



MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

June 2012

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues as a % of Budget Compared to Prior Year	N/A	NEUTRAL	A
Total Expenditures as a % Budget Compared to Prior Year	N/A	POSITIVE	B
Property Tax Collection Analysis	NEGATIVE	POSITIVE	C
Sales Tax Collection Analysis	NEGATIVE	NEGATIVE	D
Expenditure Analysis	POSITIVE	POSITIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	POSITIVE	F
Sewer Billing Analysis	NEGATIVE	POSITIVE	G
Expense Analysis	POSITIVE	POSITIVE	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis	N/A	N/A	I
SEDC			
Sales Tax Collection Analysis	NEGATIVE	NEGATIVE	J
Expenditure Analysis	NEGATIVE	NEGATIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	NEGATIVE	NEGATIVE	L
Expenditure Analysis	NEUTRAL	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH JUNE 30, 2012

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	3,980,689	3,979,851	99.98%	98.25%
Penalties & Interest	55,000	39,235	71.34%	76.95%
Sales Tax	1,445,161	989,899	68.50%	73.18%
Franchise Tax	710,000	506,681	71.36%	76.78%
Other Tax	74,000	43,131	58.29%	43.91%
License & Permits	200,000	163,834	81.92%	75.18%
Charges for Services	54,500	36,001	66.06%	72.26%
DOT Fines	110,000	62,625	56.93%	75.24%
Other Municipal Court Fees	608,000	434,072	71.39%	68.44%
Interest Income	3,052	2,818	92.33%	87.11%
Intergovernmental	363,069	235,073	64.75%	83.55%
Other Revenue	47,000	40,802	86.81%	82.86%
Transfers from Enterprise Fund	1,628,547	1,221,410	75.00%	80.62%
Payment for Services-EDC	<u>125,000</u>	93,750	<u>75.00%</u>	<u>66.67%</u>
Total Revenues	9,404,018	7,849,185	83.47%	83.73%

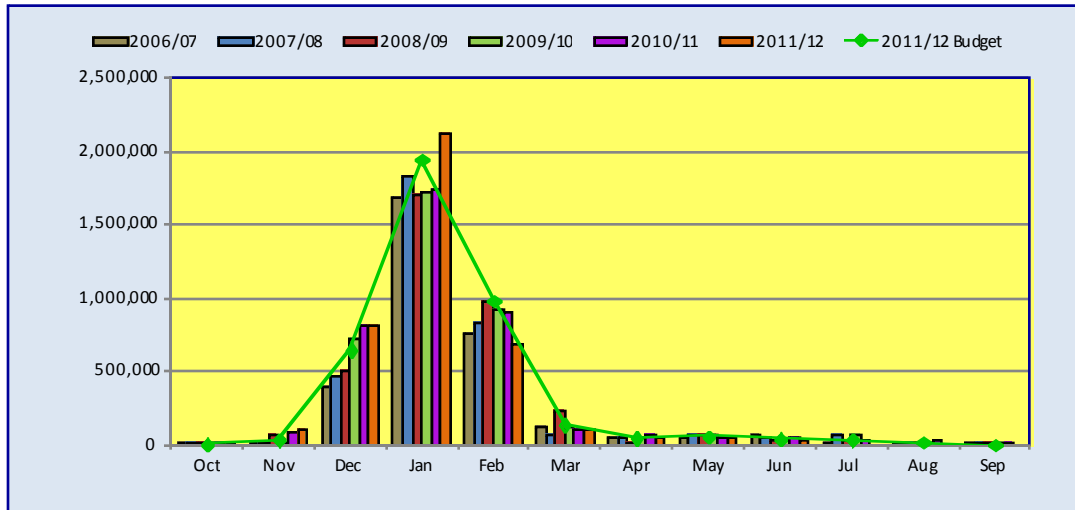
CHART B

TOTAL EXPENDITURES THROUGH JUNE 30, 2012

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,256,116	4,374,331	69.92%	72.33%
Supplies	334,575	212,570	63.53%	67.94%
Services	2,588,599	1,677,312	64.80%	75.38%
Capital	210,895	13,481	6.39%	22.31%
Oper Transfer to Other Funds	<u>0</u>	<u>0</u>	0.00%	0.00%
Total Expenditures	9,390,185	6,277,694	66.85%	69.98%

CHART C

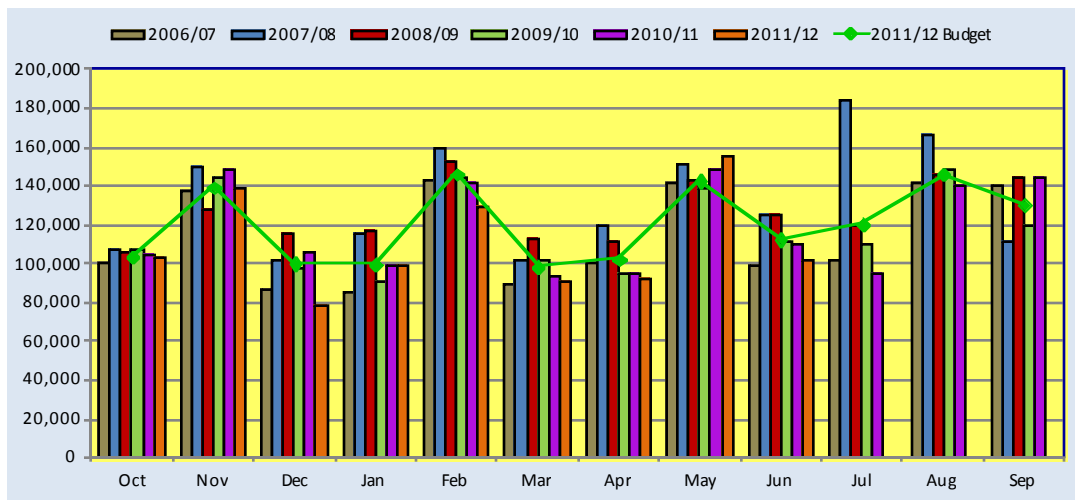
PROPERTY TAX ANALYSIS



2011/12 Budget is divided into months based on the monthly percentages of the last 5 years' collections.

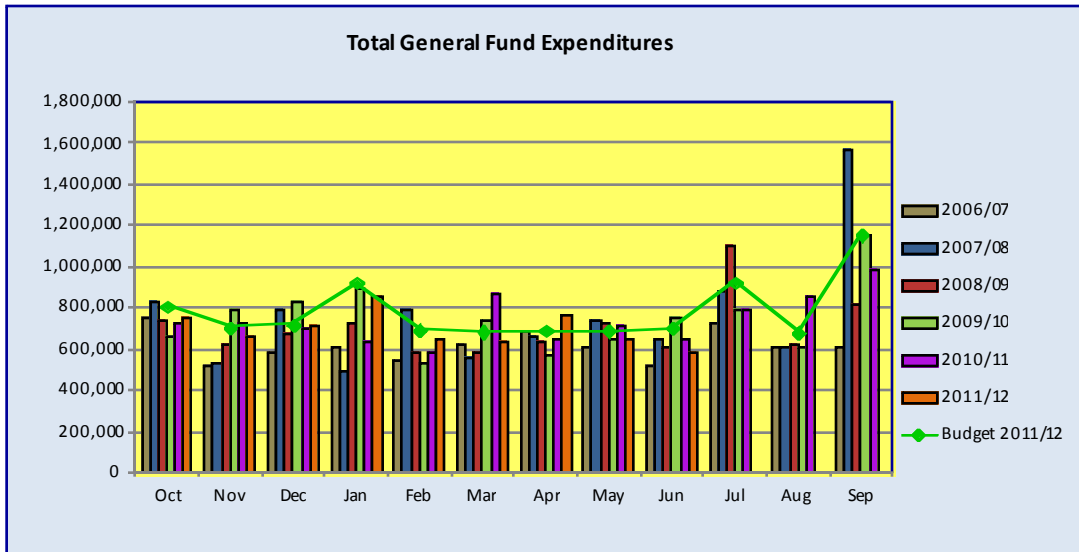
CHART D

SALES TAX ANALYSIS



2011/12 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

EXPENDITURE ANALYSIS



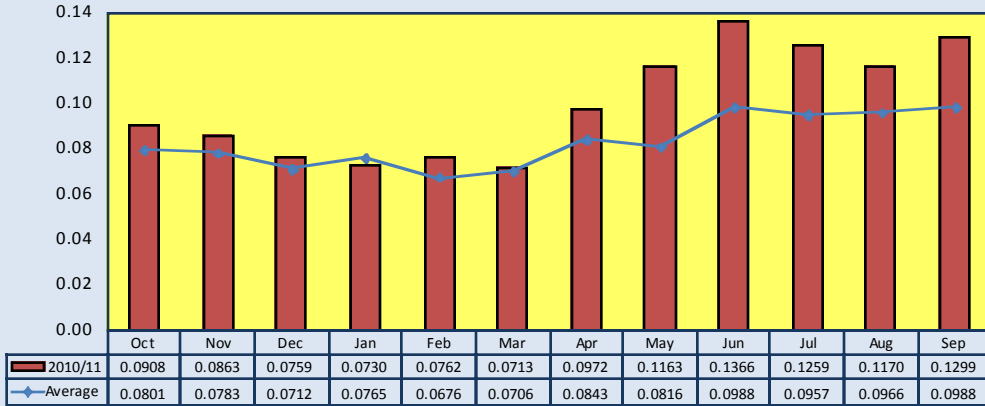
High expenditures in September 2008 are a result of Hurricane Ike.
 High expenditures in September 2010 are due to city hall A/C replacement.



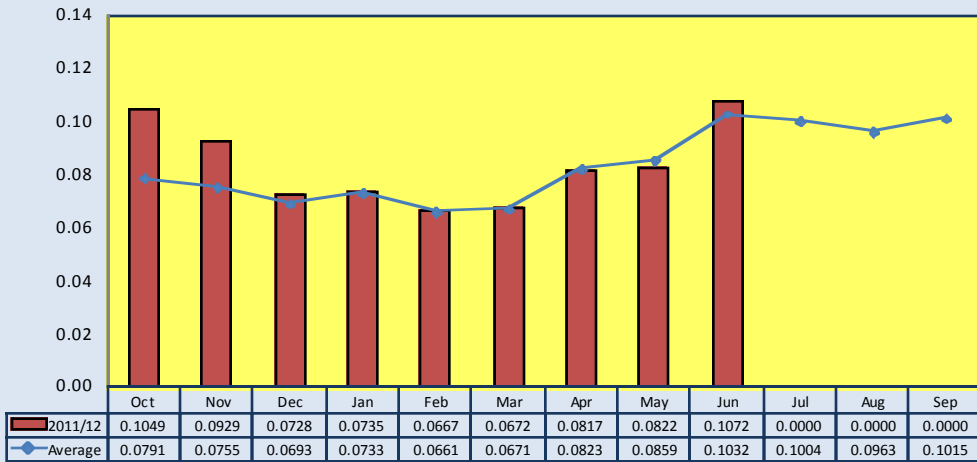
CHART F

WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs.
2010/11 Percent of Budgeted Billings

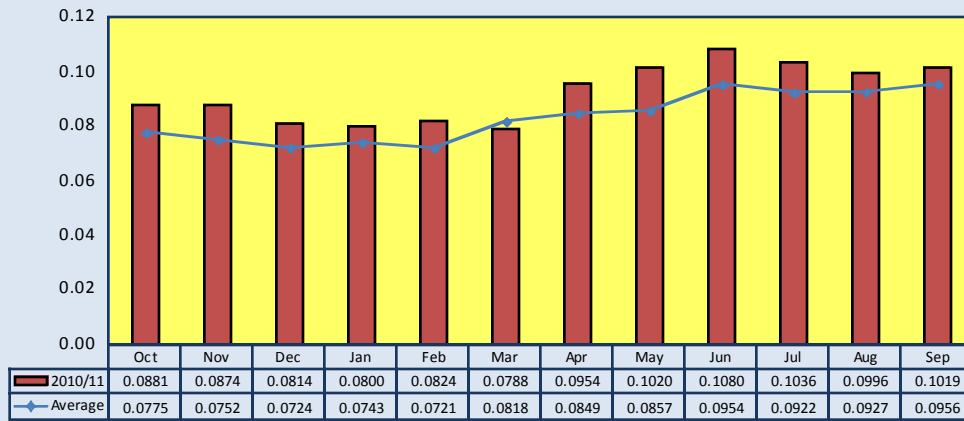


Average Percent of Water Billings by Month vs.
2011/12 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS

Average Percent of Wastewater Billings by Month vs. 2010/11 Percent of Budgeted Billings



Average Percent of Wastewater Billings by Month vs. 2011/12 Percent of Budgeted Billings

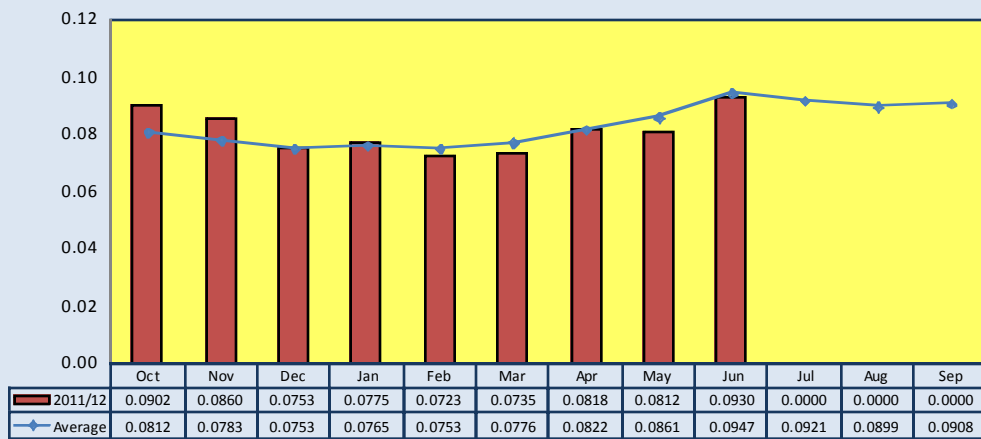
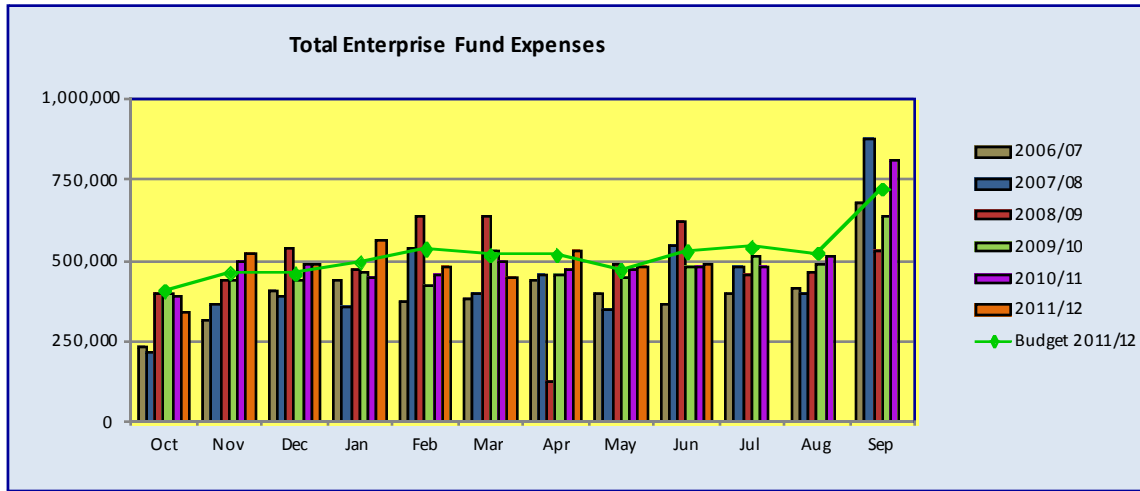


CHART H

EXPENDITURE ANALYSIS



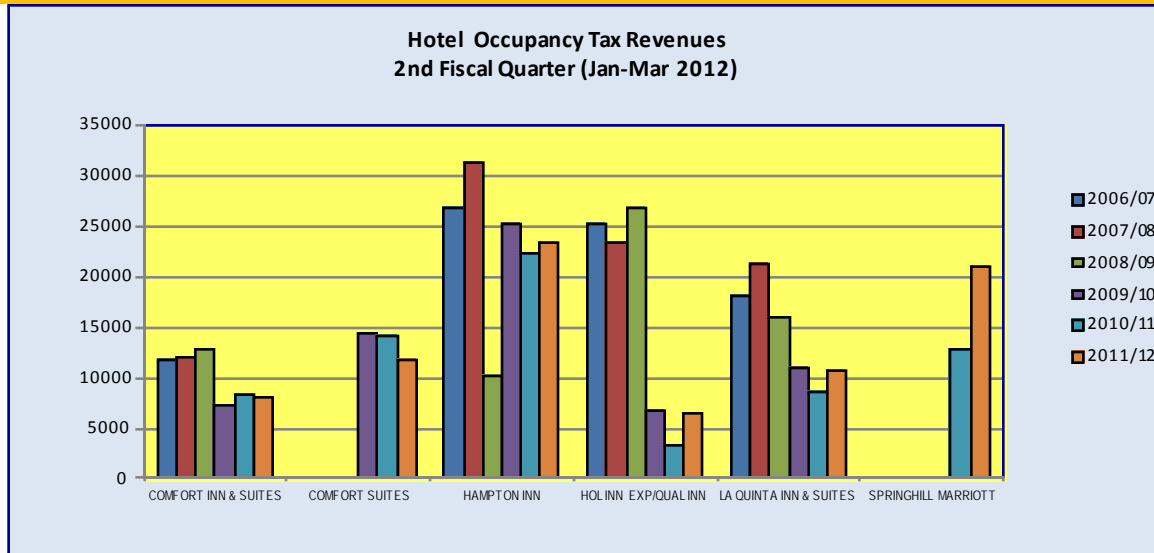
Low expenses April 2009 due to TML insurance reimbursement for IKE

HOTEL TAX FUND



CHART I

HOTEL TAX REVENUE ANALYSIS



Hotel occupancy tax is paid quarterly. The 3rd quarter ending June 30th will be due July 31st.

*Comfort Suites-Bayport Blvd. opened 2008/09

** Springhill Marriott opened last quarter 2010



CHART J

SALES TAX REVENUE ANALYSIS

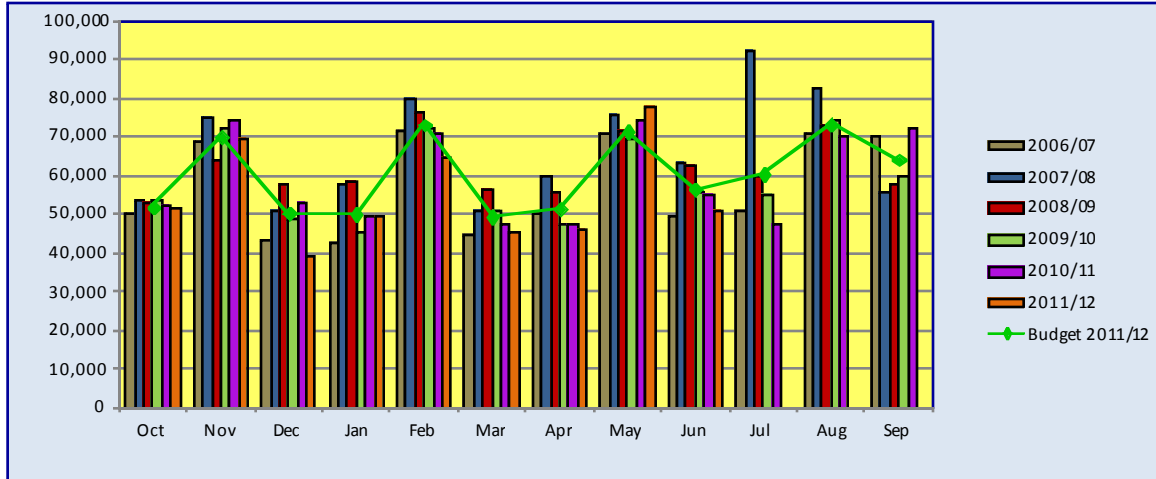
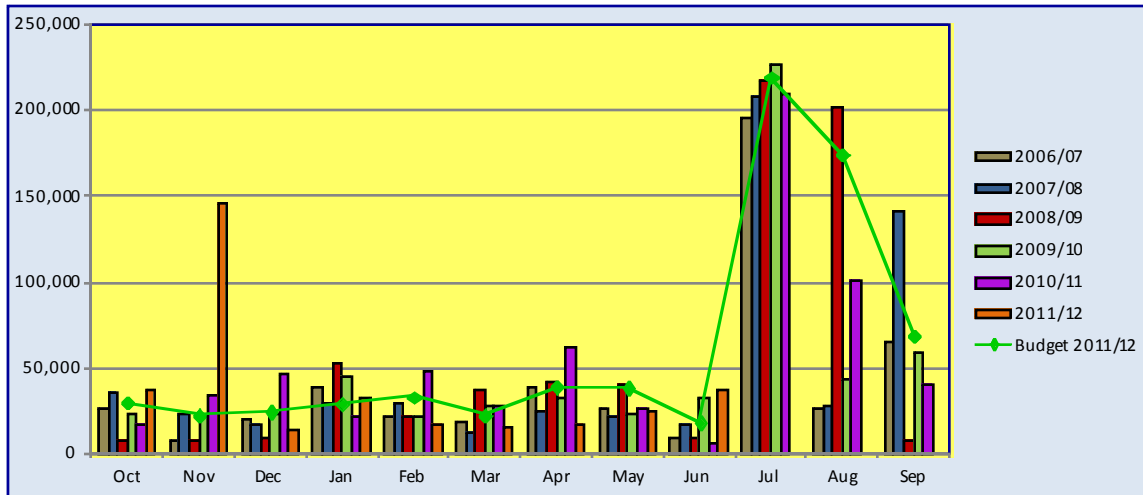


CHART K

EXPENDITURE ANALYSIS



November & December 2011 expenditures up due to Gateway Sign project finished. Originally budgeted in 2010-11, the 2011-12 budget will be amended to account for the later completion.

INVESTMENTS



CHART N

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF JUNE 2012
0.1395%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted June)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,176,426.49	(86,273.50)	484.23	4,090,637.22	Working capital
ENTERPRISE FUND - UNRESTRIC	3,034,645.68	215,294.32	381.10	3,250,321.10	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,307,767.21	0.00	264.57	2,308,031.78	Water & sewer lines extensions & expansions
PARK FEES	15,693.44	0.00	1.80	15,695.24	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,103.55	0.00	1.73	15,105.28	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	109,747.56	0.00	12.58	109,760.14	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	766,964.65	0.00	87.93	767,052.58	Restricted for promotion of tourism
DEBT SERVICE FUND	2,694,717.79	14,611.39	308.99	2,709,638.17	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	381,450.34	0.00	43.73	381,494.07	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	815,416.86	0.00	93.48	815,510.34	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	128,961.48	0.00	14.78	128,976.26	Funds transferred from Bond Mkt Acct to allow liquidity
PINE GULLY PARK BONDS	0.00	0.00	0.00	0.00	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	22,891.57	0.00	2.62	22,894.19	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	412,240.55	(180,000.00)	39.80	232,280.35	
CRIME DISTRICT	134,121.05	(3,609.89)	15.09	130,526.25	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,857,000.29	39,977.68	262.66	1,897,240.63	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONI	223,755.00	0.00	incl in above	223,755.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	130,261.22	0.00	14.93	130,276.15	
PUBLIC SAFETY	65,057.92	0.00	7.46	65,065.38	
MUNI COURT - SECURITY FUND	31,113.71	0.00	3.57	31,117.28	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	10,019.55	0.00	1.15	10,020.70	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,471.98	0.00	0.74	6,472.72	
STABILIZATION FUND	800,157.67	0.00	91.73	800,249.40	
TOTAL TEXPOOL FUND	18,619,985.56	0.00	2,134.67	\$18,622,120.23	

The investment portfolio of the City of Seabrook is in compliance with the investment strategies expressed in the City's Investment Policy and relevant provisions of Chapter 2256 of the Local Government Code.

Pam Lab

Finance Director

TEXPOOL

ANNOUNCEMENTS

We would like to recognize and welcome the following entities who joined the TexPool program in June 2012:

TEXPOOL

- Brazos Regional Public Utility Agency
- City of San Antonio

TEXPOOL PRIME

- Brazos Regional Public Utility Agency

Upcoming Events

07/19/12 – 07/21/12
AWBD Conference, San Antonio
08/29/12 – 08/31/12
TAC Conference, Austin
09/17/12 – 09/20/12
CTAT, San Marcos
09/28/12 – 09/30/12
TASA/TASB Annual Conference, Austin

TexPool Advisory Board Members

R.C. Allen
Pati Buchenau
Jose Elizondo, Jr.
Ron Leverett

LaVonne Mason
John McGrane
Clay McPhail
Vivian Wood

Overseen by the State of Texas Comptroller of Public Accounts Susan Combs.

Operated under the supervision of the Texas Treasury Safekeeping Trust Company.

Additional information regarding TexPool is available upon request:

www.texpool.com
1-866-839-7665
(1-866-TEX-POOL)
Fax: 866-839-3291

Federated®

Federated, founded in 1955, is a S&P 500 company that is publicly traded on the NYSE. It is one of the largest managers of AAA-rated money market portfolios in the country (Source: iMoneyNet as of 5/31/12).

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G35884-24 (07/12)

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Monthly Newsletter July 2012 Economic and Market Commentary

Month in Cash: Forewarned is forearmed

July 1, 2012

As expected, Moody's Investors Service last month completed its review of major global banks in the U.S., UK, Germany, France and Switzerland, downgrading all of them one to three notches on a long-term basis. The announcement, while clearly significant, did not meet with any real resistance or reaction from the marketplace, mainly because the moves had been priced in long before. Moody's announced the review in February, and in the four months since, the markets had plenty of time to adjust to the implications of a potential downgrade. The downgrades haven't affected money markets much, either. The banks Moody's downgraded to second-tier issuers are still rated as first-tier institutions by Standard & Poor's and Fitch Ratings and, as a result, can still be used in accordance with SEC Rule 2a-7. That's not to say that the money markets haven't adjusted by reducing exposure to and shortening maturities within these institutions to account for the possibility that S&P or Fitch might review their ratings. For the time being, however, the impact of Moody's downgrade has been minimal.

June also saw the Federal Reserve extend "Operation Twist"—purchases of longer-term Treasury securities with the proceeds from the sale of short-term Treasuries—in accordance with expectations. This represented the path of least resistance for the Fed. To do nothing might have caused market turmoil, while outright purchases would have resulted in a somewhat unpalatable balance sheet expansion. Faced with few effective options left for stimulus, extending a program that has generally been considered to be successful at keeping longer-term rates low, if not particularly effective at spurring economic growth, buys the Fed a bit more time to sort through whatever tricks it might have left in its bag and to develop consensus.

Money markets like to 'twist'

For the money market world, Twist's extension represented a rare case in which increased monetary policy stimulus didn't hurt and, on the margins, actually helped. The sale of shorter securities in effect has put a floor beneath repo and Treasury rates, helping keep repo rates elevated while making Treasuries relatively more attractive compared with government agencies. Agency securities are fine; it's just that with Treasuries having the benefit of this Twist-induced support, it makes sense to allocate more money in that direction than may have been the case otherwise. This is particularly welcome given that in the fourth quarter of 2011, money markets regularly faced overnight repo rates of one or two basis points and negative rates for Treasuries.

(continued page 6)

PERFORMANCE as of June 30, 2012

	TexPool	TexPool Prime
Current Invested Balance	\$15,235,186,735.32	\$1,066,342,527.49
Weighted Average Maturity (1)*	46 Days	56 Days
Weighted Average Maturity (2)*	83 Days	69 Days
Net Asset Value	1.00002	0.99985
Total Number of Participants	2,267	146
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$1,748,528.42	\$152,296.25
Management Fee Collected	\$593,318.61	\$58,516.87
Standard & Poor's Current Rating	AAAm	AAAm

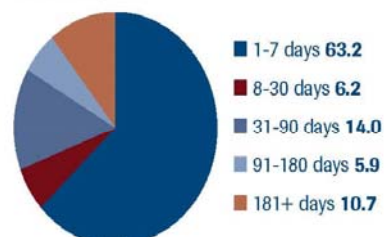
Month Averages

Average Invested Balance	\$15,280,693,813.04	\$1,114,075,507.14
Average Monthly Yield, on a simple basis (3)*	0.14%	0.17%
Average Weighted Average Maturity (1)*	46 Days	53 Days
Average Weighted Average Maturity (2)*	85 Days	55 Days

*Definitions for Average Monthly Yield and Weighted Average Maturity can be found on page 2.

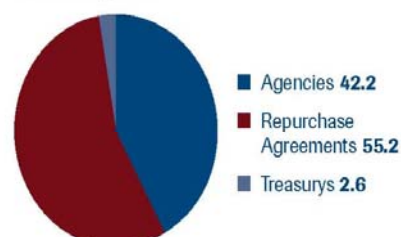
Portfolio by Maturity (%)

As of June 30, 2012



Portfolio by Type of Investment (%)

As of June 30, 2012



PORTFOLIO ASSET SUMMARY AS OF June 30, 2012

	Book Value	Market Value
Uninvested Balance	-\$11,787.93	-\$11,787.93
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	12,939,651.95	12,939,651.95
Interest and Management Fees Payable	-1,748,338.96	-1,748,338.96
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	8,405,369,000.00	8,405,369,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,418,240,064.84	6,418,543,534.09
US Treasury Bills	0.00	0.00
US Treasury Notes	400,398,145.42	400,382,900.00
Total	\$15,235,186,735.32	\$15,235,474,959.15

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investment Counseling and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants is the assets of TexPool. There is no secondary source of payment for the pool such as insurance or State guarantee. Should you require a copy of the portfolio, please contact TexPool Participant Services.

PARTICIPANT SUMMARY

	Number of Participants	Balance
School District	569	\$5,298,059,191.30
Higher Education	56	\$1,514,689,734.07
Healthcare	79	\$416,732,135.74
Utility District	694	\$1,572,709,036.94
City	441	\$4,011,873,220.11
County	171	\$1,279,566,029.12
Other	257	\$1,124,448,047.60

Definition of Weighted Average Maturity (1) & (2)

*(1) "WAM Days" is the mean average of the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid, (b) would be repaid upon a demand by TexPool, or (c) are scheduled to have their interest rate readjusted to reflect current market rates. Securities with adjustable rates payable upon demand are treated as maturing on the earlier of the two dates set forth in (b) and (c) if their scheduled maturity is 397 days or less; and the later of the two dates set forth in (b) and (c) if their scheduled maturity is more than 397 days. The mean is weighted based on the percentage of the amortized cost of the portfolio invested in each period.

*(2) "WAM Days" is calculated in the same manner as the described in footnote 1, but is based solely on the periods of time remaining until the securities held in TexPool (a) are scheduled to be repaid or (b) would be repaid upon a demand by TexPool, without reference to when interest rates of securities within TexPool are scheduled to be readjusted.

Definition of Average Monthly Yield (3)

*(3) This current yield for TexPool Prime for each date may reflect a waiver of some portion or all of each of the management fees.

TEXPOOL

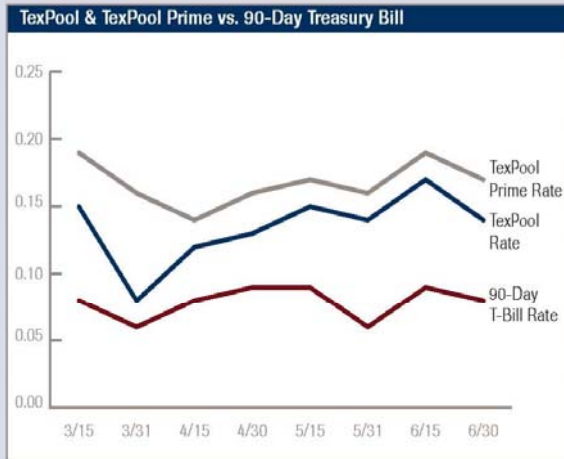
DAILY SUMMARY						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
06/01	0.1399%	0.000003834	\$15,615,939,803.78	1.00007	42	82
06/02	0.1399%	0.000003834	\$15,615,939,803.78	1.00007	42	82
06/03	0.1399%	0.000003834	\$15,615,939,803.78	1.00007	42	82
06/04	0.1425%	0.000003905	\$15,545,469,540.63	1.00009	44	82
06/05	0.1339%	0.000003669	\$15,542,106,817.68	1.00009	45	83
06/06	0.1210%	0.000003316	\$15,438,221,258.31	1.00009	46	84
06/07	0.1180%	0.000003233	\$15,425,159,625.21	1.00009	45	84
06/08	0.1300%	0.000003563	\$15,350,568,278.69	1.00007	48	86
06/09	0.1300%	0.000003563	\$15,350,568,278.69	1.00007	48	86
06/10	0.1300%	0.000003563	\$15,350,568,278.69	1.00007	48	86
06/11	0.1290%	0.000003534	\$15,356,824,693.25	1.00007	46	84
06/12	0.1378%	0.000003774	\$15,324,851,724.25	1.00005	47	85
06/13	0.1538%	0.000004214	\$15,208,075,192.60	1.00006	47	85
06/14	0.1544%	0.000004231	\$15,143,524,765.44	1.00006	48	86
06/15	0.1669%	0.000004573	\$15,072,349,056.39	1.00006	49	87
06/16	0.1669%	0.000004573	\$15,072,349,056.39	1.00006	49	87
06/17	0.1669%	0.000004573	\$15,072,349,056.39	1.00006	49	87
06/18	0.1472%	0.000004032	\$15,200,948,802.09	1.00006	47	85
06/19	0.1234%	0.000003380	\$15,287,214,619.86	1.00004	46	84
06/20	0.1138%	0.000003117	\$15,149,095,351.64	1.00004	47	86
06/21	0.1236%	0.000003385	\$15,077,539,238.87	1.00004	47	86
06/22	0.1579%	0.000004327	\$15,024,195,924.22	1.00004	48	87
06/23	0.1579%	0.000004327	\$15,024,195,924.22	1.00004	48	87
06/24	0.1579%	0.000004327	\$15,024,195,924.22	1.00004	48	87
06/25	0.1570%	0.000004301	\$15,302,850,539.64	1.00004	45	83
06/26	0.1161%	0.000003181	\$15,318,659,982.33	1.00003	44	82
06/27	0.1261%	0.000003454	\$15,231,011,045.86	1.00003	45	83
06/28	0.1293%	0.000003542	\$15,209,728,533.80	1.00002	45	83
06/29	0.1366%	0.000003743	\$15,235,186,735.32	1.00002	46	83
06/30	0.1366%	0.000003743	\$15,235,186,735.32	1.00002	46	83
Average	0.1395%	0.000003822	\$15,280,693,813.04	1.00006	46	85

TEXPOOL

Participant Services
1001 Texas Ave. 14th Floor
Houston, TX 77002

(continued from page 1)

Overall, short interest rates—whether London inter-bank offered rates (Libor), repo, Treasuries or commercial paper—have remained very steady in this softening economic recovery. We're still seeing enough issuance on the short end of the yield curve, and short-term commercial paper is sufficient to finance working capital needs, so it's been steady as she goes. The lack of progress on unemployment has been a disappointment to the marketplace, but again, it hasn't had a real impact on money market rates. We're still growing, just at a slower rate, and the yield curve remains the same.



90-Day Treasury Bill is a short-term debt instrument backed by the national government. These are used to collect immediate cash to meet outstanding obligations.

Any private investor can invest in a Treasury bill. The 90-Day Treasury Bill is a weighted average rate of the weekly auctions of 90-Day Treasury Bills.

