospital District
Combined Balance Sheet - All Fund Types & Account Groups
As of 06/30/2026
(In Whole Numbers)

UNAUDITED

	General Fund	Special Revenue Fund	Trust Fund	General Fixed Assets	General Long Term Debt	TOTAL
Assets						
Cash & Cash Equivalents	99,009,427	51,014,432	15,941	0	0	150,039,801
Investments	5,970,821	17,412,994	0	0	0	23,383,815
Accrued Interest	0	194,865	46	0	0	194,912
Taxes Receivable, Net of Allowance	2,471,501	0	0	0	0	2,471,501
Other Receivables	0	0	0	0	0	0
Due from Other Funds	24,937	0	0	0	0	24,937
Prepaid Expenditures	162,955	0	0	0	0	162,955
Restricted Cash & Cash Equivalents - LPPF	17,301,701	0	0	0	0	17,301,701
Fixed Assets	0	0	0	14,243,366	0	14,243,366
Amt to be Provided for Retirement of LT Debt	0	0	0	0	45,322	45,322
Total Assets	124,941,342	68,622,291	15,988	14,243,366	45,322	207,868,308
Liabilities						
Accounts Payable	5,216,257	0	0	0	0	5,216,257
Accrued Payroll & Related Liabilities	365,683	0	0	0	0	365,683
Intergovernmental Transfer Obligations	17,301,701	0	0	0	0	17,301,701
Due to Other Funds	0	13,233	11,704	0	0	24,937
Deferred Revenue	2,471,501	0	0	0	0	2,471,501
Long Term Paid Time Off	0	0	0	0	45,322	45,322
Total Liabilities	25,355,142	13,233	11,704	0	45,322	25,425,401
Fund Equity						
Fund Balance	68,359,916	0	4,284	14,243,366	0	82,607,566
Committed to:						
Intergovernmental Transfers	31,226,284	0	0	0	0	31,226,284
Indigent Care	0	65,158,226	0	0	0	65,158,226
Opioid Abatement	0	3,447,970	0	0	0	3,447,970
Assigned to:						
County Health Care	0	2,862	0	0	0	2,862
Total Fund Equity	99,586,200	68,609,058	4,284	14,243,366	0	182,442,908
Total Liabilities & Fund Equity	124,941,342	68,622,291	15,988	14,243,366	45,322	207,868,308

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
General Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Taxes	252,887	41,387,743
Penalties & Interest - Taxes	53,356	372,220
Spohn Corporate Member Revenue	9,478,269	79,884,175
Investment Income	338,005	2,961,295
Other Income	25	988
Total Revenues	10,122,542	124,606,421
Current Expenditures		
Intergovernmental Transfers	26,008,105	102,454,533
Emergency Residency Support	237,292	2,135,625
County Healthcare Funding	1,218,974	9,577,743
Salaries	156,247	1,182,638
Benefits	58,666	564,663
Legal & Professional Fees	63,473	497,489
Purchased Services	70,315	1,109,601
Supplies & Materials	1,001	10,594
Rent & Leases	11,993	108,858
Repairs & Maintenance	275	1,522
Utilities	4,613	41,784
Insurance	2,688	23,978
Administrative & General	3,861	50,839
Capital Outlay	0	8,400
Total Current Expenditures	27,837,502	117,768,268
Excess of Revenues Over Expenditures Before Sources/Uses	(17,714,960)	6,838,153
Other Financing Sources & Uses		
Operating Transfers In	(893,000)	(893,000)
Total Other Financing Sources & Uses	(893,000)	(893,000)
Excess of Revenues Over Expenditures After Sources & Uses	(16,821,960)	7,731,153
Fund Balance, Beginning of Year		91,855,047
FUND BALANCE, END OF YEAR		99,586,200

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Special Revenue Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	216,243	2,011,422
Tobacco Settlement Proceeds	0	889,461
Opioid Settlement Proceeds	0	421,974
Total Revenues	216,243	3,322,857
Current Expenditures		
Legal & Professional Fees	1,298	10,515
Total Current Expenditures	1,298	10,515
Excess of Revenues Over Expenditures Before Sources/Uses	214,945	3,312,342
Other Financing Sources & Uses		
Operating Transfers Out	893,000	893,000
Total Other Financing Sources & Uses	893,000	893,000
Excess of Revenues Over Expenditures After Sources & Uses	(678,055)	2,419,342
Fund Balance, Beginning of Year		66,189,716
FUND BALANCE, END OF YEAR		68,609,058

UNAUDITED

Nueces County Hospital District
Statement of Revenues and Expenditures - All Governmental and Trust Funds
Trust Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

	Current Period Actual	Current Year Actual
Revenues		
Investment Income	46	456
Total Revenues	46	456
Current Expenditures		
Benefits	1,887	10,108
Administrative & General	7	1,450
Total Current Expenditures	1,894	11,558
Excess of Revenues Over Expenditures Before Sources/Uses	(1,847)	(11,102)
Excess of Revenues Over Expenditures After Sources & Uses	(1,847)	(11,102)
Fund Balance, Beginning of Year		15,386
FUND BALANCE, END OF YEAR		4,284

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
General Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Taxes	252,887	198,615	54,272	41,387,743	40,277,824	1,109,919
Penalties & Interest - Taxes	53,356	24,444	28,912	372,220	266,257	105,963
Spohn Corporate Member Revenue	9,478,269	7,933,333	1,544,936	79,884,175	71,400,001	8,484,174
Investment Income	338,005	87,903	250,102	2,961,295	857,611	2,103,684
Other Income	25	0	25	988	0	988
Total Revenues	10,122,542	8,244,295	1,878,247	124,606,421	112,801,693	11,804,728
Current Expenditures						
Intergovernmental Transfers	26,008,105	16,837,952	(9,170,153)	102,454,533	107,403,000	4,948,467
Emergency Residency Support	237,292	237,292	0	2,135,625	2,135,628	3
County Healthcare Funding	1,218,974	1,174,596	(44,378)	9,577,743	10,983,117	1,405,374
Salaries	156,247	171,962	15,715	1,182,638	1,685,169	502,531
Benefits	58,666	88,615	29,949	564,663	836,103	271,440
Legal & Professional Fees	63,473	74,292	10,819	497,489	668,632	171,143
Purchased Services	70,315	107,188	36,873	1,109,601	1,243,294	133,693
Supplies & Materials	1,001	2,166	1,165	10,594	19,506	8,912
Rent & Leases	11,993	13,250	1,257	108,858	119,254	10,396
Repairs & Maintenance	275	1,167	892	1,522	10,507	8,985
Utilities	4,613	8,533	3,920	41,784	76,805	35,021
Insurance	2,688	4,042	1,354	23,978	36,382	12,404
Administrative & General	3,861	18,833	14,972	50,839	169,517	118,678
Capital Outlay	0	0	0	8,400	210,000	201,600
Extraordinary	0	417	417	0	3,753	3,753
Total Current Expenditures	27,837,502	18,740,305	(9,097,197)	117,768,268	125,600,667	7,832,399
Excess of Revenues Over Expenditures Before Sources/Uses	(17,714,960)	(10,496,010)	(7,218,950)	6,838,153	(12,798,974)	19,637,127
Other Financing Sources & Uses						
Operating Transfers In	(893,000)	0	893,000	(893,000)	(700,000)	193,000
Total Other Financing Sources & Uses	(893,000)	0	893,000	(893,000)	(700,000)	193,000
Excess of Revenues Over Expenditures After Sources & Uses	(16,821,960)	(10,496,010)	(6,325,950)	7,731,153	(12,098,974)	19,830,127
Fund Balance, Beginning of Year				91,855,047	0	91,855,047
FUND BALANCE, END OF YEAR				99,586,200	(12,098,974)	111,685,174

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Tobacco Settlement Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	1,875	0	1,875	4,396	0	4,396
Tobacco Settlement Proceeds	0	0	0	889,461	700,000	189,461
Total Revenues	1,875	0	1,875	893,857	700,000	193,857
Excess of Revenues Over Expenditures Before Sources/Uses	1,875	0	1,875	893,857	700,000	193,857
Other Financing Sources & Uses						
Operating Transfers Out	893,000	0	(893,000)	893,000	700,000	(193,000)
Total Other Financing Sources & Uses	893,000	0	(893,000)	893,000	700,000	(193,000)
Excess of Revenues Over Expenditures After Sources & Uses	(891,125)	0	(891,125)	857	0	857
Fund Balance, Beginning of Year				2,005	0	2,005
FUND BALANCE, END OF YEAR				2,862	0	2,862

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Opioid Settlement Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	10,304	2,560	7,744	87,482	27,403	60,079
Opioid Settlement Proceeds	0	0	0	421,974	0	421,974
Total Revenues	10,304	2,560	7,744	509,457	27,403	482,054
Current Expenditures						
Purchased Services	0	100,000	100,000	0	900,000	900,000
Total Current Expenditures	0	100,000	100,000	0	900,000	900,000
Excess of Revenues Over Expenditures Before Sources/Uses	10,304	(97,440)	107,744	509,457	(872,597)	1,382,054
Excess of Revenues Over Expenditures After Sources & Uses	10,304	(97,440)	107,744	509,457	(872,597)	1,382,054
Fund Balance, Beginning of Year				2,938,513	0	2,938,513
FUND BALANCE, END OF YEAR				3,447,970	(872,597)	4,320,567

Nueces County Hospital District
Statement of Revenues and Expenditures - Actual v. Budget
Indigent Care Fund
From 6/1/2026 Through 6/30/2026
(In Whole Numbers)

UNAUDITED

	Current Period Actual	Current Period Budget	Current Period Budget Variance	Current Year Actual	YTD Budget	YTD Budget Variance
Revenues						
Investment Income	204,064	78,845	125,219	1,919,543	706,202	1,213,341
Total Revenues	204,064	78,845	125,219	1,919,543	706,202	1,213,341
Current Expenditures						
Legal & Professional Fees	1,298	3,000	1,702	10,515	27,000	16,485
Total Current Expenditures	1,298	3,000	1,702	10,515	27,000	16,485
Excess of Revenues Over Expenditures Before Sources/Uses	202,766	75,845	126,921	1,909,028	679,202	1,229,826
Excess of Revenues Over Expenditures After Sources & Uses	202,766	75,845	126,921	1,909,028	679,202	1,229,826
Fund Balance, Beginning of Year				63,249,198	0	63,249,198
FUND BALANCE, END OF YEAR				65,158,226	679,202	64,479,024

Sec. 2256.023. INTERNAL MANAGEMENT REPORTS. (a) Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by this chapter for the preceding reporting period.

(b) The report must:

(1) describe in detail the investment position of the entity on the date of the report;

(2) be prepared jointly by all investment officers of the entity;

(3) be signed by each investment officer of the entity;

(4) contain a summary statement of each pooled fund group that states the:

(A) beginning market value for the reporting period;

(B) ending market value for the period; and

(C) fully accrued interest for the reporting period;

(5) state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;

(6) state the maturity date of each separately invested asset that has a maturity date;

(7) state the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and

(8) state the compliance of the investment portfolio of the state agency or local government as it relates to:

(A) the investment strategy expressed in the agency's or local government's investment policy; and

(B) relevant provisions of this chapter.

(c) The report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period.

(d) If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank

in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officers under this section shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1421, Sec. 12, eff. Sept. 1, 1997.

Amended by:

Acts 2011, 82nd Leg., R.S., Ch. 1004 (H.B. 2226), Sec. 9, eff. June 17, 2011.

Sec. 2256.024. SUBCHAPTER CUMULATIVE. (a) The authority granted by this subchapter is in addition to that granted by other law. Except as provided by Subsection (b) and Section 2256.017, this subchapter does not:

(1) prohibit an investment specifically authorized by other law; or

(2) authorize an investment specifically prohibited by other law.

(b) Except with respect to those investing entities described in Subsection (c), a security described in Section 2256.009(b) is not an authorized investment for a state agency, a local government, or another investing entity, notwithstanding any other provision of this chapter or other law to the contrary.

(c) Mortgage pass-through certificates and individual mortgage loans that may constitute an investment described in Section 2256.009(b) are authorized investments with respect to the housing bond programs operated by:

(1) the Texas Department of Housing and Community Affairs or a nonprofit corporation created to act on its behalf;

(2) an entity created under Chapter 392, Local Government Code; or

(3) an entity created under Chapter 394, Local Government Code.

Added by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Amended by:

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Quarterly Investment Report as of June 30, 2026

REPORTING PERIOD: Quarter Ended June 30, 2026

Purpose

To provide the Board of Managers with a general overview of the District's investment portfolio and investment activity for the quarter ended June 30, 2026, including the portfolio's overall size, earnings, liquidity, investment characteristics, and compliance with applicable investment requirements.

Overall Investment Position

As of June 30, 2026, the District maintained an investment portfolio with a book value of approximately $190.6 million and a market value of approximately $190.6 million. The relatively small difference between book and market value indicates limited market-value fluctuation within the portfolio at quarter end.

The portfolio continues to be positioned conservatively, with an emphasis on liquidity, preservation of principal, and short-term investment maturities. The reported average credit quality of the portfolio is AAA, and the weighted average maturity remains very short.

Investment Earnings

The District earned approximately $2.35 million from its investments during the quarter. Fiscal year-to-date investment earnings through June 30 totaled approximately $6.56 million.

The portfolio reported a weighted average yield of approximately 3.73% at quarter end. Investment earnings therefore continue to provide a meaningful source of revenue to the District while the portfolio maintains a conservative investment posture.

Liquidity and Investment Strategy

Liquidity remains a significant characteristic of the District's portfolio. Approximately 88% of the portfolio is invested in instruments with one-day liquidity, with most of the remaining investments maturing within relatively short periods.

This short-term positioning provides the District with ready access to funds for operating, healthcare financing, and other expenditure requirements. It also limits the portfolio's exposure to changes in market interest rates and allows funds to be reinvested as investment opportunities and District cash requirements change.

Changes During the Quarter

The overall market value of the portfolio declined from approximately $225.8 million at March 31, 2026, to $190.6 million at June 30, 2026. The investment report indicates that this reduction primarily reflects cash movements and portfolio activity rather than investment losses.

The unrealized market loss at June 30 was approximately $60,000, which is small relative to the approximately $190.6 million portfolio.

Accordingly, the quarter-to-quarter reduction in total invested assets should principally be viewed in the context of the District's cash requirements and movement of funds rather than as deterioration in investment performance.

Interest Rate Environment

The investment manager reports that short-term interest rates increased during the latter portion of the quarter amid changing expectations concerning Federal Reserve monetary policy, economic growth, and inflation. The District's short-duration investment strategy reduces sensitivity to market-rate movements while permitting relatively rapid reinvestment as securities mature or liquid funds become available.

The direction of short-term interest rates and the reinvestment opportunities available to the District will remain relevant to investment earnings during the remainder of the fiscal year.

Compliance

The quarterly investment report states that it was prepared in accordance with the District's Investment Policy and investment strategy and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code.

The District's designated investment officials certified that the investments reported for the quarter comply with the Public Funds Investment Act and the District's Investment Policy.

Overall Assessment

As of June 30, 2026, the District's investment portfolio remains highly liquid, conservatively positioned, and of high reported credit quality. Investment earnings remain significant, while the difference between the portfolio's book and market values is minimal.

The portfolio's short maturity structure provides substantial financial flexibility and limits exposure to market-price changes. Based on the quarterly report, the portfolio continues to support the District's objectives of maintaining liquidity and preserving principal while generating investment income.

NUECES CNTY HOSPITAL DISTRICT

Quarterly Investment Report

AS OF JUNE 30, 2026



MEEDER

PUBLIC FUNDS

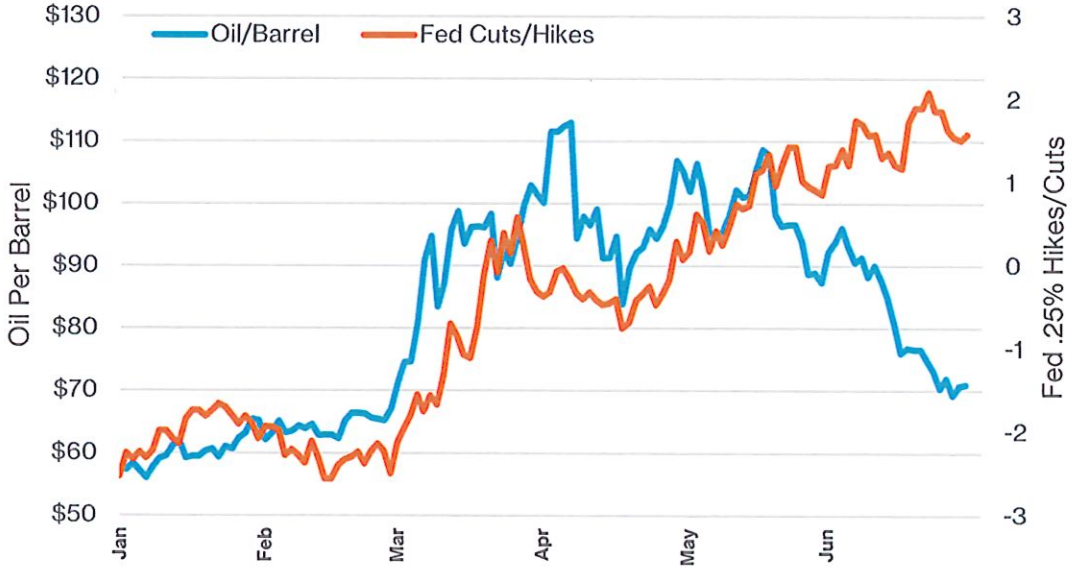
OBSERVATIONS AND EXPECTATIONS

MEEDER PUBLIC FUNDS

- The Fed delivers a hawkish tone at the June FOMC meeting
- Headline CPI is at the highest level since 2023 primarily due to energy price increases
- U.S. economic growth looks strong for the second quarter of 2026
- Shorter-term interest rates increased in June with a Fed hike projected later this year

- At the end of February (prior to the Iran conflict), the futures market was pricing in approximately 2.5 quarter point cuts by December 2026.
- At the end of June, futures market data were projecting the Fed to hike later this year.

Price of Oil vs. Number of Fed Hike/Cuts Over the Next 12 Months

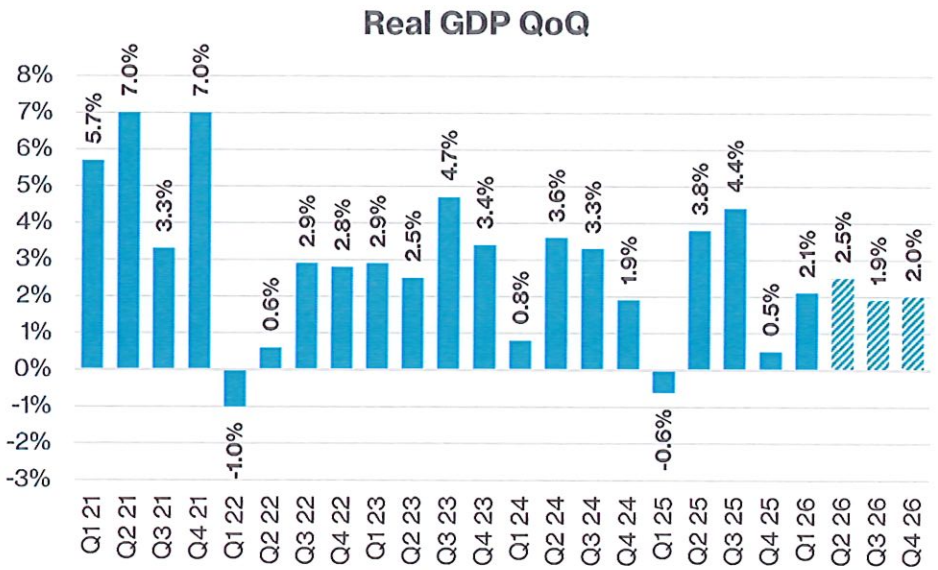


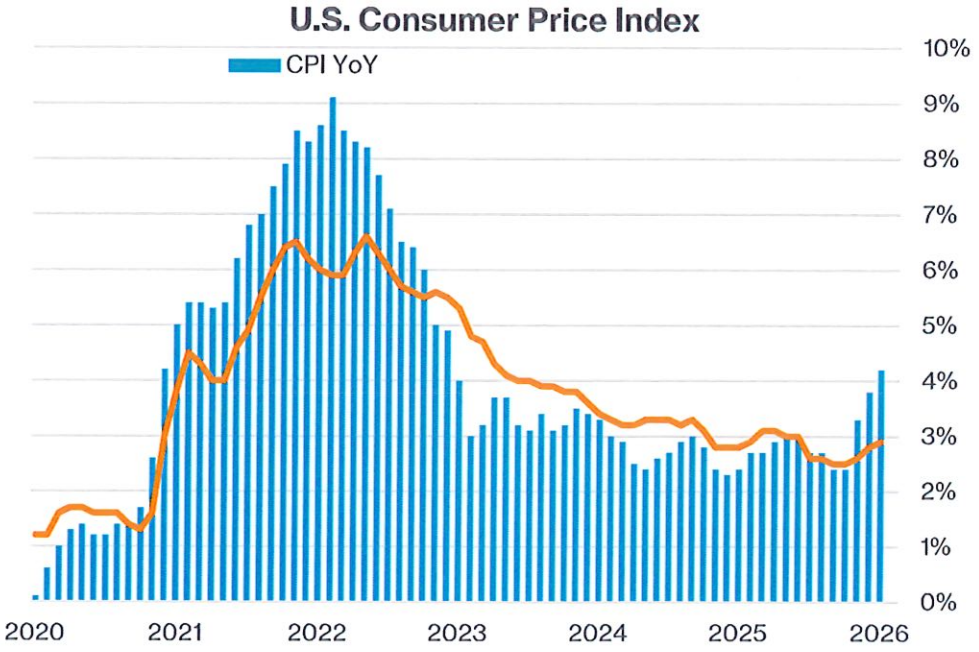
SOURCE: BLOOMBERG

MEEDER
PUBLIC FUNDS

- Q1 2026's GDP was recently revised up from 1.6% to 2.1%.
- This growth surge was primarily driven by lower imports and stronger business investment, even though underlying consumer spending was weak.
- Q2 2026 GDP is projected by Bloomberg surveyed economists to be 2.5%.

SOURCE: BLOOMBERG,



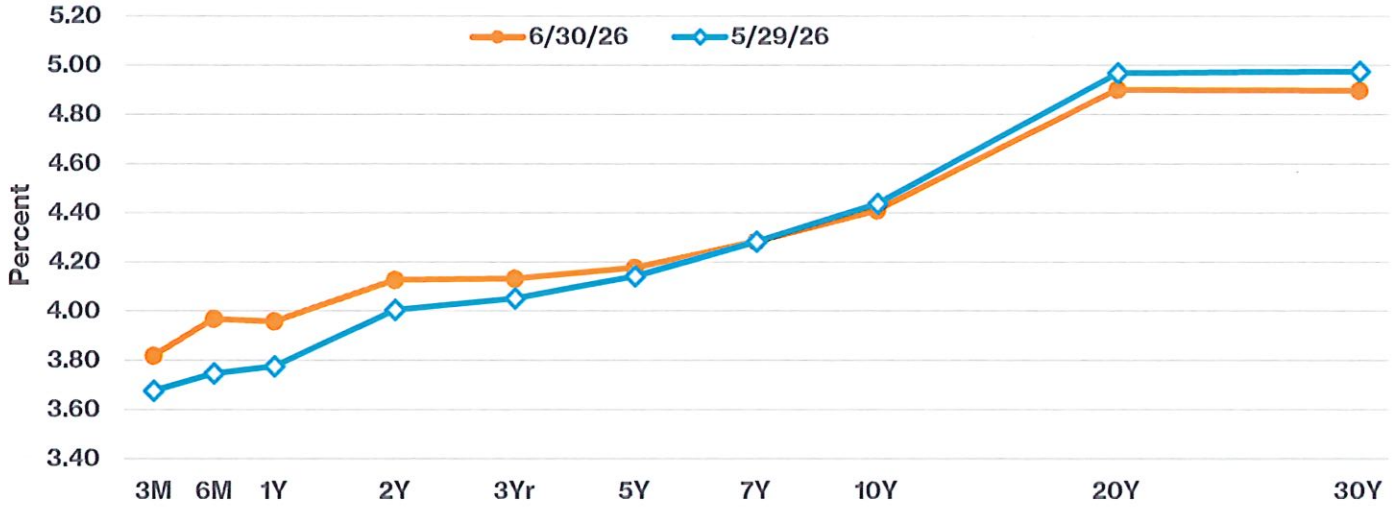


- U.S. inflation data released in May, accelerated to the fastest pace since 2023.
- A surge in energy prices accounted for most of the recent advance.
- However, the recent decline in oil prices should push inflation's rate of change lower for June.

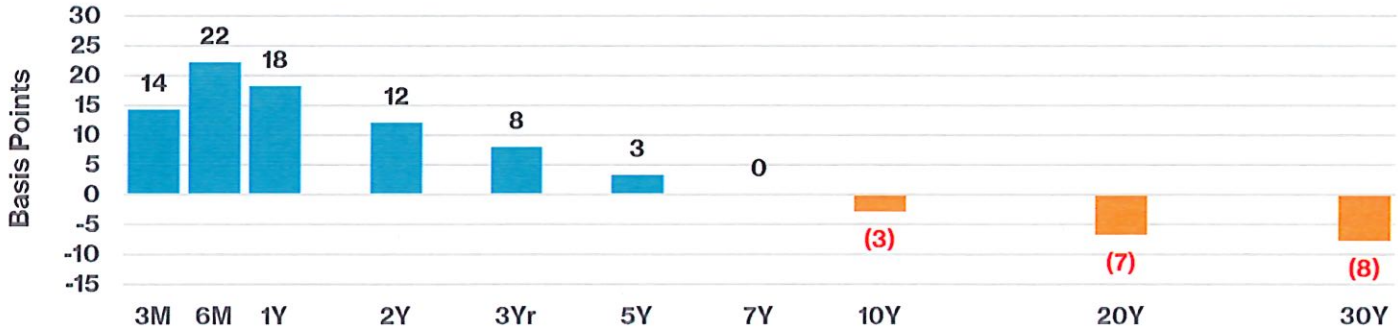
SOURCE: BLOOMBERG

MEEDER
PUBLIC FUNDS

U.S. Treasury Yield Curve Change



Basis Point Change



SOURCES: BLOOMBERG

MEEDER
PUBLIC FUNDS

Compliance Certification

The undersigned acknowledge they have reviewed this quarterly investment report for the period ending June 30, 2026. Officials designated as investment officers by this entity's Investment Policy attest that all investments comply with the Texas Public Funds Investment Act and this entity's Investment Policy.

Jonny Hipp, Administrator & CEO

Belinda Espinoza, Assistant Administrator

Donna Littlefield, Director of Accounting/Finance

MEEDER
PUBLIC FUNDS

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NUECES CNTY HOSPITAL DISTRICT
JUNE 30, 2026

MEEDER
PUBLIC FUNDS

Portfolio Statistics

3.73
Weighted Average Yield to Maturity

0.13
Weighted Average Maturity (Years)

0.10
Portfolio Effective Duration (Years)

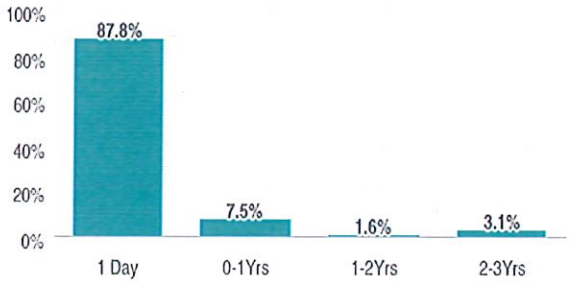
0.12
Weighted Average Life (Years)

AAA
Average Credit Rating

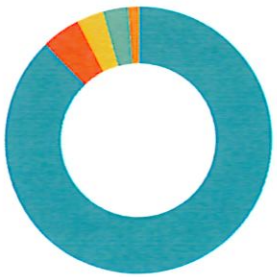
Portfolio Position

Par Value	$190,706,202
Principal Cost	$190,489,478
Book Value	$190,631,417
Market Value	$190,571,254
Unrealized Gain/Loss	($60,163)
Accrued Interest	$194,912

Maturity Distribution



Sector Allocation



LGIP	87.73%
U.S. Treasuries	4.71%
Commercial Paper	3.12%
U.S. Agencies	3.12%
Municipal Bonds	1.24%
Bank Deposits	0.07%
Money Market Funds	0.01%

MEEDER PUBLIC FUNDS

Quarterly Portfolio Summary

This quarterly report is prepared in compliance with the Investment Policy and the Strategy of this entity and the Public Funds Investment Act (Chapter 2256, Texas Government Code).

Portfolio as of March 31, 2026

BEGINNING BOOK VALUE	$225,766,257.20
BEGINNING MARKET VALUE	$225,779,826.96
UNREALIZED GAIN/(LOSS)	$13,569.76
WEIGHTED AVERAGE MATURITY (YEARS)	0.09
WEIGHTED AVERAGE YIELD	3.77

Portfolio as of June 30, 2026

ENDING BOOK VALUE	$190,631,416.85
ENDING MARKET VALUE	$190,571,254.30
INVESTMENT INCOME FOR THE PERIOD	$2,351,247.38
UNREALIZED GAIN/(LOSS)	($60,162.54)
CHANGE IN UNREALIZED GAIN/(LOSS)	($73,732.30)
WEIGHTED AVERAGE MATURITY (YEARS)	0.13
WEIGHTED AVERAGE YIELD	3.73

MEEDER
PUBLIC FUNDS

Quarterly Portfolio Summary By Fund

PORTFOLIO MARKET VALUE BY FUND	03/31/2026	06/30/2026	CHANGE	INTEREST EARNED
GENERAL	114,908,637.17	104,953,108.62	-9,955,528.55	1,055,462.82
INDIGENT CARE	64,333,314.85	64,849,671.67	516,356.83	628,597.12
OPIOID SETTLEMENT FUND	2,995,205.01	3,447,969.69	452,764.68	30,790.29
RESTRICTED CASH	43,523,426.60	17,301,701.03	-26,221,725.57	631,899.38
TOBACCO SETTLEMENT	2,043.67	2,861.99	818.32	4,357.39
TRUST-EMPLOYEE HEALTH BENEFITS	17,199.66	15,941.30	-1,258.36	140.38
TOTAL	**225,779,826.96**	**190,571,254.30**	**-35,208,572.66**	**2,351,247.38**

MEEDER PUBLIC FUNDS

Portfolio Overview

SECURITY TYPE	PAR VALUE	MARKET VALUE	BOOK VALUE	% OF PORTFOLIO	DAYS TO MATURITY	YIELD
Bank Deposits	132,820.92	132,820.92	132,820.92	0.07%	1	1.50
LGIP	167,192,439.33	167,192,439.33	167,192,439.33	87.73%	1	3.68
Money Market Funds	15,941.30	15,941.30	15,941.30	0.01%	1	3.54
Commercial Paper	6,000,000.00	5,943,981.30	5,964,966.67	3.12%	55	3.93
U.S. Treasuries	9,000,000.00	8,977,382.82	9,001,753.66	4.71%	583	4.04
U.S. Agencies	6,000,000.00	5,941,650.00	5,958,522.16	3.12%	457	3.95
Municipal Bonds	2,365,000.00	2,367,038.63	2,364,972.80	1.24%	230	5.20
TOTAL	**190,706,201.55**	**190,571,254.30**	**190,631,416.85**	**100.00%**	**47**	**3.73**

CASH AND ACCRUED INTEREST						
Purchased Accrued Interest		0.00	0.00			
TOTAL CASH AND INVESTMENTS	**190,706,201.55**	**190,571,254.30**	**190,631,416.85**		**47**	**3.73**

TOTAL EARNINGS

CURRENT QUARTER	FISCAL YEAR TO DATE
2,351,247.38	6,562,504.86

MEEDER PUBLIC FUNDS

Summary by Type

SECURITY TYPE	# OF SECURITIES	PAR VALUE	BOOK VALUE	% OF PORTFOLIO	YIELD	DAYS TO FINAL MATURITY
GENERAL						
Bank Deposits	2	127,643.97	127,643.97	0.07	1.50	1
LGIP	2	98,881,483.35	98,881,483.35	51.83	3.67	1
Commercial Paper	2	6,000,000.00	5,964,966.67	3.12	3.93	55
TOTAL	**6**	**105,009,127.32**	**104,974,093.99**	**55.07**	**3.68**	**4**
INDIGENT CARE						
LGIP	3	47,563,600.22	47,563,600.22	24.93	3.72	1
U.S. Treasuries	3	9,000,000.00	9,001,753.66	4.75	4.04	582
U.S. Agencies	2	6,000,000.00	5,958,522.16	3.15	3.95	460
Municipal Bonds	1	2,365,000.00	2,364,972.80	1.27	5.20	230
TOTAL	**9**	**64,928,600.22**	**64,888,848.85**	**34.03**	**3.84**	**132**
OPIOID SETTLEMENT FUND						
LGIP	1	3,447,969.69	3,447,969.69	1.81	3.67	1
TOTAL	**1**	**3,447,969.69**	**3,447,969.69**	**1.81**	**3.67**	**1**
RESTRICTED CASH						
Bank Deposits	1	5,176.95	5,176.95	0.00	1.50	1
LGIP	1	17,296,524.08	17,296,524.08	9.07	3.67	1
TOTAL	**2**	**17,301,701.03**	**17,301,701.03**	**9.08**	**3.67**	**1**
TOBACCO SETTLEMENT						
LGIP	1	2,861.99	2,861.99	0.00	3.67	1
TOTAL	**1**	**2,861.99**	**2,861.99**	**0.00**	**3.67**	**1**
TRUST-EMPLOYEE HEALTH BENEFITS						
Money Market Funds	1	15,941.30	15,941.30	0.01	3.54	1
TOTAL	**1**	**15,941.30**	**15,941.30**	**0.01**	**3.54**	**1**

MEEDER
PUBLIC FUNDS

Summary by Type

SECURITY TYPE	# OF SECURITIES	PAR VALUE	BOOK VALUE	% OF PORTFOLIO	YIELD	DAYS TO FINAL MATURITY
GRAND TOTAL	20	190,706,201.55	190,631,416.85	100.00	3.73	47

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
GENERAL												
BANK DEPOSITS												
664053079	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	122,309.24	122,309.24 0.00	122,309.24	1.50		1	1.00 122,309.24	0.00 122,309.24	0.06	NA NA
664027221	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	5,334.73	5,334.73 0.00	5,334.73	1.50		1	1.00 5,334.73	0.00 5,334.73	0.00	NA NA
BANK DEPOSITS TOTAL			**127,643.97**	**127,643.97 0.00**	**127,643.97**	**1.50**		**1**	**1.00 127,643.97**	**0.00 127,643.97**	**0.07**	**NA**
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	67,655,199.33	67,655,199.33 0.00	67,655,199.33	3.67		1	1.00 67,655,199.33	0.00 67,655,199.33	35.50	AAA
TXPOOL	TEXPOOL	06/30/2026 06/30/2026	31,226,284.02	31,226,284.02 0.00	31,226,284.02	3.67		1	1.00 31,226,284.02	0.00 31,226,284.02	16.39	NA
LGIP TOTAL			**98,881,483.35**	**98,881,483.35 0.00**	**98,881,483.35**	**3.67**		**1**	**1.00 98,881,483.35**	**0.00 98,881,483.35**	**51.89**	**AAA**
COMMERCIAL PAPER												
55607LG99	MACQUARIE BNK 07/09/26	12/12/2025 12/12/2025	3,000,000.00	2,933,816.67 0.00	2,933,816.67	3.89	07/09/2026	9	99.56 2,986,700.10	(10,766.57) 2,997,466.67	1.57	P-1 A-1
53944RK98	LMA 10/09/26	04/15/2026 04/15/2026	3,000,000.00	2,942,475.00 0.00	2,942,475.00	3.98	10/09/2026	101	98.58 2,957,281.20	(10,218.80) 2,967,500.00	1.55	P-1 NA
COMMERCIAL PAPER TOTAL			**6,000,000.00**	**5,876,291.67 0.00**	**5,876,291.67**	**3.93**		**55**	**99.07 5,943,981.30**	**(20,985.37) 5,964,966.67**	**3.12**	**AA-**
GENERAL TOTAL			**105,009,127.32**	**104,885,418.99 0.00**	**104,885,418.99**	**3.68**		**4**	**104,953,108.62**	**(20,985.37) 104,974,093.99**	**55.07**	**AAA**
INDIGENT CARE												
LGIP												
LOGIC	LOGIC	06/30/2026 06/30/2026	30,001,648.84	30,001,648.84 0.00	30,001,648.84	3.76		1	1.00 30,001,648.84	0.00 30,001,648.84	15.74	AAA
TEXSTAR	TexSTAR	06/30/2026 06/30/2026	11,976,402.15	11,976,402.15 0.00	11,976,402.15	3.64		1	1.00 11,976,402.15	0.00 11,976,402.15	6.28	AAA
TEXPOOL	TexPool	06/30/2026 06/30/2026	5,585,549.23	5,585,549.23 0.00	5,585,549.23	3.67		1	1.00 5,585,549.23	0.00 5,585,549.23	2.93	AAA
LGIP TOTAL			**47,563,600.22**	**47,563,600.22 0.00**	**47,563,600.22**	**3.72**		**1**	**1.00 47,563,600.22**	**0.00 47,563,600.22**	**24.96**	**AAA**
U.S. TREASURIES												
91282CKA8	US TREASURY 4.125 02/15/27	02/26/2025 02/26/2025	3,000,000.00	3,001,875.00 0.00	3,001,875.00	4.09	02/15/2027	230	100.06 3,001,757.82	1,160.64 3,000,597.18	1.58	Aa1 AA+

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
91282CLX7	US TREASURY 4.125 11/15/27	11/27/2024 11/27/2024	3,000,000.00	2,990,742.19 0.00	2,990,742.19	4.24	11/15/2027	503	99.94 2,998,125.00	2,416.25 2,995,708.75	1.57	Aa1 AA+
91282CQJ3	US TREASURY 3.875 04/15/29	04/15/2026 04/15/2026	3,000,000.00	3,005,859.38 0.00	3,005,859.38	3.81	04/15/2029	1,020	99.25 2,977,500.00	(27,947.73) 3,005,447.73	1.56	Aa1 AA+
U.S. TREASURIES TOTAL			**9,000,000.00**	**8,998,476.57 0.00**	**8,998,476.57**	**4.04**		**583**	**99.75 8,977,382.82**	**(24,370.84) 9,001,753.66**	**4.71**	**AA+**
U.S. AGENCIES												
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/11/2025 12/11/2025	3,000,000.00	2,908,650.00 0.00	2,908,650.00	3.62	12/16/2026	169	98.39 2,951,640.00	(6,882.16) 2,958,522.16	1.55	Aa1 AA+
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	07/24/2025 07/24/2025	3,000,000.00	3,000,000.00 0.00	3,000,000.00	4.28	07/10/2028	741	99.67 2,990,010.00	(9,990.00) 3,000,000.00	1.57	Aa1 AA+
U.S. AGENCIES TOTAL			**6,000,000.00**	**5,908,650.00 0.00**	**5,908,650.00**	**3.95**		**457**	**99.03 5,941,650.00**	**(16,872.16) 5,958,522.16**	**3.12**	**AA+**
MUNICIPAL BONDS												
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	11/08/2023 11/08/2023	2,365,000.00	2,364,858.10 0.00	2,364,858.10	5.20	02/15/2027	230	100.09 2,367,038.63	2,065.83 2,364,972.80	1.24	Aaa AAA
MUNICIPAL BONDS TOTAL			**2,365,000.00**	**2,364,858.10 0.00**	**2,364,858.10**	**5.20**		**230**	**100.09 2,367,038.63**	**2,065.83 2,364,972.80**	**1.24**	**AAA**
INDIGENT CARE TOTAL			**64,928,600.22**	**64,835,584.89 0.00**	**64,835,584.89**	**3.84**		**132**	**64,849,671.67**	**(39,177.18) 64,888,848.85**	**34.03**	**AAA**
OPIOID SETTLEMENT FUND												
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	3,447,969.69	3,447,969.69 0.00	3,447,969.69	3.67		1	1.00 3,447,969.69	0.00 3,447,969.69	1.81	AAA
LGIP TOTAL			**3,447,969.69**	**3,447,969.69 0.00**	**3,447,969.69**	**3.67**		**1**	**1.00 3,447,969.69**	**0.00 3,447,969.69**	**1.81**	**AAA**
OPIOID SETTLEMENT FUND TOTAL			**3,447,969.69**	**3,447,969.69 0.00**	**3,447,969.69**	**3.67**		**1**	**3,447,969.69**	**0.00 3,447,969.69**	**1.81**	**AAA**
RESTRICTED CASH												
BANK DEPOSITS												
664043316	Frost Bank Public Fund Checking Account	06/30/2026 06/30/2026	5,176.95	5,176.95 0.00	5,176.95	1.50		1	1.00 5,176.95	0.00 5,176.95	0.00	NA NA
BANK DEPOSITS TOTAL			**5,176.95**	**5,176.95 0.00**	**5,176.95**	**1.50**		**1**	**1.00 5,176.95**	**0.00 5,176.95**	**0.00**	**NA**

MEEDER PUBLIC FUNDS

Position Statement

CUSIP	DESCRIPTION	TRADE DATE SETTLE DATE	PAR VALUE	PRINCIPAL COST PURCHASED INTEREST	TOTAL COST	YIELD TO MATURITY	MATURITY DATE	DAYS TO MATURITY	MARKET PRICE MARKET VALUE	UNREALIZED GAIN/LOSS BOOK VALUE	% OF MV	MOODY'S S&P RATING
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	17,296,524.08	17,296,524.08 0.00	17,296,524.08	3.67		1	1.00 17,296,524.08	0.00 17,296,524.08	9.08	AAA
LGIP TOTAL			**17,296,524.08**	**17,296,524.08** **0.00**	**17,296,524.08**	**3.67**		**1**	**1.00** **17,296,524.08**	**0.00** **17,296,524.08**	**9.08**	**AAA**
RESTRICTED CASH TOTAL			**17,301,701.03**	**17,301,701.03** **0.00**	**17,301,701.03**	**3.67**		**1**	**17,301,701.03**	**0.00** **17,301,701.03**	**9.08**	**AAA**
TOBACCO SETTLEMENT												
LGIP												
TEXPOOL	TexPool	06/30/2026 06/30/2026	2,861.99	2,861.99 0.00	2,861.99	3.67		1	1.00 2,861.99	0.00 2,861.99	0.00	AAA
LGIP TOTAL			**2,861.99**	**2,861.99** **0.00**	**2,861.99**	**3.67**		**1**	**1.00** **2,861.99**	**0.00** **2,861.99**	**0.00**	**AAA**
TOBACCO SETTLEMENT TOTAL			**2,861.99**	**2,861.99** **0.00**	**2,861.99**	**3.67**		**1**	**2,861.99**	**0.00** **2,861.99**	**0.00**	**AAA**
TRUST-EMPLOYEE HEALTH BENEFITS												
MONEY MARKET FUNDS												
825252406	INVESCO TREASURY;INST	06/30/2026 06/30/2026	15,941.30	15,941.30 0.00	15,941.30	3.54		1	1.00 15,941.30	0.00 15,941.30	0.01	Aaa AAA
MONEY MARKET FUNDS TOTAL			**15,941.30**	**15,941.30** **0.00**	**15,941.30**	**3.54**		**1**	**1.00** **15,941.30**	**0.00** **15,941.30**	**0.01**	**AAA**
TRUST-EMPLOYEE HEALTH BENEFITS TOTAL			**15,941.30**	**15,941.30** **0.00**	**15,941.30**	**3.54**		**1**	**15,941.30**	**0.00** **15,941.30**	**0.01**	**AAA**
GRAND TOTAL			**190,706,201.55**	**190,489,477.89** **0.00**	**190,489,477.89**	**3.73**		**47**	**190,571,254.30**	**(60,162.54)** **190,631,416.85**	**100.00**	**AAA**

MEEDER PUBLIC FUNDS

Cash Reconciliation Report

GENERAL

POST DATE	IDENTIFIER	DESCRIPTION	PAR VALUE	FINAL MATURITY	PRINCIPAL	AMOUNT
BUY						
04/15/2026	53944RK98	LMA 10/09/26	3,000,000.00	10/09/2026	2,942,475.00	-2,942,475.00
BUY TOTAL			**3,000,000.00**		**2,942,475.00**	**-2,942,475.00**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
MATURITY						
05/26/2026	06743VES5	Barclays Capital Inc. 0.0 05/26/2026	-3,000,000.00	05/26/2026	-3,000,000.00	3,000,000.00
MATURITY TOTAL			**-3,000,000.00**		**-3,000,000.00**	**3,000,000.00**

INDIGENT CARE

POST DATE	IDENTIFIER	DESCRIPTION	PAR VALUE	FINAL MATURITY	PRINCIPAL	AMOUNT
BUY						
04/15/2026	91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	04/15/2029	3,005,859.38	-3,005,859.38
BUY TOTAL			**3,000,000.00**		**3,005,859.38**	**-3,005,859.38**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
CALL REDEMPTION						
04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	-2,716,000.00	07/01/2026	-2,716,000.00	2,716,000.00
05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	-1,359,000.00	07/01/2026	-1,359,000.00	1,359,000.00
CALL REDEMPTION TOTAL			**-4,075,000.00**		**-4,075,000.00**	**4,075,000.00**
POST DATE	**IDENTIFIER**	**DESCRIPTION**	**PAR VALUE**	**FINAL MATURITY**	**PRINCIPAL**	**AMOUNT**
COUPON						
04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	0.00	07/01/2026	0.00	33,635.40
05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	0.00	07/01/2026	0.00	18,819.09
05/15/2026	91282CLX7	US TREASURY 4.125 11/15/27	0.00	11/15/2027	0.00	61,875.00
06/16/2026	3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	0.00	12/16/2026	0.00	7,950.00
COUPON TOTAL			**0.00**		**0.00**	**122,279.49**

MEEDER PUBLIC FUNDS

Transaction Statement

INDIGENT CARE

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	PURCHASED INTEREST	TOTAL	PURCHASE YIELD
BUY									
	04/15/2026	04/15/2026	91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	3,005,859.38	0.00	(3,005,859.38)	3.81
BUY TOTAL					**3,000,000.00**	**3,005,859.38**	**0.00**	**(3,005,859.38)**	**3.81**

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	BOOK VALUE	TOTAL	NET REALIZED GAIN/LOSS
CALL REDEMPTION								
	04/21/2026	04/21/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 '26	(2,716,000.00)	2,710,475.85	2,716,000.00	5,524.15
	05/04/2026	05/04/2026	592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	(1,359,000.00)	1,356,742.00	1,359,000.00	2,258.00
CALL REDEMPTION TOTAL					**(4,075,000.00)**	**4,067,217.84**	**4,075,000.00**	**7,782.16**

GENERAL

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	PURCHASED INTEREST	TOTAL	PURCHASE YIELD
BUY									
	04/15/2026	04/15/2026	53944RK98	LMA 10/09/26	3,000,000.00	2,942,475.00	0.00	(2,942,475.00)	3.98
BUY TOTAL					**3,000,000.00**	**2,942,475.00**	**0.00**	**(2,942,475.00)**	**3.98**

	TRADE DATE	SETTLE DATE	CUSIP	DESCRIPTION	PAR VALUE	BOOK VALUE	TOTAL	NET REALIZED GAIN/LOSS
MATURITY								
	05/26/2026	05/26/2026	06743VES5	Barclays Capital Inc. 0.0 05/26/2026	(3,000,000.00)	3,000,000.00	3,000,000.00	0.00
MATURITY TOTAL					**(3,000,000.00)**	**3,000,000.00**	**3,000,000.00**	**0.00**

MEEDER PUBLIC FUNDS

Amortization Schedule

CUSIP	DESCRIPTION	PAR VALUE	PRINCIPAL COST	ORIGINAL PREMIUM OR DISCOUNT	BEGINNING BOOK VALUE	CURRENT PERIOD AMORT	ENDING BOOK VALUE	TOTAL AMORTIZATION	UNAMORTIZED BALANCE
GENERAL									
06743VES5	Barclays Capital Inc. 0.0 05/26/2026	3,000,000.00	2,891,625.00	(108,375.00)	2,980,520.83	19,479.17	0.00	108,375.00	0.00
53944RK98	LMA 10/09/26	3,000,000.00	2,942,475.00	(57,525.00)	0.00	25,025.00	2,967,500.00	25,025.00	(32,500.00)
55607LG99	MACQUARIE BNK 07/09/26	3,000,000.00	2,933,816.67	(66,183.33)	2,968,650.00	28,816.67	2,997,466.67	63,650.00	(2,533.33)
TOTAL		**9,000,000.00**	**8,767,916.67**	**(232,083.33)**	**5,949,170.83**	**73,320.83**	**5,964,966.67**	**197,050.00**	**(35,033.33)**
INDIGENT CARE									
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2,365,000.00	2,364,858.10	(141.90)	2,364,962.00	10.81	2,364,972.80	114.71	(27.20)
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	3,000,000.00	2,908,650.00	(91,350.00)	2,936,055.00	22,467.16	2,958,522.16	49,872.16	(41,477.84)
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	3,000,000.00	3,000,000.00	0.00	3,000,000.00	0.00	3,000,000.00	0.00	0.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	4,075,000.00	3,951,975.75	(123,024.25)	4,064,377.02	2,840.83	0.00	115,242.10	0.00
91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	3,005,859.38	5,859.38	0.00	(411.65)	3,005,447.73	(411.65)	5,447.73
91282CKA8	US TREASURY 4.125 02/15/27	3,000,000.00	3,001,875.00	1,875.00	3,000,834.49	(237.31)	3,000,597.18	(1,277.82)	597.18
91282CLX7	US TREASURY 4.125 11/15/27	3,000,000.00	2,990,742.19	(9,257.81)	2,994,930.86	777.90	2,995,708.75	4,966.56	(4,291.25)
TOTAL		**21,440,000.00**	**21,223,960.41**	**(216,039.59)**	**18,361,159.36**	**25,447.73**	**17,325,248.63**	**168,506.06**	**(39,751.37)**
GRAND TOTAL		**30,440,000.00**	**29,991,877.08**	**(448,122.92)**	**24,310,330.20**	**98,768.56**	**23,290,215.30**	**365,556.05**	**(74,784.71)**

MEEDER PUBLIC FUNDS

Accrued Interest Schedule

IDENTIFIER	DESCRIPTION	SETTLE DATE	PAR VALUE	PRINCIPAL COST	BEGINNING ACCRUED INTEREST	PURCHASED INTEREST	CURRENT PERIOD ACCRUAL	INTEREST RECEIVED	ENDING ACCRUED INTEREST
GENERAL									
664053079	Frost Bank Public Fund Checking Account	2026-06-30	122,309.24	122,309.24	0.00	0.00	3,909.79	3,909.79	0.00
664027221	Frost Bank Public Fund Checking Account	2026-06-30	5,334.73	5,334.73	0.00	0.00	48.39	48.39	0.00
53944RK98	LMA 10/09/26	2026-04-15	3,000,000.00	2,942,475.00	0.00	0.00	0.00	0.00	0.00
55607LG99	MACQUARIE BNK 07/09/26	2025-12-12	3,000,000.00	2,933,816.67	0.00	0.00	0.00	0.00	0.00
TXPOOL	TEXPOOL	2026-06-30	31,226,284.02	31,226,284.02	0.00	0.00	363,079.42	363,079.42	0.00
TEXPOOL	TexPool	2026-06-30	67,655,199.33	67,655,199.33	0.00	0.00	615,104.39	615,104.39	0.00
TOTAL			**105,009,127.32**	**104,885,418.99**	**0.00**	**0.00**	**982,141.99**	**982,141.99**	**0.00**
INDIGENT CARE									
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2023-11-08	2,365,000.00	2,364,858.10	15,714.11	0.00	30,745.00	0.00	46,459.11
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	2025-12-11	3,000,000.00	2,908,650.00	4,637.50	0.00	3,975.00	7,950.00	662.50
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	2025-07-24	3,000,000.00	3,000,000.00	28,890.00	0.00	32,100.00	0.00	60,990.00
LOGIC	LOGIC	2026-06-30	30,001,648.84	30,001,648.84	0.00	0.00	273,817.90	273,817.90	0.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	2023-08-11	0.00	0.00	41,289.94	0.00	11,164.55	52,454.49	0.00
TEXPOOL	TexPool	2026-06-30	5,585,549.23	5,585,549.23	0.00	0.00	50,153.84	50,153.84	0.00
TEXSTAR	TexSTAR	2026-06-30	11,976,402.15	11,976,402.15	0.00	0.00	106,999.08	106,999.08	0.00
91282CQJ3	US TREASURY 3.875 04/15/29	2026-04-15	3,000,000.00	3,005,859.38	0.00	0.00	24,456.97	0.00	24,456.97
91282CKA8	US TREASURY 4.125 02/15/27	2025-02-26	3,000,000.00	3,001,875.00	15,383.29	0.00	31,108.43	0.00	46,491.71
91282CLX7	US TREASURY 4.125 11/15/27	2024-11-27	3,000,000.00	2,990,742.19	46,833.56	0.00	30,846.46	61,875.00	15,805.03
TOTAL			**64,928,600.22**	**64,835,584.89**	**152,748.40**	**0.00**	**595,367.23**	**553,250.31**	**194,865.32**
OPIOID SETTLEMENT FUND									
TEXPOOL	TexPool	2026-06-30	3,447,969.69	3,447,969.69	0.00	0.00	30,790.29	30,790.29	0.00
TOTAL			**3,447,969.69**	**3,447,969.69**	**0.00**	**0.00**	**30,790.29**	**30,790.29**	**0.00**
RESTRICTED CASH									
664043316	Frost Bank Public Fund Checking Account	2026-06-30	5,176.95	5,176.95	0.00	0.00	134.37	134.37	0.00

MEEDER
PUBLIC FUNDS

Accrued Interest Schedule

IDENTIFIER	DESCRIPTION	SETTLE DATE	PAR VALUE	PRINCIPAL COST	BEGINNING ACCRUED INTEREST	PURCHASED INTEREST	CURRENT PERIOD ACCRUAL	INTEREST RECEIVED	ENDING ACCRUED INTEREST
TEXPOOL	TexPool	2026-06-30	17,296,524.08	17,296,524.08	0.00	0.00	631,765.01	631,765.01	0.00
TOTAL			**17,301,701.03**	**17,301,701.03**	**0.00**	**0.00**	**631,899.38**	**631,899.38**	**0.00**
TOBACCO SETTLEMENT									
TEXPOOL	TexPool	2026-06-30	2,861.99	2,861.99	0.00	0.00	4,357.39	4,357.39	0.00
TOTAL			**2,861.99**	**2,861.99**	**0.00**	**0.00**	**4,357.39**	**4,357.39**	**0.00**
TRUST-EMPLOYEE HEALTH BENEFITS									
825252406	INVESCO TREASURY;INST	2026-06-30	15,941.30	15,941.30	51.91	0.00	140.38	145.93	46.36
TOTAL			**15,941.30**	**15,941.30**	**51.91**	**0.00**	**140.38**	**145.93**	**46.36**
GRAND TOTAL			**190,706,201.55**	**190,489,477.89**	**152,800.31**	**0.00**	**2,244,696.66**	**2,202,585.29**	**194,911.68**

MEEDER PUBLIC FUNDS

Earnings by Fund

CUSIP	DESCRIPTION	ENDING PAR VALUE	BEGINNING BOOK VALUE	ENDING BOOK VALUE	FINAL MATURITY	COUPON RATE	YIELD	INTEREST EARNED	NET AMORTIZATION/ ACCRETION INCOME	NET REALIZED GAIN/LOSS	ADJUSTED INTEREST EARNINGS
GENERAL											
06743VES5	Barclays Capital Inc. 0.0 05/26/2026	0.00	2,980,520.83	0.00	05/26/2026	0.00	4.41	0.00	19,479.17	0.00	19,479.17
53944RK98	LMA 10/09/26	3,000,000.00	0.00	2,967,500.00	10/09/2026	0.00	3.98	0.00	25,025.00	0.00	25,025.00
55607LG99	MACQUARIE BNK 07/09/26	3,000,000.00	2,968,650.00	2,997,466.67	07/09/2026	0.00	3.89	0.00	28,816.67	0.00	28,816.67
664027221	Frost Bank Public Fund Checking Account	5,334.73	5,286.34	5,334.73	06/30/2026	3.83	1.50	48.39	0.00	0.00	48.39
664053079	Frost Bank Public Fund Checking Account	122,309.24	209,080.86	122,309.24	06/30/2026	3.83	1.50	3,909.79	0.00	0.00	3,909.79
TEXPOOL	TexPool	67,655,199.33	72,116,178.32	67,655,199.33	06/30/2026	5.34	3.67	615,104.39	0.00	0.00	615,104.39
TXPOOL	TEXPOOL	31,226,284.02	36,646,297.25	31,226,284.02	06/30/2026	5.32	3.67	363,079.42	0.00	0.00	363,079.42
TOTAL		**105,009,127.32**	**114,926,013.60**	**104,974,093.99**		**5.03**	**3.68**	**982,141.99**	**73,320.83**	**0.00**	**1,055,462.82**
INDIGENT CARE											
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	2,365,000.00	2,364,962.00	2,364,972.80	02/15/2027	5.20	5.20	30,745.00	10.81	0.00	30,755.81
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	3,000,000.00	2,936,055.00	2,958,522.16	12/16/2026	0.53	3.62	3,975.00	22,467.16	0.00	26,442.16
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	3,000,000.00	3,000,000.00	3,000,000.00	07/10/2028	4.28	4.28	32,100.00	0.00	0.00	32,100.00
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD	0.00	4,064,377.02	0.00	07/01/2026	4.05	5.19	11,164.55	2,840.83	7,782.16	21,787.54
91282CKA8	US TREASURY 4.125 02/15/27	3,000,000.00	3,000,834.49	3,000,597.18	02/15/2027	4.13	4.09	31,108.43	(237.31)	0.00	30,871.12
91282CLX7	US TREASURY 4.125 11/15/27	3,000,000.00	2,994,930.86	2,995,708.75	11/15/2027	4.13	4.24	30,846.46	777.90	0.00	31,624.36
91282CQJ3	US TREASURY 3.875 04/15/29	3,000,000.00	0.00	3,005,447.73	04/15/2029	3.88	3.81	24,456.97	(411.65)	0.00	24,045.31
LOGIC	LOGIC	30,001,648.84	26,978,195.54	30,001,648.84	06/30/2026	0.00	3.76	273,817.90	0.00	0.00	273,817.90
TEXPOOL	TexPool	5,585,549.23	5,473,520.39	5,585,549.23	06/30/2026	5.34	3.67	50,153.84	0.00	0.00	50,153.84
TEXSTAR	TexSTAR	11,976,402.15	13,489,493.36	11,976,402.15	06/30/2026	5.30	3.64	106,999.08	0.00	0.00	106,999.08
TOTAL		**64,928,600.22**	**64,302,368.65**	**64,888,848.85**		**2.41**	**3.84**	**595,367.23**	**25,447.73**	**7,782.16**	**628,597.12**
OPIOID SETTLEMENT FUND											
TEXPOOL	TexPool	3,447,969.69	2,995,205.01	3,447,969.69	06/30/2026	5.34	3.67	30,790.29	0.00	0.00	30,790.29
TOTAL		**3,447,969.69**	**2,995,205.01**	**3,447,969.69**		**5.34**	**3.67**	**30,790.29**	**0.00**	**0.00**	**30,790.29**

MEEDER PUBLIC FUNDS

Earnings by Fund

CUSIP	DESCRIPTION	ENDING PAR VALUE	BEGINNING BOOK VALUE	ENDING BOOK VALUE	FINAL MATURITY	COUPON RATE	YIELD	INTEREST EARNED	NET AMORTIZATION/ ACCRETION INCOME	NET REALIZED GAIN/LOSS	ADJUSTED INTEREST EARNINGS
RESTRICTED CASH											
664043316	Frost Bank Public Fund Checking Account	5,176.95	5,042.58	5,176.95	06/30/2026	3.83	1.50	134.37	0.00	0.00	134.37
TEXPOOL	TexPool	17,296,524.08	43,518,384.02	17,296,524.08	06/30/2026	5.34	3.67	631,765.01	0.00	0.00	631,765.01
TOTAL		**17,301,701.03**	**43,523,426.60**	**17,301,701.03**		**5.33**	**3.67**	**631,899.38**	**0.00**	**0.00**	**631,899.38**
TOBACCO SETTLEMENT											
TEXPOOL	TexPool	2,861.99	2,043.67	2,861.99	06/30/2026	5.34	3.67	4,357.39	0.00	0.00	4,357.39
TOTAL		**2,861.99**	**2,043.67**	**2,861.99**		**5.34**	**3.67**	**4,357.39**	**0.00**	**0.00**	**4,357.39**
TRUST-EMPLOYEE HEALTH BENEFITS											
825252406	INVESCO TREASURY;INST	15,941.30	17,199.66	15,941.30	06/30/2026	3.58	3.54	140.38	0.00	0.00	140.38
TOTAL		**15,941.30**	**17,199.66**	**15,941.30**		**3.58**	**3.54**	**140.38**	**0.00**	**0.00**	**140.38**
GRAND TOTAL		**190,706,201.55**	**225,766,257.20**	**190,631,416.85**		**4.17**	**3.73**	**2,244,696.66**	**98,768.56**	**7,782.16**	**2,351,247.38**

MEEDER PUBLIC FUNDS

Projected Cashflows

For the Period July 01, 2026 to December 31, 2026

CUSIP	DESCRIPTION	POST DATE	TRANSACTION TYPE	AMOUNT
GENERAL				
JUL 2026				
55607LG99	Macquarie Bank Limited 0.0 07/09/2026	07/09/2026	Maturity	3,000,000.00
JUL 2026 TOTAL				**3,000,000.00**
OCT 2026				
53944RK98	LMA 10/09/26	10/09/2026	Final Maturity	3,000,000.00
OCT 2026 TOTAL				**3,000,000.00**
GENERAL TOTAL				**6,000,000.00**
INDIGENT CARE				
JUL 2026				
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	07/10/2026	Coupon	64,200.00
JUL 2026 TOTAL				**64,200.00**
AUG 2026				
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26	08/17/2026	Coupon	62,173.22
91282CKA8	US TREASURY 4.125 02/15/27	08/17/2026	Coupon	61,875.00
AUG 2026 TOTAL				**124,048.22**
OCT 2026				
91282CQJ3	US TREASURY 3.875 04/15/29	10/15/2026	Coupon	58,125.00
OCT 2026 TOTAL				**58,125.00**
NOV 2026				
91282CLX7	US TREASURY 4.125 11/15/27	11/16/2026	Coupon	61,875.00
NOV 2026 TOTAL				**61,875.00**
DEC 2026				
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/16/2026	Coupon	7,950.00

MEEDER PUBLIC FUNDS

Projected Cashflows

For the Period July 01, 2026 to December 31, 2026

CUSIP	DESCRIPTION	POST DATE	TRANSACTION TYPE	AMOUNT
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26	12/16/2026	Final Maturity	3,000,000.00
DEC 2026 TOTAL				**3,007,950.00**
JAN 2027				
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26	01/11/2027	Coupon	64,200.00
3130BBGF6	FHLBANKS 4.300 07/16/29 '27	01/19/2027	Coupon	64,500.00
JAN 2027 TOTAL				**128,700.00**
FEB 2027				
91282CKA8	US TREASURY 4.125 02/15/27	02/16/2027	Final Maturity	3,000,000.00
91282CKA8	US TREASURY 4.125 02/15/27	02/16/2027	Coupon	61,875.00
FEB 2027 TOTAL				**3,061,875.00**
INDIGENT CARE TOTAL				**6,506,773.22**
GRAND TOTAL				**12,506,773.22**

MEEDER PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
GENERAL									
06743VES5	Barclays Capital Inc. 0.0 05/26/2026 0.00	4.41	07/24/2025 05/26/2026	0.00 0.00	2,980,520.83 2,972,230.50	0.00	(3,000,000.00)	(2,980,520.83) (2,972,230.50)	0.00 0.00
664027221	Frost Bank Public Fund Checking Account 5,334.73	1.50	06/30/2026	48.39 48.39	5,286.34 5,286.34	59,090.91	(59,042.52)	48.39 48.39	5,334.73 5,334.73
TEXPOOL	TexPool 67,655,199.33	3.67	06/30/2026	615,104.39 615,104.39	72,116,178.32 72,116,178.32	922,229.58	(5,383,208.57)	(4,460,978.99) (4,460,978.99)	67,655,199.33 67,655,199.33
664053079	Frost Bank Public Fund Checking Account 122,309.24	1.50	06/30/2026	3,909.79 3,909.79	209,080.86 209,080.86	118,690.40	(205,462.02)	(86,771.62) (86,771.62)	122,309.24 122,309.24
TXPOOL	TEXPOOL 31,226,284.02	3.67	06/30/2026	363,079.42 363,079.42	36,646,297.25 36,646,297.25	13,329,794.83	(18,749,808.06)	(5,420,013.23) (5,420,013.23)	31,226,284.02 31,226,284.02
55607LG99	MACQUARIE BNK 07/09/26 3,000,000.00	3.89	12/12/2025 07/09/2026	0.00 0.00	2,968,650.00 2,959,563.90	0.00	0.00	28,816.67 27,136.20	2,997,466.67 2,986,700.10
53944RK98	LMA 10/09/26 3,000,000.00	3.98	04/15/2026 10/09/2026	0.00 0.00	0.00 0.00	2,942,475.00	0.00	2,967,500.00 2,957,281.20	2,967,500.00 2,957,281.20
TOTAL		**3.68**		**982,141.99** **982,141.99**	**114,926,013.60** **114,908,637.17**	**17,372,280.72**	**(27,397,521.17)**	**(9,951,919.62)** **(9,955,528.55)**	**104,974,093.99** **104,953,108.62**
INDIGENT CARE									
TEXSTAR	TexSTAR 11,976,402.15	3.64	06/30/2026	106,999.08 106,999.08	13,489,493.36 13,489,493.36	1,457,238.36	(2,970,329.57)	(1,513,091.21) (1,513,091.21)	11,976,402.15 11,976,402.15
LOGIC	LOGIC 30,001,648.84	3.76	06/30/2026	273,817.90 273,817.90	26,978,195.54 26,978,195.54	3,023,453.30	0.00	3,023,453.30 3,023,453.30	30,001,648.84 30,001,648.84
TEXPOOL	TexPool 5,585,549.23	3.67	06/30/2026	50,153.84 50,153.84	5,473,520.39 5,473,520.39	112,028.84	0.00	112,028.84 112,028.84	5,585,549.23 5,585,549.23
592041WJ2	MET GOVT NASHVILLE & DAVIDS 4.053 07/01/26 CALD 0.00	5.19	08/11/2023 07/01/2026	11,164.55 52,454.49	4,064,377.02 4,075,273.03	0.00	(4,075,000.00)	(4,064,377.02) (4,075,273.03)	0.00 0.00
3133EMKS0	FED FARM CR BNKS 0.530 12/16/26 3,000,000.00	3.62	12/11/2025 12/16/2026	3,975.00 7,950.00	2,936,055.00 2,930,880.00	0.00	0.00	22,467.16 20,760.00	2,958,522.16 2,951,640.00
91282CKA8	US TREASURY 4.125 02/15/27 3,000,000.00	4.09	02/26/2025 02/15/2027	31,108.43 0.00	3,000,834.49 3,009,257.82	0.00	0.00	(237.31) (7,500.00)	3,000,597.18 3,001,757.82
016249FQ2	ALIEF TEX INDPT SCH DIST 5.200 02/15/27 '26 2,365,000.00	5.20	11/08/2023 02/15/2027	30,745.00 0.00	2,364,962.00 2,367,644.07	0.00	0.00	10.81 (605.44)	2,364,972.80 2,367,038.63
91282CLX7	US TREASURY 4.125 11/15/27 3,000,000.00	4.24	11/27/2024 11/15/2027	30,846.46 61,875.00	2,994,930.86 3,012,890.64	0.00	0.00	777.90 (14,765.64)	2,995,708.75 2,998,125.00

MEEDER PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
3133ETPN1	FED FARM CR BNKS 4.280 07/10/28 '26 3,000,000.00	4.28	07/24/2025 07/10/2028	32,100.00 0.00	3,000,000.00 2,996,160.00	0.00	0.00	0.00 (6,150.00)	3,000,000.00 2,990,010.00
91282CQJ3	US TREASURY 3.875 04/15/29 3,000,000.00	3.81	04/15/2026 04/15/2029	24,456.97 0.00	0.00 0.00	3,005,859.38	0.00	3,005,447.73 2,977,500.00	3,005,447.73 2,977,500.00
TOTAL		**3.84**		**595,367.23** **553,250.31**	**64,302,368.65** **64,333,314.85**	**7,598,579.88**	**(7,045,329.57)**	**586,480.19** **516,356.83**	**64,888,848.85** **64,849,671.67**
OPIOID SETTLEMENT FUND									
TEXPOOL	TexPool 3,447,969.69	3.67	06/30/2026	30,790.29 30,790.29	2,995,205.01 2,995,205.01	452,764.68	0.00	452,764.68 452,764.68	3,447,969.69 3,447,969.69
TOTAL		**3.67**		**30,790.29** **30,790.29**	**2,995,205.01** **2,995,205.01**	**452,764.68**	**0.00**	**452,764.68** **452,764.68**	**3,447,969.69** **3,447,969.69**
RESTRICTED CASH									
TEXPOOL	TexPool 17,296,524.08	3.67	06/30/2026	631,765.01 631,765.01	43,518,384.02 43,518,384.02	59,147,646.34	(85,369,506.28)	(26,221,859.94) (26,221,859.94)	17,296,524.08 17,296,524.08
664043316	Frost Bank Public Fund Checking Account 5,176.95	1.50	06/30/2026	134.37 134.37	5,042.58 5,042.58	134.37	0.00	134.37 134.37	5,176.95 5,176.95
TOTAL		**3.67**		**631,899.38** **631,899.38**	**43,523,426.60** **43,523,426.60**	**59,147,780.71**	**(85,369,506.28)**	**(26,221,725.57)** **(26,221,725.57)**	**17,301,701.03** **17,301,701.03**
TOBACCO SETTLEMENT									
TEXPOOL	TexPool 2,861.99	3.67	06/30/2026	4,357.39 4,357.39	2,043.67 2,043.67	891,943.70	(891,125.38)	818.32 818.32	2,861.99 2,861.99
TOTAL		**3.67**		**4,357.39** **4,357.39**	**2,043.67** **2,043.67**	**891,943.70**	**(891,125.38)**	**818.32** **818.32**	**2,861.99** **2,861.99**
TRUST-EMPLOYEE HEALTH BENEFITS									
825252406	INVESCO TREASURY;INST 15,941.30	3.54	06/30/2026	140.38 145.93	17,199.66 17,199.66	80.78	(1,339.14)	(1,258.36) (1,258.36)	15,941.30 15,941.30

MEEDER
PUBLIC FUNDS

Change in Value

IDENTIFIER	ISSUER PAR VALUE	YIELD	TRADE DATE MATURITY DATE	INTEREST ACCRUAL INTEREST RECEIVED	BEGINNING BOOK VALUE BEGINNING MARKET VALUE	PURCHASES/ ADDITIONS	REDEMPTIONS	CHANGE IN BOOK VALUE CHANGE IN MARKET VALUE	ENDING BOOK VALUE ENDING MARKET VALUE
TOTAL		3.54		140.38 145.93	17,199.66 17,199.66	80.78	(1,339.14)	(1,258.36) (1,258.36)	15,941.30 15,941.30
GRAND TOTAL		3.73		2,244,696.66 2,202,585.29	225,766,257.20 225,779,826.96	85,463,430.47	(120,704,821.54)		190,631,416.85 190,571,254.30

Disclosure

Meeder provides monthly statements for its investment management clients to provide information about the investment portfolio. The information should not be used for audit or confirmation purposes. Please review your custodial statements and report any inaccuracies or discrepancies.

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Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1999, 76th Leg., ch. 1454, Sec. 2, eff. Sept. 1, 1999.

Sec. 2256.004. APPLICABILITY. (a) This subchapter does not apply to:

(1) a public retirement system as defined by Section 802.001;

(2) state funds invested by the comptroller;

(3) an institution of higher education having total endowments of at least $150 million in book value on September 1, 2017;

(4) funds invested by the Veterans' Land Board as authorized by Chapter 161, 162, or 164, Natural Resources Code;

(5) registry funds deposited with the county or district clerk under Chapter 117, Local Government Code; or

(6) a deferred compensation plan that qualifies under either Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Section 1 et seq.), as amended.

(b) This subchapter does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995; Acts 1997, 75th Leg., ch. 505, Sec. 24, eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 1421, Sec. 2, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 62, Sec. 8.21, eff. Sept. 1, 1999; Acts 1999, 76th Leg., ch. 1454, Sec. 3, eff. Sept. 1, 1999.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 773 (H.B. 1003), Sec. 1, eff. June 14, 2017.

Acts 2025, 89th Leg., R.S., Ch. 957 (S.B. 21), Sec. 3, eff. June 20, 2025.

Sec. 2256.005. INVESTMENT POLICIES; INVESTMENT STRATEGIES; INVESTMENT OFFICER. (a) The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds and funds under its control.

(b) The investment policies must:

(1) be written;

(2) primarily emphasize safety of principal and liquidity;

(3) address investment diversification, yield, and maturity and the quality and capability of investment management; and

(4) include:

(A) a list of the types of authorized investments in which the investing entity's funds may be invested;

(B) the maximum allowable stated maturity of any individual investment owned by the entity;

(C) for pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date for the portfolio;

(D) methods to monitor the market price of investments acquired with public funds;

(E) a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and

(F) procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Section 2256.021.

(c) The investment policies may provide that bids for certificates of deposit be solicited:

(1) orally;

(2) in writing;

(3) electronically; or

(4) in any combination of those methods.

(d) As an integral part of an investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

(1) understanding of the suitability of the investment to the financial requirements of the entity;

(2) preservation and safety of principal;

(3) liquidity;

(4) marketability of the investment if the need arises to liquidate the investment before maturity;

(5) diversification of the investment portfolio; and

(6) yield.

(e) The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

(f) Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees of the state agency, local government, or investment pool as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of this chapter. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains ultimate responsibility as fiduciaries of the assets of the entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity.

(g) Subsection (f) does not apply to a state agency, local

government, or investment pool for which an officer of the entity is assigned by law the function of investing its funds.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 685, Sec. 1

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be an investment officer for the commission under Subsection (f) if the officer or employee is an investment officer designated under Subsection (f) for another local government.

Text of subsec. (h) as amended by Acts 1997, 75th Leg., ch. 1421, Sec. 3

(h) An officer or employee of a commission created under Chapter 391, Local Government Code, is ineligible to be designated as an investment officer under Subsection (f) for any investing entity other than for that commission.

(i) An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this subsection, an investment officer has a personal business relationship with a business organization if:

(1) the investment officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;

(2) funds received by the investment officer from the business organization exceed 10 percent of the investment officer's

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Annual Review and Adoption of Investment Policy and Investment Strategies

Purpose

To brief the Board of Managers regarding the annual review and proposed re-adoption of the Nueces County Hospital District's Investment Policy and Investment Strategies in accordance with the Texas Public Funds Investment Act.

Background

The Texas Public Funds Investment Act requires the Board to review the District's investment policy and investment strategies not less than annually and to adopt a written instrument documenting that review and any changes made to the policy or strategies.

The District originally adopted its Investment Policy and Investment Strategies in 1998 and has periodically amended them. The most recent amendments were adopted June 25, 2024. As part of the current annual review, the Board is being asked to acknowledge its review, record that no changes are being made, and re-adopt the existing Investment Policy and Investment Strategies effective September 1, 2026.

Investment Policy Framework

The Investment Policy governs the District's cash and investment assets, including applicable trust and escrow arrangements and depository collateral requirements. It establishes the framework for management of available cash and investments consistent with applicable state law.

The Policy identifies the District's investment objectives, in order of priority, as safety of principal, liquidity of principal, investment diversification, yield, and public trust. Safety and liquidity remain the primary objectives, with investment decisions structured to preserve capital, maintain adequate funds for anticipated cash requirements, diversify risk, and obtain reasonable investment earnings.

Investment Strategy

The District's investment strategy provides for a comprehensive, conservative, and proactive cash management program designed to monitor and control District funds, maintain liquidity, and obtain reasonable market yield. The strategy contemplates a combined investment portfolio and permits adjustments as market conditions and anticipated cash requirements change.

The strategy emphasizes high-credit-quality investments, matching maturities to anticipated cash needs, portfolio diversification, competitive investment practices, and use of authorized investments to obtain reasonable returns within the District's risk and liquidity parameters. The Policy generally limits individual securities to maturities of no more than five years and limits the portfolio's weighted average maturity to no more than two years.

Liquidity, Diversification and Yield

The Policy requires the District to maintain adequate liquidity to meet ongoing obligations and provides that at least 10 percent of the portfolio be maintained in readily available funds such as local government investment pools, money market funds, or fully collateralized bank deposits.

Diversification requirements are intended to reduce concentration, credit, and market risks through a planned mix of investments and maturities. The District also seeks reasonable investment yield within established safety and liquidity constraints and may use laddered maturities and other authorized strategies to align investment activity with projected cash requirements.

Authorized Investments and Controls

The Policy identifies authorized investment instruments that include specified U.S. government and agency obligations, certain state and local obligations, certificates of deposit, repurchase agreements, qualifying commercial paper, money market mutual funds, local government investment pools, and fully insured or collateralized interest-bearing accounts, subject to applicable limits and legal requirements.

The Policy also establishes requirements for competitive bidding, delivery-versus-payment settlement, safekeeping, collateralization, monitoring of market values and credit ratings, internal controls, compliance auditing, investment officer training, and periodic management and Board reporting.

Investment Governance and Oversight

Overall responsibility for administration of the investment program is delegated to the Administrator, with investment authority exercised by persons designated as Investment Officers by Board resolution. The Investment Committee, which includes members of the Board's Finance Committee and designated District personnel, provides ongoing oversight of investment strategy, portfolio performance, diversification, risk, authorized financial institutions, and related matters.

Investment officers are subject to prudence, ethical, conflict-of-interest, training, reporting, and internal-control requirements. The Policy also provides for periodic review of the investment program through management reports, quarterly reporting to the Board, and compliance review in connection with the District's annual independent financial audit.

Annual Review and Proposed Action

The proposed resolution documents completion of the Board's annual review of the Investment Policy and Investment Strategies. No changes are proposed as part of this review.

The Board would re-adopt the existing Investment Policy and Investment Strategies, attached to the resolution as Exhibit A, to supersede and replace the current policy and strategies effective September 1, 2026. The resolution also authorizes the Administrator to take the actions and execute the documents necessary to implement the Board's action.

Fiscal Impact

The resolution does not itself appropriate or expend District funds. Rather, it establishes the policy and strategy framework governing the investment and management of District cash and investment assets. Investment earnings generated under the Policy are generally allocated to the appropriate District fund, subject to applicable accounting requirements and law.

Board Consideration

The Board is being asked to acknowledge completion of its annual review, confirm that no changes are being made to the Investment Policy and Investment Strategies, and re-adopt the existing policy and strategies effective September 1, 2026, as required by the Texas Public Funds Investment Act.

Summary

The proposed resolution fulfills the District's annual investment policy review requirement and continues the existing Investment Policy and Investment Strategies without amendment. The policy maintains a conservative investment framework emphasizing safety, liquidity, diversification, reasonable yield, public trust, and appropriate governance and internal controls for the management of District funds.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION OF INVESTMENT POLICY AND INVESTMENT STRATEGIES

WHEREAS, the Nueces County Hospital District (the "Hospital District" or "District") is a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code, Chapter 281 (the "Health Code"), and operated in accordance with the Health Code and other applicable laws of the State of Texas, including the Texas Government Code, Chapter 2256 relating to public funds investment (the "Public Funds Investment Act");

WHEREAS, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District's governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the Hospital District;

WHEREAS, the Board desires to comply with annual requirements of the Public Funds Investment Act and Act, §2256.005(e) which requires the Board to review, not less than annually, the District's investment policy and investment strategies, adopt a written instrument stating that they have reviewed the policy and strategies, and if applicable record therein any changes made to the policy and the strategies;

WHEREAS, the Board: (i) adopted the original form of the Hospital District's investment policy and investment strategies on March 31, 1998; (ii) amended portions of the policy and/or strategies on July 7, 1998; September 8, 1998; April 24, 2001; April 7, 2009; July 26, 2011; July 23, 2013; June 6, 2019; July 21, 2020; September 1, 2021; June 27, 2023; and June 25, 2024; and (iii) has not amended the policy and/or strategies since June 25, 2024; and

WHEREAS, in accordance with Public Funds Investment Act, §2256.005(e), the Board hereby desires to: (i) acknowledge review the current District's investment policy and investment strategies; and (ii) record that no changes are being made to the District's investment policy and investment strategies; and (iii) re-adopt the existing investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective September 1, 2026.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board has reviewed the Hospital District's current investment policy and investment strategies.

2. The Board has made no changes to the District's investment policy and investment strategies.

3. The Board hereby adopts the investment policy and investment strategies attached hereto and identified as Exhibit "A" to supersede and replace the current policy and strategies to be effective September 1, 2026.

4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.005(e).

5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether or not herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.

6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the District.

7. This Resolution shall take effect and be in full force and effect upon and after its passage.

8. The Board retains its right to amend or repeal this Resolution at any time.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

Exhibit “A”

(Insert Policy and Strategies after this page)

NUECES COUNTY HOSPITAL DISTRICT

INVESTMENT STRATEGY
&
INVESTMENT POLICY

EFFECTIVE SEPTEMBER 1, 2026

Administrative Offices

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PREFACE

The Nueces County Hospital District (the "Hospital District" or "District") is a political subdivision of the State of Texas, established and created in 1968 pursuant to Article IX, Section 4 of the Texas Constitution, and operated in accordance with Chapter 281, Texas Health and Safety Code and other applicable state laws, including Chapter 2256, Texas Government Code, the Public Funds Investment Act (the "Act") and Texas Government Code 2257, the Public Funds Collateral Act.

The Hospital District recognizes effective cash management is essential to good fiscal management. The District will pursue an active cash management and investment policy to take advantage of investment interest as a viable and material contribution to the revenues of the District. The District's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state law.

POLICY

It is the policy of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, the District shall manage and invest its idle cash with these objectives which are listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that is advantageous to the District, responsive to the public trust, and consistent with applicable law.

All investments made by the Hospital District shall comply with the Act and all federal, state, and local statutes, rules or regulations.

PURPOSE

The purpose of this Investment Policy is to set forth specific investment policy and strategy guidelines for the Hospital District. This Policy also serves to satisfy requirements of the Act, which requires public entities such as the District, to define, adopt, and review a formal investment strategy and policy regarding its funds and the funds under its control.

ADOPTION & REVIEW

The Hospital District's Board of Managers (the "Board"), based on advice and counsel from the Investment Committee and the Administrator, shall review and adopt by resolution, its investment strategies and policy not less than annually. Adopting resolutions shall include a record of changes made to either the investment policy or strategy.

INVESTMENT STRATEGY

The Hospital District maintains a comprehensive, conservative and proactive cash management program designed to monitor and control all District funds to ensure maximum use and reasonable market yield. The basic and underlying strategy of this program is that all of the District funds earn continuously. The District shall maintain a flexible investment design and be prepared to modify the investment strategy as market conditions dictate. The investment strategies described herein are based on the District's conservative philosophy and predicated on repetitive cash flow conditions. As such, the market strategies supporting these overall strategies are subject to change as conditions warrant.

The Hospital District shall manage and invest its funds with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remain the primary objectives. The District shall design and manage all investments in a manner that are favorable to the District, responsive to the public trust, and consistent with applicable law.

Within these investment objectives, the investment strategy is to utilize Investment Policy authorized investments to gain maximum advantage for the Hospital District.

- In accordance with the District's intermediate and long-term plans and strategies, the District will maintain one combined portfolio. At least annually, the District's Investment Committee will evaluate the usefulness of this approach as compared to the District's current and future asset use needs as well as contemporaneous market conditions and trends. The principal investment strategies for this aggregate portfolio are to assure that the District's cash assets are safe and that anticipated cash needs of the District are matched with sufficient liquidity.

    1. To assure safety, the District shall utilize only high-credit quality securities approved by the Texas Public Funds Investment Act that assure the return of principal when held to maturity. Additionally, the District shall qualify and monitor financial institutions and brokers/dealers with whom the District transacts business. Compliance with this Policy is to assure safety. The District will not invest in securities maturing more than -5 years from the date of purchase.

        The District shall limit its acquisition of securities to those that are commonly traded by governmental entities and have proven resale markets. The District shall select brokers/dealers that regularly deal with governmental entities.

    2. To assure liquidity, the District shall ensure that a minimum of 10% of its portfolio is invested in local government investment pools, money market funds and/or interest-bearing depository accounts to achieve needed liquidity. The maximum dollar

weighted average maturity ("WAM") of the District's portfolio will be - two years or less, calculated on the stated final maturity date of each security. The District shall match its periods of high cash consumption with matching amounts of liquidating securities when tax revenues are not adequate. Similarly, the District will strive to assure that its cash outlays are paid in a timely fashion by coordinating the establishment of maturity dates of various securities to cover periodic annual outlay needs not fully covered by then available tax revenues. Additional liquidity will be made available to cover the debt service payments on the required payment dates if needed.

3. To assure diversification and to avoid incurring unreasonable risks from over concentration of investments in a specific maturity, a specific issue, or a specific class or type of securities, the District shall maintain a diversified portfolio. The District will diversify so that potential losses on individual securities do not exceed the investment income generated from the remainder of the portfolio, taking into account current and projected yields and other market considerations.

   Diversification will be served by the District matching the District's annual business plan and projected strategic plan to its investment plan. Diversification will be served by competitive bidding and monitoring of all authorized market sectors for value. The District shall concurrently monitor the progress of the operating and investment plans. The District shall select several brokers/dealers that regularly deal with governmental entities and are familiar with their business cycles and ongoing business strategies as well as to provide competition.

4. To assure yield and risks stay within safe limits, the District shall structure its portfolio to meet or exceed the risk benchmark. The District shall pursue an overall average benchmark yield on the six-month U.S. Treasury Bill which is comparable to the District's average WAM, and consistent with the investments authorized as well as limitations in this Investment Policy.

- To increase earnings for assets identified as available for investment over longer periods (based on a long-range cash requirement projection) the Hospital District will consider the following additional strategies:

  1. Evaluating longer term investment opportunities.

  2. Building a ladder of Investment Policy authorized securities with staggered maturities for all or part of the longer-term investable funds. The benefits of this ladder approach include:

     - It is straightforward and easily matched to cash needs.

     - It will require a minimum of time and investment expertise to administer.

- It represents a safe option to meet cash needs.

- All investments remain within the approved maturity horizon.

- It will assure the District that it will capture the most reasonable section of the yield curve at the time of purchase.

- It provides predictable cash flow with scheduled maturities and reinvestment.

3. Utilizing the services of a reputable and respected independent, third-party SEC-registered investment advisor to assist the District in preparing a plan to achieve a higher yield on the assets available for longer term investment.

- The Hospital District's investment strategy for handling investments that are not presently statutorily authorized but were so authorized at the time of their purchase; or were previously purchased and exceed the maximum allowable maturity stated under this Investment Policy, shall have as its primary objective that the District will liquidate such investments if it is prudent to do so under the District's investment objectives, but only when so authorized by the Investment Committee created under this Investment Policy. Upon liquidation, such funds shall be reinvested in a manner consistent with this Investment Policy.

  If an existing investment that requires a minimum rating under this Investment Policy loses that required rating the District shall undertake all prudent measures that are consistent with this Investment Policy to liquidate an investment in a timely manner.

- Unless otherwise directed by the Investment Committee or Board, interest earnings received from investments of Hospital District funds shall be allocated back to the appropriate fund, unless indicated otherwise by generally accepted accounting principles or law.

INVESTMENT POLICY

I. SCOPE

This Investment Policy shall govern all cash and investment assets of the Hospital District. This Policy also governs all of the District's trust and escrow agreements and other similarly functioning agreements. Similarly, this Policy governs the District's depository agreement with its depository financial institution as it relates to collateral and collateral investment requirements. This Policy does not apply to funds the District maintains or administers under a deferred compensation plan, the federal income tax treatment of which is governed by Section 401(k) or 457 of the Internal Revenue Code of 1986 (26 U.S.C. Sections 401(k) and 457).

II. INVESTMENT OBJECTIVES

The Hospital District shall maintain a comprehensive cash management program that includes collection of accounts receivable, vendor payment according to invoice terms, and prudent investment of available cash. Cash management is the process of managing monies to insure cash availability and maximum yield on short-term investment of pooled cash.

It is the intent of the Hospital District that after allowing for the anticipated cash flow requirements of the District and giving due consideration to the safety and risk of investments, all available funds shall be fully invested in conformance with this Investment Policy and at the highest reasonable rates obtainable at the time of investment within the limits of this policy.

The Hospital District shall manage and invest in accordance with these objectives, listed in order of priority: safety of principal, liquidity of principal, investment diversification, yield, and public trust. The safety of the principal invested and liquidity always remains the primary objectives. All investments shall be designed and managed in a manner favorable to the District, responsive to the public trust, and consistent with applicable law.

A. SAFETY OF PRINCIPAL

Safety of principal invested is the primary objective in investment decisions of the Hospital District. Each investment transaction shall seek to ensure the preservation of capital. The District shall control investing risk by utilizing high credit quality securities and through portfolio diversification.

B. MAINTENANCE OF ADEQUATE LIQUIDITY

The investment portfolio shall be managed to maintain adequate liquidity to ensure that funds will be available to meet cash flow requirements that might be reasonably anticipated and by investing in securities with active secondary markets. A security may be liquidated to meet unanticipated cash requirements or otherwise to favorably adjust the Hospital District's investment portfolio.

The Hospital District will match its investments with anticipated cash flow requirements in a laddered strategy by matching investment maturities with forecasted cash flow requirements and by investing in securities with active secondary markets. Recognizing that not all funds are needed for cash flow purposes, cash may be invested to longer maturities to best utilize the funds.

C. INVESTMENT DIVERSIFICATION

The Hospital District shall diversify its investments to spread market and credit risk. The District will invest in a planned mix of investments, maturities, and/or investment categories to reduce credit and market risk.

D. YIELD

The Hospital District's cash management portfolio shall be designed with the objective of regularly exceeding the average yield on the -one-year U.S. Treasury Bill which compares to the District's average WAM. The investment program shall seek to augment earnings above this threshold consistent with risk limitations identified herein and prudent investment policies.

E. PUBLIC TRUST

All participants in the Hospital District's investment program shall seek to act responsibly as custodians of the public trust. Investment officers shall avoid any transaction that might impair public confidence in the District's ability to govern effectively.

III. RESPONSIBILITY AND CONTROL

A. DELEGATION OF AUTHORITY FOR PROGRAM MANAGEMENT

Overall management responsibility for the Hospital District's investment program is hereby delegated to the Administrator who shall be responsible for all operations of the District's investment program and transactions undertaken. The Administrator and other employees shall be designated Investment Officers in accordance with the Act. Investment Officers are designated by resolution of the Board.

B. PRUDENCE

The standard of prudence to be applied by the Hospital District's investment officers shall be the "prudent person" rule, which states:

> "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether an investment officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration: (1) the investment of all funds, or funds under the Hospital District's control, over which the officer had responsibility rather than a consideration as to the prudence of a single investment, and (2) whether the investment decision was consistent with the written investment policy of the District. The investment officers acting according to written policies and procedures and exercising due diligence, shall not be held personally liable for a specific security's credit risk or market price changes, if these deviations are reported in a timely manner and that appropriate action is taken to control adverse developments.

For purposes of this Investment Policy, "investment officer" means all Hospital District employees designated by Board resolution and involved in investment activities. All employees involved in investment transactions will be bonded. The District shall bear the cost of such bonding.

C. ETHICAL STANDARDS AND CONFLICTS OF INTEREST

All Hospital District investment officers having a direct or indirect role in the investment of Hospital District funds shall act as custodians of the public trust avoiding any transaction that might involve a conflict of interest, the appearance of a conflict of interest, or any activity that might otherwise discourage public confidence. All persons involved in the District's investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

District staff shall disclose to the Administrator, or in the case of the Administrator, the Investment Committee and Board, any material financial interests in financial institutions, with dealers, brokers, or investment pools, collectively referred to "business entities," that conduct business with the District and they shall further disclose positions that could be related to the performance of the District's portfolio. District staff shall subordinate their personal financial transactions to those of the District, particularly with regard to timing of purchases and sales.

In accordance with the Act (§2256.005(i)), "an investment officer who has a personal business relationship with a business organization offering to engage in an investment transaction with the Hospital District shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the District shall file a statement disclosing that relationship. Such statement must be filed with the District's Investment Committee and Board.

In accordance with the Act, an investment officer must disclose to the Texas Ethics Commission if he has a personal business relationship with a business organization in which: (1) the investment officer owns 10% or more of the voting stock or shares of the business entity or owns $5,000 or more of the fair market value of the business organization; or (2) funds received by the investment officer from the business entity exceed 10% of the investment officer's gross income for the previous year; or (3) the investment officer has acquired from the business entity during the previous year investments with a book value of $2,500 or more for the personal account of the investment officer". (Attachment "A")

D. INVESTMENT COMMITTEE

There is hereby created by the Board an Investment Committee, consisting of all members of the Board of Manager's Finance Committee, the Hospital District's Administrator, and primary and secondary investment officers. The Chairman of the Finance Committee shall be Chairman of the Investment Committee. Those Committee members who are District employees shall be ex officio members of the Committee. All members of the Investment Committee should have an understanding of the suitability of the District's investment instruments as they relate to the financial, cash flow and long-term debt requirements of the District. The Investment Committee shall meet at least quarterly, usually in conjunction with Finance Committee meetings, to monitor the investment plan, set general strategies, and to review results. The Investment Committee shall include in its deliberations such topics as: performance reports, economic outlook, portfolio diversification, portfolio structure, potential risk to and opportunities for the District's funds, authorized financial institutions, brokers/dealers, investment pools, and the overall target yield on the investment portfolio. The Administrator shall prepare an agenda for all Investment Committee meetings. The Administrative Assistant shall maintain minutes of such meetings. The Investment Committee shall operate according to the terms and conditions of the Board's Bylaws. Either the Committee's Chairman or the Administrator may request special meetings. A majority of the non-employee members shall form a quorum. The Committee shall establish its own rules of procedure if not so provided by the Board's Bylaws.

E. DELEGATION OF AUTHORITY TO ACT AS INVESTMENT OFFICERS

Authority to act as an investment officer in the Hospital District's investment program is derived solely by resolution of the District's Board. Only persons authorized by Board resolution may deposit, withdraw, transfer, or manage in any other manner, the cash and investment assets of the District. Such persons shall manage the District's funds according to this Investment Policy. Such authority is effective until rescinded by the Board or until termination of employment. The Board may appoint one or more investment officers. When more than one investment officer is appointed the Board shall designate one primary investment officer and the remainder shall be secondary investment officer(s). In the absence or unavailability of the primary investment officer, the secondary investment officers are responsible for investment decisions and activities.

F. TRAINING

Within one year of becoming or assuming their duties, investment officers shall receive not less than 10 hours of instruction relating to investment responsibilities under the Act from an independent source approved by Board resolution. After that, the investment officers shall attend 10 hours of investment training not less than once in each succeeding two-year period that begins on the first day of the Hospital District's fiscal year and consists of the two consecutive fiscal years after that date, and instruction shall relate to investment responsibilities under the Act. Such training shall at least include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act.

The Board shall from time-to-time, approve by resolution investment training courses applicable to this paragraph. The Hospital District shall bear the costs of such training.

G. INTERNAL CONTROLS

The Administrator shall establish a system of internal controls to regulate the activities of all investment officers. This system of controls shall be designed to provide reasonable assurance that the assets of the Hospital District are protected from loss, theft or misuse. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Additionally, the Administrator shall assure that written procedures are established for the operation of the investment program, consistent with this Investment Policy. Such procedures shall explicitly address delegation of authority to persons responsible for investment transactions. No persons may engage in an investment transaction except as provided under the terms of this Investment Policy and the internal control procedures established by the Administrator. In addition, the internal controls shall at least address the following points:

1. Control of collusion;

2. Separation of transaction authority from accounting and record keeping;

3. Custodial safekeeping;

4. Clear delegation of authority to subordinate staff members;

5. Written confirmation for all transactions for investments and wire transfers; and

6. Maintenance of a log detailing all investment bids solicited and purchases by investment officers.

The investment officer(s) shall monitor, on no less than a monthly basis, the credit rating on all authorized investments in the portfolio based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by Policy, the investment officer(s) shall notify the Investment Committee of the loss of rating, conditions affecting the rating and possible loss of principal along with liquidation options available,

The investment officer shall monitor, on no less than a weekly basis, the status and ownership of all banks issuing brokered CDs owned by the District based upon information from the FDIC. If any bank has been acquired or merged with another bank in which brokered CDs are owned, the investment officer shall immediately liquidate any brokered CD which is above the FDIC insurance level.

H. COMPLIANCE AUDIT

The Administrator shall assure that an internal controls compliance audit is performed in conjunction with the Hospital District's annual independent financial audit. Such compliance audit shall at least focus on management controls, adherence to this Investment Policy, and compliance with applicable laws. The results of this compliance audit shall be incorporated into the independent auditor's annual report to the Board.

If the Hospital District invests in other than money market mutual funds, investment pools or CDs the quarterly reports associated with those activities shall be formally reviewed, at least annually, by an independent auditor and the results of the review shall be reported to the Board by the independent auditor. This shall be done in conjunction with the independent auditor's annual report to the Board.

I. MANAGEMENT REPORTS

At least monthly, the investment officers shall jointly compile a written report for the Administrator and other management's use in monitoring the Hospital District's investment program. The report must:

1. Contain a detailed description of each investment position of the District on the date of the report.

2. Be prepared jointly and signed by all District investment officers.

3. Contain a summary statement, prepared in compliance with generally accepted accounting principles, of each pooled funds group that states:

    a. Beginning market value for the reporting period.

    b. Additions and changes to the market value during the period.

    c. Ending market value for the period.

    d. Fully accrued interest and total earnings (net amortization/accretion) for the reporting period.

4. State the book value and market value of each separately invested asset at the beginning and end of the reporting period by the type of asset and fund type invested.

5. State the maturity date of each separately invested asset that has a maturity date. (Liquid investments have a one-day maturity date.)

6. State the account or fund or pooled group fund in the District for which each individual investment was acquired, if applicable.

7. State the compliance of the investment portfolio of the District as it relates to the District's Investment Policy and relevant provisions of law.

Market prices will be obtained from independent financial sources such as the Wall Street Journal for reporting purposes.

In addition to the above, but not less than quarterly, the Administrator and investment officers shall collectively prepare and submit to the Board an additional written report of investment transactions for the portfolio. The report shall be based on the District's fiscal year quarters and shall be presented to the Board within a reasonable time after the end of such periods. The report shall cover element's 1 -7 above.

IV. INVESTMENT PORTFOLIO

A. AUTHORIZED AND ACCEPTABLE INVESTMENTS

Only the following investments are authorized for investment by the Hospital District:

1. Obligations of the United States, its agencies and instrumentalities and full faith and credit obligations of the U.S. Government, excluding all mortgage backed securities with a maximum maturity of five years.

2. Obligations of the State of Texas, or their respective agencies and instrumentalities; obligations of the states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent.

3. Depository certificates of deposit issued by a state or national bank doing business in Texas that are:

   a. guaranteed or insured by the FDIC or its successor; and

   b. secured by obligations defined by this Policy; and

   c. collateralized to 102% of District deposits, which collateral is held by an independent third-party custodian approved by the District.

   Depository certificate of deposit spread programs entered into through a Texas bank are authorized under this provision.

4. FDIC-insured brokered CDs purchased from a broker on the District list or a bank in Texas, delivered versus payment to the District's safekeeping agent, not to exceed one year to maturity. Before purchase, the Investment Officer must verify the FDIC status of the bank (on www.FDIC.gov or equivalent) to assure that the bank is FDIC-insured.

5. Fully collateralized repurchase agreements that have a defined termination date not to exceed one year, are secured by obligations of the United States or its agencies and instrumentalities, are cleared delivery versus payment and held in the District's name by a custodian approved by the District, and placed through a primary governmental securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

Reverse repurchase agreements not to exceed 90 days. Funds received under the terms of a reverse repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse repurchase agreement.

6. Commercial paper that has a stated maturity of -one-year or less from the date of purchase and is dual rated A-1 or P-1 or equivalent by at least two nationally recognized credit rating agencies.

7. AAA-rated, no-load money market mutual funds that:

   a. are registered with and regulated by the Securities and Exchange Commission;

   b. has a dollar-weighted average stated maturity of 60 days or fewer; and

   c. includes in its investment objectives the maintenance of a stable net asset value of $1 for each share.

8. Texas local government investment pools which strive to maintain a $1 net asset value and meet the requirements of the Act, if the Board authorizes the investment in the pool by resolution.

9. Fully insured or collateralized interest-bearing accounts in any Texas bank to include spread demand deposit programs entered into through a Texas bank.

All investments must comply with all policy, federal, state, and local statutes, rules or regulations.

All security transactions will be made on a competitive bidding basis and all transactions will be settled into the District's custodian on a delivery versus payment basis.

B. INVESTMENT PARAMETERS

The District recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary illiquidity. Risk is controlled through portfolio diversification, which shall be achieved by using the following general guidelines:

1. Avoiding over-concentration in securities from a specific issuer or business sector;

2. Laddering securities with varying maturities to match expected cash needs;

3. Limiting investment in securities that have potential credit risks, and;

4. Maintaining at least 10% of the portfolio in readily available funds such as local government investment pools, money market funds, or fully collateralized bank deposits to ensure the appropriate liquidity is maintained in order to meet ongoing obligations.

The following maximum limits, by instrument, are established for the District's total portfolio:

U.S. Treasury Securities 100%
U.S. Agency Securities 100%
State and Local Debt Obligations 50% (Percent of one issuer 10%)
Depository Certificates of Deposit 50%
Brokered Certificates of Deposit 20%
Repurchase Agreements 100%
Commercial Paper 50%
Money Market Mutual Funds 100% (Percent of fund ownership 10%)
Local Government Investment Pools 100% (Percent of pool ownership 10%)
Interest Bearing Accounts 100%

C. MAXIMUM MATURITIES

The longer the maturity of investments becomes, the greater their risk and price volatility but also the greater the yield normally. Accordingly, it is the Hospital District's policy to invest in a laddered structure to approximate investments to cash flow needs and provide for adequate liquidity. In periods of declining interest rates the portfolio may be extended to lock in rates. In periods of rising interest rates the portfolio may be kept more liquid. The District will not directly invest in individual securities maturing more than -5 years from the date of purchase. Collateral provided for certain investments, however, may be collateralized using longer date instruments. The WAM of the portfolio will not exceed -two years.

D. AUTHORIZED DEPOSITORY FINANCIAL INSTITUTION, BROKER/DEALERS AND INVESTMENT POOLS

Conditioned on formal approval by the Investment Committee and satisfactory compliance with this Investment Policy (including applicable laws), a depository financial institution and brokers/dealers of government securities are hereby authorized under this Investment Policy. Investment pools are additionally authorized when approved by resolution of the Board.

1. DEPOSITORY FINANCIAL INSTITUTION

The depository financial institution selected by the Hospital District at least every four years shall be used for initial placement of District's demand deposits and as a source for placement of time deposits (CDs) pursuant to the requirements set forth in this Investment Policy. Such institution shall be a bank doing business in the State of Texas.

The Hospital District shall select one depository financial institution no less than every four years on a competitive basis pursuant to Texas Health and Safety Code, §281.093(a)(1) and pursuant to the selection process set forth in Texas Local Government Code, Chapter 116. The banking services depository will not be used as a broker for security purchases in order to perfect the delivery versus payment settlement on all transactions.

Hospital District investment officers may not place time or demand deposits requiring collateral with any financial institution that does not have a valid depository agreement with the District. However, investment officers may place time deposits (CDs) with financial institutions, other than the depository financial institution, provided they have been approved by the Investment Committee and are located in the State and, if above FDIC insurance limits, has an executed depository/collateral agreement with the District. All collateral agreements will be in writing and must be approved by the Bank Board or Loan Committee to perfect the provisions of Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Policy Certification
Hospital District investment officers may not participate in any pool which has not delivered to the District the policy certification of having read the District's Investment Policy, including an acknowledgment of implementing reasonable procedures and controls, as required below.

2. BROKERS/DEALERS

Investment officers shall not knowingly conduct business with any firm with whom public entities have sustained losses on investments. All securities brokers/dealers shall provide the District with references from public entities which they are currently serving. The Investment Committee shall annually adopt and review a list of qualified brokers/dealers authorized to engage in investment transactions with the District.

Policy Certification
Hospital District investment officers will deliver the current investment policy to all brokers, but certification is not required.

3. REQUIREMENTS COMMON TO FINANCIAL INSTITUTIONS AND BROKERS AND DEALERS

All financial institutions and brokers/dealers who desire to become the depository or qualified bidders for investment transactions must supply the Hospital District with the following information, as appropriate:

a. current audited financial statements provided on an annual basis;

b. proof of Financial Industry Regulatory Agency (FINRA) registration (CRD #) (brokers only);

c. proof of state registration (brokers only);

d. For pools, a signed *Policy Certification*; acknowledging that the pool has implemented reasonable procedures and controls in an effort to preclude imprudent investment activities arising out of investment transactions conducted between the District and the pool;

For purposes of this Investment Policy, a "qualified representative" means a person who holds a position with a business organization, who is authorized to act on behalf of the business organization as defined by the Act.

An annual review of the financial condition and registration of qualified broker/dealers shall be conducted by the Hospital District's Administrator.

4. INVESTMENT POOLS

The Hospital District may invest its funds in eligible investment pools which strive to maintain a $1 net asset value and as defined by the Act and this Policy provided that the Board adopts a resolution authorizing investment in that particular pool.

Once an investment pool is approved for use by the Board, to maintain eligibility to receive Hospital District funds and invest funds on behalf of the District pursuant to the Act, the investment pool must furnish to the District's Administrator or investment officers periodic reports as defined by the Act.

E. COMPETITIVE BIDDING FOR ALL INVESTMENTS

To purchase or sell investment securities, the Hospital District's investment officers shall solicit independent bids/offers from at least 3 authorized brokers/dealers from the list approved by the Investment Committee. For CDs, the investment officers shall solicit independent bids from 3 financial institutions. All bids/offers for investment securities or instruments shall be solicited by an investment officer via any of the following methods but must be documented.

1. Orally (but confirmed in writing);

2. In writing;

3. Electronically; or

4. Any combination of the above methods.

F. DELIVERY VERSUS PAYMENT

It is the policy of the Hospital District that all security transactions entered into by the District shall be conducted on a "delivery versus payment" basis. That is, the depository acting as safekeeping agent for the District shall not release District funds until verification has been made that the correct security was received. The security shall be held in the name of the District by the safekeeping agent. The records shall assure the notation of the District's ownership of the securities. The original copy of all safekeeping receipts shall be delivered to the District. For purposes of this Investment Policy, safekeeping receipt shall mean evidence of receipt, identification and recording, including a written or electronically transmitted advice of transaction.

G. SAFEKEEPING OF SECURITIES

All securities owned by the Hospital District shall be held in its banking services depository or a depository chosen by the District. Safekeeping will be controlled by a written Safekeeping agreement executed by the District and bank.

H. DEPOSITORY COLLATERAL

All collateral pledged to secure time and demand deposits shall be custodied in an independent custodial institution approved by the Hospital District to include the Federal Reserve.

The collateral agreement shall be executed by the Hospital District and the pledging bank and be in writing on the terms and conditions for securing the deposit of District funds, including the procedural steps for gaining access to the collateral. The Agreement shall be adopted by resolution of the Bank Board or the Bank's Loan Committee and executed before funds are moved into the depository. If the Federal Reserve is used as the custodian, a Pledgee Agreement Form (Circular 7) of the Fed will be executed. Such agreements shall include the signatures of all authorized representatives of the District. Original safekeeping trust receipts shall be obtained. The District or its agent may inspect, at any time, an investment security evidenced by a receipt.

The Custodian shall provide to the Hospital District monthly collateral reports listing

the securities pledged.

1. Consistent with the requirements of the Public Funds Collateral Act (Texas Government Code, §2257 et seq.) it is the policy of the Hospital District to require that the depository financial institution pledge collateralization for all District funds in demand and time deposits, that are in excess of the amount insured by the FDIC. The following are applicable to such collateralization:

    a. The District shall be the final authority when determining the market value of securities pledged to secure District deposits for the purpose of determining adequacy of the amount of collateral. The District's valuation of the securities is final and not subject to review;

    b. The total value of eligible security used to collateralize deposits of the District shall be not less than 102% of total market value on the deposits less an amount insured by the FDIC. Preferably, the Custodian shall report to the District, at least monthly, collateral reports listing the securities pledged;

    c. If the market value of the securities pledged by the depository financial institution becomes less than the amount of the total deposit in the depository, the District shall require that additional collateral be pledged immediately. If the collateral pledged by the depository financial institution is in excess of the percentage amount required above, the District may permit the release of the excess collateral if the collateral's market value exceeds the required amount. If the balance of District deposits in the depository financial institution is increased, the depository financial institution shall immediately increase the collateral for the deposits to the percentage amount required above. The bank shall be liable for monitoring and maintaining the required margin of 102% at all times;

    d. The depository financial institution may substitute securities pledged with the District, if the market value of the replacing securities is equal to or greater than the required collateral value and the new securities are received by the custodian before release of existing collateral;

    e. If the depository financial institution fails to credit a deposit or part of deposit made by the District, the District will notify and may sell or otherwise convert the securities to cash in accordance with the Public Funds Collateral Act's events of default.

    f. For purposes of this Investment Policy, collateral eligible to be pledged to secure District deposits at the District's depository financial institution shall be in accordance with the Act and limited to:

(1) Direct obligations of the United States government, its agencies or instrumentalities, excluding letters of credit; and

(2) Direct obligations backed by the full faith and credit of the United States government;

(3) Municipal and state obligations rated A or better by two nationally recognized rating agencies.

g. The depository financial institution shall maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of demand or time deposit funds (including accrued interest), and a transaction related to a pledged investment security.

2. All collateral and related information shall be subject to examination, verification and audit by the District or its agents (including its independent auditors) at any reasonable time.

3. The collateral pledged shall be reviewed at least monthly by the District's investment officers.

4. As a part of its independent annual audit, the District's auditor shall examine and verify pledged investment securities and its market value and records maintained and report any significant or material noncompliance with the Investment Policy to the Board. Such report shall be prepared in conjunction with the independent auditor's annual report to the Board.

5. The pledging financial institution shall be responsible for monitoring and maintaining the margins at all times.

I. MONITORING MARKET PRICES

On at least a monthly basis, the investment officers shall obtain the market price of owned securities investments using financial periodicals (i.e., Wall Street Journal, etc.), on-line investment monitoring services, and/or other market information sources. Market prices will be used to establish market value.

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GLOSSARY OF COMMON TREASURY TERMS

Agencies: Federal agency securities.

Asked Price: The price at which securities are purchased by the District. The opposite of a bid.

Basis Point: Equal to 1/100 of one percent to measure price and yield. If interest rates rise 0.25%, the difference is referred to as an increase of 25 basis points.

Bid: The price at which the District sells a security. The opposite of an offer.

Book Value: The value of a security owned by the District equal to the purchase cost plus/minus the net of amortization/accretion.

Broker: An individual or firm who brings buyers and sellers together. In the money markets, all prices for securities are net priced reflecting all costs.

Certificate of Deposit – Depository (CD): Notes issued by banks that guarantee payment of a fixed interest rate until a future date (the maturity date) which are FDIC-insured up to $250,000.

Certificate of Deposit – Brokered: Securities issued by a bank as certificates of deposit but securitized by the bank and sold on the open market by brokers. Brokered CDs are securities and have additional risk/control elements to be addressed, such as safekeeping. Only FDIC-insured brokered CDs safe kept by the District's safekeeping agent are authorized for purchase by the District.

Collateral: Securities pledged to the District for time and demand deposits over FDIC insurance coverage.

Commercial Paper: An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum for commercial paper is 270 days, but most is sold with maturities of up to 90 days. The credit risk is rated by nationally recognized rating agencies.

Coupon: A certificate attached to any security with an original maturity over one year evidencing interest due semi-annually. (Coupon rate * face amount)

Custodial Agreement: A written contract establishing the responsibilities of a custodian who holds collateral for deposits or securities.

Dealer: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account. A firm that has an inventory and can sells securities.

Debenture: A bond secured only by the general credit of the issuer.

Delivery versus Payment (DVP): There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt (DVR) (also called free).

(a) Delivery versus payment means delivery of securities with an exchange of money for the securities.

(b) Delivery versus receipt means delivery of securities with an exchange of a signed receipt for the securities.

Depository Insurance: Insurance on deposits with financial institutions. FDIC and some state governments provide this insurance.

Deposits: In the context of required note disclosures, cash and near cash items placed on account with a financial institution or fiscal agent. Some deposits (e.g., checking accounts) are subject to withdrawal on demand without notice or penalty (demand deposits) and others (e.g., CDs) can only be withdrawn without penalty upon completion of a fixed period (time deposits).

Discount: The difference between the cost price of a security and its value at maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities: Non-interest-bearing money market instruments that are issued at a discount and redeemed at maturity for full face value; for example, U.S. Treasury bills.

Federal Deposit Insurance Corporation (FDIC): A federal agency that insures deposits of federally chartered banks, currently up to $250,000 per deposit.

Federal Reserve System: The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C., 12 regional banks, and about 5,700 commercial banks that are members of the system.

Fixed-Income Securities: Securities with a set interest rate for the life of the security.

Governmental Accounting Standards Board (GASB): The authoritative accounting and financial reporting standard-setting body for government entities.

Interest Rate Risk: The degree of uncertainty in the prices of securities associated with changes in interest rates; the value of the securities moves in inverse relation to interest rates. This term is generally associated with bond prices but applies to all investments.

Investment Risk: Any of several risks incurred when making investments. Examples include credit risk, market risk, reinvestment risk, and volatility risk.

Letters of Credit: A financial institution's written guarantee of a customer's drafts, up to a specified amount, for a certain period of time.

Liquidity: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable quantities can be purchased at those quotes.

Local Government Investment Pool (LGIP): The aggregate of funds from political subdivisions participating in a commingled investment vehicle for investment and reinvestment.

Margin: A percentage above market value used to protect against fluctuations in market value.

Market Risk: Risk coming from price fluctuations for a whole market, for an entire industrial group, or for a particular security, as a result of factors such as economic, political, or social events.

Market Value: The price at which a security could presumably be purchased or sold.

Master Repurchase Agreement: A written agreement between the investor and the financial institution or dealer. The Bond Market Association Master Agreement is the standard for this agreement.

Maturity: The final stated date on which the principal or stated value of an investment becomes due and payable.

Money Market: The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc) are issued and traded.

Money Market Mutual Funds: A defined SEC registered commingled investment security which strives to maintain a net asset value of $1 at all times and provides daily liquidity

Mortgage-Backed Securities (MBS): Securities created from pools of home mortgages that pay the investor as principal and interest is paid by the home-owner. These securities are highly volatile because they are directly affected by economic conditions and mortgage rates. Some MBS pools are further divided into separate securities called collateralized mortgage obligations (CMO) each of which has unique and often complex risk profiles.

Par Value: The face value of the security.

Portfolio: Collection of securities held by an investor.

Premium: The excess of the price of a security over its face value, excluding any amount of accrued interest bought or sold.

Primary Dealer: Government securities dealers included in the "List of Government Securities Dealers Reporting to the Market Reports Division of the Federal Reserve Bank of New York (N.Y.

Fed)" that submit daily reports of market activity and positions and monthly financial statements to the N.Y. Fed and are subject to its informal oversight. Primary dealers include SEC-registered securities brokers-dealers, banks and a few unregulated firms.

Principal: In the context of bonds other than deep-discount debt, the face value or par value of a bond or issue of bonds payable on the stated dates of maturity.

Ratings: An evaluation of credit-worthiness performed by an independent rating service.

Repurchase Agreement (RP or REPO): A buy-sell transaction in which an entity buys securities for a specified period and the seller agrees to repurchase the securities plus interest.

Safekeeping: A service including clearing, safekeeping and income distribution rendered by banks for a fee whereby securities and valuables of all types and descriptions are held on the record of the bank.

Secondary Market: A market in which securities are traded after initial distribution by the issuer.

Securities: A negotiable or nonnegotiable instrument that signifies an ownership interest, the right to an ownership interest or creditor status.

U.S. Treasury Securities: Securities issued by the U.S. Treasury and secured by the taxing ability of the U.S. These securities are highly liquid.

Weighted Average Maturity (WAM): WAM refers to the weighted average maturity of all positions in a portfolio.

Yield: The rate of annual income return on an investment, expressed as a percentage.

ATTACHMENT "A"

STATEMENT OF
PERSONAL BUSINESS RELATIONSHIP

I, _____ , am an investment officer for the Nueces County Hospital District (the "Hospital District").

I have a personal business relationship (as defined by the Hospital District's Investment Policy) with_____, a business entity offering to engage in an investment transaction with the Hospital District. This business organization is _____ _____. I (or name of relative and relationship) _____ (insert name of relative or describe relationship) have/has a personal business relationship with this business organization for the following reasons: (Designate all which are applicable):

1) My/his/her ownership of 1% or more of the voting stock or shares of the business organization;

2) My/his/her ownership of $250 or more of the fair market value of the business organization;

3) Funds received from the business organization exceed 1% of my/his/her income for the previous year;

4) During the previous year I/he/she acquired from the business organization investment with a book value of $100 or more for my/his/her personal account.

Signed this _____day of _____, _____.

_____
Signature

_____
Title

CERTIFICATE FOR RESOLUTION

A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION OF INVESTMENT POLICY AND INVESTMENT STRATEGIES

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

and all said persons were present, except the following absentees: _____, ___, _____,and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION RELATING TO ANNUAL REVIEW AND ADOPTION OF INVESTMENT POLICY AND INVESTMENT STRATEGIES

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS:	____
NAYS:	____
PRESENT NOT VOTING:	____
ABSENT:	____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August 2026.

ATTEST:

_____

Jonny F. Hipp {SEAL}
Secretary, Board of Managers
Nueces County Hospital District

Acts 2017, 85th Leg., R.S., Ch. 96 (S.B. 253), Sec. 3, eff. May 23, 2017.

Sec. 2256.025. SELECTION OF AUTHORIZED BROKERS. The governing body of an entity subject to this subchapter or the designated investment committee of the entity shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

Sec. 2256.026. STATUTORY COMPLIANCE. All investments made by entities must comply with this subchapter and all federal, state, and local statutes, rules, or regulations.

Added by Acts 1997, 75th Leg., ch. 1421, Sec. 13, eff. Sept. 1, 1997.

SUBCHAPTER B. MISCELLANEOUS PROVISIONS

Sec. 2256.051. ELECTRONIC FUNDS TRANSFER. Any local government may use electronic means to transfer or invest all funds collected or controlled by the local government.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.052. PRIVATE AUDITOR. Notwithstanding any other law, a state agency shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency.

Amended by Acts 1995, 74th Leg., ch. 402, Sec. 1, eff. Sept. 1, 1995.

Sec. 2256.053. PAYMENT FOR SECURITIES PURCHASED BY STATE. The comptroller or the disbursing officer of an agency that has the power to invest assets directly may pay for authorized securities purchased from or through a member in good standing of the National

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Annual Review and Adoption of Authorized Broker/Dealer List

Purpose

To brief the Board of Managers regarding the annual review and proposed adoption of the Nueces County Hospital District's list of qualified broker/dealers authorized to engage in investment transactions with the District.

Background

The District is subject to the Texas Public Funds Investment Act and maintains an investment policy and a list of qualified broker/dealers authorized to engage in investment transactions with the District.

The Public Funds Investment Act requires the Board, or the District's investment committee, to review and adopt a list of qualified brokers authorized to engage in investment transactions with the District at least annually. The proposed resolution documents the annual review and provides for adoption of an updated Authorized Broker/Dealer List effective September 1, 2026.

Authorized Broker/Dealer List

Exhibit A to the resolution identifies the broker/dealers approved for investment transactions with the District. The list includes a range of national, regional, and other securities firms that may serve as counterparties for authorized District investment activity, subject to the requirements of the District's Investment Policy.

The list also identifies certain firms as Primary Government Securities Dealers and certain firms as minority-owned, woman-owned, or service-disabled veteran-owned enterprises. Direct issuers of commercial paper and certificates of deposit are considered approved counterparties when separately approved as issuers.

Qualification Requirements

Inclusion on the Authorized Broker/Dealer List does not by itself eliminate the qualification and compliance requirements established by the District's Investment Policy. Broker/dealers included on the list are required to complete and submit the questionnaire forms specified by the Investment Policy.

The Administrator is responsible for determining the acceptability of the submitted questionnaire forms. Accordingly, authorization to conduct investment transactions remains subject to satisfaction of the District's applicable qualification, documentation, and investment-policy requirements.

Relationship to Investment Policy

The Authorized Broker/Dealer List operates within the broader framework of the District's Investment Policy and Investment Strategies. Investment transactions involving an authorized broker/dealer remain subject to the Policy's requirements concerning authorized investments, diversification, maturity, competitive bidding, delivery versus payment, safekeeping, internal controls, and other applicable investment safeguards.

The annual broker/dealer review therefore serves as one component of the District's overall investment governance and control structure by identifying firms eligible to participate in investment transactions while retaining the Policy's separate requirements governing individual transactions.

Effective Date and Superseding List

The proposed Authorized Broker/Dealer List would become effective September 1, 2026. Upon adoption, it would supersede and replace the District's current authorized broker/dealer list.

The annual adoption process allows the District to periodically review the firms eligible to conduct investment business with the District and to maintain a current list consistent with the Public Funds Investment Act and the District's Investment Policy.

Administrative Authority

The proposed resolution authorizes and directs the Administrator to perform the acts and execute the instruments and related documents necessary to carry out the resolution. In his capacity as Secretary of the Board, the Administrator would also be authorized to certify the resolution and its conformity with applicable state law and the District's Governing Board Bylaws.

The resolution would take effect upon passage, and the Board retains the authority to amend or repeal the resolution.

Fiscal Impact

The resolution does not itself appropriate funds or require an investment transaction with any listed broker/dealer. Rather, it establishes the firms authorized to participate in District investment transactions, subject to the District's Investment Policy and applicable law. Any financial effect would arise from subsequent investment transactions conducted under those requirements.

Board Consideration

The Board is being asked to acknowledge completion of its annual review and adopt the Authorized Broker/Dealer List attached as Exhibit A, effective September 1, 2026. Adoption would supersede the current list and require listed broker/dealers to satisfy the questionnaire and qualification requirements established by the District's Investment Policy.

Summary

The proposed resolution fulfills the annual review requirement applicable to the District's qualified broker/dealer list and establishes the firms authorized to engage in investment transactions with the District effective September 1, 2026. The action does not authorize particular investments; instead, it identifies eligible counterparties that remain subject to the District's Investment Policy, qualification procedures, and investment controls.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS

WHEREAS, the Nueces County Hospital District (the "Hospital District" or "District") is a body politic and corporate and a political subdivision of the State of Texas, established and created pursuant to the Texas Constitution, Article IX, Section 4 and the Texas Health and Safety Code (the "Health Code"), Chapter 281, and operated in accordance with the Health Code and other applicable laws of the State of Texas, including Texas Government Code, Chapter 2256 relating to public funds investment (the "Public Funds Investment Act" or "Act");

WHEREAS, the Hospital District's Board of Managers (the "Board") have been duly appointed pursuant to Health Code, §281.021(a);

WHEREAS, pursuant to collective authorities of Health Code, §281.047 and §281.048, the Board is the Hospital District's governing body and the Board has, and at the time of adoption of this Resolution had, full power and authority to manage, control, administer, and to adopt rules governing operation of the District;

WHEREAS, the Hospital District is governed by the Public Funds Investment Act and the Board has previously adopted an (i) investment policy, and (ii) list of qualified broker/dealers, both in accordance with the Act;

WHEREAS, the Board desires to comply with annual requirements of the Public Funds Investment Act and §2256.025 thereof requires the Board, or investment committee, to at least annually review and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Hospital District; and

WHEREAS, in accordance with Public Funds Investment Act, §2256.025, the Board hereby desires to: (i) acknowledge review its current listing of broker/dealers authorized to engage in investment transactions with the Hospital District; and (ii) adopt, effective September 1, 2026, the listing attached hereto and identified as Exhibit "A" as the District's authorized broker/dealers list to supersede and replace the current listing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board has reviewed the Hospital District's current list of qualified broker/dealers authorized to engage in investment transactions with the District.

2. The Board hereby adopts the Authorized Broker/Dealer List attached hereto and identified as Exhibit "A" to supersede and replace the current list as the Hospital District's list of qualified broker/dealers who are authorized to engage in investment transactions with the District (the "Authorized Broker/Dealer List"); the Authorized Broker/Dealer List is to be effective September 1, 2026.

3. The broker/dealers shown in the Authorized Broker/Dealer List shall complete and submit the questionnaire forms identified in and required by the District's Investment Policy; acceptability of submitted questionnaire forms shall be determined by the District's Administrator.

4. The Board hereby adopts this Resolution to affirm the preceding Resolves as required by Public Funds Investment Act, §2256.025.

5. The Administrator shall be and is expressly authorized and directed to do and perform all acts, and to execute all instruments and other related documents, whether herein cited, as required to carry out the intent, terms, and provisions of this Resolution, such execution to be conclusively evidenced by the performance of such acts.

6. The Administrator, in his capacity as the Secretary of the Hospital District Board, be and is hereby legally authorized and empowered to perform all acts described above and certify these resolutions and that the provisions hereof are in conformance with the laws of the State of Texas and the Governing Board Bylaws of the Hospital District.

7. This Resolution shall take effect and be in full force and effect upon and after its passage.

8. The Board retains its right to amend or repeal this Resolution at any time.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

Exhibit “A”

NUECES COUNTY HOSPITAL DISTRICT

AUTHORIZED BROKER/DEALER LIST
Effective September 1, 2026

(Attach list after this page)

Nueces County Hospital District

Approved Broker/Dealer List

09/01/2026

Broker/Dealer	Broker/Dealer
Academy Securities[2]	Loop Capital Markets[2]
Alamo Capital[2]	MarketAxess Corporation
Arbor Research & Trading, LLC	Mizuho Securities[1]
Bank of America/Merrill Lynch[1]	Moreton Capital Markets
Barclays Capital Inc.[1]	Morgan Stanley[1]
Blaylock Van, LLC[2]	Multi-Bank Securities[2]
BMO Capital Markets[1]	Oppenheimer
BNY Capital Markets	Piper Sandler & Co
BOK Financial	PNC Capital Markets LLC
Brean Capital	Raymond James
Cantor Fitzgerald & Co.[1]	RBC Securities[1]
CastleOak Securities[2]	Rice Financial
Citigroup Global Markets Inc[1]	Robert W. Baird
D.A. Davidson	Santander US Capital Markets[1]
Daiwa Capital Markets[1]	Siebert Williams Shank[2]
FHN Financial	Stephens Inc
Goldman Sachs & Co.[1]	Stifel Nicolaus
Great Pacific[2]	StoneX Group Inc.
Hilltop Securities	TD Securities[1]
Huntington Bank	Truist Securities Inc.
InspereX (formerly InCapital)	UBS Financial[1]
Jane Street	UMB Financial Services
Jefferies[1]	U.S. Bancorp Investments
JPMorgan Securities[1]	Wells Fargo[1]
Keybanc Capital Markets	

Note: Direct issuers of CP and CDs are considered to be approved counterparties if approved as an issuer.

1 Primary Government Securities Dealer
2 Minority, Woman owned, or Service Disabled-Veteran owned Enterprise

CERTIFICATE FOR RESOLUTION

**A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

and all said persons were present, except the following absentees: _____, ___, _____,and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

**A RESOLUTION REVIEWING & ADOPTING
LISTING OF QUALIFIED BROKER/DEALERS
AUTHORIZED TO ENGAGE IN INVESTMENT TRANSACTIONS**

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: ____
NAYS: ____
PRESENT NOT VOTING: ____
ABSENT: ____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August 2026.

ATTEST:

_____

Jonny F. Hipp {SEAL}
Secretary, Board of Managers
Nueces County Hospital District

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Specified Annual Percentage

Purpose

To brief the Board of Managers regarding the proposed Fiscal Year 2027 Specified Annual Percentage under the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement and the associated resolution approving the percentage agreed upon by the parties.

Background

The Nueces County Hospital District, CHRISTUS Spohn Health System Corporation, and CHRISTUS Health are parties to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement dated November 18, 2015. Article V of the Membership Agreement governs member distributions of net patient revenue.

Section 5.03(a) of the Membership Agreement provides for the parties to confer annually and agree upon the percentage of net patient revenue allocated to CHRISTUS Health in consideration of its contributions to support CHRISTUS Spohn and the percentage allocated to the District in recognition of its ongoing support for CHRISTUS Spohn's operations as a public, safety-net hospital in Nueces County.

Annual Review and Considerations

As part of the annual process for the ensuing year, CHRISTUS Spohn prepared a hospital budget and projected net patient revenue. The District and CHRISTUS Spohn subsequently discussed the proposed budget, projected net patient revenue, and factors relevant to establishing the Specified Annual Percentage.

The supporting correspondence identifies considerations that include CHRISTUS Spohn's role in operating programs in the community, the District's role as the Region 4 Anchor, the District's tax collection responsibilities, continuation of the Texas 1115 Demonstration Waiver and directed payment programs, physician residency programs, and other circumstances expected to affect the parties' operations during Fiscal Year 2027.

Fiscal Year 2027 Specified Annual Percentage

For the period October 1, 2026 through September 30, 2027, the parties have agreed, subject to Board approval, that the Specified Annual Percentage will be 89 percent. The remaining 11 percent of applicable net patient revenue will be transferred to the District in accordance with Section 5.02 of the Membership Agreement.

The allocation recognizes the respective contributions and responsibilities of the parties under the Membership Agreement and the District's membership in CHRISTUS Spohn and role in supporting the continued delivery of hospital services in Nueces County.

Revenue Allocation

Specified Annual Percentage: 89%

District Revenue Allocation: 11%

Applicable Period: October 1, 2026 through September 30, 2027

The actual dollar amount associated with the District's allocation will depend upon net patient revenue generated during the applicable period. The resolution approves the percentage allocation rather than establishing a fixed dollar distribution.

Fiscal and Budget Considerations

The District's share of net patient revenue represents an important component of its operating revenues. Because the distribution is percentage-based, the amount ultimately received by the District will vary with CHRISTUS Spohn's actual net patient revenue during the fiscal year.

The agreed percentage provides the basis for determining the parties' respective shares for Fiscal Year 2027 and allows the District to incorporate anticipated membership revenue into its annual financial planning and budget process.

Administrative Authority

The proposed resolution acknowledges that the parties have completed the annual conference process and approves the Specified Annual Percentage memorialized in CHRISTUS Spohn's July 10, 2026 correspondence to the District.

The Administrator, acting in his capacity as Secretary of the Board, would be authorized and directed to perform the necessary acts, execute related documents, and certify the resolution as being in conformance with state law and the District's Bylaws. The resolution would take effect immediately upon passage.

Board Consideration

The Board is being asked to consider approval of the Fiscal Year 2027 Specified Annual Percentage agreed upon by the parties. Approval would establish the agreed revenue allocation percentage for the period October 1, 2026 through September 30, 2027 and authorize the related administrative actions necessary to implement the resolution.

Summary

The proposed resolution approves the Fiscal Year 2027 Specified Annual Percentage under the Membership Agreement. For the ensuing year, 89 percent of applicable net patient revenue would constitute the Specified Annual Percentage, with the remaining 11 percent transferred to the District in accordance with the Membership Agreement. The arrangement continues the annual process established by the parties for allocating net patient revenue while recognizing their respective roles and responsibilities in supporting hospital services in Nueces County.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION APPROVING THE
FISCAL YEAR 2027 SPECIFIED ANNUAL PERCENTAGE

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, established pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code");

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the "Board") has full power and authority to manage, control, administer, and adopt rules governing the operation of the District;

WHEREAS, on November 18, 2015, CHRISTUS Spohn Health System Corporation ("CHRISTUS Spohn"), CHRISTUS Health, and the District (collectively, the "Parties") entered into the *CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement* ("Membership Agreement"), Article V of which governs member distributions of net patient revenue;

WHEREAS, Section 5.03(a) of the Membership Agreement requires the Parties to confer and agree each year on the percentage of net patient revenue to be allocated to CHRISTUS Health (the "Specified Annual Percentage") in consideration of its contributions to support CHRISTUS Spohn, and the percentage to be allocated to the District in recognition of its ongoing support for CHRISTUS Spohn's operations as a public, safety-net hospital in Nueces County, Texas; and

WHEREAS, the Parties have conferred and reached agreement on the Specified Annual Percentage for the period October 1, 2026 through September 30, 2027, subject to approval by the Board, as set forth in correspondence from CHRISTUS Spohn Health System to the District dated July 10, 2026, attached hereto as Exhibit "A."

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board acknowledges that the Parties have conferred and agreed on the Specified Annual Percentage for Fiscal Year 2027, covering the period October 1, 2026 – September 30, 2027.

2. The Board hereby approves the agreed Specified Annual Percentage as memorialized in the letter from CHRISTUS Spohn Health System to the District dated July 10, 2026, attached hereto as Exhibit "A."

3. The Administrator, in his capacity as Secretary of the Board, is authorized and directed to perform all necessary acts, execute all related documents, and certify that this Resolution is in conformance with the laws of the State of Texas and the District's Bylaws.

4. This Resolution shall take effect immediately upon passage.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

EXHIBIT "A"

[Attach July 10, 2026 letter from CHRISTUS Spohn Health System to the District after this page]

CHRISTUS SPOHN
Health System

July 10, 2026

Jonny Hipp
Administrator and Chief Executive Officer
Nueces County Hospital District
555 N. Carancahua St, Suite 950
Corpus Christi, TX 78401-0835

Re: 2027 Specified Annual Percentage

Dear Jonny:

Thank you and your team for a thoughtful and productive dialogue regarding our current operations under the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement (the "Membership Agreement"). The collaboration between CHRISTUS Spohn Health System Corporation ("Spohn"), CHRISTUS Health ("CHRISTUS"), and the Nueces County Hospital District ("District") over the past few weeks served as our annual process under Section 5.03 of the Membership Agreement. I am writing to memorialize the Specified Annual Percentage for the Ensuing Year (October 1, 2026 – September 30, 2027).

In preparation for establishing the Specified Annual Percentage for the Ensuing Year, Spohn prepared a hospital budget and projected Spohn's Net Patient Revenue (as defined in Section 5.01 of the Membership Agreement). Preparing these figures assisted Spohn in projecting Spohn's operational needs during the Ensuing Year and the Net Patient Revenue that would be available to share with the District. On June 24, Spohn and the District met to discuss Spohn's proposed budget and projected Net Patient Revenue for the Ensuing Year. The parties also discussed the many factors that are considered each year when negotiating the Specified Annual Percentage, including (but not limited to) Spohn's role in operating programs in the community and the District's role as the Region 4 Anchor. Finally, the parties discussed the specific circumstances expected to affect the parties' respective operations in the Ensuing Year, including (but not limited to) the District's efforts to maintain its tax collections, continuation of the Texas 1115 Demonstration Waiver and directed payment programs, and physician residency programs.

Based on these discussions, the parties agree, subject to submission to the District's Board of Managers, that the Specified Annual Percentage for the Ensuing Year will be eighty-nine percent (89%), and the remaining eleven percent (11%) will be transferred to the District in accordance with the provisions of Section 5.02 of the Membership Agreement and in recognition of its membership in Spohn and role in Spohn's continued delivery of high-quality, integrated, and accessible services to patients in Nueces County.

Very truly yours,

Dominic "Dom" Dominguez
Chief Executive Officer
CHRISTUS Spohn Health System Corporation

#4908-3536-5736

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION APPROVING THE FISCAL YEAR 2027 SPECIFIED ANNUAL PERCENTAGE

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memorandum

SUBJECT: SFY 2027 Network Access Improvement Program (NAIP) IGT Responsibility Contract
CONTRACT: HHSC Contract No. HHS001711400008

Purpose

To brief the Board of Managers regarding the proposed Intergovernmental Transfer (IGT) Responsibility Contract between the Texas Health and Human Services Commission (HHSC) and the Nueces County Hospital District for the State Fiscal Year 2027 Network Access Improvement Program (NAIP), including the District's funding responsibilities, payment schedule, reconciliation requirements, and the related NAIP financial assumptions for CHRISTUS Spohn Health System.

Background

HHSC administers Texas Medicaid and operates NAIP through Medicaid managed care organizations. Under the contract, CHRISTUS Spohn Health System is the participating hospital, and the District serves as the non-state governmental entity that transfers eligible public funds to HHSC as the non-federal share of NAIP pass-through payments. HHSC then incorporates the NAIP payment component into applicable managed care arrangements, through which participating managed care organizations make the required pass-through payments to CHRISTUS Spohn.

The contract does not represent a grant or payment from the District directly to CHRISTUS Spohn. Rather, it establishes the District's obligation to provide the non-federal share of the Medicaid payment through IGTs to HHSC, subject to the contract's funding, reconciliation, and adjustment provisions.

NAIP Program Context

HHSC describes NAIP as a Medicaid managed care pass-through payment program intended to support improved network access. HHSC program materials describe the program as supporting the availability and effectiveness of health care services through participating public hospitals and related health institutions. NAIP payments are made through Medicaid managed care rather than as direct fee-for-service supplemental payments.

Federal Medicaid managed care rules define a pass-through payment as an amount added to managed care payment rates that is not tied to a specific service delivered to a specific enrollee or to another specifically permitted provider payment methodology. The District's contract expressly identifies NAIP payments as pass-through payments under 42 C.F.R. §438.6 and provides the local financing mechanism for the non-federal share.

Contract Term

Item	Contract Provision
Contract Period	September 1, 2026 - August 31, 2027
Maximum Contract Amount	$3,347,716
Initial IGT Due Date	August 25, 2026
Subsequent IGT Due Dates	10th day of each month through July 10, 2027
Reconciliation Completion	No later than August 31, 2029

District Funding Responsibility

The contract amount may not exceed $3,347,716. This amount is designed to cover the estimated non-federal share of NAIP pass-through payments, plus a 10 percent margin, together with the non-federal share of applicable managed care risk margin, administrative fees, and other NAIP-related amounts HHSC is required to pay participating managed care organizations.

The District must transfer at least one-twelfth of the contract amount by August 25, 2026, and at least one-twelfth on the tenth day of each month thereafter through July 10, 2027. One-twelfth of the stated maximum contract amount is approximately $278,976.33. The financial assumptions in Attachment A produce a combined stated monthly IGT, including the 10 percent margin, of approximately $278,976, which closely corresponds to the contract amount after rounding.

SFY 2027 Financial Assumptions

Managed Care Arrangement	All Funds	IGT w/o 10% Buffer	Monthly IGT w/ 10% Margin
Superior - CHRISTUS Spohn	$4,331,621	$1,791,125	$164,186
United - CHRISTUS Spohn	$3,028,422	$1,252,253	$114,790
Combined	$7,360,043	$3,043,378	$278,976

Attachment A assumes a 58.65 percent Federal Medical Assistance Percentage (FMAP). On the amounts shown, the combined non-federal IGT requirement before the 10 percent buffer is approximately $3.043 million. Applying the 10 percent margin produces approximately $3.348 million, consistent with the maximum contract amount.

The attachment also reflects approximately $7.360 million in combined 'All Funds' payments and approximately $7.213 million identified as net to the provider, with managed care tax and administrative components shown separately. These figures are program financial assumptions and remain subject to actual enrollment, rate components, managed care payments, and reconciliation.

Reconciliation and Financial Risk

The contract contains a multi-stage reconciliation process because the final non-federal share depends on actual NAIP rate components and final Medicaid member months. HHSC will compare District IGTs with the non-federal share actually expended for the contract period.

- If District transfers exceed 102 percent of the non-federal share expended during an interim reconciliation, HHSC will refund the amount above 102 percent and retain the remaining excess pending final reconciliation.
- If District transfers are less than 102 percent of the non-federal share expended, HHSC will issue a shortfall notice, and the District generally must transfer the shortfall within 30 days.
- HHSC may conduct interim reconciliations after August 31, 2027 as adjusted enrollment data become available.
- A final reconciliation must be completed no later than August 31, 2029. At final reconciliation, excess IGTs are refunded, while any final shortfall becomes payable by the District within 30 days unless HHSC extends the deadline.

Accordingly, the $3,347,716 amount should be viewed as the contractual maximum based on current assumptions rather than a guaranteed final cost. Actual District funding may be adjusted through reconciliation as enrollment and payment information is finalized.

Public Funds Requirement

IGTs must consist of public funds within the District's sole and unrestricted control. The contract defines public funds to include funds derived from taxes, assessments, levies, investments, and other public revenues, while excluding gifts, grants, trusts, or donations whose use is conditioned on providing a benefit solely to the donor or grantor. This requirement is central to the Medicaid financing structure because the District's IGT is used as the non-federal share that permits federal Medicaid matching funds to be drawn.

HHSC and District Responsibilities

The District's principal responsibility is timely transfer of the required public funds and payment of any reconciliation shortfall. HHSC is responsible for providing the applicable NAIP rate components and completing the required reconciliation processes. HHSC may revise the remaining monthly transfer amount if it determines during the contract period that the anticipated funding requirement will exceed the previously stated amount.

Termination and Continuing Obligations

HHSC may terminate the contract at any time in its sole discretion by written notice. Contract terms relating to reconciliation survive the end of the contract period, meaning the District's financial responsibilities do not necessarily conclude on August 31, 2027. Reconciliation activity may continue through August 31, 2029.

Program and Policy Observations

- NAIP functions as a Medicaid financing mechanism: local public funds provide the non-federal share, federal Medicaid matching funds are added through the State's managed care financing structure, and participating MCOs make the pass-through payments to the hospital.
- The contract's 10 percent margin is a funding cushion rather than an additional provider benefit guaranteed to be retained; excess amounts are subject to reconciliation and refund.
- The District's principal exposure is cash-flow and reconciliation risk, including the possibility of additional shortfall payments if final member months or payment amounts exceed assumptions.
- The very close correspondence between Attachment A's combined monthly IGT estimate and one-twelfth of the contract maximum indicates that the contract amount is directly built from the attached SFY 2027 program assumptions.

Board Consideration

The Board is being asked to consider authorizing the District to enter into the SFY 2027 NAIP IGT Responsibility Contract with HHSC. Approval would commit the District to provide eligible public funds, up to the stated contractual maximum and subject to reconciliation, as the non-federal share supporting NAIP pass-through payments associated with CHRISTUS Spohn Health System for the September 1, 2026 through August 31, 2027 program period.

Summary

The proposed contract continues the District's role as a governmental financing entity for NAIP. For SFY 2027, the contract establishes a maximum IGT responsibility of $3,347,716, with estimated monthly transfers of approximately $278,976. The underlying financial assumptions contemplate approximately $7.36 million in combined NAIP all-funds payments associated with CHRISTUS Spohn. Final District cost will depend on actual managed care enrollment and payment experience and will be resolved through HHSC reconciliation processes extending as late as August 31, 2029.

Sources

Contract source: HHSC Contract No. HHS001711400008 and Attachment A, SFY 2027 NAIP Program Financial Assumptions.

Supplemental program context: Texas Health and Human Services Commission, Directed Payment Programs; Texas Medicaid and CHIP Reference Guide; Texas 1115 Waiver Overview and Background Resources; and applicable federal Medicaid managed care pass-through payment requirements under 42 C.F.R. §438.6.

IGT RESPONSIBILITY CONTRACT
BETWEEN
THE TEXAS HEALTH AND HUMAN SERVICES COMMISSION
AND
NON-STATE GOVERNMENTAL ENTITY

This Contract is between the Texas Health and Human Services Commission ("**HHSC**") and Nueces County Hospital District, ("**Governmental Entity**") (individually, a "**Party**" and collectively, "the **Parties**").

I. LEGAL AUTHORITY

This Contract is entered into pursuant to Chapter 525, Section 525.0101 of the Texas Government Code.

II. BACKGROUND AND PURPOSE

A. HHSC is the single state agency designated in Texas to administer the medical assistance program known as Medicaid.

B. HHSC administers the Network Access Improvement Program ("**NAIP**") through Medicaid managed care organizations ("**MCOs**"). The Centers for Medicare and Medicaid Services ("**CMS**") has determined that NAIP payments meet the following definition of "pass-through payments" contained in 42 C.F.R. §438.6(a):

> [A]ny amount required by the State to be added to the contracted payment rates, and considered in calculating the actuarially sound capitation rate, between the MCO, PIHP, or PAHP and hospitals, physicians, or nursing facilities that is not for the following purposes: A specific service or benefit provided to a specific enrollee covered under the contract; a provider payment methodology permitted under paragraphs (c)(1)(i) through (iii) of this section for services and enrollees covered under the contract; a sub capitated payment arrangement for a specific set of services and enrollees covered under the contract; GME payments; or FQHC or RHC wrap around payments.

Under NAIP, MCOs will be required by HHSC to provide pass-through payments to the Hospital.

C. The purpose of this Contract is to:

1. Provide terms and conditions for the Governmental Entity to transfer non-federal Public Funds to HHSC for use as the non-federal share of NAIP pass-through payments; and

2. Describe the process that will be used to reconcile the non-federal percentage of payments from HHSC to the MCOs with the amount of funds transferred to HHSC from the Governmental Entity.

III. DEFINITIONS

For purposes of this Contract, the following terms have the meanings as described below:

A. Intergovernmental Transfer ("**IGT**") -- A transfer of Public Funds from a Non-state Governmental Entity to HHSC.

B. Managed Care Organization ("**MCO**") -- A Medicaid managed care organization contracted with HHSC to provide health care services to Medicaid recipients.

C. Non-state Governmental Entity -- A hospital authority, hospital district, health district, city or county.

D. Hospital -- The CHRISTUS Spohn Health System.

E. Public Funds -- Funds derived from taxes, assessments, levies, investments, and other public revenues within the sole and unrestricted control of the Governmental Entity. Public funds do not include gifts, grants, trusts, or donations, the use of which is conditioned on supplying a benefit solely to the donor or grantor of the funds.

IV. CONTRACT PERIOD AND RECONCILIATION PERIOD

A. The term of this Contract (the "**Contract Period**") begins on September 1, 2026, and ends on August 31, 2027.

B. The Contract Period may be modified by written agreement between the Parties.

V. CONTRACT AMOUNT

A. For each Medicaid managed care program and service area in which the Hospital participates in a NAIP pass-through payment arrangement, HHSC's managed care contract with participating MCOs will establish a rate component for NAIP to be included in the MCOs' capitation rates (the "NAIP Rate Component") to provide NAIP pass-through payments to the Hospital.

B. The non-federal percentage of the NAIP Rate Component equals 100 percent minus the applicable Federal Medical Assistance Percentage for Medicaid for Texas in effect when HHSC incurs the expense.

C. The Parties agree this Contract will not exceed $3,347,716.00 ("**Contract Amount**"), which equals (1) the non-federal percentage of the pass-through payment amount plus 10 percent, and (2) the non-federal percentage of the risk margin, administrative fee, and any other NAIP-related amounts HHSC is required to pay each applicable MCO pursuant to

the associated managed care contract between HHSC and the MCO. The Contract Amount is subject to the provisions of Section VI.A. and Article VII.

VI. STATEMENT OF SERVICES TO BE PERFORMED

A. Governmental Entity's responsibilities under this Contract include the following:

1. IGT equal to at least one-twelfth of the Contract Amount is due August 25, 2026. On the tenth day of each month thereafter through July 10, 2027, the Governmental Entity will transfer to HHSC an amount equal to at least one-twelfth of the Contract Amount. If at any time during the Contract Period, HHSC determines that the Contract Amount is likely to exceed the amount described in Section V.C., HHSC will notify the Governmental Entity in writing of a revised amount that the Governmental Entity must transfer on the tenth day of each month remaining in the Contract Period.

2. The Governmental Entity will transfer to HHSC any shortfall amount calculated as described in Article VII within 30 days of receipt of HHSC's notice.

B. HHSC's responsibilities under this Contract include the following:

1. HHSC will provide the Governmental Entity with the NAIP Rate Component for each applicable MCO, Medicaid managed care program, and service area in which the Hospital participates in NAIP.

2. HHSC will perform the reconciliation processes described in Article VII.

VII. RECONCILIATION

A. HHSC will confirm that the amount owed by the Governmental Entity under this Contract equals the amount actually paid by the Governmental Entity under this Contract by completing a reconciliation (referred to as the "**Reconciliation Period**") in multiple parts, as follows:

1. For each Medicaid program and service area in which the Hospital participates in NAIP, HHSC will determine the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period by multiplying the NAIP Rate Component by the total member months included in the Contract Period. Total member months include any adjustments to enrollment that occurred for the Contract Period prior to the reconciliation.

2. HHSC will compare the amount transferred by the Governmental Entity to HHSC for the Contract Period to the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period.

    a. If the amount transferred by the Governmental Entity exceeds 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC:

I. HHSC will refund the difference between the amount transferred and 102% of the amount expended by HHSC; and

II. HHSC will return any excess funds following the reconciliation described in Section VII.C.

b. If the amount transferred by the Governmental Entity is less than 102% of the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will notify the Governmental Entity of the amount of the shortfall. The Governmental Entity will have 30 days to transfer the shortfall to HHSC, unless HHSC, at its sole discretion, extends the deadline.

B. The Reconciliation Period will end no later than August 31, 2029. HHSC may complete interim reconciliations between August 31, 2027, and August 31, 2029, as updated enrollment data for the Contract Period, as reflected in adjusted member months, becomes available. HHSC will follow the process described in Section VII.A. for such interim reconciliations.

C. HHSC will complete the final reconciliation no later than August 31, 2029, to ensure that payments under this Contract are based on final enrollment figures for the Contract Period.

1. For each Medicaid program and service area in which the Hospital participates in NAIP, HHSC will determine the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period by multiplying the NAIP Rate Component by the total member months included in the Contract Period. Total member months include any adjustments to enrollment that occurred subsequent to a reconciliation.

2. HHSC will compare the amount transferred by the Governmental Entity to HHSC for the Program Period to the non-federal percentage of the NAIP Rate Component expended by HHSC for the Contract Period.

a. If the amount transferred by the Governmental Entity exceeds the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will refund the excess and the amount retained under Section A.2.a.II. of this Article VII;

b. If the amount transferred by the Governmental Entity is less than the non-federal percentage of the NAIP Rate Component expended by HHSC, HHSC will notify the Governmental Entity of the amount of the shortfall. The Governmental Entity will have 30 days to transfer the shortfall to HHSC, unless HHSC, at its sole discretion, extends the deadline.

VIII. TERMINATION

A. HHSC may terminate this Contract at any time, in its sole discretion, by providing written notice to the Governmental Entity through the individual identified in Section X.A.

IX. ADDITIONAL TERMS

A. The services specified above are necessary and authorized for activities that are properly within the statutory functions and programs of the Parties.

B. The services contracted for are not required by Section 21 of Article XVI of the Constitution of Texas to be supplied under contract given to the lowest responsible bidder.

C. The proposed arrangements serve the interest of efficient and economical administration of state government.

D. All acts required under this Contract will be done in conformity with federal and state laws and regulations.

E. If any portion of this Contract is held to be invalid or unenforceable, the remainder of the Contract remains valid and enforceable.

F. The dispute resolution process provided for in Chapter 2260 of the Texas Government Code (Resolution of Certain Contract Claims Against the State) will be used by the Governmental Entity to attempt to resolve any claim for breach of the Contract.

G. This Contract may only be amended or modified by written agreement of the Parties.

H. Information related to the performance of this Contract may be subject to Chapter 552 of the Texas Government Code (Public Information Act) and will be withheld from public disclosure or released to the public only in accordance therewith. The Governmental Entity shall make any information required under the Public Information Act available to HHSC in portable document file (".pdf") format or any other format agreed between the Parties.

I. This Contract and the rights and obligations of the Parties hereto shall be governed by, and construed according to, the laws of the State of Texas, exclusive of conflicts of law provisions. Venue of any suit brought under this Contract shall be in a court of competent jurisdiction in Travis County, Texas. The Governmental Entity irrevocably waives any objection, including any objection to personal jurisdiction or the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Contract or any document related hereto. NOTHING IN THIS SECTION SHALL BE CONSTRUED AS A WAIVER OF SOVEREIGN IMMUNITY BY HHSC OR GOVERNMENTAL IMMUNITY BY THE GOVERNMENTAL ENTITY.

J. Neither Party shall assign or subcontract the whole nor any part of the Contract, including any right or duty required under it, without the other Party's prior written consent. Any assignment made contrary to this shall be void.

K. All terms of this Contract will survive during any period where the Contract is going through reconciliation.

X. NOTICE

A. All communications to the Governmental Entity under this Contract will be sent to:

Name:	Jonny F. Hipp, ScD, FACHE
Title:	Administrator/Chief Executive Officer
Address:	555 North Carancahua St, Suite 950 Corpus Christi, Texas 78401-0835

B. All communications to HHSC under this Contract will be sent to Megan Wolfe, Director of Provider Finance, Health and Human Services Commission, North Austin Complex, 4601 W. Guadalupe St., Austin, TX 78751.

XI. SIGNATURE AUTHORITY

Each Party represents and warrants that the person executing this Contract on its behalf has full power and authority to enter into this Contract. Any services or work performed by the Governmental Entity before this Contract is effective or after it ceases to be effective are performed at the sole risk of the Governmental Entity. By signing this Contract, the person signing on behalf of the Governmental Entity certifies that this Contract has not been altered, amended, or changed from the version of the Contract sent by HHSC to the Governmental Entity.

SIGNATURE PAGE FOLLOWS

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SIGNATURE PAGE FOR HHSC CONTRACT NO. HHS001711400008

Texas Health and Human Services Commission	**Governmental Entity**
By:	By:
Name: Camisha D. Banks	Name:
Title: Deputy Executive Commissioner, Managed Care	Title:
Signature Date:	Signature Date:

THE FOLLOWING ATTACHMENT IS HEREBY INCORPORATED BY REFERENCE:

ATTACHMENT A – SFY 2027 NAIP PROGRAM FINANCIAL ASSUMPTIONS

ATTACHMENT A – SFY 2027 NAIP PROGRAM FINANCIAL ASSUMPTIONS

Superior - CHRISTUS Spohn Health System

		September 1, 2026 - August 31, 2027								
Program	**SDA**	**All Funds**	**IGT (w/o 10% buffer)**	**FMAP**	**Net to Provider**	**TAXES**	**TAXES %**	**ADMIN**	**ADMIN %**	*Monthly IGT w/ 10% Margin*
STAR, STAR+Plus	Nueces	2,435,444	1,007,056	58.65%	2,386,735	42,620	1.75%	6,089	0.25%	92,313
STAR, STAR+Plus	Nueces	1,896,177	784,069	58.65%	1,858,253	33,183	1.75%	4,740	0.25%	71,873
		4,331,621	**1,791,125**		**4,244,988**	**75,803**		**10,829**		**164,186**

United - CHRISTUS Spohn Health System

		September 1, 2026 - August 31, 2027								
Program	**SDA**	**All Funds**	**IGT (w/o 10% buffer)**	**FMAP**	**Net to Provider**	**TAXES**	**TAXES %**	**ADMIN**	**ADMIN %**	*Monthly IGT w/ 10% Margin*
STAR	Nueces	2,435,444	1,007,056	58.65%	2,386,735	42,620	1.75%	6,089	0.25%	92,313
STAR	Nueces	592,978	245,197	58.65%	581,119	10,377	1.75%	1,482	0.25%	22,476
		3,028,422	**1,252,253**		**2,967,854**	**52,997**		**7,571**		**114,790**

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Commitment of Fiscal Year-End 2026 General Fund Amounts for Subsequent-Year Intergovernmental Transfers

Purpose

To brief the Board of Managers regarding the proposed commitment of a portion of the District's Fiscal Year-End 2026 General Fund balance for intergovernmental transfers associated with Fiscal Year 2026 Medicaid directed and supplemental payment programs that are expected to be paid during Fiscal Year 2027.

Background

During Fiscal Year 2026, the District participated in Medicaid directed and supplemental payment programs administered by the Texas Health and Human Services Commission through intergovernmental transfers (IGTs). These programs include ATLIS, CHIRP, NAIP, TIPPS, Disproportionate Share Hospital, Graduate Medical Education, HARP, Hospital Uncompensated Care, and other related programs.

The Resolution provides that delays in approval of underlying provider performance metrics are expected to result in certain Fiscal Year 2026 IGT payment requests occurring after September 30, 2026. Although the associated transfers relate to Fiscal Year 2026 program activity, the payments therefore may not be made until Fiscal Year 2027.

Proposed Fund Balance Commitment

The proposed Resolution would commit an amount not to exceed $47,000,000 from the District's General Fund balance as of September 30, 2026 for payment of the unpaid Fiscal Year 2026 IGTs during Fiscal Year 2027.

The $47,000,000 represents the maximum amount authorized for commitment. The actual amount to be committed would be determined by the Administrator on or after October 1, 2026, based on information provided by the Texas Health and Human Services Commission.

Funding and Intergovernmental Transfers

The committed amount would be drawn from General Fund subaccounts routinely used by the District to make IGTs for Medicaid directed and supplemental payment programs. The commitment is intended to identify and preserve Fiscal Year-End 2026 General Fund resources for IGT obligations attributable to Fiscal Year 2026 that remain unpaid at fiscal year-end.

The Resolution does not establish the final amount of the unpaid IGT obligations. Instead, it establishes a maximum commitment and authorizes the Administrator to determine the actual amount after the beginning of Fiscal Year 2027 when additional information concerning the payment requirements is available.

Fund Balance Impact

Adoption of the Resolution would designate up to $47,000,000 of the District's September 30, 2026 General Fund balance for the specified unpaid Fiscal Year 2026 IGTs. The commitment would identify those resources for this particular purpose rather than treating them as otherwise uncommitted General Fund balance.

The ultimate effect on General Fund resources will depend upon the actual amount of Fiscal Year 2026 IGTs requested after year-end. The Administrator would determine the amount of the commitment, subject to the $47,000,000 maximum established by the Board.

Fiscal Year 2027 Budget Treatment

The Administrator would be directed to incorporate the committed funds into the District's Fiscal Year 2027 Annual Budget. This treatment recognizes that the related IGT payments are expected to occur during Fiscal Year 2027 even though they arise from the District's participation in Medicaid directed and supplemental payment programs during Fiscal Year 2026.

Administrative Authority

The Resolution authorizes and directs the Administrator to take the actions and execute the documents necessary to implement the commitment and associated payments. The Administrator would also determine the actual amount committed based on information received from the Texas Health and Human Services Commission.

The Resolution would take effect immediately upon passage, and the Board expressly retains authority to amend or repeal the Resolution.

Fiscal Impact

Maximum General Fund Commitment: $47,000,000
Funding Source: Fiscal Year-End 2026 General Fund balance
Use of Funds: Unpaid Fiscal Year 2026 intergovernmental transfers paid during Fiscal Year 2027

The actual commitment may be less than $47,000,000 and would be determined by the Administrator based on information provided by the Texas Health and Human Services Commission.

Board Consideration

The Board is being asked to consider committing up to $47,000,000 of the District's Fiscal Year-End 2026 General Fund balance for unpaid Fiscal Year 2026 IGTs expected to be paid during Fiscal Year 2027. Approval would also direct incorporation of the committed amount into the FY 2027 Annual Budget and authorize the Administrator to determine the actual commitment and take the actions necessary to implement the Resolution.

Summary

The proposed Resolution provides a mechanism for carrying forward and designating General Fund resources at Fiscal Year-End 2026 for Medicaid-related IGT obligations attributable to Fiscal Year 2026 but expected to be paid during Fiscal Year 2027. The commitment is capped at $47,000,000, with the actual amount to be determined based on subsequent information from the Texas Health and Human Services Commission.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION COMMITTING FISCAL YEAR-END GENERAL FUND AMOUNTS TO INTERGOVERNMENTAL TRANSFERS IN THE SUBSEQUENT FISCAL YEAR

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, established under Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code");

WHEREAS, under Health Code §§281.021(a), 281.047, and 281.048, the Board of Managers (the "Board") serves as the governing body of the District, vested with authority to manage, control, administer, and adopt rules governing District operations;

WHEREAS, pursuant to Health Code §281.091(a), the District's Administrator (the "Administrator") prepares the annual budget under the Board's direction;

WHEREAS, the District's Fiscal Year 2026 runs from October 1, 2025 through September 30, 2026, and Fiscal Year 2027 runs from October 1, 2026 through September 30, 2027;

WHEREAS, during Fiscal Year 2026 the District participated in Medicaid directed and supplemental payment programs administered by the Texas Health & Human Services Commission (the "Commission") through intergovernmental transfers ("IGTs"), including, but not limited to the Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS), Comprehensive Hospital Increase Reimbursement Program (CHIRP), Network Access Improvement Program (NAIP), Texas Incentives for Physicians and Professional Services (TIPPS), Disproportionate Share Hospital (DSH), Graduate Medical Education (GME), Hospital Augmented Reimbursement Program (HARP), and Hospital Uncompensated Care (UC);

WHEREAS, due to Commission delays in approving underlying provider performance metrics for Fiscal Year 2026, the Commission's requests for related IGT payments ("Unpaid FY 2026 IGTs") will not occur until after September 30, 2026; and

WHEREAS, the Board finds it necessary and appropriate to commit up to **Forty-Seven Million Dollars ($47,000,000)** from the District's General Fund balance as of September 30, 2026, to cover these Unpaid FY 2026 IGTs during Fiscal Year 2027.

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NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The Board commits an amount not to exceed **Forty-Seven Million Dollars ($47,000,000)** from the District's Fiscal Year-End 2026 General Fund balance to be applied during Fiscal Year 2027 to fund the Unpaid FY 2026 IGTs.

2. The actual amount committed shall be determined by the Administrator on or after October 1, 2026, based on information provided by the Commission, but shall not exceed the maximum stated in Section 1.

3. The committed funds shall be drawn from General Fund subaccounts routinely used to make IGTs to the Commission for Medicaid directed and supplemental payment programs, including, but limited to ATLIS, CHIRP, NAIP, TIPPS, DSH, GME, HARP, and UC.

4. The Administrator shall incorporate the committed funds into the District's Fiscal Year 2027 Annual Budget.

5. The Administrator is expressly authorized and directed to take all actions and execute all documents necessary to carry out the intent of this Resolution, with such authority conclusively evidenced by the performance of those acts.

6. Acting as Secretary of the Board, the Administrator is further authorized to certify this Resolution as being in conformance with state law and the Board's Bylaws.

7. This Resolution shall take effect immediately upon passage.

8. The Board expressly retains the right to amend or repeal this Resolution.

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower.
Sunil Reddy

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION COMMITTING FISCAL YEAR-END GENERAL FUND AMOUNTS TO INTERGOVERNMENTAL TRANSFERS IN THE SUBSEQUENT FISCAL YEAR

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August , 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Funding for Nueces County Healthcare Services

Purpose

To brief the Board of Managers regarding proposed Fiscal Year 2027 funding for specified Nueces County healthcare services and the associated resolution providing for the funding.

Background

Since Fiscal Year 2000, at the request of the Nueces County Commissioners Court, the District has annually allocated Non-Tax Funds and Tobacco Settlement Funds in its budget to support County-related healthcare services authorized under applicable law.

For Fiscal Year 2027, Commissioners Court has again requested that the District allocate funding for specified County healthcare services. The proposed resolution provides for these expenditures from District Non-Tax Funds and the Tobacco Settlement Fund, subject to the continuing availability of those funding sources.

Fiscal Year 2027 Funding

The proposed resolution provides $14,898,201 in Fiscal Year 2027 funding for the County healthcare services identified in Attachment A. The funding would be incorporated into the District's FY 2027 Annual Budget and used solely for the identified purposes or related efforts.

The funding schedule encompasses mental and behavioral health services, public health, emergency medical services, healthcare for juvenile detainees and jail inmates, substance use-related services, diabetes programs, air ambulance services, and community-based public health initiatives.

Major Healthcare Service Allocations

The largest allocation is $8,528,568 for inmate healthcare services at the Nueces County Jail and McKenzie Jail Annex. Mental health and intellectual and developmental disability services total $2,964,883, consisting of $969,129 for local match and other NCMHID funding and $1,995,754 for mental health, crisis response, jail diversion, competency restoration, and related programs.

The schedule also provides $1,860,000 for the County's expense share for the City/County Public Health District and mobile clinic; $650,000 for specified emergency medical services; and $474,000 for juvenile detainee healthcare services. Additional allocations support substance use services, juvenile and adult diabetes programs, nonprofit air ambulance service, and public health grants.

Funding Sources and Eligibility

The $14,898,201 County Healthcare Services Funding Amount would be paid from the District's Non-Tax Funds and Tobacco Settlement Fund. The resolution identifies these expenditures as statutorily authorized healthcare expenditures and as qualifying claims for tobacco settlement distributions.

Use of the funding remains subject to the continuing availability of Non-Tax Funds and Tobacco Settlement Funds.

Funding Administration and Accountability

The Administrator would be directed to incorporate the $14,898,201 funding amount into the District's Fiscal Year 2027 Annual Budget in accordance with Attachment A. Nueces County would be responsible for ensuring that funds disbursed for the identified healthcare services are used solely for their intended purposes or related efforts.

The Administrator would be authorized to determine the manner, schedule, and basis for disbursement following the commencement of Fiscal Year 2027 and to take the actions and execute the documents necessary to implement the resolution.

Fiscal Impact

FY 2027 Funding: $14,898,201

Funding Sources: District Non-Tax Funds and Tobacco Settlement Fund

Inmate Healthcare Services: $8,528,568

Mental Health and IDD Services: $2,964,883

Public Health District and Mobile Clinic: $1,860,000

Emergency Medical Services: $650,000

Juvenile Detainee Healthcare Services: $474,000

The remaining funding supports substance use-related services, diabetes programs, air ambulance services, and public health grants as detailed in Attachment A.

Board Consideration

The Board is being asked to consider adoption of the resolution providing Fiscal Year 2027 funding for Nueces County healthcare services. Adoption would establish the total funding amount and funding sources, provide for incorporation of the allocations into the FY 2027 Annual Budget, require use of the funds for their intended purposes or related efforts, and authorize the Administrator to administer and disburse the funds.

Summary

The proposed resolution continues the District's longstanding support of County-related healthcare services and provides $14,898,201 in Non-Tax Funds and Tobacco Settlement Funds for Fiscal Year 2027. The funding supports a broad range of mental and behavioral health, public health, emergency medical, detainee and inmate healthcare, substance use, chronic disease, air ambulance, and community health services identified in Attachment A.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 NUECES COUNTY HEALTHCARE EXPENDITURES

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, created pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code");

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the "Board") possesses full authority to manage, control, administer, and adopt rules governing the District;

WHEREAS, under Health Code §281.091(a), the District's Administrator (the "Administrator") must prepare an annual budget under the direction of the Board, with Fiscal Year 2027 (October 1, 2026 - September 30, 2027);

WHEREAS, the District maintains certain funds from sources other than a tax levy ("Non-Tax Funds") pursuant to Health Code §281.094(a), and expenditures from these funds for statutorily authorized healthcare services qualify as eligible claims for tobacco settlement distributions under 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, on January 19, 1999, the Board created the restricted Tobacco Settlement Fund to hold all proceeds from the litigation styled *The State of Texas v. The American Tobacco Co., et al., No. 5-96CV-91, U.S. District Court, Eastern District of Texas*, with such proceeds also considered Non-Tax Funds under §281.094(a);

WHEREAS, since Fiscal Year 2000, at the request of the Nueces County Commissioners Court (the "Commissioners Court"), the Board has annually allocated Non-Tax Funds and Tobacco Settlement Funds in the District's budget to support County-related healthcare services authorized under §281.094(a);

WHEREAS, for Fiscal Year 2027, the Commissioners Court has again requested that the Board allocate funding in the District's Annual Budget to support specified County healthcare services as detailed in the attached schedule, "County Healthcare Services Funding Schedule – Fiscal Year 2027" ("Attachment A");

WHEREAS, the Board finds it appropriate to allocate such funds in the amount of **Fourteen Million Eight Hundred Ninety-Eight Thousand Two Hundred One Dollars ($14,898,201)** (the "FY 2027 County Healthcare Services Funding Amount") to support the healthcare services described in Attachment A, subject to the continuing availability of Non-Tax Funds and Tobacco Settlement Funds; and

WHEREAS, under Health Code §§281.026(d) and (e), the Administrator is authorized to carry out the actions directed herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The foregoing recitals are true and correct and are adopted as findings of fact.

2. The Board declares that the FY 2027 County Healthcare Services Funding Amount of **Fourteen Million Eight Hundred Ninety-Eight Thousand Two Hundred One Dollars ($14,898,201)** shall be paid from the District's Non-Tax Funds and Tobacco Settlement Fund, constituting statutorily authorized expenditures under §281.094(a) of the Health Code and qualifying as claims for tobacco settlement distributions under 25 TAC §102.3(e)(2)).

3. The Administrator is directed to incorporate the FY 2027 County Healthcare Services Funding Amount into the District's Fiscal Year 2027 Annual Budget, allocated as shown in Attachment A.

4. Nueces County shall ensure that funds disbursed for FY 2027 County Healthcare Services are used solely for their intended purposes or related efforts.

5. The Administrator is authorized to disburse the funding in such manner, schedule, and basis as he deems reasonable and appropriate following the commencement of Fiscal Year 2027.

6. The Administrator is expressly authorized to take all actions and execute all documents necessary to carry out the intent and provisions of this Resolution.

7. In his capacity as Secretary of the Board, the Administrator is authorized to certify this Resolution as being in conformance with the Board's Bylaws and Texas law.

8. This Resolution shall take effect immediately upon its passage.

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[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

Vishnu V. Reddy, M.D.
Chairman

Sylvia Tryon Oliver
Vice Chairman

Mariana Garza
Member

Georgia Neblett
Member

Karen O'Connor Urban
Member

Pamela Brower
Member

Sunil Reddy
Member

ATTACHMENT "A"

NUECES COUNTY HEALTHCARE SERVICES
FUNDING SCHEDULE - FISCAL YEAR 2027

Program #	Program Description	Amount
1a	Local match and other funding for the Nueces Center for Mental Health and Intellectual Disabilities.	$969,129
1b	Local match for Nueces Center for Mental Health and Intellectual Disabilities and/or Nueces County for: [.1] Mental Health Grant for Justice Involved Individuals (MHGJII); [.2] Crisis Intervention Team (CIT); [.3] Jail Diversion Center (JD); [.4] Jail-Based Competency Restoration (JBCR); [.5] Walk-in-Crisis Clinic (WIC); [.6] Mobile Crisis Outreach Team (MCOT); and [.7] Forensic Assertive Community Treatment Team (FACT) programs.	1,995,754
2	Nueces County's expense share for City/County Public Health District and mobile clinic.	1,860,000
3	Emergency Medical Services provided by City of Robstown, City of Port Aransas, and Emergency Services Districts 1, 2, 4, and 6 for services performed within Nueces County but outside their jurisdictions.	650,000
4	Detainee healthcare services at the Nueces County Juvenile Justice Center and elsewhere where juvenile detainees are held.	474,000
5	Inmate healthcare services provided by Wexford Correctional Healthcare Services at the Nueces County Jail and McKenzie Jail Annex.	8,528,568
6a	Nueces County for contribution to the Alcohol and Drug Rehabilitation Center (Cenikor).	60,000
6b	Nueces County for contribution to the Council on Alcohol and Drug Abuse.	50,000
7	Nueces County for programs impacting juvenile and adult diabetes.	60,000
8	HALO-Flight nonprofit air ambulance service.	15,750
9	Public Health Grant for Coastal Bend Wellness Foundation.	85,000
9	Public Health Grant for Amistad Community Health Center.	85,000
9	Public Health Grant for University of Texas Health Science Center-San Antonio Area Health Education Center.	65,000
	Total	**$14,898,201**

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 NUECES COUNTY HEALTHCARE EXPENDITURES

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp
Secretary, Board of Managers

{NCHD SEAL}

NUECES COUNTY HOSPITAL DISTRICT

Briefing Paper

SUBJECT: Fiscal Year 2027 Funding for the Nueces Center for Mental Health and Intellectual Disabilities

Purpose

To brief the Board of Managers regarding proposed Fiscal Year 2027 funding for the Nueces Center for Mental Health and Intellectual Disabilities (NCMHID) and the associated resolution providing for the funding.

Background

NCMHID is a state-authorized provider of mental health and intellectual disability services and is recognized as a governmental unit and local government entity under Texas law. Since Fiscal Year 2000, at the request of the Nueces County Commissioners Court, the District has allocated funding for NCMHID services through its annual budgets.

For Fiscal Year 2027, Commissioners Court has again requested that the District provide funding to support NCMHID services. The proposed resolution provides for the funding to be appropriated from District Non-Tax Funds and incorporated into the District's Fiscal Year 2027 Annual Budget.

Fiscal Year 2027 Funding

The proposed resolution provides $2,964,883 in Fiscal Year 2027 funding for NCMHID services. The resolution identifies the expenditure as a statutorily authorized use of District Non-Tax Funds and as qualifying for tobacco settlement distribution claims.

Attachment A divides the funding into two general components. The first provides $969,129 for mental health and intellectual and developmental disability services. The second provides $1,995,754 for a group of mental health, crisis response, jail diversion, competency restoration, and related community-based programs. Together, these components total $2,964,883.

Services Supported

The funding schedule includes mental health youth and crime-victim services and a range of intellectual and developmental disability services, including administration, respite, home and community-based services, supported living, habilitation, intake and assessment, and related service coordination.

The schedule also provides funding for programs serving justice-involved individuals and persons experiencing behavioral health crises, including crisis intervention, jail diversion, jail-based competency restoration, walk-in crisis services, mobile crisis outreach, and forensic assertive community treatment.

Funding Administration

The Administrator would be directed to incorporate the $2,964,883 NCMHID Services Funding Amount into the District's Fiscal Year 2027 Annual Budget. The Administrator would also be authorized to disburse the funding in equal quarterly payments or according to another schedule determined to be reasonable and appropriate.

The resolution permits the Administrator to establish additional procedures or requirements necessary for disbursement, including financial reporting and accountability measures, and authorizes the Administrator to take the actions and execute the documents necessary to implement the resolution.

Fiscal Impact

FY 2027 Funding: $2,964,883

Funding Source: District Non-Tax Funds

Mental Health and IDD Services: $969,129

Additional Mental Health, Crisis and Related Programs: $1,995,754

The total funding amount would be incorporated into the District's Fiscal Year 2027 Annual Budget and disbursed for the services identified in Attachment A.

Board Consideration

The Board is being asked to consider adoption of the resolution providing Fiscal Year 2027 funding for NCMHID. Adoption would establish the funding amount and source, provide for its inclusion in the FY 2027 Annual Budget, and authorize the Administrator to administer and disburse the funds and establish appropriate reporting and accountability requirements.

Summary

The proposed resolution continues the District's longstanding financial support of NCMHID and provides $2,964,883 in Non-Tax Funds for Fiscal Year 2027. The funding supports mental health, intellectual and developmental disability, crisis response, justice-related, and other behavioral health services identified in Attachment A, with administrative authority provided for implementation, disbursement, and accountability.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 FOR THE NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, created under Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code"), and is governed in accordance with state law;

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the "Board") has full authority to manage, control, and administer the District and adopt rules for its operation;

WHEREAS, under Health Code §281.091(a), the District's Administrator (the "Administrator") is required to prepare an annual budget under the Board's direction, with Fiscal Year 2027 (October 1, 2026 - September 30, 2027);

WHEREAS, the District maintains funds from sources other than a tax levy ("Non-Tax Funds") pursuant to Health Code §281.094(a), and expenditures of these funds for statutorily authorized purposes qualify for tobacco settlement distribution claims under 25 Texas Administrative Code §102.3(e)(2);

WHEREAS, the Nueces Center for Mental Health and Intellectual Disabilities ("NCMHID") is a state-authorized provider of mental health and intellectual disability services established under Health Code Chapter 534, Subchapter A, and is recognized as a governmental unit and local government entity under Texas law;

WHEREAS, since Fiscal Year 2000, at the request of the Nueces County Commissioners Court ("Commissioners Court"), the Board has allocated funding for NCMHID services in the District's annual budgets;

WHEREAS, for Fiscal Year 2027, the Commissioners Court has again requested that the District provide funding to support NCMHID services, and the Board finds it appropriate to allocate such funding from the District's Non-Tax Funds;

WHEREAS, the Board desires to appropriate **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** (the "NCMHID Services Funding Amount") in the District's FY 2027 Annual Budget for the NCMHID services described in Attachment A ("Nueces Center for Mental Health and Intellectual Disabilities Funding Schedule – Fiscal Year 2027"); and

WHEREAS, the Administrator is authorized under Health Code §§281.026(d) and (e) to carry out the acts directed herein.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT THAT:

1. The foregoing recitals are adopted as findings of fact.

2. The Board finds that the NCMHID Services Funding Amount of **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** shall be appropriated from the District's Non-Tax Funds, constitutes a statutorily authorized expenditure under Health Code §281.094(a) and qualifies for tobacco settlement distribution claims under 25 TAC §102.3(e)(2).

3. The Administrator is directed to incorporate the NCMHID Services Funding Amount of **Two Million Nine Hundred Sixty-Four Thousand Eight Hundred Eighty-Three Dollars ($2,964,883)** into the District's FY 2027 Annual Budget to fund NCMHID services, as set forth in Attachment A.

4. The Administrator is authorized to disburse the NCMHID Services Funding Amount to NCMHID in equal quarterly payments, or on such schedule as he determines reasonable and appropriate.

5. The Administrator may establish any additional related procedures or requirements necessary for disbursement, including financial reporting and accountability measures for NCMHID.

6. The Administrator is authorized to take all actions and execute all documents necessary to implement this Resolution.

7. Acting as Secretary of the Board, the Administrator is further authorized to certify this Resolution as being consistent with the Board's Bylaws and Texas law.

8. This Resolution shall take effect immediately upon passage.

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NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

ATTACHMENT "A"

NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES
FUNDING SCHEDULE - FISCAL YEAR 2027

Item #	Program Title	Program Amount	Sub-Total
1	MH Youth Services	$152,915	
2	MH Crime Victims	45,242	
3	IDD Administration	208,763	
4	IDD Respite	7,956	
5	IDD HCS	170,270	
6	IDD Texas Home Living	79,195	
7	IDD Supported Home Living	23,508	
8	IDD Site Based Habilitation	78,070	
9	IDD CCAD Contract	87,315	
10	IDD Intake Assessment	12,960	
11	IDD Texas Home Living SC	103,934	$969,129
12	[.1] Mental Health Grant for Justice Involved Individuals (MHGJII); [.2] Crisis Intervention Team (CIT); [.3] Jail Diversion Center (JD); [.4] Jail-Based Competency Restoration (JBCR); [.5] Walk-in-Crisis Clinic (WIC); [.6] Mobile Crisis Outreach Team (MCOT); and [.7] Forensic Assertive Community Treatment Team (FACT) programs.		$1,995,754
		Total	**$2,964,883**

MH means Mental Health
IDD means Intellectual and Developmental Disabilities

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION PROVIDING FUNDING FOR FISCAL YEAR 2027 FOR THE NUECES CENTER FOR MENTAL HEALTH AND INTELLECTUAL DISABILITIES

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August , 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

preservation, microfilming, destruction, or other disposition of the records of a district is subject to Subtitle C, Title 6, Local Government Code.

(b) The period that medical records are retained shall be in accordance with rules relating to the retention of medical records adopted by the executive commissioner and with other applicable federal and state laws and rules.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1991, 72nd Leg., ch. 14, Sec. 118, eff. Sept. 1, 1991.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 3.0831, eff. April 2, 2015.

SUBCHAPTER E. DISTRICT FINANCES

Sec. 281.091. BUDGET. (a) The administrator shall prepare an annual budget under the board's direction.

(b) The budget and budget revisions must be approved by the board and then shall be presented to the commissioners court for final approval.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 281.092. ADMINISTRATOR'S REPORT. (a) As soon as practicable after the close of the fiscal year, the administrator shall make a report to the board, commissioners court, executive commissioner, and comptroller.

(b) The report must:

(1) consist of a sworn statement of all money and choses in action received by the administrator and their disposition; and

(2) show in detail the operations of the district for the fiscal year.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Amended by:

Acts 2015, 84th Leg., R.S., Ch. 1 (S.B. 219), Sec. 3.0832, eff. April 2, 2015.

NUECES COUNTY HOSPITAL DISTRICT

Briefing Memo

SUBJECT: Fiscal Year 2027 Annual Budget

BUDGET PERIOD: October 1, 2026 - September 30, 2027

Purpose

To provide the Board of Managers with a general overview of the proposed Fiscal Year 2027 Annual Budget and its principal financial characteristics, including anticipated revenues and expenditures, use of existing fund balances, major healthcare financing activities, and projected year-end financial position.

Overall Budget

The proposed Fiscal Year 2027 Annual Budget establishes the District's financial plan for its operations, healthcare programs, intergovernmental financing activities, and special revenue funds for the fiscal year beginning October 1, 2026.

Across all funds, the budget anticipates approximately $107.6 million in revenues and $137.6 million in expenditures. Because planned expenditures exceed current-year revenues, the budget provides for the use of approximately $30 million of accumulated fund balances during the fiscal year.

The planned use of fund balance is significant but occurs within the context of substantial accumulated District reserves.

General Fund

The General Fund continues to account for most of the District's financial activity. Fiscal Year 2027 General Fund revenues are budgeted at approximately $105.7 million, while expenditures are budgeted at approximately $136.7 million.

After consideration of a $750,000 operating transfer from the Tobacco Fund, the General Fund is budgeted to use approximately $30.3 million of fund balance during FY 2027.

The FY 2027 budget reflects lower revenues and expenditures than the FY 2026 budget. The most significant revenue change is a reduction in Spohn Corporate Membership Revenue, while lower anticipated intergovernmental transfers account for much of the reduction in expenditures.

Revenues

The District's General Fund continues to rely principally upon Spohn Corporate Membership Revenue and property tax revenue. Together, these sources provide the substantial majority of General Fund revenue. Investment earnings and other revenues provide additional, but considerably smaller, amounts.

The proposed budget assumes approximately $63.8 million in Spohn Corporate Membership Revenue and approximately $40.4 million in property tax revenue.

The FY 2027 budget is based upon a property tax rate of $0.088501 per $100 of taxable valuation, identified in the budget as the No-New-Revenue Rate.

Expenditures and Healthcare Financing

The District's expenditure structure continues to be driven primarily by healthcare financing activities. Intergovernmental transfers represent the largest expenditure category and are budgeted at approximately $109.4 million for FY 2027.

Other significant expenditures include approximately $14.9 million for County healthcare services and approximately $5.7 million for Graduate Medical Education support, together with the District's administrative and operating expenses.

This expenditure structure reflects the District's continuing role in supporting local healthcare services while participating in state and federal healthcare financing programs.

County Healthcare Support

The FY 2027 budget continues substantial financial support for healthcare services provided to Nueces County residents. The approximately $14.9 million County healthcare allocation includes mental and behavioral healthcare, public health activities, emergency medical services, juvenile detention and County jail healthcare, substance-use-related services, diabetes programming, air ambulance support, and public health grants.

The budget therefore maintains a broad range of existing healthcare commitments while adjusting individual allocations to reflect anticipated Fiscal Year 2027 needs.

Fund Balances and Reserves

The District enters Fiscal Year 2027 with substantial accumulated fund balances. Combined beginning fund balances are approximately $166.4 million.

After anticipated FY 2027 revenues, expenditures, and transfers, combined fund balances are projected at approximately $136.5 million at year-end, or approximately $122.0 million after committed funds.

Within the General Fund, the budget projects an ending balance of approximately $67.1 million, or approximately $52.7 million after committed funds. Accordingly, while the budget intentionally draws upon accumulated resources, substantial reserves are projected to remain at fiscal year-end.

Special Revenue Funds

The FY 2027 budget also provides for continued activity within the District's Tobacco, Opioid Settlement, and Indigent Care Funds. These funds support their respective designated purposes and contribute to the District's overall financial position.

The budget includes a $750,000 transfer from the Tobacco Fund to the General Fund, planned expenditures from the Opioid Settlement Fund, and continued investment earnings within the Indigent Care Fund.

Budget Administration

The proposed budget provides the financial authority necessary for the District to carry out its operations, programs, healthcare financing responsibilities, and other authorized activities during Fiscal Year 2027.

Under the accompanying budget resolution, the Administrator would be authorized to control, manage, and expend appropriated funds and take actions necessary to implement and administer the budget, consistent with applicable state law, Board policy, and District financial policies.

Overall Assessment

The proposed Fiscal Year 2027 Annual Budget reflects a planned transition to a lower-revenue environment while continuing the District's major healthcare financing and service commitments.

Although expenditures are budgeted to exceed current-year revenues, the resulting shortfall is supported through the planned use of accumulated fund balances. The District is nevertheless projected to retain substantial General Fund and overall reserves at the end of Fiscal Year 2027.

The budget therefore represents a planned use of existing financial capacity to support Fiscal Year 2027 activities, rather than a balanced current-revenue/current-expenditure financial plan. Actual revenue performance, IGT requirements, and expenditure activity should be monitored throughout the fiscal year to determine how closely actual results correspond with these budget assumptions.

Board Consideration

The Board is being asked to consider approval of the Fiscal Year 2027 Annual Budget. Following Board approval, the Budget would be submitted to the Nueces County Commissioners Court for final approval, and the Administrator would be authorized to administer the Budget in accordance with the accompanying resolution and applicable requirements.

Nueces County Hospital District

Administrative Offices
555 N. Carancahua Street, Suite 950
Corpus Christi, Texas 78401-0835

Office: (361) 808-3300
Fax: (361) 808-3274
www.nchdcc.org

BOARD OF MANAGERS RESOLUTION
AUGUST 17, 2026

A RESOLUTION APPROVING
FISCAL YEAR 2027 ANNUAL BUDGET

WHEREAS, the Nueces County Hospital District (the "District") is a political subdivision of the State of Texas, established pursuant to Article IX, Section 4 of the Texas Constitution and Chapter 281 of the Texas Health and Safety Code ("Health Code");

WHEREAS, under Health Code §§281.047 and 281.048, the Board of Managers (the "Board") is vested with authority to manage, control, administer, and adopt rules governing the District;

WHEREAS, Health Code §281.091(a) assigns to the District's Administrator (the "Administrator") responsibility for preparing an annual budget under the direction of the Board;

WHEREAS, pursuant to Health Code §281.091(b), the annual budget must be approved by the Board before submission to the Commissioners Court for final approval;

WHEREAS, the District's Fiscal Year 2027 begins October 1, 2026 and ends September 30, 2027;

WHEREAS, the Administrator has prepared, under Board direction, the proposed Fiscal Year 2027 Annual Budget (the "FY 2027 Annual Budget"), attached hereto as Exhibit A and incorporated by reference;

WHEREAS, the FY 2027 Annual Budget includes the District's General Fund, Tobacco Fund, Opioid Settlement Fund, and Indigent Care Fund;

WHEREAS, the Board has separately resolved to allocate District funds to Nueces County and the Nueces Center for Mental Health and Intellectual Disabilities and desires to ensure those funds are applied solely to their intended purposes or logical extensions thereof;

WHEREAS, the effective operation of the District requires that the Administrator, as chief executive officer, be vested with authority to control, manage, and expend funds appropriated in the FY 2027 Annual Budget, consistent with state law, Board policy, and the District's financial policies; and

WHEREAS, the Board finds it necessary and proper to approve the FY 2027 Annual Budget and authorize expenditures consistent therewith.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF MANAGERS OF THE NUECES COUNTY HOSPITAL DISTRICT, THAT:

1. The FY 2027 Annual Budget, attached hereto as Exhibit A, is hereby approved.

2. The Administrator shall submit the approved FY 2027 Annual Budget to the Nueces County Commissioners Court for final approval.

3. Nueces County shall ensure that District funds disbursed to it, as separately resolved, are used solely for their intended purposes or logical extensions thereof.

4. Nueces Center for Mental Health and Intellectual Disabilities shall ensure that District funds disbursed to it, as separately resolved, are used solely for their intended purposes or logical extensions thereof.

5. The Administrator is authorized to control, manage, and expend funds appropriated in the FY 2027 Annual Budget to carry out the District's operations, programs, and responsibilities, and to take all actions necessary or appropriate to implement and administer the Budget for such purposes, consistent with applicable state law, Board policy, and the District's financial policies.

6. Acting as Secretary of the Board, the Administrator is authorized to certify this Resolution as being consistent with Texas law and the District's Governing Board Bylaws.

7. This Resolution shall take effect immediately upon its passage.

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[BOARD OF MANAGERS SIGNATURE PAGE FOLLOWS]

NUECES COUNTY HOSPITAL DISTRICT
BOARD OF MANAGERS

_____
Vishnu V. Reddy, M.D.
Chairman

_____
Sylvia Tryon Oliver
Vice Chairman

_____
Mariana Garza
Member

_____
Georgia Neblett
Member

_____
Karen O'Connor Urban
Member

_____
Pamela Brower
Member

_____
Sunil Reddy
Member

EXHIBIT "A"

[Attach budget package after this page]

DRAFT

NUECES COUNTY HOSPITAL DISTRICT

OPERATING BUDGET

FISCAL YEAR 2027

*

GENERAL FUND

SPECIAL REVENUE - TOBACCO FUND

SPECIAL REVENUE – OPIOID SETTLEMENT FUND

SPECIAL REVENUE – INDIGENT CARE FUND

*

DRAFT

TAX RATE: 0.088501 *(No New Revenue Rate)*

8/7/2026
3:13 PM

NUECES COUNTY HOSPITAL DISTRICT
BUDGET - GENERAL FUND
FOR THE YEAR ENDING SEPTEMBER 30, 2027

	Explanation	Column 1 Fiscal 2027 Budget		Column 2 Fiscal 2026 Budget		Column 3 Budget 2027 vs. 2026	Column 4 Fiscal 2026 Est. Actual		Column 5 Est. Act vs F2027 Bud
	REVENUES								
	Property Taxes:								
1	Current	39,588,088	37.47%	40,066,206	29.17%	(478,118)	41,003,965	27.12%	(1,415,877)
2	Delinquent	421,150	0.40%	426,236	0.31%	(5,086)	528,778	0.35%	(107,628)
3	Penalties & Interest	395,881	0.37%	400,662	0.29%	(4,781)	387,220	0.26%	8,661
4	**Total Property Tax Revenue**	40,405,119	38.24%	40,893,104	29.77%	(487,985)	41,919,963	27.72%	(1,514,844)
5	Spohn Corporate Membership Revenue	63,800,000	60.38%	95,200,000	69.31%	(31,400,000)	105,661,524	69.87%	(41,861,524)
6	Investment Income	1,309,195	1.24%	1,110,676	0.81%	198,518	3,486,295	2.31%	(2,177,100)
7	Other Income	150,000	0.14%	150,000	0.11%	0	151,547	0.10%	(1,547)
8	**Total Other Revenues**	65,259,195	61.76%	96,460,676	70.23%	(31,201,482)	109,299,366	72.28%	(44,040,171)
9	**TOTAL REVENUES**	**105,664,314**	**100%**	**137,353,781**	**100%**	**(31,689,467)**	**151,219,329**	**100%**	**(45,555,015)**
	OPERATING EXPENSES								
10	Intergovernment Transfers	109,375,537	80.00%	135,159,558	84.76%	(25,784,021)	124,546,730	85.01%	(15,171,193)
11	Graduate Medical Education Support	5,652,500	4.13%	3,198,125	2.01%	2,454,375	3,198,126	2.18%	2,454,374
12	County Healthcare Services	14,898,201	10.90%	14,506,894	9.10%	391,307	13,435,617	9.17%	1,462,584
13	Salaries	2,261,820	1.65%	2,235,456	1.40%	26,363	1,766,800	1.21%	495,020
14	Benefits	1,130,375	0.83%	1,121,884	0.70%	8,491	861,242	0.59%	269,133
15	Legal & Professional Fees	1,026,500	0.75%	891,500	0.56%	135,000	833,245	0.57%	193,255
16	Purchased Services	771,000	0.56%	731,000	0.46%	40,000	655,426	0.45%	115,574
17	Tax Assessor / Appraisal Collection Fees	830,000	0.61%	830,000	0.52%	0	806,928	0.55%	23,072
18	Supplies & Materials	25,000	0.02%	26,000	0.02%	(1,000)	17,995	0.01%	7,005
19	Rent & Leases	159,000	0.12%	159,000	0.10%	0	146,220	0.10%	12,780
20	Repairs & Maintenance	15,500	0.01%	14,000	0.01%	1,500	5,207	0.00%	10,293
21	Telephone & Utilities	98,800	0.07%	102,400	0.06%	(3,600)	58,017	0.04%	40,783
22	Insurance	48,500	0.04%	48,500	0.03%	0	34,975	0.02%	13,525
23	Administrative & General	229,750	0.17%	226,000	0.14%	3,750	110,110	0.08%	119,640
24	Capital Outlay	200,000	0.15%	210,000	0.13%	(10,000)	35,900	0.02%	164,100
25	Extraordinary	5,000	0.00%	5,000	0.00%	0	0	0.00%	5,000
26	**TOTAL EXPENDITURES**	**136,727,483**	**100%**	**159,465,317**	**100%**	**(22,737,835)**	**146,512,538**	**100%**	**(9,785,055)**
27	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(31,063,169)**		**(22,111,537)**		**(8,951,632)**	**4,706,791**		**(35,769,960)**
	NON-OPERATING SOURCES (USES)								
28	Operating Transfer In (Tobacco Fund)	750,000		700,000		50,000	893,000		(143,000)
29	Operating Transfer Out (Indigent Care Fund)	0				0	0		0
30	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**(30,313,169)**		**(21,411,537)**		**(8,901,632)**	**5,599,791**		**(35,912,960)**
31	**FUND BALANCE, BEGINNING OF PERIOD**	**97,454,838**		**79,318,697**			**91,855,047**		
32	**FUND BALANCE, END OF PERIOD**	**67,141,669**		**57,907,160**			**97,454,838**		
33	***FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS)***	***52,703,906***		***45,153,418***			***55,454,838***		

DRAFT

NUECES COUNTY HOSPITAL DISTRICT
CONSOLIDATED BUDGET - FOR THE GENERAL FUND,
TOBACCO, OPIOID SETTLEMENT & INDIGENT CARE FUNDS
FOR THE YEAR ENDING SEPTEMBER 30, 2027

Tax Rate: 0.088501 (No-New-Revenue Rate)

	Explanation	General Fund	Tobacco Settlement Fund	Opioid Settlement Fund	Indigent Care Fund	Total
	REVENUES					
1	Property Taxes	40,405,119	0	0	0	40,405,119
2	Spohn Corporate Membership Revenue	63,800,000	0	0	0	63,800,000
3	Investment Income	1,309,195	0	44,061	985,701	2,338,956
4	Other Income	150,000	0	0	0	150,000
5	Tobacco Settlement Proceeds	0	750,000	0	0	750,000
6	Opioid Settlement Proceeds	0	0	200,000	0	200,000
7	**TOTAL REVENUES**	**105,664,314**	**750,000**	**244,061**	**985,701**	**107,644,076**
	OPERATING EXPENSES					
8	Intergovernmental Transfers	109,375,537	0	0	0	109,375,537
9	Graduate Medical Education Support	5,652,500	0	0	0	5,652,500
10	County Healthcare Services	14,898,201	0	0	0	14,898,201
11	Salaries	2,261,820	0	0	0	2,261,820
12	Benefits	1,130,375	0	0	0	1,130,375
13	Legal & Professional Fees	1,026,500	0	0	36,000	1,062,500
14	Purchased Services	771,000	0	840,000	0	1,611,000
15	Tax Assessor / Appraisal Collection Fees	830,000	0	0	0	830,000
16	Supplies & Materials	25,000	0	0	0	25,000
17	Rent & Leases	159,000	0	0	0	159,000
18	Repairs & Maintenance	15,500	0	0	0	15,500
19	Telephone & Utilities	98,800	0	0	0	98,800
20	Insurance	48,500	0	0	0	48,500
21	Administrative & General	229,750	0	0	0	229,750
22	Capital Outlay	200,000	0	0	0	200,000
23	Extraordinary/Tax Refund	5,000	0	0	0	5,000
24	Debt Service	0	0	0	0	0
25	**TOTAL EXPENDITURES**	**136,727,483**	**0**	**840,000**	**36,000**	**137,603,483**
26	**EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER SOURCES & USES**	**(31,063,169)**	**750,000**	**(595,939)**	**949,701**	**(29,959,407)**
	NON-OPERATING SOURCES (USES)					
27	Operating Transfers In	750,000	0	0	0	750,000
28	Operating Transfers Out	0	(750,000)	0	0	(750,000)
29	**TOTAL EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES**	**(30,313,169)**	**0**	**(595,939)**	**949,701**	**(29,959,407)**
30	**FUND BALANCE, BEGINING OF PERIOD**	**97,454,838**	**0**	**3,371,213**	**65,604,934**	**166,430,985**
31	**FUND BALANCE, END OF PERIOD**	**67,141,669**	**0**	**2,775,274**	**66,554,635**	**136,471,578**
32	**FUND BALANCE, END OF PERIOD (NET OF COMMITTED FUNDS**	**52,703,906**	**0**	**2,775,274**	**66,554,635**	**122,033,815**

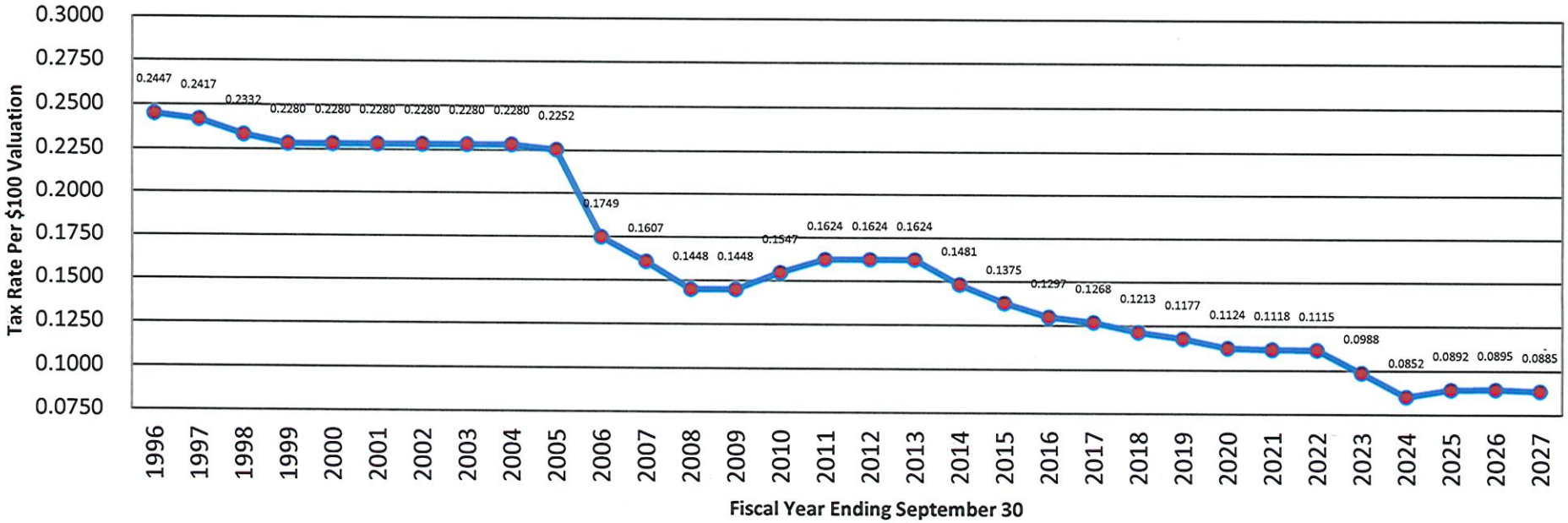
Nueces County Hospital District
County Healthcare Department Expenditures
Fiscal Year 2027

DRAFT

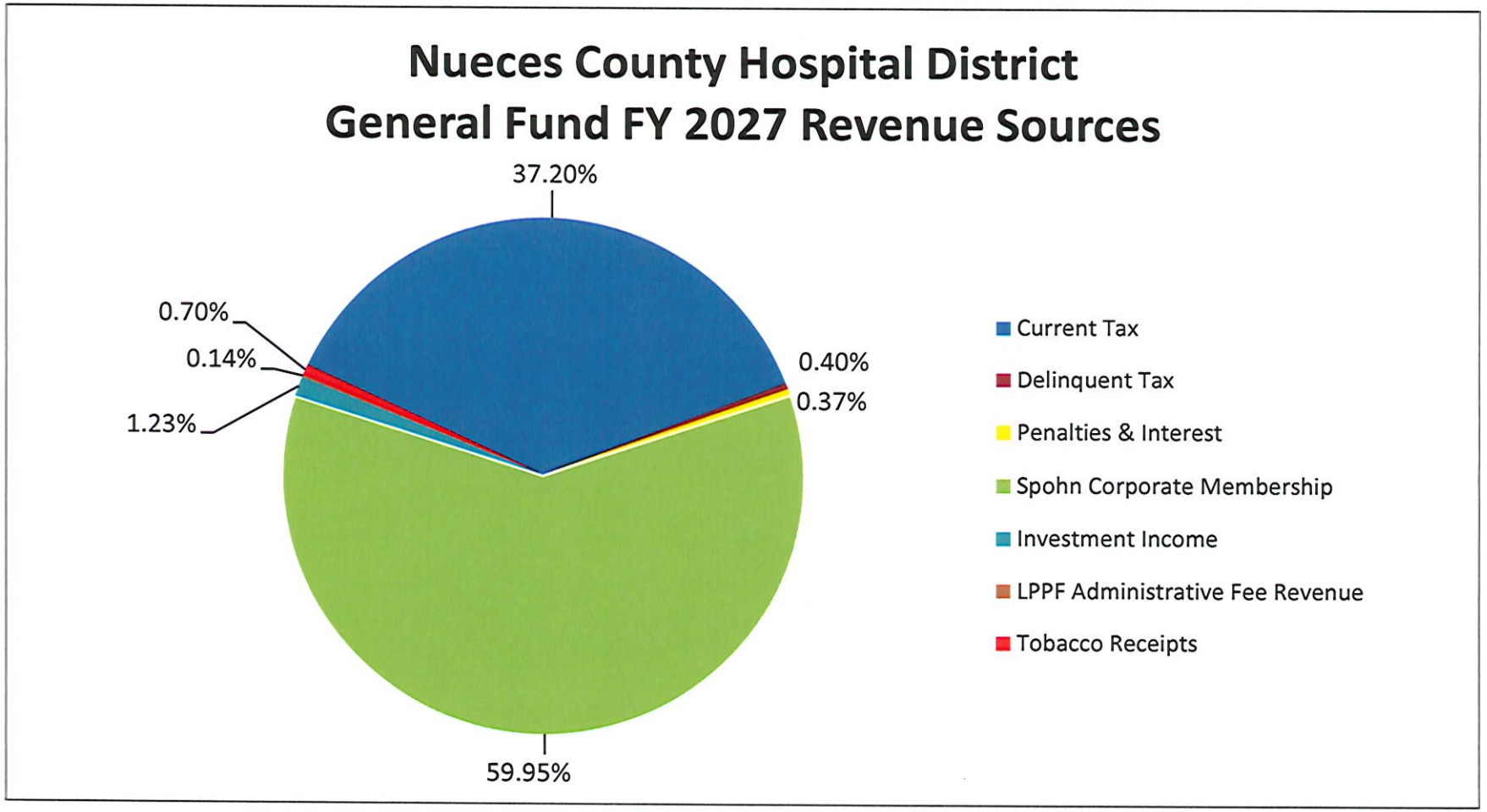
	Program	Budget 2027	%	Budget 2026	Difference
	Mental Healthcare Services				
1	a MHID (State Match Program)	969,129	6.5%	969,129	0
	b MHID - Jail Programs	1,995,754	13.4%	1,500,000	495,754
	Subtotal Mental Healthcare Services	2,964,883	19.9%	2,469,129	495,754
2	Health Department (Operating Expenditures)				
	Health Department	1,800,000	12.1%	1,800,000	0
	Mobile Clinic	60,000	0.4%	60,000	0
		1,860,000	12.5%	1,860,000	0
3	Emergency Medical Services	650,000		650,000	
	City of Robstown				
	City of Port Aransas				
	Emergency Services District #1 (Annaville)				
	Emergency Services District #2 (Flour Bluff)				
	Emergency Services District #4 (Bluntzer)				
	Emergency Services District #6 (Bishop)				
		650,000	4.4%	650,000	0
4	Juvenile Detention Center-Health Services	474,000	3.2%	474,000	0
	Various Health-related Services				
5	County Jail Healthcare Services	8,528,568	57.2%	8,532,015	(3,447)
	Wexford Correctional Healthcare Services				
6a	Cenikor	60,000	0.4%	60,000	0
6b	Council on Alcohol & Drug Abuse	50,000	0.3%	50,000	0
7	County Diabetes Awareness Program	60,000	0.4%	60,000	0
8	HALO-Flight Funding	15,750	0.1%	15,750	0
9	Public Health Grants				
	Coastal Bend Wellness Foundation	85,000	0.6%	85,000	0
	Amistad Community Health Center	85,000	0.6%	85,000	0
	Nueces County Jail Medivan	0	0.0%	101,000	(101,000)
	Area Health Education Center (AHEC)	65,000	0.4%	65,000	0
		235,000	1.6%	336,000	(101,000)
	TOTALS	**14,898,201**	**100.0%**	**14,506,894**	**391,307**

DRAFT

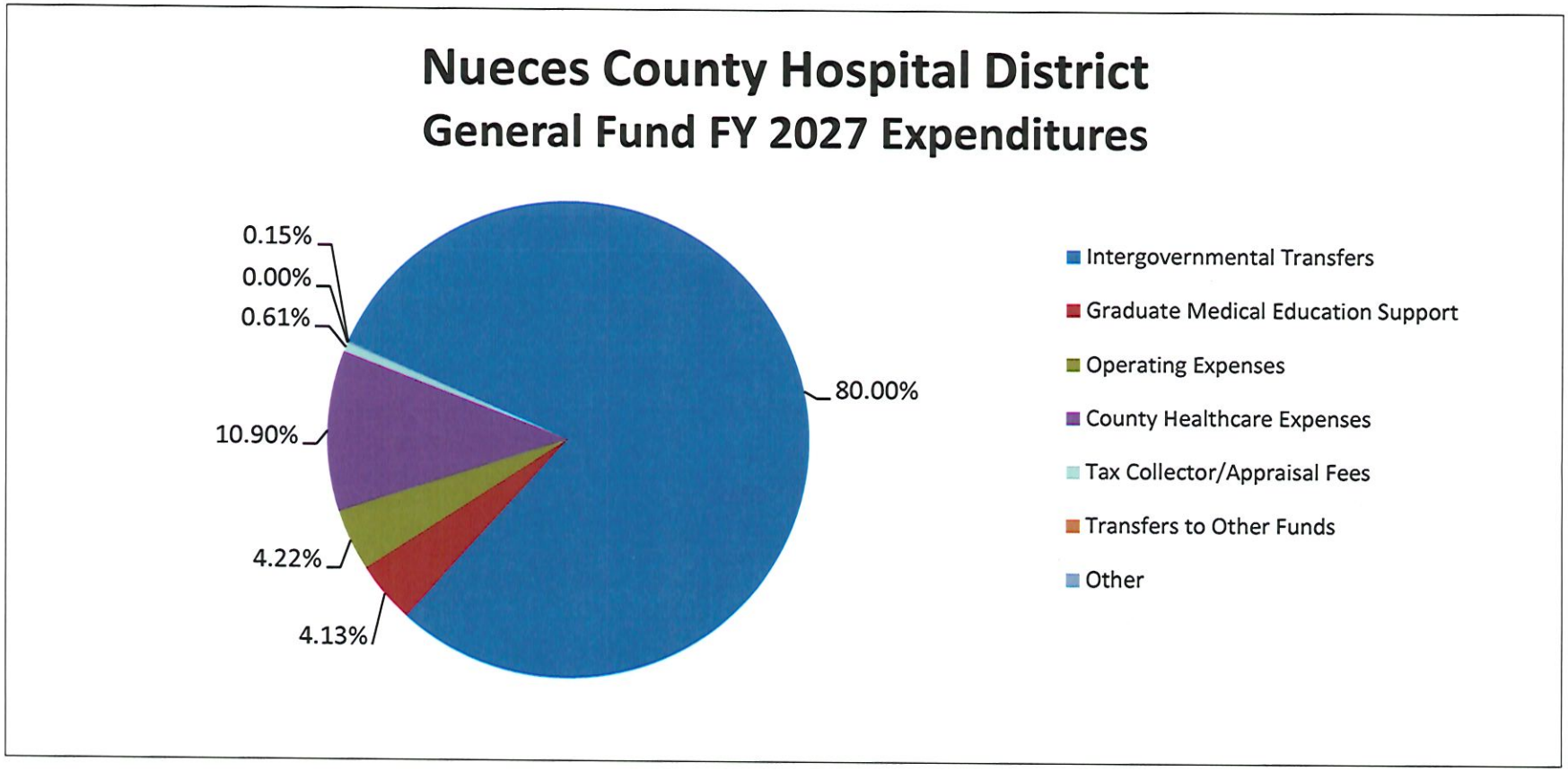
Nueces County Hospital District
Tax Rate History
FY 1996-2027



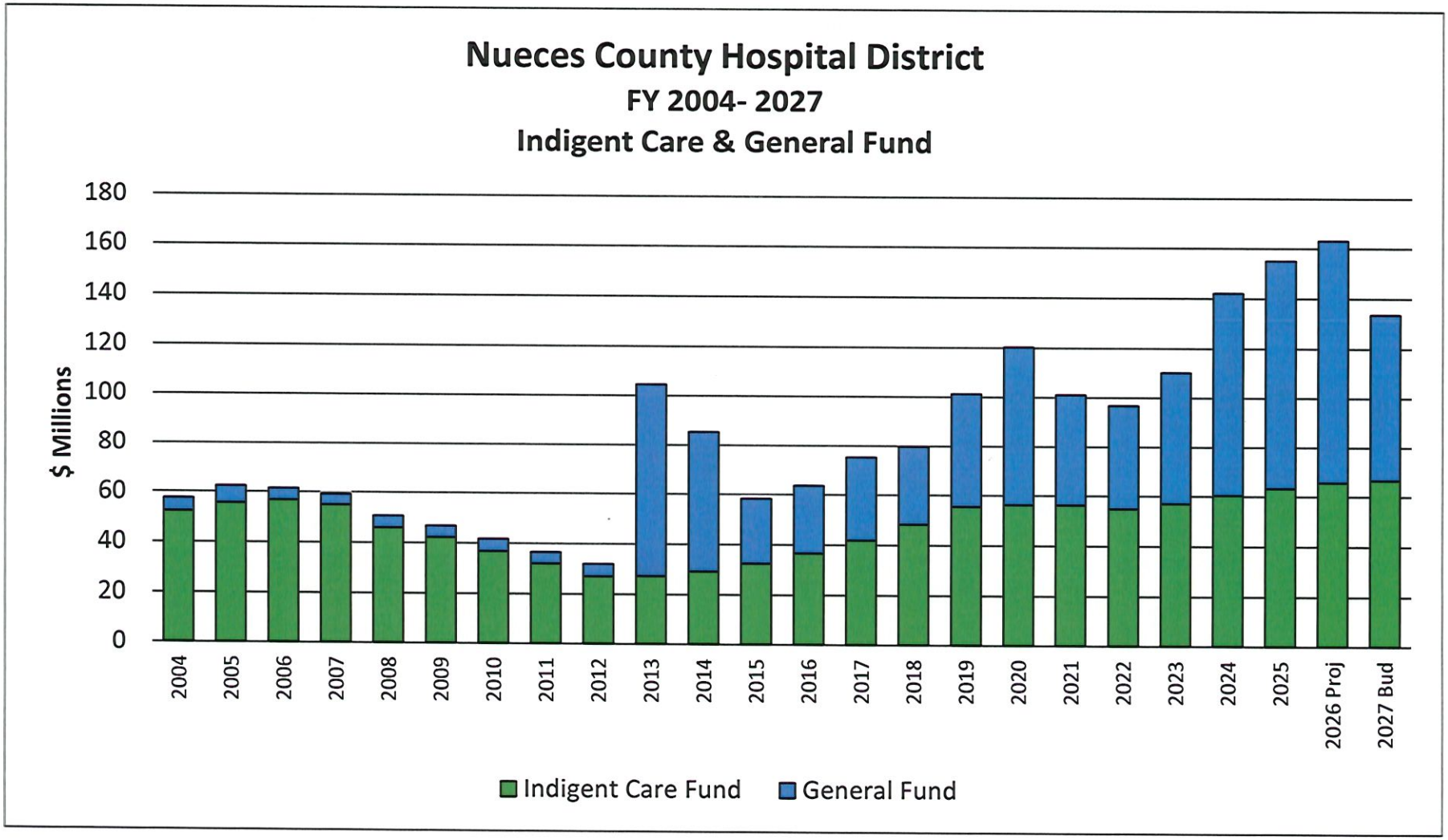
DRAFT


Nueces County Hospital District
General Fund FY 2027 Revenue Sources
37.20%
0.70%
0.14%
1.23%
0.40%
0.37%
59.95%
Current Tax
Delinquent Tax
Penalties & Interest
Spohn Corporate Membership
Investment Income
LPPF Administrative Fee Revenue
Tobacco Receipts

DRAFT


Nueces County Hospital District
General Fund FY 2027 Expenditures
0.15%
0.00%
0.61%
10.90%
4.22%
4.13%
80.00%
Intergovernmental Transfers
Graduate Medical Education Support
Operating Expenses
County Healthcare Expenses
Tax Collector/Appraisal Fees
Transfers to Other Funds
Other

DRAFT


Nueces County Hospital District
FY 2004- 2027
Indigent Care & General Fund
$ Millions
180
160
140
120
100
80
60
40
20
0
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026 Proj
2027 Bud
Indigent Care Fund
General Fund

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
§
COUNTY OF NUECES §

I, the undersigned Secretary of the Board of Managers of the Nueces County Hospital District, hereby attest as follows:

1. The Board of Managers of said District convened in regular meeting on the 17th day of August 2026, at the regular meeting place, and the roll was called of the duly constituted officers and members of said Board of Managers, to wit:

Vishnu V. Reddy, Chairman
Sylvia Tryon Oliver, Vice-Chairman
Mariana Garza
Georgia Neblett
Karen O'Connor Urban
Pamela Brower
Sunil Reddy

and all of said persons were present, except the following absentees: _____, _____, and _____ thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: A written

A RESOLUTION APPROVING
FISCAL YEAR 2027 ANNUAL BUDGET

was introduced for the consideration of said District and read in full. It was then duly moved and seconded that said Resolution be passed, and, after due discussion, said motion, carrying with it the passage of said Resolution, prevailed, and carried by the following vote:

YEAS: _____

NAYS: _____

PRESENT NOT VOTING: _____

ABSENT: _____

2. That a true, full and correct copy of the aforesaid Resolution passed at the meeting described in the above and forgoing paragraph is attached to and follows this Certificate; that said Resolution has been duly recorded in the minutes of said Meeting; that the above and forgoing paragraph is a true, full, and correct excerpt from the minutes of said Meeting pertaining to and passage of said Resolution; that the persons named in the above and forgoing paragraph are the duly appointed, qualified, and acting members of the Board of Managers of said District as indicated therein; that each of the members of the Board of Managers of said District was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of aforesaid Meeting, and that said Resolution would be introduced and considered for passage at said Meeting, and that each of said members consented, in advance, to holding of said Meeting for such purpose; and that said Meeting was open to the public, and public notice of the date, time, place, and purpose of said Meeting was given all as required by Texas Government Code, §551.001 et.seq.

SIGNED AND SEALED THIS 17th day of August, 2026.

ATTEST:

_____

Jonny F. Hipp {NCHD SEAL}
Secretary, Board of Managers

VG-12-2026-2026000400

Nueces County
Kara Sands
Nueces County Clerk

Instrument Number: 2026000400

Public Notice

PUBLIC NOTICES

Recorded On: August 11, 2026 11:04 AM

Number of Pages: 9

" Examined and Charged as Follows: "

Total Recording: $0.00

STATE OF TEXAS
Nueces County
I hereby certify that this Instrument was filed in the File Number sequence on the date/time printed hereon, and was duly recorded in the Official Records of Nueces County, Texas

Kara Sands
Nueces County Clerk
Nueces County, TX

Kara Sands

********** **THIS PAGE IS PART OF THE INSTRUMENT** **********
Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of color or race is invalid and unenforceable under federal law.

File Information:

Document Number:	2026000400
Receipt Number:	20260811000068
Recorded Date/Time:	August 11, 2026 11:04 AM
User:	Lorena G
Station:	CLERK04.nuecescc.local

Record and Return To:

NUECES COUNTY APPRAISAL DISTRICT

Kara Sands

Nueces County Clerk
901 Leopard St #201
Corpus Christi, TX 78401

Main: (361)888-0580

Receipt: 20260811000068
Date: 08/11/2026
Time: 11:04AM
By: Lorena G
Station: CLERK04.nuecescc.local
Status: ORIGINAL COPY

Seq	Item	Document Description	Number	Number Of	Amount	Serial Number
1	Public Notice	PBN	2026000400	9	$0.00	

Order Total (1) $0.00

Seq	Payment Method	Transaction Id	Comment	Total
1				$0.00

Total Payments (1) $0.00

Change Due $0.00

NUECES COUNTY APPRAISAL DISTRICT

For more information about the County Clerk's office and to search property records online, please visit http://www.nuecesco.com/county-services/county-clerk

RECEIVED
AUG 11 2026
KARA SANDS
CLERK OF THE COUNTY COURT
NUECES COUNTY, TEXAS

Nueces County Hospital District

NOTICE OF PUBLIC MEETING

BOARD OF MANAGERS

Finance Committee - Regular Meeting
Monday, August 17, 2026 at 10:30 AM

Location:
Board of Managers Meeting Room, 555 N. Carancahua Street, Room 950-A, Corpus Christi, Texas 78401

The Nueces County Hospital District ("NCHD") Board of Managers or a Committee thereof as specified above will hold a meeting on the date and at the time and location shown above. The agenda item(s) for the meeting are set forth on the accompanying page(s). Agenda item(s) are not necessarily considered in the order listed.

The specified NCHD Board of Managers meeting will be held in-person and via videoconference call. Public participation will be available in-person as well as via videoconference call as allowed under the Texas Open Meetings Act ("Act"). It is the intent that a quorum of the Board of Managers or Committee as required for the specified meeting will be physically present at the meeting location posted in this meeting notice. It is also the intent that the Board member presiding over the meeting be physically present for the specified meeting at the meeting location posted in this meeting notice. Any member of the Board of Managers participating by videoconference call will be visible and audible to the public whenever the member is speaking; Board member participation by audio-only is not permitted. Any member of the public wishing to observe or participate in the meeting via videoconference call may do so through the videoconference call meeting Internet link shown on this meeting notice below and via NCHD's BoardBook meeting management system at https://meetings.boardbook.org/Public/Organization/1886.

The Act defines a "videoconference call" as a communication conducted between two or more persons in which one or more of the participants communicate with the other participants through duplex audio and video signals transmitted over a telephone network, a data network, or the Internet. NCHD will use Zoom to conduct the meeting via videoconference call; Zoom is a cloud-based communications platform that allows users to connect with video, audio, phone, and chat. Using Zoom requires an Internet connection and a supported device.

The agenda for this meeting and its supporting materials are available at: https://meetings.boardbook.org/Public/Organization/1886.

The Meeting may be attended in-person or via videoconference call:

Videoconference Call:
Click the link below or copy and paste the link into a supported web browser address bar.
https://nchdcc-org.zoom.us/j/5746765992?pwd=T2RVWFBpZGJYdHYyQmp1VUdZeUc3Zz09
Meeting ID: **574 676 5992**
Passcode: **195957**

Telephone:
Dial any telephone number below and enter the Meeting ID and Passcode above if required.

One tap mobile:
+13462487799,,5746765992# US (Houston)
+16699006833,,5746765992# US (San Jose)

Dial by your location (United States):
+1 346 248 7799 (Houston)
+1 719 359 4580
+1 253 205 0468
+1 253 215 8782 (Tacoma)
+1 669 444 9171
+1 669 900 6833 (San Jose)
+1 929 205 6099 (New York)
+1 301 715 8592 (Washington DC)
+1 305 224 1968
+1 309 205 3325
+1 312 626 6799 (Chicago)
+1 360 209 5623
+1 386 347 5053
+1 507 473 4847
+1 564 217 2000
+1 646 931 3860
+1 689 278 1000

Find your local number: https://nchdcc-org.zoom.us/u/kbKxLl8Eq4

Nueces County Hospital District

BOARD OF MANAGERS
Finance Committee - Regular Meeting
Monday, August 17, 2026 at 10:30 AM

AGENDA

1. **WELCOME**

2. **ROLL CALL OF COMMITTEE MEMBERS**

___ Pamela Brower, Chair
___ Sylvia Tryon Oliver
___ Karen O'Connor Urban

3. **CALL TO ORDER, CONFIRMATION OF QUORUM, VERIFICATION OF MEETING POSTING, AND CLOSED MEETING NOTICE:**

A. Call to order.

B. Establish quorum.

C. Confirm posting of Meeting's public notice in accordance with Texas Open Meetings Act, Texas Government Code, Chapter 551.

D. Notice is hereby provided that the Committee may convene in closed meeting session(s) during this meeting to consider any agenda item, when permitted under the Texas Open Meetings Act, Texas Government Code Chapter 551.

4. **NOTICE REGARDING BUDGET.** The Hospital District's Fiscal Year 2026 Budget ("FY26 Budget") has been duly adopted by the Board and approved by the Commissioners Court. The Committee may discuss the FY26 Budget at this meeting. The adopted FY26 Budget and the required taxpayer impact statement for Fiscal Year 2026 are available for public review on the District's official website at: https://www.nchdcc.org/public_notices/finance.php.

The Hospital District's Fiscal Year 2027 Budget ("FY27 Budget") is currently under development and may be discussed by the Committee at this meeting. Because the FY27

Budget has not yet been adopted, a taxpayer impact statement for Fiscal Year 2027 is not currently available.

5. **ANNOUNCEMENT ON DISCLOSURE OF CONFLICTS OF INTEREST**. Any Conflict of Interest, or Appearance of a Conflict of Interest, relating to items on this agenda shall be disclosed at this time. Members declaring such conflicts shall abstain from voting and are requested to refrain from discussion on the affected items. Any conflicts identified later in the meeting must be disclosed immediately upon discovery.

6. **PUBLIC COMMENT** - This section provides the public an opportunity to address the Committee on any matter within its authority. In-person attendees wishing to comment on any agenda item or other subject within the Committee's jurisdiction must complete and submit the "Agenda Item Request to Speak" form, available at the entrance of the meeting room, no later than five (5) minutes before the meeting begins. Remote attendees participating by audio or video conference must verbally notify the presiding officer of their desire to comment when public comment is called. Comments are limited to three (3) minutes per speaker, except that commenters using a translator are allowed up to six (6) minutes. The presiding officer may, in his or her discretion, limit the number of speakers and/or the time allotted to each. By law, the Committee may act only on matters specifically listed on the agenda. Items raised that are not on the agenda will be referred to District staff for review, as appropriate. Materials submitted to the Committee during public comment will not be returned. Commenters intending to provide documents must bring at least ten (10) copies for distribution, clearly marked with the commenter's name and, if applicable, the relevant agenda item number.

7. **CONSENT AGENDA** - The Consent Agenda includes items that are routine, administrative in nature, and not requiring separate discussion. Any item that a Committee member requests to be considered individually shall, at the direction of the presiding officer, be removed from the Consent Agenda and placed on the Regular Agenda for separate discussion at the appropriate time. All remaining Consent Agenda items will be considered and voted upon together in a single vote:

A. Approve Finance Committee Regular Meeting minutes of June 23, 2026.

B. Discuss and recommend receipt of summary payment information on Nueces County health care disbursements for Fiscal Year 2026 year-to-date:

1. Salaries, benefits, and supplies at/for City of Corpus Christi/Nueces County Public Health District;

2. Emergency medical services provided in unincorporated areas of Nueces County;

3. Supplemental and jail diversion program funding for Nueces Center for Mental Health and Intellectual Disabilities;

4. Medical services provided at County correctional facilities:
   a. Nueces County Jail; and
   b. Nueces County Juvenile Detention Center;

5. Funding for alcohol and drug abuse treatment programs:
   a. Cenikor (Charlie's Place); and
   b. Council on Alcohol and Drug Abuse;
6. Funding for diabetes prevention and supporting programs; and

7. Public health grants.

C. Discuss and recommend receipt of imputed claims summaries on medical and hospital care furnished to the Nueces Aid Program population, prepared pursuant to the CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, for Fiscal Year 2026 year-to-date.

D. Discuss and recommend receipt of fiscal year-to-date Specified Annual Percentage-related revenue reports; revenue receipts pursuant to CHRISTUS Spohn Health System Corporation Amended and Restated Membership Agreement, Section 5.03.

E. Discuss and recommend receipt of fiscal year-to-date statement detailing amounts deposited into and/or withdrawn from the Opioid Settlement Fund, including receipts from the Opioid Abatement Fund Council through the Texas Comptroller of Public Accounts in accordance with Texas Government Code §403.508(a)(2), and disbursements made solely for the remediation of opioid-related harms pursuant to 34 Texas Administrative Code §16.222.

F. Discuss and recommend receipt of statement of amounts deposited to and/or withdrawn from Local Provider Participation Fund for fiscal year-to-date; deposits and withdrawals pursuant to Board of Managers Order authorizing participation in a health care provider participation program pursuant to Texas Health and Safety Code, Chapter 298C, as amended.

G. Discuss and recommend receipt of summary reports of cumulative actual intergovernmental transfers (IGTs) made in support of local and other healthcare providers participating in Medicaid directed, and supplemental payment programs sponsored by the Texas Health and Human Services Commission (HHSC), and receive estimates of provider payments resulting from the IGTs:

1. Directed Payment Programs - IGTs for HHSC's Medicaid managed care organization payments to healthcare providers that support overall Medicaid program goals and objectives:

a. Aligning Technology by Linking Interoperable Systems for Client Health Outcomes Program (ATLIS);
b. Comprehensive Hospital Increase Reimbursement Program (CHIRP);
c. Network Access Improvement Program (NAIP); and
d. Texas Incentives for Physicians and Professional Services (TIPPS); and

2. Supplemental Payment Programs - IGTs for HHSC Medicaid payments made to hospitals, separate from and in addition to base payments, for achieving certain goals or to support health care providers that see significant numbers of uninsured or persons without much money:

a. Disproportionate Share Hospital (DSH);
b. Graduate Medical Education (GME);
c. Hospital Augmented Reimbursement Program (HARP); and
d. Hospital Uncompensated Care (UC).

H. Nueces Aid Enrollment:

1. Discuss and recommend receipt of reports relating to Nueces Aid Program enrollment for the months ended June 30 and July 31, 2026:

a. Referral Sources;
b. Total Persons and Households Enrolled;
c. Enrollment Summary;
d. Denials;
e. Application Processing Summary; and
f. Enrollment by Zip Code.

8. **REGULAR AGENDA** - The Regular Agenda consists of items that are non-routine, not administrative in nature, or otherwise require separate consideration. Each item listed under the Regular Agenda shall be addressed individually and, if action is required, voted upon separately.

A. Financial Statements:

1. Discuss and consider recommending approval of unaudited financial statements for the month and fiscal year-to-date ended June 30, 2026. ***(ACTION)***

B. Investment Report:

1. Discuss and consider recommending receipt of Quarterly Investment Report and ratification of related investment transactions for fiscal quarter-ended June 30,

2026. ***(ACTION)***

C. Investment Policy:

1. Discuss and consider recommending adoption of Board of Managers Resolution relating to annual review of investment policy and investment strategies; adopt changes to policy and strategies to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.005(e). ***(ACTION)***

2. Discuss and consider recommending adoption of Board of Managers Resolution relating to annual review and adoption of listing of qualified broker/dealers authorized to engage in investment transactions; adopted listing to be effective September 1, 2026; review and adoption pursuant to Texas Government Code, §2256.025. ***(ACTION)***

D. CHRISTUS Spohn Health System:

1. Discuss and consider recommending adoption of Board of Managers Resolution approving the Member Revenue Specified Annual Percentage for the period October 1, 2026 – September 30, 2027, pursuant to Section 5.03(a) of the Amended and Restated CHRISTUS Spohn Health System Corporation Membership Agreement. ***(ACTION)***

2. Discuss and consider recommending the Administrator be authorized to execute an Intergovernmental Transfer (IGT) Responsibility Contract with the Texas Health and Human Services Commission (HHSC), Contract No. HHS001711400008, for the transfer of public funds as the non-federal share of Network Access Improvement Program (NAIP) payments benefiting CHRISTUS Spohn Health System for the period September 1, 2026 through August 31, 2027, in an amount not to exceed $3,347,716.00. ***(ACTION)***

E. Fiscal Year 2027 Budget:

1. Discuss and consider recommending adoption of Board of Managers Resolution committing a specified amount of the September 30, 2026, fiscal year-end General Fund balance to the subsequent fiscal year for payment of obligated, but not yet requested intergovernmental transfers relating to supplemental and/or directed payment programs operated by the Texas Health and Human Services Commission during Fiscal Year 2026. ***(ACTION)***

2. Discuss and consider recommending adoption of Board of Managers Resolutions incorporating specified funding into the Fiscal Year 2027 Annual Budget (October 1, 2026 – September 30, 2027) for:

a. County Healthcare Expenditures; and
b. Nueces Center for Mental Health and Intellectual Disabilities matching funds. ***(ACTION)***

3. Discuss and consider recommending adoption of Board of Managers Resolution approving Fiscal Year 2027 Annual Budget (October 1, 2026–September 30, 2027), approval pursuant to Texas Health and Safety Code, §281.091(b); Budget includes:
a. General Fund;
b. Tobacco Fund;
c. Opioid Settlement Fund; and
d. Indigent Care Fund. ***(ACTION)***

F. Administrator's Briefing:

1. Next scheduled regular Committee meeting (meeting's date, time, and location are subject to change):

a. Next Meeting: Tuesday, September 22, 2026, 11:30 AM in NCHD Board of Managers Meeting Room at 555 North Carancahua Street, Room 950-A, Corpus Christi, Texas 78401.

9. **ADJOURN**

10. Public Notice Posting Receipt.