

City of Seabrook, Texas

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021



"The City of Seabrook is responsive, innovative and fiscally sound in delivering services that preserve, protect and enhance quality of life."

*ANNUAL
COMPREHENSIVE FINANCIAL REPORT*

of the

CITY OF SEABROOK, TEXAS

**For the Year Ended
September 30, 2021**

**Prepared by
City Administration and the Finance and Accounting Office**

**Gayle Cook
City Manager**

**Sean Landis
Assistant City Manager**

**Michael Gibbs
Director of Finance**

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CITY OF SEABROOK, TEXAS

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CITY OF SEABROOK, TEXAS

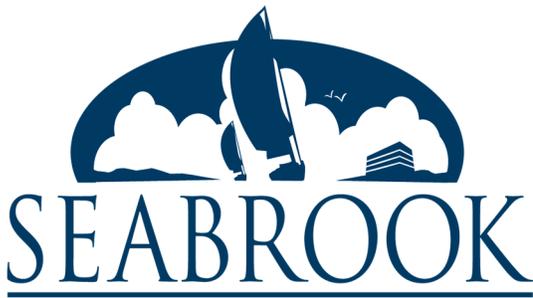
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INTRODUCTORY SECTION

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March 30, 2022

To the Honorable Mayor,
Members of City Council,
and Citizens of the City of Seabrook, Texas:

The City of Seabrook, Texas (the “City”) is required to publish each year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the City for the fiscal year ended September 30, 2021.

This report consists of management’s representations concerning the finances of the City and deems the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of all City activities and funds. Therefore, management assumes full responsibility for the completeness and reliability of all information presented in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. The City also acknowledges all disclosures necessary to enable the reader to gain an understanding of the City’s financial activities have been included.

The City’s financial statements have been audited by Belt Harris Pechacek, LLLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial presentation. The independent auditor concluded, based on the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the year ended September 30, 2021 are fairly presented in conformity with GAAP. The independent auditors’ report is presented as the first component of the financial section of this report.

As required by GAAP, management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). The letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Seabrook, incorporated in 1961, is in southeastern Harris County and is located in the Clear Lake area, which is approximately 25 miles southeast of Houston. The City is surrounded by Galveston Bay to the east; Clear Lake to the south; and the cities of Pasadena, El Lago, and Taylor Lake Village to the north and west.

The City of Seabrook is a home-rule City and has adopted a Council-Manager form of government. The City Council is comprised of a mayor and six council members. The Mayor and City Council Members are elected at large to serve four-year terms. The City Manager is appointed by the City Council and is responsible for implementation of City Council's policies and all day-to-day operations of the City.

A full range of municipal services is provided by the City including police and fire protection, emergency medical services, solid waste, water and wastewater utilities, public improvements, repair and maintenance of infrastructure, recreational and community activities, planning and zoning, and general administrative services.

As an independent political subdivision of the State of Texas, the City is considered a primary government. Pursuant to standards established by the Governmental Accounting Standards Board, the City reports all funds for which the City, as a primary government, is financially accountable. As such, this report includes financial activities of two component units as follows:

- The Seabrook Economic Development Corporation was created by the City in 1992 under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and related development activities on behalf of the City.
- The Seabrook Crime Control and Prevention District was created under the authority granted by Chapter 363 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City.

Local Economy

The Clear Lake area, of which Seabrook is a part, is home to NASA's Johnson Space Center and is known to be the third largest boating center in the United States. The regional economy is very diverse and not driven by just one or two industries. Everything from tourism, boating, and recreation industries to aerospace, petrochemical, and biomedical facilities can be found in the immediate Clear Lake area.

In March 2020, the City issued a local disaster declaration for COVID- 19 and forecasted that with business closures and limited capacities, revenues would decline. Sales tax remained strong throughout the remaining fiscal year during the pandemic and ended above budget. The Hotel and Motel Occupancy Tax Fund, as expected, did rapidly decline ending the fiscal year under budget.

The State Highway (SH) 146 expansion began on February 13, 2019, with the planned project duration for 60 months (5 years). Project management reported that the estimated timeline has decreased and plans to be completed in May 2023. While phasing of the project continued to experience different delays based on utility relocations, pipeline relocations, and structural piling obstructions, the overall project progressed in alternate locations. The northbound frontage road is planned to start in February or March 2021 and anticipated to be complete in late 2022.

In November 2019, the City experienced the start of the Red Bluff expansion project and the estimated completion is June 2021. This project includes the construction of a non-freeway thoroughfare consisting of widening to a 4-lane divided roadway, including the bridge across Taylor Lake and 10-foot pedestrian and bicycle accommodations.

The Port of Houston Rail Spur project began in the early part of the fiscal year and experienced a number of delays. The estimated completion is mid-2021. The rail will traverse SH 146 on the northern boundary of the City and create three (3) new at grade crossings on State Route (SR) 146 and Old SR 146.

Economic Condition and Outlook

Existing property values increased slightly from \$1.2 to \$1.3 billion with optimistic fiscal and economic development projects under construction and in design. Development proposals and projects began to be brought forward this fiscal year along the SH 146 corridor and future Grand Parkway with steady increases to real estate values.

Residential and Multi-Family

Chesapeake Bay 55+ apartment complex, part of a Planned Unit Development (PUD) approved in 2015, consists of an overall project of 259 units of age restricted multi-family units. On May 2, 2017, Chesapeake II PUD was approved to include a light commercial retail and mini storage warehouse with a modified Phase III to consist of 42 of one-story units. This phase was started during the year.

Seaside Lodge at Chesapeake Bay complex, part of a PUD near the corner of Elam Street and Larabee Streets began permitting requirements through the Harris County Affordable Rental Housing Program and began construction during the year. The project is planned to develop approximately 92 units in a single 3-story building on 4.118 acres and was approved for Low Income Housing Tax Credits.

A new residential community, Lake Mija Village, continued construction with over 50 single family homes on the northern section of the City adjacent to Lake Mija. Home prices range from \$350,000 and up. In March 2020, Lake Mija Village was approved for a new Section 2 consisting of 33 lots. El Mar Village townhomes development on East Meyer finished construction with 20 homes in the price range of \$225,000 to \$270,000.

Old Seabrook Village, a revised PUD for single family homes along East Meyer, broke ground on a model home. The ultimate development will consist of 88 lots and will have the traditional front accessed garages and unobstructed back yards.

Commercial

The approved Seabrook Town Center project near SH 146 and Repsdorff, previously approved for a large box retail center development, entered into negotiations for new development. The project was approved in the overlay district with a new PUD comprising of a 324-unit luxury multi-family apartment complex, 37,000 square feet of leasable retail space, and an entertainment plaza surrounded by walkable trails. This new development continues to add new commercial frontage along the soon to be expanded SH 146. Additional phases to the overlay district adjacent to CVS Pharmacy and Autozone are still reserved and planned for commercial development along Repsdorff.

Retail at the Commons, a retail center and a PUD approved 2013, continued to delay and construction did not begin as planned on the development. The site will be 6.5 acres immediately in front of the Towers Luxury Apartments and will include 16,000 square feet of retail space and now two (2) stand-alone pad sites with frontage abutting SR 146. The revised project will include a convenient store with gas pumps on one of the pad sites and a design modification splitting the retail space building into two separate structures. Construction is now estimated to begin the mid-2021.

Lighthouse Daycare completed construction of an 11,200 square foot childcare facility on Lakeside near the Repsdorph traffic circle. The project purchased land from the City for the new facility and the transaction closed in February 2019.

A boutique hotel with 170 rooms, an extended stay hotel with 76 rooms, a 21,500 square foot conference center and ballroom, 25,000 square feet of retail space, and approximately 260-unit luxury multi-family complex located on 15 acres of land along Clear Lake in Seabrook was approved with a preliminary PUD presentation in August 2020. The developer plans on submitting for final approval in fiscal year 2021 and estimates 12 months of design and engineering.

Lone-Term Financial Planning

Debt Management Policy

The City Council has adopted a series of financial standards and policies for operating and debt management. To establish guidelines for debt financing, the City Council approved Resolution 2015-01, Debt Management Policy, for expenditures including facilities, land, capital equipment, and infrastructure improvements. The policy minimizes the impact of debt payments on current and future revenues.

Comprehensive Master Plan and Thoroughfare Plan

In August 2016, the 2035 Comprehensive Master Plan was completed and approved by the Master Plan Review Committee and the City Council. The finished plan compiled all of the public input from a community survey to citizen involvement through a very interactive Community Workshop that was attended by over 300 people. The finished product successfully communicates all the public input themes that were taken from the process and put into the guiding principles for the plan.

The Thoroughfare Plan was approved in July 2016. This document is referenced and has appendixes in the Comprehensive Master Plan. The plan outlines the classifications of each thoroughfare in addition to a new proposed thoroughfare map.

Capital Improvement Plan

The City annually adopts a five-year Capital Improvement Plan with the approval of a one-year annual budget during the current fiscal year that includes the short-term improvement plan for water, wastewater, drainage, and other municipal facilities. For this fiscal year, multiple projects were identified for initiation in water, wastewater, and streets. Additional sections to the program were added to include Facility Projects, Economic Development Projects and Park and Trail Projects. Additional sources of revenue were addressed for the needs and timelines presented that resulted in the issuance of Certificates of Obligation in 2020.

Water and Sewer Rate Study

In April 2019, the City began a new water rate study and it was approved and adopted in March 2020. In late 2020, a new Water Agreement was reached with the City of Seabrook and incorporated the findings in the water rate study. The new 20-year agreement secured an updated cost and increased the quantity for further development of larger projects.

SH 146 Expansion Stabilization Fund

In December 2011, the City adopted an ordinance establishing a Budget Stabilization Fund. Using surplus revenues from both the general and the enterprise funds from 2011, \$800,000 was set aside to offset any adverse impact caused from the construction on SH 146. This is a separate fund and is in addition to the City's 25% of operating expenditure and additional unrestricted fund balance in the general fund and the 15% in the enterprise fund. To date, the City has not utilized this special fund.

State Infrastructure Bank

In August 2018, the City agreed to loan terms with the State Infrastructure Bank (SIB) in an amount of \$3,700,000. The City is required to relocate its water and sewer utility lines along SH 146 due to the State's highway widening project. The SIB loan will be used to pay for the utility relocation.

Bond Program 2002 (2003, 2005, and 2008 Issues)

In September 2002, the City held an election to issue General Obligation Bonds. There were multiple propositions on the ballot, and all were approved by the voters. The propositions cumulatively totaled \$19,688,000. On November 6, 2007, a subsequent special election was held authorizing an additional \$2,500,000 be added to the 2008 Bond Issue for a total of \$22,188,000. The bond program was to be used as follows:

- \$5,025,000 was used for construction and repair of streets Flamingo, El Mar, and Old Seabrook Overlays – Completed 2004-2005
- \$6,111,000 was used for construction of a fire station and acquisition of fire-fighting equipment including engines/vehicles – Completed 2004-2008
- \$3,023,000 was for acquisition, construction, and improvements to parks Carothers Park – Completed 2004-2011
- \$724,000 was for purchasing public safety equipment, a dispatch console and other equipment – Completed 2004
- \$1,299,000 was for the construction, and improvements to Evelyn Meador Library – Completed 2010
- \$330,000 was for issued for drainage projects – Completed 2005-2008
- \$5,676,000 was issued for the construction of repairs, improvements, and extensions to the City's water and sewer systems – Completed 2004-2012

Bond Program 2014

In November 2014, the City held an election to issue General Obligation Bonds. There were four propositions on the ballot and all were approved by the voters. The propositions were as follows:

- Proposition 1 was for \$6,850,000 to build a new Public Works/Animal Adoption facility – Completed August 2017
- Proposition 2 was for \$725,000 to purchase a fire truck – In operation

- Proposition 3 was for \$525,000 to install a fiber optic network – Eastside fiber ring is complete and westbound connection is under construction.
- Proposition 4 was for \$450,000 to construct splash pads in two City parks – Completed

Certificates of Obligation

In 2010, the City issued Certificates of Obligation in the amount of \$900,000. Projects for the issuance follows:

- Lakeside Drive extension and Harris County Repsdorff Road expansion project – Completed 2011.

In 2016, the City issued Certificates of Obligation in the amount of \$2,500,000. This project made way for commercial development in the Seabrook Town Center development. The City entered into an agreement with the Seabrook Economic Development Corporation to make the debt service payments on the Certificates of Obligation as they relate to economic development. The projects for this issuance were as follows:

- Ground water storage tank and water plant (CIP# W4)

In 2017, the City issued Certificates of Obligation, Series 2016A for the amount \$6,165,000. Projects included in this issuance were as follows:

- Todville Sewer Line Replacement from Main Street to Meyer (CIP# WW4)
- Wastewater Treatment Plant Upgrades – Phase 2 (Clarifier) (CIP# WW6)
- Wastewater Treatment Plant at Pine Gully (CIP# WW9)

In 2020, the City issued Certificates of Obligation, Series 2020 for the amount of \$9,090,000. Projects for the issuance were as follows:

- Wastewater Treatment Plant Retrofit (CIP# WW9)
- El Mar Ditch Drainage Project (CIP# D2)
- Seascope Subdivision Drainage Project (CTP# Dli)
- Baybrook Subdivision Drainage Project (CTP# Di 2)
- Smart Water Meter Conversion (AMI) System (CIP# FAC6)

Major Capital Initiatives Completed

Pine Gully Wastewater Treatment Plant (CIP # WW9)*
NASA Road 1 and Old Seabrook Waterline (CIP# W6 and W14)
SH 146 Waterline Relocation (CIP# W7)
Todville Sanitary Sewer Line Replacement Project (CIP# WW4)
Wastewater Treatment Plant Upgrades Phase 2 – Clarifier (CIP# WW6)
SH 146 Wastewater Relocation (CIP# WW8)
Chloramine Conversion Wastewater Plan (CIP# W13)
Pine Gully and Hester Gully Waterlines (CIP# WI 7 and Wi 8)
Marvin Circle Paving and Waterline (CIP# SIO)
Du Lac Trace, Waterway, and Seascope Outfalls (CIP# D9)

SCADA System for Water (CIP # FAC 1)
Water Wells Fiber (CIP# FAC 10 and FAC 11)

*The City had proposed a multi-phased approach to the relocation of the wastewater treatment plant in the City's CIP as noted by project WW9. Phase IA was initiated and funded and would have allowed for a 0.5 million gallons per day capacity and start of the new plant. In June 2019, a new mitigation program through the Hazard Mitigation Grant Program (HMGP) for a retrofit of the facility was determined eligible and the project was resubmitted for funding. Award for Phase I – Design and Engineering was awarded and completed. Submittal was made to the Texas Division of Emergency Management for the HMGP funding of Phase II – Construction. Award notification is expected early 2021.

Certificate of Achievement

The City of Seabrook received the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the year ended September 30, 2020. This was the 41st consecutive year that the City has received this prestigious award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for an award.

Acknowledgments

The preparation of this report was accomplished with the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the departments who assisted and contributed to its preparation. We would also like to thank the Mayor, members of the City Council, and the City Manager for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.



Gayle Cook
City Manager



Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*
September 30, 2021



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial
Reporting

Presented to

City of Seabrook Texas

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF SEABROOK, TEXAS

PRINCIPAL OFFICIALS

September 30, 2021

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Thomas G. Kolupski	Mayor	05/2023
Ed Klein	Council Member – Position One	05/2022
Rob Hefner	Council Member – Position Two	05/2023
Jeff Larson	Council Member – Position Three	05/2022
Mike Giangrosso	Council Member – Position Four	05/2023
Walter “Buddy” Hammann III	Council Member – Position Five, Mayor Pro Tem	05/2022
Joe Machol	Council Member – Position Six	05/2023

<u>Key Staff</u>	<u>Position</u>
Gayle Cook	City Manager
Sean Landis	Assistant City Manager
Michael Gibbs	Director of Finance
Robin Lenio	City Secretary
Sean Wright	Police Chief
Kevin Padgett	Director of Public Services
Dick Gregg	Municipal Judge

FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
City Council Members of the
City of Seabrook, Texas:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seabrook, Texas (the "City"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, schedules of changes in net pension and total other postemployment benefits liabilities and related ratios, and schedule of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
March 30, 2022

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***MANAGEMENT'S DISCUSSION
AND ANALYSIS***

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CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City's financials into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including public safety, public works, economic development, and general administrative services. Interest payments on the City's debt are also reported here. Sales tax, property tax, franchise fees, municipal court fines, and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water, sewer, and sanitation services.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate economic development corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The crime control and prevention district, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

The government-wide financial statements can be found after the MD&A.

FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 10 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general, debt service, and capital project funds, which are considered to be major funds for reporting purposes.

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

The City adopts an annual appropriated budget for its general fund, debt service fund, and the special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

Proprietary Funds

The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its water, sewer, and sanitation operations.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the management of its public safety vehicles and equipment. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Notes to Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios – Texas Municipal Retirement System (TMRS), schedule of changes in the total OPEB liability and related ratios – Supplemental Death Benefit Fund, and a schedule of contributions for TMRS. RSI can be found after the notes to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$64,895,156 as of September 30, 2021. This compares with \$61,338,670 from the prior fiscal year. The largest portion of the City's net position, 60 percent, reflects its investment in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental		Business-Type		Total	
	Activities		Activities		Primary	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 24,729,753	\$ 20,356,961	\$ 18,647,618	\$ 19,660,035	\$ 43,377,371	\$ 40,016,996
Capital assets, net	43,393,418	44,663,356	28,309,221	25,634,870	71,702,639	70,298,226
Total Assets	68,123,171	65,020,317	46,956,839	45,294,905	115,080,010	110,315,222
Deferred charge on refunding	177,634	214,743	16,675	20,843	194,309	235,586
Deferred outflows - pensions	1,034,691	1,147,118	133,522	167,769	1,168,213	1,314,887
Deferred outflows - OPEB	97,700	58,519	-	-	97,700	58,519
Total Deferred Outflows of Resources	1,310,025	1,420,380	150,197	188,612	1,460,222	1,608,992
Long-term liabilities	22,810,509	24,725,516	21,531,930	22,451,600	44,342,439	47,177,116
Other liabilities	2,532,944	525,326	3,657,261	1,946,610	6,190,205	2,471,936
Total Liabilities	25,343,453	25,250,842	25,189,191	24,398,210	50,532,644	49,649,052
Deferred inflows - pensions	956,750	996,016	138,870	138,874	1,095,620	1,134,890
Deferred inflows - OPEB	16,812	14,102	-	-	16,812	14,102
Total Deferred Inflows of Resources	973,562	1,010,118	138,870	138,874	1,112,432	1,148,992
Net Position:						
Net investment in capital assets	30,820,312	28,175,351	8,050,272	6,958,646	38,870,584	35,133,997
Restricted	5,539,625	4,876,957	4,433,874	4,300,283	9,973,499	9,177,240
Unrestricted	6,756,244	7,127,429	9,294,829	9,687,504	16,051,073	16,814,933
Total Net Position	\$ 43,116,181	\$ 40,179,737	\$ 21,778,975	\$ 20,946,433	\$ 64,895,156	\$ 61,126,170

A portion of the primary government's net position, \$9,973,499 or 15 percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$16,051,073 or 25 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$3,768,986 as compared to the prior year. This increase was primarily related to increases in sales tax and other revenues, as well as decreases in overall public safety expenses. The increase in sales tax revenue was mostly due to increases in commercial activity as a result of less COVID related restrictions and shutdowns. The increase in other revenues was primarily related to insurance recoveries as a result of disasters that occurred damaging parts of City property. The decrease in public safety expenses are primarily related to a decrease in salaries and payroll related expenses.

As of September 30, 2021, the City reported deferred outflows and inflows of resources related to its pension plan of \$72,593. In addition, the City reported a net pension liability of \$3,550,442, which is part of the \$44,342,439 reported in long-term liabilities. Details of these amounts are further discussed in the notes to the financial statements. Overall total assets increased primarily related to increases in current assets as a result of increases in pooled investments. Total liabilities increased compared to prior year primarily related to increases in short term liability amounts at the end of the year as a result of construction invoices and unearned revenue related to the Coronavirus State and Local Fiscal Recovery grant funds paid to the City.

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Statement of Activities

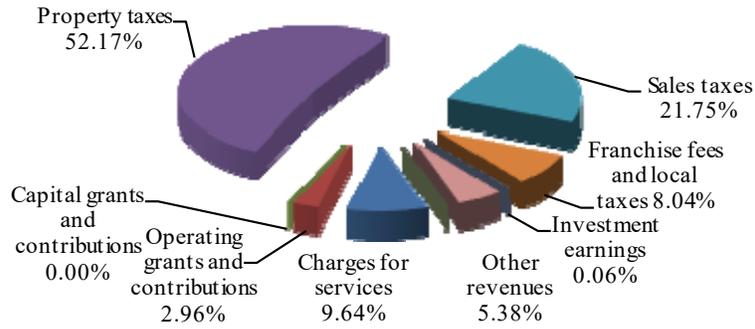
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 1,504,924	\$ 1,665,033	\$ 9,514,435	\$ 8,370,924	\$ 11,019,359	\$ 10,035,957
Operating grants and contributions	462,317	1,187,359	-	-	462,317	1,187,359
Capital grants and contributions	-	2,408	993,752	2,600,228	993,752	2,602,636
General revenues:						
Property taxes	8,145,649	7,612,682	-	-	8,145,649	7,612,682
Sales taxes	3,396,295	2,994,232	-	-	3,396,295	2,994,232
Franchise fees and local taxes	1,254,909	1,113,688	345,335	344,369	1,600,244	1,458,057
Investment earnings	9,411	149,979	8,432	107,906	17,843	257,885
Other revenues	840,671	632,640	38,192	214,811	878,863	847,451
Total Revenues	<u>15,614,176</u>	<u>15,358,021</u>	<u>10,900,146</u>	<u>11,638,238</u>	<u>26,514,322</u>	<u>26,996,259</u>
Expenses						
General government	3,796,799	3,680,753	-	-	3,796,799	3,680,753
Public safety	8,103,724	8,837,709	-	-	8,103,724	8,837,709
Public works	1,992,198	2,380,054	-	-	1,992,198	2,380,054
Economic development	294,254	524,516	-	-	294,254	524,516
Interest and fiscal agent fees	553,692	561,811	-	-	553,692	561,811
Utilities	-	-	8,004,669	6,754,222	8,004,669	6,754,222
Total Expenses	<u>14,740,667</u>	<u>15,984,843</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>22,745,336</u>	<u>22,739,065</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	873,509	(626,822)	2,895,477	4,884,016	3,768,986	4,257,194
Transfers	2,062,935	2,084,076	(2,062,935)	(2,084,076)	-	-
Change in Net Position	2,936,444	1,457,254	832,542	2,799,940	3,768,986	4,257,194
Beginning net position	40,179,737	38,722,483	20,946,433	18,146,493	61,126,170	56,868,976
Ending Net Position	<u>\$ 43,116,181</u>	<u>\$ 40,179,737</u>	<u>\$ 21,778,975</u>	<u>\$ 20,946,433</u>	<u>\$ 64,895,156</u>	<u>\$ 61,126,170</u>

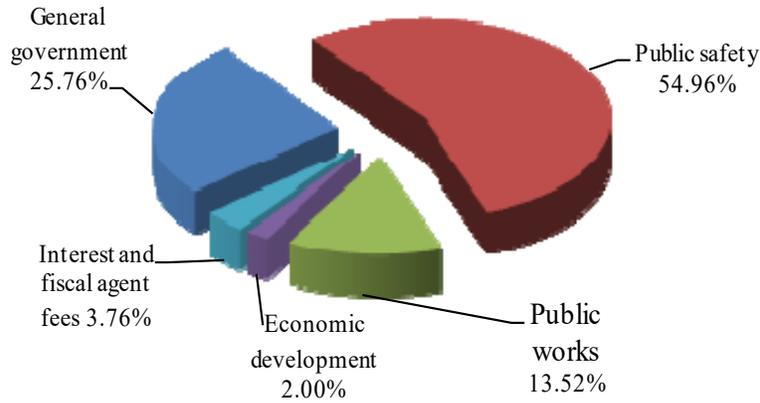
CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

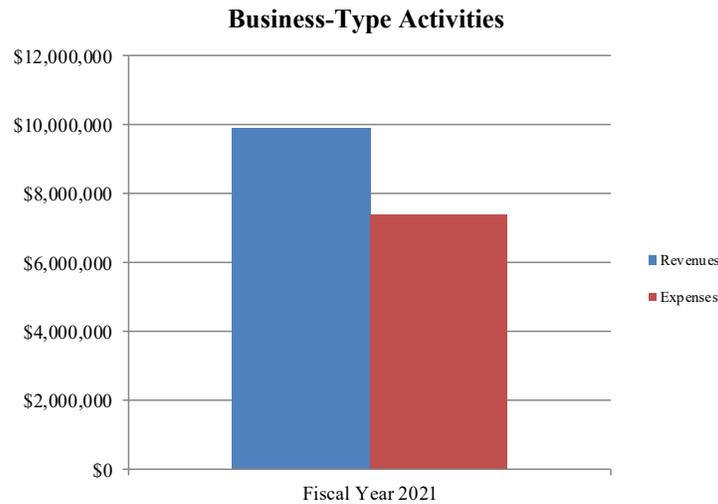
Governmental Revenues



Governmental Expenses



CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021



For the year ended September 30, 2021, revenues from governmental activities totaled \$15,614,176, which is an increase of \$256,155 from the prior year. This increase is primarily related to an increase in sales tax revenue, property tax revenue, and other revenues. Sales tax revenue increased due to more economic activity during the year primarily related to a reduction in COVID related restrictions and shutdowns. Property tax revenue increased primarily related to increases in valuations and growth within the City. Other revenues increased primarily related to insurance recoveries as a result of disasters that occurred damaging parts of City property. These increases were partially offset by decreases in operating grants and contributions primarily related to decreases in federal funding received in the current year.

For the year ended September 30, 2021, expenses from governmental activities totaled \$14,740,667, which is a decrease of \$1,244,176 from the prior year. This change can be attributed to decreases in public safety, public works, and economic development. These functions decreased primarily related to decreases in payroll related costs.

Operating revenues for business-type activities decreased from the prior year. Capital grants and contributions also decreased as a result of activity for the wastewater plant that occurred in prior year that did not continue in the current year. Charges for services increased by \$1,143,511, or 14 percent, primarily related to increases in the City's rates for service. Operating expenditures for business-type activities increased from the prior year. Utilities expenses increased by \$1,250,447 primarily due to increases in contractual and professional fees and interest expense.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$20,126,391. Of this, \$100,146 is nonspendable, \$11,061,868 is restricted for various purposes, \$849,729 is committed for a stabilization fund to cover potential future budget shortfalls, \$1,600,000 is committed for a sound mitigation project, and \$1,442,093 is

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

assigned for capital projects and animal control. The remaining balance of \$5,072,555 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$1,636,326 compared to the prior year, primarily due to increases in sales tax revenue and general increases in activity throughout the City as COVID restrictions in the area eased.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$5,072,555, while total fund balance reached \$7,578,173. As a measure of the general fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 41 percent of total general fund expenditures, while total fund balance represents 61 percent of the same amount. Total general fund revenues decreased slightly in the current year primarily related to decreases in intergovernmental revenue as the City received less federal grant funding in the current year. Total general fund expenditures also decreased primarily related to decreases in personnel costs across the three functions reported in the general fund.

The debt service fund has a total fund balance of \$1,943,157, all of which is restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$29,725, which is due to slightly higher property tax revenue as a result of an increase in appraised values.

The fund balance in the capital projects fund was \$6,948,525, which is an increase of \$2,416,790 when compared to the prior year. This increase is primarily related to a transfer in from the general fund.

Proprietary Funds – The City's proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$1,477,819 in the general fund. However, the net change in fund balance decreased by \$1,488,763, resulting in a negative variance of \$10,944 from actual in comparison to the final amended budget. This was largely due to less revenue received than anticipated.

Actual general fund revenues were less than original and amended budgeted revenues by a net \$724,871 during 2021. This net variance is primarily due to less fines and forfeitures and intergovernmental revenue from what was anticipated.

Actual expenditures were less than original and amended budgeted expenditures by a net \$712,400 during 2021. Actual total expenditures were closely aligned with the amended budget. The greatest positive variances came in the public safety, Hurricane Harvey, and parks functions.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$43,393,418 and \$28,309,221, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net decrease of \$1,269,938 for governmental activities and a net increase of \$2,674,351 for business-type activities.

More detailed information about the City's capital assets is presented in note III.C of the financial statements.

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)
For the Year Ended September 30, 2021

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$36,785,110. Of this amount, \$15,150,000 was general obligation debt, \$1,665,000 was revenue bond debt, \$16,480,000 was certificates of obligation, and the remaining \$3,490,110 was a loan from the State Infrastructure Bank.

More detailed information about the City's long-term liabilities is presented in note III.D of the financial statements.

Current underlying ratings on debt issues are as follows:

<u>Debt Type</u>	<u>Moody's Investors Services</u>	<u>Standard and Poor's</u>
General obligation bonds	Aa3	AA
Revenue bonds	Aa3	AA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council provided staff with their vision for the future of the City and specific policy guidance with which to propose the fiscal year 2022 budget. The City's general fund revenue is principally made up of property taxes, sales taxes, and franchise fees. The revenue projections for the budget are based on historical data and estimates from the finance department and individual department heads, but they have been projected conservatively.

City Council approved a general fund budget of \$14.5 million for the 2022 fiscal year. The 2022 budget incorporated a tax rate of \$0.524444 per \$100 of valuation, which was approximately a 1.45% increase from the prior year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael Gibbs, Director of Finance, City Hall, 1700 First Street, Seabrook, TX, 77586; telephone (281) 291-5677; or for general City information, visit the City's website at www.seabrooktx.gov.

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BASIC FINANCIAL STATEMENTS

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CITY OF SEABROOK, TEXAS

STATEMENT OF NET POSITION

September 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets				
Cash and cash equivalents	\$ 23,165,657	\$ 10,061,102	\$ 33,226,759	\$ 2,908,509
Receivables, net of allowances	1,463,950	1,124,468	2,588,418	164,286
Due from primary government	-	-	-	199
Prepays and other assets	100,146	550	100,696	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	7,461,498	7,461,498	-
	24,729,753	18,647,618	43,377,371	3,072,994
Capital assets:				
Nondepreciable capital assets	15,360,824	12,167,904	27,528,728	-
Depreciable capital assets, net	28,032,594	16,141,317	44,173,911	-
	43,393,418	28,309,221	71,702,639	-
Total Assets	68,123,171	46,956,839	115,080,010	3,072,994
Deferred Outflows of Resources				
Deferred charge on refunding	177,634	16,675	194,309	-
Deferred outflows - pensions	1,034,691	133,522	1,168,213	-
Deferred outflows - OPEB	97,700	-	97,700	-
Total Deferred Outflows of Resources	1,310,025	150,197	1,460,222	-
Liabilities				
Accounts payable and accrued liabilities	650,550	3,546,002	4,196,552	9,729
Due to component unit	199	-	199	-
Unearned revenue	1,841,246	-	1,841,246	-
Accrued bond interest	40,949	111,259	152,208	-
Noncurrent liabilities:				
Portion due within one year	1,934,865	852,431	2,787,296	-
Portion due in more than one year	20,875,644	20,679,499	41,555,143	-
Total Liabilities	25,343,453	25,189,191	50,532,644	9,729
Deferred Inflows of Resources				
Deferred inflows - pensions	956,750	138,870	1,095,620	-
Deferred inflows - OPEB	16,812	-	16,812	-
Total Deferred Inflows of Resources	973,562	138,870	1,112,432	-
Net Position				
Net investment in capital assets	30,820,312	8,050,272	38,870,584	-
Restricted for:				
Debt service	1,943,157	591,878	2,535,035	-
Public safety	1,649,658	-	1,649,658	-
Parks	409,143	-	409,143	-
Tourism	1,388,740	-	1,388,740	-
Governmental programming	148,927	-	148,927	-
Capital projects	-	3,841,996	3,841,996	-
Economic development	-	-	-	3,063,265
Unrestricted	6,756,244	9,294,829	16,051,073	-
Total Net Position	\$ 43,116,181	\$ 21,778,975	\$ 64,895,156	\$ 3,063,265

See Notes to Financial Statements.

CITY OF SEABROOK, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,796,799	\$ 784,793	\$ -	\$ -
Public safety	8,103,724	401,555	460,097	-
Public works	1,992,198	318,576	2,220	-
Economic development	294,254	-	-	-
Interest and fiscal agent fees	553,692	-	-	-
Total Governmental Activities	<u>14,740,667</u>	<u>1,504,924</u>	<u>462,317</u>	<u>-</u>
Business-Type Activities				
Utilities	8,004,669	9,514,435	-	993,752
Total Business-Type Activities	<u>8,004,669</u>	<u>9,514,435</u>	<u>-</u>	<u>993,752</u>
Total Primary Government	<u>\$ 22,745,336</u>	<u>\$ 11,019,359</u>	<u>\$ 462,317</u>	<u>\$ 993,752</u>
Component Unit				
Seabrook Economic Development Corp	\$ 968,718	\$ -	\$ -	\$ -
Total Component Unit	<u>\$ 968,718</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Property taxes
 Sales taxes
 Franchise fees and local taxes
 Other taxes
 Investment revenue
 Other revenues
 Gain on sale of capital asset
 Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning net position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (3,012,006)	\$ -	\$ (3,012,006)	\$ -
(7,242,072)	-	(7,242,072)	-
(1,671,402)	-	(1,671,402)	-
(294,254)	-	(294,254)	-
(553,692)	-	(553,692)	-
<u>(12,773,426)</u>	<u>-</u>	<u>(12,773,426)</u>	<u>-</u>
-	2,503,518	2,503,518	-
-	2,503,518	2,503,518	-
<u>(12,773,426)</u>	<u>2,503,518</u>	<u>(10,269,908)</u>	<u>-</u>
-	-	-	(968,718)
-	-	-	(968,718)
8,145,649	-	8,145,649	-
3,396,295	-	3,396,295	1,051,474
766,472	345,335	1,111,807	-
488,437	-	488,437	-
9,411	8,432	17,843	1,538
792,443	38,192	830,635	530
48,228	-	48,228	-
2,062,935	(2,062,935)	-	-
<u>15,709,870</u>	<u>(1,670,976)</u>	<u>14,038,894</u>	<u>1,053,542</u>
2,936,444	832,542	3,768,986	84,824
<u>40,179,737</u>	<u>20,946,433</u>	<u>61,126,170</u>	<u>2,978,441</u>
<u>\$ 43,116,181</u>	<u>\$ 21,778,975</u>	<u>\$ 64,895,156</u>	<u>\$ 3,063,265</u>

CITY OF SEABROOK, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2021

	General	Debt Service	Capital Projects	Nonmajor Governmental
Assets				
Cash and cash equivalents	\$ 9,346,439	\$ 1,961,255	\$ 6,948,525	\$ 3,340,587
Receivables, net	1,017,027	99,064	-	347,859
Due from other funds	18,096	-	-	36,152
Prepaid items	55,889	-	-	44,257
Total Assets	\$ 10,437,451	\$ 2,060,319	\$ 6,948,525	\$ 3,768,855
Liabilities				
Accounts payable and accrued liabilities	\$ 553,168	\$ -	\$ -	\$ 59,759
Due to other funds	36,152	18,096	-	-
Due to component unit	199	-	-	-
Due to others	26,381	-	-	-
Unearned revenue	1,788,686	-	-	52,560
Total Liabilities	2,404,586	18,096	-	112,319
Deferred Inflows of Resources				
Unavailable revenue - EMS services	190,603	-	-	-
Unavailable revenue - property taxes	264,089	99,066	-	-
Total Deferred Inflows of Resources	454,692	99,066	-	-
Fund Balances				
Nonspendable:				
Prepays	55,889	-	-	44,257
Restricted for:				
Debt service	-	1,943,157	-	-
Public safety	-	-	-	1,649,658
Parks	-	-	-	409,143
Tourism	-	-	-	1,388,740
Governmental programming	-	-	-	148,927
Capital projects	-	-	5,522,243	-
Committed for:				
Stabilization fund	849,729	-	-	-
Sound mitigation project	1,600,000	-	-	-
Assigned for:				
Capital projects	-	-	1,426,282	-
Animal control	-	-	-	15,811
Unassigned	5,072,555	-	-	-
Total Fund Balances	7,578,173	1,943,157	6,948,525	3,656,536
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,437,451	\$ 2,060,319	\$ 6,948,525	\$ 3,768,855

See Notes to Financial Statements.

**Total
Funds**

\$ 21,596,806
1,463,950
54,248
100,146
\$ 23,215,150

\$ 612,927
54,248
199
26,381
1,841,246
2,535,001

190,603
363,155
553,758

100,146

1,943,157
1,649,658
409,143
1,388,740
148,927
5,522,243

849,729
1,600,000

1,426,282
15,811
5,072,555

20,126,391

\$ 23,215,150

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CITY OF SEABROOK, TEXAS
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
September 30, 2021

Total fund balances - governmental funds \$ 20,126,391

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.

Capital assets, nondepreciable	15,360,824
Capital assets, net depreciable	27,408,238

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.

553,758

Internal service funds are used by management to charge the costs of certain capital assets and maintenance to individual funds. The assets and liabilities of the internal service fund is included in the governmental activities in the Statement of Net Position.

Unrestricted net position	1,557,609
Net investment in capital assets	624,356

Net pension liability and total other post employment benefits (OPEB) obligations are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds balance sheet.

Accrued interest payable	(40,949)
Deferred charge on refunding	177,634
Deferred outflows - pensions	1,034,691
Deferred inflows - pensions	(956,750)
Deferred outflows - OPEB	97,700
Deferred inflows - OPEB	(16,812)
Noncurrent liabilities due in one year	(1,934,865)
Noncurrent liabilities due in more than one year	(20,875,644)

Net Position of Governmental Activities	\$ 43,116,181
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See Notes to Financial Statements.

CITY OF SEABROOK, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended September 30, 2021

	General	Debt Service	Capital Projects	Nonmajor Governmental
Revenues				
Property taxes	\$ 5,804,837	\$ 2,083,217	\$ -	\$ -
Sales taxes	2,368,645	-	-	1,027,650
Franchise fees and local taxes	728,772	-	-	37,700
Other taxes	-	-	-	488,437
Licenses and permits	318,576	-	-	-
Fines and forfeitures	350,581	-	-	50,974
Charges for services	764,205	-	-	20,588
Intergovernmental	460,097	-	-	2,220
Investment revenue	4,109	1,071	2,307	1,230
Other revenue	445,217	-	-	112,009
Total Revenues	11,245,039	2,084,288	2,307	1,740,808
Expenditures				
Current:				
General government	3,462,894	-	-	16,721
Public safety	7,119,700	-	-	732,525
Public works	1,845,777	-	-	150
Economic development	-	-	-	298,109
Capital outlay	-	-	24,420	56,696
Debt service:				
Principal	-	1,491,749	-	-
Interest and fiscal agent fees	-	563,089	-	-
Total Expenditures	12,428,371	2,054,838	24,420	1,104,201
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,183,332)	29,450	(22,113)	636,607
Other Financing Sources (Uses)				
Transfers in	2,135,695	275	2,440,704	-
Transfers (out)	(2,440,704)	-	(1,801)	(193,672)
Insurance proceeds	-	-	-	235,217
Total Other Financing Sources (Uses)	(305,009)	275	2,438,903	41,545
Net Change in Fund Balances	(1,488,341)	29,725	2,416,790	678,152
Beginning fund balances	9,066,514	1,913,432	4,531,735	2,978,384
Ending Fund Balances	\$ 7,578,173	\$ 1,943,157	\$ 6,948,525	\$ 3,656,536

See Notes to Financial Statements.

**Total
Funds**

\$ 7,888,054
3,396,295
766,472
488,437
318,576
401,555
784,793
462,317
8,717
557,226

15,072,442

3,479,615
7,852,225
1,845,927
298,109
81,116

1,491,749
563,089

15,611,830

(539,388)

4,576,674
(2,636,177)
235,217

2,175,714

1,636,326

18,490,065

\$ 20,126,391

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CITY OF SEABROOK, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended September 30, 2021

Net changes in fund balances - total governmental funds \$ 1,636,326

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	204,931
Depreciation expense	(1,475,401)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Net Position.

Principal payments	1,491,749
Amortization of premium	43,469
Amortization of deferred charges	(37,109)
Accrued interest	3,037

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.	257,595
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(53,301)
Net pension liability	504,895
Total OPEB liability	(71,805)
Change in deferred outflows - pensions	(112,427)
Change in deferred inflows - pensions	39,266
Change in deferred outflows - OPEB	39,181
Change in deferred inflows - OPEB	(2,710)

An internal service fund is used by management to charge the costs of certain capital assets and maintenance to individual funds. The net revenue (expense) is reported with governmental activities.	468,748
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Change in Net Position of Governmental Activities	\$ 2,936,444
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See Notes to Financial Statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION (Page 1 of 2)
PROPRIETARY FUNDS
September 30, 2021

	Business-Type Activities	Governmental Activities
	Utility Enterprise	Internal Service
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 10,061,102	\$ 1,568,851
Accounts receivable (net of allowance for uncollectibles)	1,124,468	-
Restricted cash and cash equivalents		
Capital projects - impact fees	3,842,766	-
Capital projects - bond proceeds	3,026,854	-
Debt service	591,878	-
Prepaid expense	550	-
Total Current Assets	18,647,618	1,568,851
Noncurrent assets		
Capital assets:		
Land	1,605,575	-
Buildings	3,359,751	-
Infrastructure	22,121,952	-
Equipment	3,619,678	1,014,571
Construction in progress	10,562,329	-
Less accumulated depreciation	(12,960,064)	(390,215)
Total Capital Assets (Net)	28,309,221	624,356
Total Noncurrent Assets	28,309,221	624,356
Total Assets	\$ 46,956,839	\$ 2,193,207
<u>Deferred Outflows of Resources</u>		
Deferred charge on refunding	16,675	-
Deferred outflows - pensions	133,522	-
Total Deferred Outflows of Resources	150,197	-

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION (Page 2 of 2)
PROPRIETARY FUNDS
September 30, 2021

	Business-Type Activities	Governmental Activities
	Utility Enterprise	Internal Service
<u>Liabilities</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,875,105	\$ 11,242
Accrued interest payable	111,259	-
Customer deposits	670,897	-
Bonds payable - current	713,251	-
Notes payable - current	74,416	-
Compensated absences	64,764	-
Total Current Liabilities	4,509,692	11,242
Noncurrent liabilities		
Bonds payable - noncurrent (net of premiums and discounts)	16,670,687	-
Note payable - noncurrent	3,415,694	-
Net pension liability	565,271	-
Compensated absences	27,847	-
Total Noncurrent Liabilities	20,679,499	-
Total Liabilities	25,189,191	11,242
<u>Deferred Inflows of Resources</u>		
Deferred inflows - pensions	138,870	-
Total Deferred Inflows of Resources	138,870	-
<u>Net Position</u>		
Net investment in capital assets	8,050,272	624,356
Restricted for:		
Capital projects - impact fees	3,841,996	-
Debt service	591,878	-
Unrestricted	9,294,829	1,557,609
Total Net Position	\$ 21,778,975	\$ 2,181,965

See Notes to Financial Statements.

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CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Year Ended September 30, 2021

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Utility Enterprise</u>	<u>Internal Service</u>
<u>Operating Revenues</u>		
Water service	\$ 3,937,618	\$ -
Sewer service	3,242,754	-
Sanitation service	2,334,063	-
Franchise fees	345,335	-
Service fees	-	221,309
Other revenue	38,192	-
Total Operating Revenues	<u>9,897,962</u>	<u>221,309</u>
<u>Operating Expenses</u>		
Personnel services	1,302,065	-
Supplies and materials	52,340	-
Contractual services	4,818,940	-
Repairs and maintenance	589,849	16,192
Depreciation	631,448	120,409
Total Operating Expenses	<u>7,394,642</u>	<u>136,601</u>
Operating Income	<u>2,503,320</u>	<u>84,708</u>
<u>Nonoperating Revenues (Expenses)</u>		
Gain on sale of capital assets	-	48,228
Intergovernmental revenue	697,956	-
Investment revenue	8,432	694
Interest expense and fiscal charges	(610,027)	-
Total Nonoperating Revenues (Expenses)	<u>96,361</u>	<u>48,922</u>
Income Before Contributions and Transfers	<u>2,599,681</u>	<u>133,630</u>
<u>Contributions and Transfers</u>		
Impact fees	295,796	-
Transfers in	71,234	193,672
Transfers (out)	(2,134,169)	(71,234)
Total Contributions and Transfers	<u>(1,767,139)</u>	<u>122,438</u>
Change in Net Position	832,542	256,068
Beginning net position	20,946,433	1,925,897
Ending Net Position	<u>\$ 21,778,975</u>	<u>\$ 2,181,965</u>

See Notes to Financial Statements.

CITY OF SEABROOK, TEXAS

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2)

For the Year Ended September 30, 2021

	Business-Type Activities Utility Enterprise	Governmental Activities Internal Service
Reconciliation of Operating Income (Loss)		
to Net Cash Provided (Used) by Operating Activities		
Operating income	\$ 2,503,320	\$ 84,708
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation	631,448	120,409
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in Current Assets:		
Accounts receivable	906,298	-
Prepays	(370)	-
Deferred outflows - pensions	34,247	-
Increase (Decrease) in Current Liabilities:		
Accounts payable and accrued liabilities	1,696,333	11,242
Accrued interest payable	(3,370)	-
Due to other funds	(149,528)	-
Compensated absences	6,853	-
Customer deposits	17,688	-
Net pension liability	(66,162)	-
Deferred inflows - pensions	(4)	-
	Net Cash Provided by Operating Activities	\$ 216,359
	\$ 5,576,753	\$ 216,359

See Notes to Financial Statements.

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CITY OF SEABROOK, TEXAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended September 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Seabrook, Texas (the “City”) was incorporated on October 14, 1961 and adopted the “Home Rule Charter” on August 11, 1979, pursuant to the laws of the State of Texas (the “State”) which provide for a Council-Manager form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the City Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, drainage, building and code inspection, planning, engineering, street repair and maintenance, park maintenance, recreational activities for citizens, and general administrative services.

The City is an independent political subdivision of the State governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City’s financial reporting entity. The component units as listed below, although legally separate, are considered part of the reporting entity. No other entities, organizations, or functions have been included as part of the City’s reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the City’s financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City’s financial reporting entity status is that of a primary government are that it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Discretely Presented Component Unit

Seabrook Economic Development Corporation

Seabrook Economic Development Corporation (SEDC) has been included in the reporting entity as a discretely presented component unit. The SEDC was created by the City under the Texas Development Corporation Act of 1979 for the purpose of promoting, assisting, and enhancing economic and development activities on behalf of the City. The Board of Directors (the “Board”) is appointed by, and serves at the discretion of, the City Council. The

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

SEDC's Board is comprised of the Mayor, a City Council member, and five members who are not employees or City officials, all of whom are appointed by City Council. City Council approval is required for annual budgets and bonded debt issuance. In the event of dissolution, net position of the SEDC shall be conveyed to the City. The operations of the SEDC are presented as a governmental fund type. Separate financial statements of the SEDC may be obtained from the finance department of the City.

Blended Component Unit

Crime Control and Prevention District

The Seabrook Crime Control and Prevention District (the "District") has been included in the reporting entity as a blended component unit. The District was created by the City under the authority granted by Chapter 36 of the Texas Local Government Code and Section 323.105 of the Texas Tax Code for the purpose of strengthening and enhancing crime control activities of the City. Management of the City has operational responsibility for the component unit. The District provides services exclusively to the City.

An election was held on May 7, 2005 approving the creation of the District and the collection of a one-half cent sales tax to fund its operations, effective on October 1, 2005.

The Board of Directors (the "Board") is substantively the same as City Council. Their respective positions on the Board will be held until their City Council seat is vacated, at which time the incoming elected member of City Council will fill the position on the Board. The District was to remain in existence for a period of five years and may then be extended upon approval by the voters. On May 8, 2010, voters approved the renewal of the District for a period of 20 years. In the event of dissolution, net position of the District shall be conveyed to the City.

The District is reported as a special revenue fund and does not issue separate financial statements.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all activities of the primary government and its component unit. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise fund. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City’s funds, including its blended component unit. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported in other funds. The principal sources of revenues include local property taxes, sales taxes, franchise fees, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, and public works. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The special revenue funds are considered nonmajor funds for reporting purposes.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay, including the acquisition of capital facilities and other capital assets. The capital projects fund is considered a major fund for reporting purposes.

The City reports the following enterprise fund:

The *enterprise fund* is used to account for the operations that provide water and wastewater collection and the construction of related facilities. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The acquisition, maintenance, and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), and other City funds.

Additionally, the City reports the following fund type:

The *internal service fund* accounts for fleet management provided to other departments on a cost-reimbursement basis.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and cash equivalents."

2. Investments

Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Money market funds, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations and commercial paper that have a remaining maturity of one year or less upon acquisition, are reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government or U.S. Government agencies
- Fully collateralized certificates of deposit
- Money market mutual funds that meet certain criteria
- Bankers' acceptances
- Statewide investment pools

3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Restricted Assets

Certain proceeds of bonds, as well as other resources set aside for specific purposes, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants or contractual agreements.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component unit, are depreciated using the straight-line method over the following estimated useful years:

Asset Description	Estimated Useful Life
Buildings and improvements	50 years
Machinery and equipment	5 to 25 years
Water and sewer system	40 to 50 years
Infrastructure	10 to 50 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension/other postemployment benefits (OPEB) activities are amortized over the average of the expected service lives of pension/OPEB plan members, except for the net differences between the projected and actual investment earnings on the pension/OPEB plan assets, which are amortized over a period of five years.
- For employer pension/OPEB plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year, the amount is deferred and recognized as a reduction to the net pension/OPEB liability during the measurement period in which the contributions were made.
- A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

At the fund level, the City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

7. Compensated Employee Absences

Employees earn vacation based on years of service with the City. Amounts accumulated may be paid to employees upon termination of employment or during employment. Employees must take vacation within 12 months after earning it. Vacation not taken within 12 months after earning may be accumulated from one year to the next, not to exceed 240 hours.

Sick leave and long-term disability are not accrued but recognized when paid, since no liability exists upon termination of employment, with the exception of Civil Service employees. Civil Service personnel are compensated for accrued sick leave for up to 90 days upon termination of employment.

The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

8. Long-Term Obligations

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund.

9. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

10. Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The City strives to maintain an unassigned fund balance equivalent to 25 percent of budgeted expenditures, based on current year expenditures. The purpose of the unassigned fund balance is to alleviate significant unanticipated budget shortfalls and to ensure the orderly provisions of services to citizens. Should unassigned fund balance fall below the goal or have a deficiency, the City will seek to adjust budget resources in the subsequent fiscal years to restore the balance.

The City approved an ordinance to establish a stabilization fund to supplement the budget and to compensate for the potential loss of revenue caused by the future construction on State Highway (SH) 146. The stabilization fund will be used to afford the City one budget year to assess the impact of SH 146 expansion and construction, allowing the City to adjust services, personnel, and operations to cover any operating deficit due to business and/or property losses. It is the City's policy that City

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Council may commit fund balance for this purpose since this potential revenue shortfall is outside the normal course of the City's operations.

12. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Other Postemployment Benefits

The City participates in a single-employer, unfunded, defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Benefit payments and refunds are due and payable in accordance with the benefit terms. Information about the City's total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense is provided by TMRS from reports prepared by their consulting actuary.

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges to customers for sales and services. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles except the capital projects fund, which adopts a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended September 30, 2021. All special revenue funds have adopted budgets.

Expenditures exceeded appropriations at the legal level of control in the general fund for the information technology function by \$17,003, community development function by \$30,375, and DOT-CVE function by \$3,364 for fiscal year 2021.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ 42,133,059	0.10
Total	<u>\$ 42,133,059</u>	
Portfolio weighted average maturity		0.10

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

Credit risk. The City’s investment policy limits investments in public fund investment pools rated as to investment quality not less than “A” or “AAAm,” or an equivalent rating by at least one nationally recognized rating service. Investments in SEC-registered and regulated money market mutual funds must have an investment quality not less than “AAA-,” or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2021, the City’s investment in TexPool was rated “AAAm” by Standard & Poor’s.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s investment policy requires funds on

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

deposit at the depository bank to be collateralized by securities. As of September 30, 2021, fair market values of pledged securities and FDIC coverage exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City’s safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor’s rates TexPool ‘AAAm’. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor’s, as well as to the office of the Comptroller of Public Accounts for review.

TexPool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, TexPool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool’s liquidity.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the nonmajor governmental funds in the aggregate, and the component unit, including the applicable allowances for uncollectible accounts.

Governmental Funds

	General	Debt Service	Nonmajor	Component Unit
Property taxes	\$ 434,883	\$ 165,116	\$ -	\$ -
Sales taxes	354,978	-	164,286	164,286
Ambulance fees	635,343	-	-	-
Franchise fees	66,916	-	9,673	-
Other taxes	-	-	165,424	-
Other receivables	140,442	-	8,476	-
Less allowance	(615,535)	(66,052)	-	-
	<u>\$ 1,017,027</u>	<u>\$ 99,064</u>	<u>\$ 347,859</u>	<u>\$ 164,286</u>

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable - general fund	\$ 264,089
Delinquent property taxes receivable - debt service fund	99,066
Delinquent emergency medical services receivable	190,603
Total	\$ 553,758

C. Capital Assets

A summary of changes in capital assets for governmental activities for the year end is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 14,848,184	\$ -	\$ -	\$ 14,848,184
Construction in progress	512,640	-	-	512,640
Total capital assets not being depreciated	15,360,824	-	-	15,360,824
Other capital assets:				
Infrastructure	25,514,394	-	-	25,514,394
Buildings and improvements	19,247,722	160,262	-	19,407,984
Machinery and equipment	10,599,481	271,072	(313,623)	10,556,930
Total other capital assets	55,361,597	431,334	(313,623)	55,479,308
Less accumulated depreciation for:				
Infrastructure	(12,541,173)	(477,446)	-	(13,018,619)
Buildings and improvements	(6,265,339)	(480,103)	-	(6,745,442)
Machinery and equipment	(7,252,553)	(638,261)	208,161	(7,682,653)
Total accumulated depreciation	(26,059,065)	(1,595,810)	208,161	(27,446,714)
Other capital assets, net	29,302,532	(1,164,476)	(105,462)	28,032,594
Governmental Activities Capital Assets, Net	\$ 44,663,356	\$ (1,164,476)	\$ (105,462)	43,393,418
		Plus deferred loss on refunding		177,634
		Plus unspent bond proceeds		5,522,243
		Less associated debt		(18,272,983)
		Net Investment in Capital Assets		\$ 30,820,312

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Depreciation was charged to governmental functions as follows:

General government	\$	427,529
Public safety		538,973
Public works		629,308
Total Governmental Activities Depreciation Expense	\$	<u>1,595,810</u>

Construction in progress and remaining commitments under related construction contracts for governmental activities at year end are as follows:

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Contract</u>
Old Seabrook	\$ 750,000	\$ 505,998	\$ 244,002
Department of Transportation weigh station	326,294	6,642	319,652
	<u>\$ 1,076,294</u>	<u>\$ 512,640</u>	<u>\$ 563,654</u>

A summary of changes in capital assets for business-type activities for the year end is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,605,575	\$ -	\$ -	\$ 1,605,575
Construction in progress	8,016,047	2,830,814	(284,532)	10,562,329
Total capital assets not being depreciated	<u>9,621,622</u>	<u>2,830,814</u>	<u>(284,532)</u>	<u>12,167,904</u>
Other capital assets:				
Water and sewer system	22,121,952	-	-	22,121,952
Buildings and improvements	3,119,466	240,285	-	3,359,751
Machinery and equipment	3,127,828	519,232	(27,382)	3,619,678
Total other capital assets	<u>28,369,246</u>	<u>759,517</u>	<u>(27,382)</u>	<u>29,101,381</u>
Less accumulated depreciation for:				
Water and sewer system	(7,943,112)	(432,600)	-	(8,375,712)
Buildings and improvements	(2,155,861)	(66,127)	-	(2,221,988)
Machinery and equipment	(2,257,025)	(132,721)	27,382	(2,362,364)
Total accumulated depreciation	<u>(12,355,998)</u>	<u>(631,448)</u>	<u>27,382</u>	<u>(12,960,064)</u>
Other capital assets, net	16,013,248	128,069	-	16,141,317
Business-Type Activities Capital Assets, Net	<u>\$ 25,634,870</u>	<u>\$ 2,958,883</u>	<u>\$ (284,532)</u>	<u>28,309,221</u>
				598,424
				16,675
				(20,874,048)
				<u>\$ 8,050,272</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	631,448
Total Business-Type Activities Depreciation Expense	\$	<u>631,448</u>

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Construction in progress and remaining commitments under related construction contracts for proprietary fund projects at year end are as follows:

<u>Project Description</u>	<u>Authorized Contract</u>	<u>Contract Expenditures</u>	<u>Remaining Contract</u>
Pine Gully treatment plant	\$ 4,082,317	\$ 3,660,043	\$ 422,274
SH146 utility relocation	4,100,971	4,065,172	35,799
SCADA	275,577	244,300	31,277
Chloramine conversion	240,375	40,232	200,143
Smart Meter Install	275,578	-	275,578
	<u>\$ 8,974,818</u>	<u>\$ 8,009,747</u>	<u>\$ 965,071</u>

D. Long-Term Debt

The following is a summary of changes in the City's total long-term liabilities for the year end. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Direct borrowings/placements:					
General obligation bonds	\$ 8,850,000	\$ -	\$ (1,150,000)	\$ 7,700,000	\$ 1,180,000
Certificates of obligation	480,000	-	(65,000)	415,000	70,000
Bonds, notes, and other payables:					
Certificates of obligation	2,669,904	-	(11,749)	2,658,155	11,749
General obligation bonds	7,130,000	-	(265,000)	6,865,000	265,000
Deferred amounts:					
For issuance discounts/premiums	678,297	-	(43,469)	634,828	-
	<u>19,808,201</u>	<u>-</u>	<u>(1,535,218)</u>	<u>18,272,983</u>	<u>* 1,526,749</u>
Other liabilities:					
Net pension liability - TMRS	3,490,066	-	(504,895)	2,985,171	-
Total OPEB liability	329,186	71,805	-	400,991	-
Compensated absences	1,098,063	431,301	(378,000)	1,151,364	408,116
Total Governmental Activities	<u>\$ 24,725,516</u>	<u>\$ 503,106</u>	<u>\$ (2,418,113)</u>	<u>\$ 22,810,509</u>	<u>\$ 1,934,865</u>

Long-term debt due in more than one year \$ 20,875,644

***Debt associated with governmental activities capital assets** \$ 18,272,983

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Business-Type Activities:					
Direct borrowings/placements:					
Note - State loan	\$ 3,562,254	\$ -	\$ (72,144)	\$ 3,490,110	\$ 74,416
Revenue bonds	1,856,000	-	(191,000)	1,665,000	200,000
General obligation bonds	725,000	-	(140,000)	585,000	140,000
Certificates of obligation	1,905,000	-	(155,000)	1,750,000	160,000
Bonds, notes, and other payables:					
Certificates of obligation	11,865,096	-	(208,251)	11,656,845	213,251
Deferred amounts:					
For issuance discounts/premiums	1,821,059	-	(93,966)	1,727,093	-
	<u>21,734,409</u>	<u>-</u>	<u>(860,361)</u>	<u>20,874,048</u>	<u>* 787,667</u>
Other liabilities:					
Net pension liability	631,433	-	(66,162)	565,271	-
Compensated absences	85,758	55,501	(48,648)	92,611	64,764
	<u>85,758</u>	<u>55,501</u>	<u>(48,648)</u>	<u>92,611</u>	<u>64,764</u>
Total Business-Type Activities	<u>\$ 22,451,600</u>	<u>\$ 55,501</u>	<u>\$ (975,171)</u>	<u>\$ 21,531,930</u>	<u>\$ 852,431</u>
			Long-term debt due in more than one year	<u>\$ 20,679,499</u>	
			*Debt associated with business-type activities capital assets	<u>\$ 20,874,048</u>	

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences, net pension liability, and total OPEB liability are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The City's long-term debt includes all outstanding bonded debt secured by the full faith and credit of the City. The bonds are certificates of obligation and general obligation bonds that are secured by the full faith and credit of the City and are paid from taxes levied on all taxable property located within the City.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The following is a summary of the terms of general obligation bonds, certificates of obligation, revenue bonds, and a loan outstanding as of September 30, 2021:

<u>Description</u>	<u>Interest Rates</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General Obligation Bonds		
Series 2003	4.40%	\$ 1,450,000
Series 2013 refunding	1.86%	1,965,000
Series 2015	2.00-3.25%	6,865,000
Series 2017 refunding	1.96%	4,285,000
Total General Obligation Bonds		<u>14,565,000</u>
Certificates of Obligation		
Series 2010	3.642%	415,000
Series 2020	2.00-4.00%	2,658,155
Total Certificates of Obligation		<u>3,073,155</u>
Total Governmental Activities Long-Term Debt		<u>\$ 17,638,155</u>
<u>Business-Type Activities</u>		
General Obligation Bonds		
Series 2013 refunding	1.86%	\$ 585,000
Total General Obligation Bonds		<u>585,000</u>
Certificates of Obligation		
Series 2016	2.13%	1,750,000
Series 2016A	2.00%	5,265,000
Series 2020	2.00-4.00%	6,391,845
Total Certificates of Obligation		<u>13,406,845</u>
Revenue Bonds		
Series 2003 refunding	4.45%	575,000
Series 2008	4.12%	1,090,000
Total Revenue Bonds		<u>1,665,000</u>
State Loan		
State Infrastructure Bank Loan 2018	3.15%	3,490,110
Total State Loan		<u>3,490,110</u>
Total Business-Type Activities Long-Term Debt		<u>\$ 19,146,955</u>

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Annual debt service requirements to retire outstanding obligations and direct borrowings are as follows:

Fiscal Year Ending	Governmental Activities				Business-Type Activities			
	Direct Borrowings/Placement		Government-Type Activities		Direct Borrowings/Placement		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 1,250,000	\$ 199,449	\$ 276,749	\$ 311,716	\$ 574,416	\$ 227,417	\$ 213,251	\$ 454,972
2023	1,290,000	165,951	276,749	306,181	677,460	208,911	218,251	448,857
2024	1,320,000	131,318	288,217	299,320	701,735	188,540	226,783	442,592
2025	1,355,000	95,735	296,749	292,182	723,176	167,412	228,251	436,106
2026	1,435,000	59,111	263,217	283,396	760,788	145,520	236,783	429,541
2027-2031	1,465,000	29,807	3,868,109	1,172,950	2,348,516	426,757	2,946,891	1,909,739
2032-2036	-	-	3,411,861	436,527	1,178,853	177,851	3,843,139	1,211,651
2037-2041	-	-	841,504	84,826	525,166	16,671	3,743,496	415,374
Total	\$ 8,115,000	\$ 681,371	\$ 9,523,155	\$ 3,187,100	\$ 7,490,110	\$ 1,559,079	\$ 11,656,845	\$ 5,748,830

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or are not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

E. Interfund Transactions

The composition of interfund balances as of year end was as follows:

Receivable Fund	Payable Fund	Amounts
General	Debt service	\$ 18,096
Nonmajor governmental	General	36,152
	Total	\$ 54,248

Amounts recorded as due to/from are considered to be temporary loans and will be repaid during the following year.

Transfers between the primary government funds during the year were as follows:

Transfer Out	Transfer In	Amounts
General	Capital projects	\$ 2,440,704
Capital projects	General	1,526
Capital projects	Debt service	275
Nonmajor governmental	Internal service	193,672
Internal service	Utility	71,234
Utility	General	2,134,169
	Total	\$ 4,841,580

Transfers to the general fund from the utility fund were subsidies for administrative expenditures. Other transfers between funds are utilized to move unrestricted fund revenues to finance various programs that must be accounted for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for grant programs and governmental expenditures.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

F. Restricted Assets

The utility enterprise fund has restricted certain cash and investments for customer deposits and construction.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League’s (TML) Intergovernmental Risk Pools (the “Pool”). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

The City also provides workers’ compensation insurance through the TML Workers’ Compensation Fund (the “Fund”). Workers’ compensation premiums are subject to change when audited by the Fund. At September 30, 2021, the City believed the amounts paid on workers’ compensation would not change significantly from the amounts recorded.

B. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

C. Prior Period Adjustment

Governmental activities beginning net position has been restated to remove the previously recognized Texas Emergency Services Retirement System (TESRS) net pension liability and deferred items that are funded by a nonprofit organization instead of the City in addition to removing a prior year duplicate contribution in the internal service fund.

	Governmental Activities	Internal Service
Beginning net position-as reported	\$ 40,324,254	\$ 2,138,577
Capital assets	(212,680)	(212,680)
Net pension liability - TESRS	107,146	-
Deferred outflows - TESRS	(39,113)	-
Deferred inflows - TESRS	130	-
Beginning net position - restated	\$ 40,179,737	\$ 1,925,897

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

D. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the defined benefit cash-balance plan administered by TMRS. TMRS is a statewide public retirement plan created by the State and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the “TMRS Act”) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available Annual Comprehensive Financial Report that can be obtained at www.tmrs.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the City-financed monetary credits, with interest, were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75 percent of the member’s deposits and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	<u>2021</u>	<u>2020</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/hrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	30% of CPI Repeating	30% of CPI Repeating

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	82
Inactive employees entitled to, but not yet receiving, benefits	45
Active employees	107
Total	234

Contributions

The contribution rates for employees in TMRS are either five percent, six percent, or seven percent of employee gross earnings, and the City-matching percentages are either 100 percent, 150 percent, or 200 percent, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The City’s contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 15.88 percent and 16.13 percent in calendar years 2020 and 2021, respectively. The City’s contributions to TMRS for the fiscal year ended September 30, 2021 were \$1,243,032, which was equal to the required contributions.

Net Pension Liability

The City’s Net Pension Liability (NPL) was measured as of December 31, 2020 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year	
Overall payroll growth	2.75% per year	
Investment rate of return	6.75%, net of pension plan investment expense, including inflation	

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-Distinct 2019 Municipal Retirees of Texas mortality tables. The rates for active members, healthy retirees, and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.5 percent and 3.0 percent minimum mortality rate is applied for males and females, respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The postretirement mortality assumption for annuity purchase rates is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table: The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	<u><u>100.00%</u></u>	

Discount Rate

The discount rate used to measure the TPL was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Changes for the year:			
Service cost	\$ 1,305,168	\$ -	\$ 1,305,168
Interest	2,629,179	-	2,629,179
Difference between expected and actual experience	(92,932)	-	(92,932)
Contributions - employer	-	1,222,777	(1,222,777)
Contributions - employee	-	539,007	(539,007)
Net investment income	-	2,668,641	(2,668,641)
Benefit payments, including refunds of employee contributions	(2,003,650)	(2,003,650)	-
Administrative expense	-	(17,279)	17,279
Other changes	-	(675)	675
Net Changes	1,837,765	2,408,822	(571,057)
Balance at December 31, 2019	39,300,042	35,178,543	4,121,499
Balance at December 31, 2020	\$ 41,137,807	\$ 37,587,365	\$ 3,550,442

Sensitivity of the NPL to Changes in the Discount Rate

The following presents the NPL of the City, calculated using the discount rate of 6.75 percent, as well as what the City's NPL would be if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 8,911,342	\$ 3,550,442	\$ (905,963)

Pension Plan Fiduciary Net Position

Detailed information about the TMRS plan's fiduciary net position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended September 30, 2021, the City recognized net pension expense of \$787,190.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 148,364	\$ 87,320
Changes in actuarial assumptions	67,538	-
Difference between projected and actual investment earnings	-	1,008,300
Contributions subsequent to the measurement date	952,311	-
Total	\$ 1,168,213	\$ 1,095,620

\$952,311 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending September 30, 2022.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ended</u> <u>September 30:</u>	<u>Pension</u> <u>Expense</u>
2022	\$ (315,947)
2023	95,776
2024	(583,198)
2025	(76,349)
Total	<u>\$ (879,718)</u>

E. Other Postemployment Benefits

TMRS – Supplemental Death Benefit

Plan Description

The City participates in a defined benefit OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the SDBF. This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. Employers may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The member city contributes to the SDBF at a contractually required rate (based on the covered payroll of employee members) as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph 4 of *GASB Statement No. 75* (GASB 75). As such, the SDBF is considered to be a single-employer unfunded OPEB defined benefit plan with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The TMRS Act requires the PTF to allocate a five percent interest credit from investment income to the SDBF on an annual basis each December 31 based on the mean balance in the SDBF during the year.

Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e., no assets are accumulated).

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Participation in the SDBF as of December 31, 2020 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	56
Inactive employees entitled to, but not yet receiving, benefits	6
Active employees	107
Total	<u><u>169</u></u>

Total OPEB Liability

The City's total OPEB liability of \$400,991 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%	
Salary increases	3.5% to 11.5% including inflation	
Discount rate	2%*	
Retirees' share of benefit-related costs	Zero	
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements under GASB 68.	
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.	
Mortality rates-disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.	

* The discount rate is based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2019.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Changes in the Total OPEB Liability

		<u>Total OPEB Liability</u>
Changes for the year:		
Service cost	\$	15,400
Interest		9,233
Differences between expected and actual experience		(6,221)
Changes of assumptions		55,703
Benefit payments*		<u>(2,310)</u>
Net Changes		71,805
Beginning balance		329,186
Ending Balance	\$	<u>400,991</u>

* Benefit payments are treated as being equal to the employer's yearly contributions for retirees due to the SDBF being considered an unfunded OPEB plan under GASB 75.

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	<u>1% Decrease in Discount Rate (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
City's Total OPEB Liability	\$ 495,143	\$ 400,991	\$ 329,084

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of \$40,621. The City reported deferred outflows/inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$ 92,369	\$ 10,537
Difference between expected and actual experience	608	6,275
Contributions subsequent to the measurement date	4,723	-
Total	<u>\$ 97,700</u>	<u>\$ 16,812</u>

\$4,723 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction the of total OPEB liability for the fiscal year ending September 30, 2021.

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS (Continued)
For the Year Ended September 30, 2021

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended</u> <u>September 30:</u>	<u>OPEB</u> <u>Expense</u>
2022	\$ 15,988
2023	15,988
2024	14,161
2025	14,399
2026	10,457
Thereafter	5,172
Total	<u>\$ 76,165</u>

F. Tax Abatements and Economic Incentives

The City and SEDC have authority under Texas Local Government Code, Chapters 380 and 505, to adopt programs that promote local economic development, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base of the City. These programs may abate or rebate property taxes and sales taxes that are paid by the recipient. The programs may also include incentive payments or reductions in fees that are not tied to taxes. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses into the City. Agreements generally contain recapture provisions which mandate repayment or termination if recipients do not meet the required provisions of the economic incentives.

Programs may rebate a flat amount or percentage of property taxes or sales taxes that are received by the City or the SEDC. They may result in fee reductions such as utility charges or building inspection fees. Some agreements may take the form of one-time incentive payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure, or other expenses. As of fiscal year 2021, the SEDC has granted the following incentive agreements:

The SEDC agreed to rebate one-half of one percent sales tax payable to the SEDC collected from The Asparagus Group, LLC in an amount not to exceed \$100,000, or for a period of up to ten years, whichever occurs first. During fiscal year 2021, the SEDC rebated \$1,606 in sales tax paid by The Asparagus Group, LLC. This payment met the \$100,000 threshold.

The SEDC agreed to rebate the amount of SEDC tax paid by Merloaded, LLC relating to a restaurant in an amount not to exceed \$40,000, or for a period of up to ten years, whichever occurs first. During fiscal year 2021, the SEDC rebated \$5,386 in sales taxes paid by Merloaded, LLC.

The SEDC agreed to rebate the amount of SEDC sales tax paid by Mario’s Pizza relating to a restaurant in an amount not to exceed \$74,813, for a period of up to ten years after Mario’s Pizza completes relocation. During fiscal year 2021, the SEDC rebated \$7,058 in sales taxes paid by Mario’s Pizza.

The SEDC and the City agreed to rebate the amount of SEDC and City sales tax paid by Americano’s Café in an amount not to exceed \$34,250, or for a period of up to five years, whichever occurs first. During the fiscal year 2021, the SEDC and City rebated \$4,431 in sales taxes paid by Americano’s Café.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 1 of 2)
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual
Revenues					
Property taxes	\$ 5,952,252	\$ 5,952,252	\$ 5,804,837	\$ (147,415)	\$ 5,558,037
Sales taxes	2,024,798	2,024,798	2,368,645	343,847	2,071,352
Franchise fees	708,750	708,750	728,772	20,022	735,091
Licenses and permits	275,000	275,000	318,576	43,576	368,305
Fines and forfeitures	834,006	834,006	350,581	(483,425)	548,436
Charges for services	497,166	497,166	764,205	267,039	634,275
Intergovernmental	830,683	830,683	460,097	(370,586)	1,182,335
Investment revenue	129,000	129,000	3,687	(125,313)	70,406
Other revenue	717,833	717,833	445,217	(272,616)	423,892
Total Revenues	11,969,488	11,969,488	11,244,617	(724,871)	11,592,129
Expenditures					
General government:					
Legislative	313,371	313,371	284,065	29,306	294,085
Administrative	1,385,265	1,385,265	1,359,298	25,967	1,291,258
Information technology	383,132	383,132	400,135	(17,003) *	383,219
Nondepartmental	822,791	822,791	785,985	36,806	1,067,227
Community development	603,036	603,036	633,411	(30,375) *	570,116
Total general government	3,507,595	3,507,595	3,462,894	44,701	3,605,905
Public safety:					
Public safety	5,933,208	5,933,208	5,682,730	250,478	6,175,629
Emergency management	181,639	181,639	175,203	6,436	201,244
Animal control	207,633	207,633	204,494	3,139	181,050
DOT-CVE	349,917	349,917	353,281	(3,364) *	264,515
Municipal court	517,312	517,312	476,167	41,145	416,682
Hurricane Harvey	380,650	380,650	227,825	152,825	435,863
Total public safety	7,570,359	7,570,359	7,119,700	450,659	7,674,983
Public works:					
Parks	967,625	967,625	820,882	146,743	801,901
Public works	1,095,192	1,095,192	1,024,895	70,297	1,098,278
Total public works	2,062,817	2,062,817	1,845,777	217,040	1,900,179
Total Expenditures	13,140,771	13,140,771	12,428,371	712,400	13,181,067
(Deficiency) of Revenues					
(Under) Expenditures	(1,171,283)	(1,171,283)	(1,183,754)	(12,471)	(1,588,938)

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (Page 2 of 2)
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual
<u>Other Financing Sources (Uses)</u>					
Transfers in	\$ 2,134,168	\$ 2,134,168	\$ 2,135,695	\$ 1,527	\$ 2,129,548
Transfers (out)	(687,742)	(2,440,704)	(2,440,704)	-	(916,425)
Total Other Financing Sources (Uses)	<u>1,446,426</u>	<u>(306,536)</u>	<u>(305,009)</u>	<u>1,527</u>	<u>1,709,701</u>
Net Change in Fund Balance	<u>\$ 275,143</u>	<u>\$ (1,477,819)</u>	<u>(1,488,763)</u>	<u>\$ (10,944)</u>	<u>\$ 120,763</u>
Beginning fund balance			<u>8,217,207</u>		
Ending Fund Balance			<u>\$ 6,728,444</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. * Expenditures exceeded appropriations at the legal level of control.
3. Reconciliation of general fund balance to fund financial statements:

Net effect of subfunds within the general fund without appropriated budgets	849,729
	<u>\$ 7,578,173</u>

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

	Measurement Year*			
	2014	2015	2016	2017
Total Pension Liability				
Service cost	\$ 868,525	\$ 848,138	\$ 969,041	\$ 1,025,430
Interest (on the total pension liability)	2,004,153	2,088,380	2,164,619	2,286,065
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(201,421)	189,720	475,863	(97,278)
Change in assumptions	-	570,417	-	-
Benefit payments, including refunds of employee contributions	(1,487,513)	(1,428,117)	(1,617,253)	(2,059,777)
Net Change in Total Pension Liability	1,183,744	2,268,538	1,992,270	1,154,440
Beginning total pension liability	28,940,249	30,123,993	32,392,531	34,384,801
Ending Total Pension Liability	<u>\$ 30,123,993</u>	<u>\$ 32,392,531</u>	<u>\$ 34,384,801</u>	<u>\$ 35,539,241</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 807,068	\$ 759,316	\$ 807,730	\$ 954,625
Contributions - employee	413,007	379,116	412,107	434,767
Net investment income	1,513,501	40,850	1,852,069	3,996,792
Benefit payments, including refunds of employee contributions	(1,487,513)	(1,428,117)	(1,617,253)	(2,059,777)
Administrative expense	(15,799)	(24,879)	(20,918)	(20,714)
Other	(1,299)	(1,229)	(1,127)	(1,050)
Net Change in Plan Fiduciary Net Position	1,228,965	(274,943)	1,432,608	3,304,643
Beginning plan fiduciary net position	26,452,831	27,681,796	27,406,853	28,839,461
Ending Plan Fiduciary Net Position	<u>\$ 27,681,796</u>	<u>\$ 27,406,853</u>	<u>\$ 28,839,461</u>	<u>\$ 32,144,104</u>
Net Pension Liability	<u>\$ 2,442,197</u>	<u>\$ 4,985,678</u>	<u>\$ 5,545,340</u>	<u>\$ 3,395,137</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	91.89%	84.61%	83.87%	90.45%
Covered Payroll	\$ 5,413,615	\$ 5,415,949	\$ 5,887,247	\$ 6,210,964
Net Pension Liability as a Percentage of Covered Payroll	45.11%	92.06%	94.19%	54.66%

*Only seven years of information is currently available. The City will build this schedule over the next three-year period.

Measurement Year*		
2018	2019	2020
\$ 1,039,984	\$ 1,154,034	\$ 1,305,168
2,378,239	2,495,569	2,629,179
-	-	-
136,392	181,638	(92,932)
-	121,784	-
<u>(1,652,132)</u>	<u>(2,094,707)</u>	<u>(2,003,650)</u>
1,902,483	1,858,318	1,837,765
35,539,241	37,441,724	39,300,042
<u>\$ 37,441,724</u>	<u>\$ 39,300,042</u>	<u>\$ 41,137,807</u>
\$ 1,001,258	\$ 1,081,777	\$ 1,222,777
439,538	486,348	539,007
(962,606)	4,782,392	2,668,641
(1,652,132)	(2,094,707)	(2,003,650)
(18,609)	(27,037)	(17,279)
(972)	(812)	(675)
<u>(1,193,523)</u>	<u>4,227,962</u>	<u>2,408,822</u>
32,144,104	30,950,581	35,178,543
<u>\$ 30,950,581</u>	<u>\$ 35,178,543</u>	<u>\$ 37,587,365</u>
<u>\$ 6,491,143</u>	<u>\$ 4,121,499</u>	<u>\$ 3,550,442</u>
82.66%	89.51%	91.37%
\$ 6,257,427	\$ 6,947,829	\$ 7,700,104
103.74%	59.32%	46.11%

CITY OF SEABROOK, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended September 30, 2021

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 873,965	\$ 766,607	\$ 789,851	\$ 920,301
Contributions in relation to the actuarially determined contribution	<u>(873,965)</u>	<u>(766,607)</u>	<u>(789,851)</u>	<u>(920,301)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,484,642	\$ 5,414,848	\$ 5,719,105	\$ 6,167,712
Contributions as a percentage of covered payroll	15.93%	14.16%	13.81%	14.92%

*Only eight years of information is currently available. The City will build this schedule over the next two-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	10 year smoothed market; 12% soft corridor
Inflation	2.5%
Salary increases	3.5% to 11.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period December 31, 2014 - December 31, 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

3. Other Information:

There were no benefit changes during the year.

Fiscal Year*

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 976,004	\$ 1,046,439	\$ 1,244,320	\$ 1,243,032
<u>(976,004)</u>	<u>(1,046,439)</u>	<u>(1,244,320)</u>	<u>(1,243,032)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,178,270	\$ 6,670,165	\$ 7,875,897	\$ 7,734,305
15.80%	15.69%	15.80%	16.07%

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CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFIT
For the Year Ended September 30, 2021

	Measurement Year*			
	2017	2018	2019	2020
Total OPEB Liability				
Service cost	\$ 9,316	\$ 10,638	\$ 10,422	\$ 15,400
Interest (on the total pension liability)	8,566	8,777	9,683	9,233
Difference between expected and actual experience	-	(1,835)	888	(6,221)
Change in assumptions	21,889	(19,676)	53,454	55,703
Benefit payments	(1,863)	(1,877)	(2,084)	(2,310)
Net Change in Total OPEB Liability	<u>37,908</u>	<u>(3,973)</u>	<u>72,363</u>	<u>71,805</u>
Beginning total OPEB liability	222,888	260,796	256,823	329,186
Ending Total OPEB Liability	<u><u>\$ 260,796</u></u>	<u><u>\$ 256,823</u></u>	<u><u>\$ 329,186</u></u>	<u><u>\$ 400,991</u></u>
 Covered Payroll	 \$ 6,210,964	 \$ 6,257,427	 \$ 6,947,829	 \$ 7,700,104
 Total OPEB Liability as a Percentage of Covered Payroll	 4.20%	 4.10%	 4.74%	 5.21%

*Only four years of information are currently available. The City will build this schedule over the next six-year period.

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Changes in Assumptions

There were no changes in assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period.

3. Changes in Benefits

There were no changes in benefit terms that affected measurement of the total OPEB liability during the measurement period.

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***COMBINING STATEMENTS
AND SCHEDULES***

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CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2020 Actual</u>
Revenues					
Property taxes	\$ 2,116,076	\$ 2,116,076	\$ 2,083,217	\$ (32,859)	\$ 2,043,082
Investment revenue	36,000	36,000	1,071	(34,929)	21,122
Total Revenues	<u>2,152,076</u>	<u>2,152,076</u>	<u>2,084,288</u>	<u>(67,788)</u>	<u>2,064,204</u>
Expenditures					
Debt service:					
Principal	1,491,749	1,491,749	1,491,749	-	1,440,000
Interest and fiscal agent fees	563,089	563,089	563,089	-	506,334
Total Expenditures	<u>2,054,838</u>	<u>2,054,838</u>	<u>2,054,838</u>	<u>-</u>	<u>1,946,334</u>
Excess of Revenues Over Expenditures	<u>97,238</u>	<u>97,238</u>	<u>29,450</u>	<u>(67,788)</u>	<u>117,870</u>
Other Financing Sources (Uses)					
Transfers in	-	-	275	275	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>275</u>	<u>275</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 97,238</u>	<u>\$ 97,238</u>	29,725	<u>\$ (67,513)</u>	<u>\$ 117,870</u>
Beginning fund balance			<u>1,913,432</u>		
Ending Fund Balance			<u>\$ 1,943,157</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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CITY OF SEABROOK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Hotel/Motel Occupancy Tax Fund

This fund is used to account for revenues generated from a hotel and motel occupancy tax and expenditures for improvements that serve the purpose of attracting visitors and tourists.

Municipal Court Programs Fund

This fund is used to account for municipal court revenue from court fines and fees that are legally restricted to be used for child safety, court security, judicial efficiency, and court technology programs.

Park Improvement Fees Fund

This fund is used to account for the collection of fees to be used for park improvement activities.

Crime Control and Prevention District Fund

This fund is used to account for revenues derived from a special sales tax collected and restricted to maintain and expand police department programs that will deliver a higher quality of service to Seabrook citizens while aiding in the prevention and control of crime.

Public Safety Programs Fund

This fund is used to account for expenditures for various public safety projects funded primarily through grants and contributions.

Cable PEG Fees Fund

This fund is used to account for cable fees collected to provide public, educational, and governmental (PEG) programming to its citizens.

Animal Control Fund

This fund is used to account for the operations of the City's animal control department and for the purchase and repair of equipment and facilities used in animal control.

CITY OF SEABROOK, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

September 30, 2021

Special Revenue Funds

	<u>Hotel and Motel Occupancy Tax</u>	<u>Municipal Court Programs</u>	<u>Park Improvement Fees</u>	<u>Crime Control and Prevention District</u>
Assets				
Cash and cash equivalents	\$ 1,302,835	\$ 90,201	\$ 410,835	\$ 915,904
Receivables, net	165,424	-	-	164,286
Due from other funds	-	-	-	36,152
Prepaid items	32,200	1,818	-	-
Total Assets	<u>\$ 1,500,459</u>	<u>\$ 92,019</u>	<u>\$ 410,835</u>	<u>\$ 1,116,342</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 27,869	\$ 4,053	\$ 782	\$ 25,070
Unearned revenue	51,650	-	910	-
Total Liabilities	<u>79,519</u>	<u>4,053</u>	<u>1,692</u>	<u>25,070</u>
Fund balances:				
Nonspendable:				
Prepays	32,200	1,818	-	-
Restricted for:				
Public safety	-	86,148	-	1,091,272
Parks	-	-	409,143	-
Tourism	1,388,740	-	-	-
Governmental programming	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	<u>1,420,940</u>	<u>87,966</u>	<u>409,143</u>	<u>1,091,272</u>
Total Liabilities and Fund Balances	<u>\$ 1,500,459</u>	<u>\$ 92,019</u>	<u>\$ 410,835</u>	<u>\$ 1,116,342</u>

Special Revenue Funds

Public Safety Programs	Cable PEG Fees	Animal Control	Total Nonmajor Governmental Funds
\$ 465,524	\$ 139,477	\$ 15,811	\$ 3,340,587
8,476	9,673	-	347,859
-	-	-	36,152
-	10,239	-	44,257
<u>\$ 474,000</u>	<u>\$ 159,389</u>	<u>\$ 15,811</u>	<u>\$ 3,768,855</u>
\$ 1,762	\$ 223	\$ -	\$ 59,759
-	-	-	52,560
<u>1,762</u>	<u>223</u>	<u>-</u>	<u>112,319</u>
-	10,239	-	44,257
472,238	-	-	1,649,658
-	-	-	409,143
-	-	-	1,388,740
-	148,927	-	148,927
-	-	15,811	15,811
<u>472,238</u>	<u>159,166</u>	<u>15,811</u>	<u>3,656,536</u>
<u>\$ 474,000</u>	<u>\$ 159,389</u>	<u>\$ 15,811</u>	<u>\$ 3,768,855</u>

CITY OF SEABROOK, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended September 30, 2021

Special Revenue Funds

	<u>Hotel and Motel Occupancy Tax</u>	<u>Municipal Court Programs</u>	<u>Park Improvement Fees</u>	<u>Crime Control and Prevention District</u>
Revenues				
Sales and use taxes	\$ -	\$ -	\$ -	\$ 1,027,650
Franchise fees	-	-	-	-
Hotel occupancy tax	488,437	-	-	-
Fines and forfeitures	-	24,335	-	-
Charges for services	-	-	20,588	-
Intergovernmental	-	-	-	-
Investment revenue	555	19	81	350
Other revenue	3,025	-	-	500
Total Revenues	<u>492,017</u>	<u>24,354</u>	<u>20,669</u>	<u>1,028,500</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	7,496	-	700,244
Public works	-	-	-	-
Economic development	285,003	-	13,106	-
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>285,003</u>	<u>7,496</u>	<u>13,106</u>	<u>700,244</u>
Excess of Revenues Over Expenditures	<u>207,014</u>	<u>16,858</u>	<u>7,563</u>	<u>328,256</u>
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	(193,672)
Insurance proceeds	-	-	235,217	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>235,217</u>	<u>(193,672)</u>
Net Change in Fund Balances	207,014	16,858	242,780	134,584
Beginning fund balances	<u>1,213,926</u>	<u>71,108</u>	<u>166,363</u>	<u>956,688</u>
Ending Fund Balances	<u>\$ 1,420,940</u>	<u>\$ 87,966</u>	<u>\$ 409,143</u>	<u>\$ 1,091,272</u>

Special Revenue Funds

Public Safety Programs	Cable PEG Fees	Animal Control	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 1,027,650
-	37,700	-	37,700
-	-	-	488,437
26,639	-	-	50,974
-	-	-	20,588
2,220	-	-	2,220
163	58	4	1,230
107,386	-	1,098	112,009
<u>136,408</u>	<u>37,758</u>	<u>1,102</u>	<u>1,740,808</u>
-	16,721	-	16,721
24,785	-	-	732,525
-	-	150	150
-	-	-	298,109
56,696	-	-	56,696
<u>81,481</u>	<u>16,721</u>	<u>150</u>	<u>1,104,201</u>
<u>54,927</u>	<u>21,037</u>	<u>952</u>	<u>636,607</u>
-	-	-	(193,672)
-	-	-	235,217
-	-	-	41,545
54,927	21,037	952	678,152
<u>417,311</u>	<u>138,129</u>	<u>14,859</u>	<u>2,978,384</u>
<u>\$ 472,238</u>	<u>\$ 159,166</u>	<u>\$ 15,811</u>	<u>\$ 3,656,536</u>

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL AND MOTEL OCCUPANCY TAX FUND
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2020 Actual</u>
Revenues					
Hotel occupancy tax	\$ 268,250	\$ 268,250	\$ 488,437	\$ 220,187	\$ 339,016
Investment revenue	6,680	6,680	555	(6,125)	9,933
Other revenue	8,175	8,175	3,025	(5,150)	101,343
Total Revenues	<u>283,105</u>	<u>283,105</u>	<u>492,017</u>	<u>208,912</u>	<u>450,292</u>
Expenditures					
Current:					
Economic development	351,472	362,022	285,003	77,019	507,293
Total Expenditures	<u>351,472</u>	<u>362,022</u>	<u>285,003</u>	<u>77,019</u>	<u>507,293</u>
Net Change in Fund Balance	<u>\$ (68,367)</u>	<u>\$ (78,917)</u>	207,014	<u>\$ 285,931</u>	<u>\$ (57,001)</u>
Beginning fund balance			<u>1,213,926</u>		
Ending Fund Balance			<u>\$ 1,420,940</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MUNICIPAL COURT PROGRAMS FUND
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2020 Actual</u>
<u>Revenues</u>					
Fines and forfeitures	\$ 9,000	\$ 9,000	\$ 24,335	\$ 15,335	\$ 29,287
Investment revenue	590	590	19	(571)	356
Total Revenues	<u>9,590</u>	<u>9,590</u>	<u>24,354</u>	<u>14,764</u>	<u>29,643</u>
<u>Expenditures</u>					
Current:					
Public safety	17,905	17,905	7,496	10,409	15,204
Total Expenditures	<u>17,905</u>	<u>17,905</u>	<u>7,496</u>	<u>10,409</u>	<u>15,204</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(8,315)</u>	<u>(8,315)</u>	<u>16,858</u>	<u>4,355</u>	<u>14,439</u>
<u>Other Financing Sources (Uses)</u>					
Transfers (out)	(7,500)	(7,500)	-	7,500	(7,500)
Total Other Financing (Uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>	<u>7,500</u>	<u>(7,500)</u>
Net Change in Fund Balance	<u>\$ (8,315)</u>	<u>\$ (15,815)</u>	16,858	<u>\$ 32,673</u>	<u>\$ 6,939</u>
Beginning fund balance			<u>71,108</u>		
Ending Fund Balance			<u>\$ 87,966</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK IMPROVEMENT FEES FUND
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2020 Actual</u>
<u>Revenues</u>					
Charges for services	\$ 8,283	\$ 8,283	\$ 20,588	\$ 12,305	\$ 34,770
Investment revenue	1,200	1,200	81	(1,119)	1,289
Total Revenues	<u>9,483</u>	<u>9,483</u>	<u>20,669</u>	<u>11,186</u>	<u>36,059</u>
<u>Expenditures</u>					
Current:					
Economic development	60,000	60,000	13,106	46,894	13,437
Total Expenditures	<u>60,000</u>	<u>60,000</u>	<u>13,106</u>	<u>46,894</u>	<u>13,437</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(50,517)</u>	<u>(50,517)</u>	<u>7,563</u>	<u>(35,708)</u>	<u>22,622</u>
<u>Other Financing Sources (Uses)</u>					
Insurance proceeds	-	-	235,217	235,217	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>235,217</u>	<u>235,217</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ (50,517)</u>	<u>\$ (50,517)</u>	242,780	<u>\$ 293,297</u>	<u>\$ 22,622</u>
Beginning fund balance			<u>166,363</u>		
Ending Fund Balance			<u>\$ 409,143</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CRIME CONTROL AND PREVENTION DISTRICT FUND
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2020 Actual</u>
<u>Revenues</u>					
Sales taxes	\$ 799,216	\$ 799,216	\$ 1,027,650	\$ 228,434	\$ 922,880
Investment revenue	17,960	17,960	350	(17,610)	6,127
Other revenue	-	-	500	500	1,000
Total Revenues	<u>817,176</u>	<u>817,176</u>	<u>1,028,500</u>	<u>211,324</u>	<u>930,007</u>
<u>Expenditures</u>					
Current:					
Public safety	781,707	781,707	700,244	81,463	687,279
Total Expenditures	<u>781,707</u>	<u>781,707</u>	<u>700,244</u>	<u>81,463</u>	<u>687,279</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>35,469</u>	<u>35,469</u>	<u>328,256</u>	<u>129,861</u>	<u>242,728</u>
<u>Other Financing Sources (Uses)</u>					
Transfers (out)	(193,672)	(193,672)	(193,672)	-	(193,672)
Total Other Financing (Uses)	<u>(193,672)</u>	<u>(193,672)</u>	<u>(193,672)</u>	<u>-</u>	<u>(193,672)</u>
Net Change in Fund Balance	<u>\$ (158,203)</u>	<u>\$ (158,203)</u>	134,584	<u>\$ 292,787</u>	<u>\$ 49,056</u>
Beginning fund balance			<u>956,688</u>		
Ending Fund Balance			<u>\$ 1,091,272</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC SAFETY PROGRAMS FUND
For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual
Revenues					
Fines and forfeitures	\$ -	\$ -	\$ 26,639	\$ 26,639	\$ 49,960
Intergovernmental	-	-	2,220	2,220	2,408
Investment revenue	5,233	5,233	163	(5,070)	2,683
Other revenue	105,350	105,350	107,386	2,036	105,680
Total Revenues	<u>110,583</u>	<u>110,583</u>	<u>136,408</u>	<u>25,825</u>	<u>160,731</u>
Expenditures					
Current:					
Public safety	20,000	20,000	24,785	(4,785)	16,712
Capital outlay	<u>77,642</u>	<u>77,642</u>	<u>56,696</u>	<u>20,946</u>	<u>64,698</u>
Total Expenditures	<u>97,642</u>	<u>97,642</u>	<u>81,481</u>	<u>16,161</u>	<u>81,410</u>
Net Change in Fund Balance	<u>\$ 12,941</u>	<u>\$ 12,941</u>	54,927	<u>\$ 41,986</u>	<u>\$ 79,321</u>
Beginning fund balance			<u>417,311</u>		
Ending Fund Balance			<u>\$ 472,238</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CABLE PEG FEES FUND

For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual
Revenues					
Franchise fees	\$ 42,639	\$ 42,639	\$ 37,700	\$ (4,939)	\$ 39,581
Investment revenue	3,709	3,709	58	(3,651)	1,432
Total Revenues	<u>46,348</u>	<u>46,348</u>	<u>37,758</u>	<u>(8,590)</u>	<u>41,013</u>
Expenditures					
Current:					
General government	188,200	188,200	16,721	171,479	103,848
Total Expenditures	<u>188,200</u>	<u>188,200</u>	<u>16,721</u>	<u>171,479</u>	<u>103,848</u>
Net Change in Fund Balance	<u>\$ (141,852)</u>	<u>\$ (141,852)</u>	21,037	<u>\$ 162,889</u>	<u>\$ (62,835)</u>
Beginning fund balance			<u>138,129</u>		
Ending Fund Balance			<u>\$ 159,166</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

CITY OF SEABROOK, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL CONTROL FUND

For the Year Ended September 30, 2021
With Comparative Totals for the Year Ended September 30, 2020

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual
Revenues					
Interest	\$ 30	\$ 30	\$ 4	\$ (26)	\$ 53
Other revenue	2,250	2,250	1,098	(1,152)	725
Total Revenues	<u>2,280</u>	<u>2,280</u>	<u>1,102</u>	<u>(1,178)</u>	<u>778</u>
Expenditures					
Public works	7,650	7,650	150	7,500	466
Total Expenditures	<u>7,650</u>	<u>7,650</u>	<u>150</u>	<u>7,500</u>	<u>466</u>
Net Change in Fund Balance	<u>\$ (5,370)</u>	<u>\$ (5,370)</u>	952	<u>\$ 6,322</u>	<u>\$ 312</u>
Beginning fund balance			<u>14,859</u>		
Ending Fund Balance			<u>\$ 15,811</u>		

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and Required Supplementary Information says about the government's overall financial health.

Contents	Page
Financial Trends	104
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	110
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.</i>	
Debt Capacity	124
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	132
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	134
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports from the relevant year.

CITY OF SEABROOK, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014*	2015
Governmental Activities				
Net investment in capital assets	\$ 14,144,650	\$ 18,283,628	\$ 22,006,280	\$ 22,278,266
Restricted	4,701,768	4,388,221	4,552,760	4,861,342
Unrestricted	3,211,311	3,489,849	2,542,795	4,193,837
Total Governmental Activities Net Position	\$ 22,057,729	\$ 26,161,698	\$ 29,101,835	\$ 31,333,445
Business-Type Activities				
Net investment in capital assets	\$ 8,429,256	\$ 9,357,328	\$ 9,951,443	\$ 10,898,317
Restricted	2,318,565	2,207,032	2,432,638	2,495,389
Unrestricted	3,914,970	3,116,799	2,165,826	1,449,615
Total Business-Type Activities Net Position	\$ 14,662,791	\$ 14,681,159	\$ 14,549,907	\$ 14,843,321
Primary Government				
Net investment in capital assets	\$ 22,573,906	\$ 27,640,956	\$ 31,957,723	\$ 33,176,583
Restricted	7,020,333	6,595,253	6,985,398	7,356,731
Unrestricted	7,126,281	6,606,648	4,708,621	5,643,452
Total Primary Government Net Position	\$ 36,720,520	\$ 40,842,857	\$ 43,651,742	\$ 46,176,766

*Restated balances

Fiscal Year

2016	2017	2018*	2019	2020	2021
\$ 23,619,809	\$ 25,265,858	\$ 26,318,825	\$ 27,201,835	\$ 28,175,351	\$ 30,820,312
5,170,228	4,694,544	4,757,197	4,672,760	4,876,957	5,539,625
5,987,299	5,949,341	6,521,332	7,053,199	7,127,429	6,756,244
<u>\$ 34,777,336</u>	<u>\$ 35,909,743</u>	<u>\$ 37,597,354</u>	<u>\$ 38,927,794</u>	<u>\$ 40,179,737</u>	<u>\$ 43,116,181</u>
\$ 10,976,731	\$ 4,673,874	\$ 8,812,420	\$ 8,283,669	\$ 6,958,646	\$ 8,050,272
2,522,751	2,683,443	2,674,389	3,145,604	4,300,283	4,433,874
1,783,998	8,759,092	5,914,543	6,717,220	9,687,504	9,294,829
<u>\$ 15,283,480</u>	<u>\$ 16,116,409</u>	<u>\$ 17,401,352</u>	<u>\$ 18,146,493</u>	<u>\$ 20,946,433</u>	<u>\$ 21,778,975</u>
\$ 34,596,540	\$ 29,939,732	\$ 35,131,245	\$ 35,485,504	\$ 35,133,997	\$ 38,870,584
7,692,979	7,377,987	7,431,586	7,818,364	9,177,240	9,973,499
7,771,297	14,708,433	12,435,875	13,770,419	16,814,933	16,051,073
<u>\$ 50,060,816</u>	<u>\$ 52,026,152</u>	<u>\$ 54,998,706</u>	<u>\$ 57,074,287</u>	<u>\$ 61,126,170</u>	<u>\$ 64,895,156</u>

CITY OF SEABROOK, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental Activities				
General government	\$ 2,044,188	\$ 2,426,528	\$ 1,165,000	\$ 3,848,282
Public safety	4,444,193	5,108,700	5,053,766	4,786,353
Public works	3,191,383	1,941,718	2,986,870	1,899,510
Economic development	303,003	357,550	412,718	348,324
Interest and fiscal agent fees	759,480	701,007	623,464	838,721
Total Governmental Activities Expenses	<u>10,742,247</u>	<u>10,535,503</u>	<u>10,241,818</u>	<u>11,721,190</u>
Business-Type Activities				
Utilities	4,289,547	4,822,542	4,808,118	4,832,090
Total Business-Type Activities Expenses	<u>4,289,547</u>	<u>4,822,542</u>	<u>4,808,118</u>	<u>4,832,090</u>
Total Primary Government Expenses	<u>\$ 15,031,794</u>	<u>\$ 15,358,045</u>	<u>\$ 15,049,936</u>	<u>\$ 16,553,280</u>
Program Revenues				
Governmental Activities				
Charges for services	\$ 1,070,691	\$ 755,111	\$ 1,080,913	\$ 902,015
Operating grants and contributions	165,018	202,982	204,058	238,472
Capital grants and contributions	3,739,274	2,490,787	1,674,130	232,198
Total Governmental Activities Program Revenues	<u>4,974,983</u>	<u>3,448,880</u>	<u>2,959,101</u>	<u>1,372,685</u>
Business-Type Activities				
Utilities:				
Charges for services	6,040,302	6,209,614	6,037,818	6,379,326
Capital grants and contributions	218,259	132,207	240,152	141,601
Total Business-Type Activities Program Revenues	<u>6,258,561</u>	<u>6,341,821</u>	<u>6,277,970</u>	<u>6,520,927</u>
Total Primary Government Program Revenues	<u>\$ 11,233,544</u>	<u>\$ 9,790,701</u>	<u>\$ 9,237,071</u>	<u>\$ 7,893,612</u>
Net (Expense)/Revenue				
Governmental activities	\$ (5,767,264)	\$ (7,086,623)	\$ (7,282,717)	\$ (10,348,505)
Business-type activities	1,969,014	1,519,279	1,469,852	1,688,837
Total Primary Government Net Expense	<u>\$ (3,798,250)</u>	<u>\$ (5,567,344)</u>	<u>\$ (5,812,865)</u>	<u>\$ (8,659,668)</u>

Fiscal Year						
2016	2017	2018	2019	2020	2021	
\$ 3,454,477	\$ 3,338,192	\$ 3,900,540	\$ 3,890,689	\$ 3,680,753	3,796,799	
6,104,299	6,668,690	6,629,558	7,124,146	8,837,709	8,103,724	
2,209,046	2,283,662	2,438,285	2,509,691	2,380,054	1,992,198	
617,333	778,571	812,566	689,091	524,516	294,254	
762,518	681,853	592,887	543,882	561,811	553,692	
<u>13,147,673</u>	<u>13,750,968</u>	<u>14,373,836</u>	<u>14,757,499</u>	<u>15,984,843</u>	<u>14,740,667</u>	
5,279,016	5,901,487	6,035,659	6,076,489	6,754,222	8,004,669	
<u>5,279,016</u>	<u>5,901,487</u>	<u>6,035,659</u>	<u>6,076,489</u>	<u>6,754,222</u>	<u>8,004,669</u>	
<u>\$ 18,426,689</u>	<u>\$ 19,652,455</u>	<u>\$ 20,409,495</u>	<u>\$ 20,833,988</u>	<u>\$ 22,739,065</u>	<u>\$ 22,745,336</u>	
\$ 876,229	\$ 1,143,174	\$ 1,035,570	\$ 973,666	\$ 1,665,033	\$ 1,504,924	
334,239	282,408	487,907	432,945	1,187,359	462,317	
478,432	260,223	294,298	2,453	2,408	-	
<u>1,688,900</u>	<u>1,685,805</u>	<u>1,817,775</u>	<u>1,409,064</u>	<u>2,854,800</u>	<u>1,967,241</u>	
6,817,957	7,644,570	8,000,219	7,905,427	8,370,924	9,514,435	
73,878	236,655	427,662	303,446	2,600,228	993,752	
<u>6,891,835</u>	<u>7,881,225</u>	<u>8,427,881</u>	<u>8,208,873</u>	<u>10,971,152</u>	<u>10,508,187</u>	
<u>\$ 8,580,735</u>	<u>\$ 9,567,030</u>	<u>\$ 10,245,656</u>	<u>\$ 9,617,937</u>	<u>\$ 13,825,952</u>	<u>\$ 12,475,428</u>	
\$ (11,458,773)	\$ (12,065,163)	\$ (12,556,061)	\$ (13,348,435)	\$ (13,130,043)	\$ (12,773,426)	
1,612,819	1,979,738	2,392,222	2,132,384	4,216,930	2,503,518	
<u>\$ (9,845,954)</u>	<u>\$ (10,085,425)</u>	<u>\$ (10,163,839)</u>	<u>\$ (11,216,051)</u>	<u>\$ (8,913,113)</u>	<u>\$ (10,269,908)</u>	

CITY OF SEABROOK, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property taxes	\$ 5,442,550	\$ 5,656,089	\$ 5,795,618	\$ 6,004,934
Sales and use taxes	2,135,045	2,332,016	2,516,219	2,768,645
Franchise fees and local taxes	1,075,551	1,183,623	1,265,765	1,294,765
Investment revenue	10,124	8,293	3,073	8,544
Other revenues	592,662	799,891	696,853	814,897
Transfers	1,339,685	1,668,673	1,571,744	1,688,330
Total Governmental Activities	10,595,617	11,648,585	11,849,272	12,580,115
Business-Type Activities				
Franchise fees	-	-	-	-
Investment revenue	6,945	5,562	1,675	2,442
Other revenues	247,473	254,257	260,470	290,465
Transfers	(1,339,685)	(1,668,673)	(1,571,744)	(1,688,330)
Total Business-Type Activities	(1,085,267)	(1,408,854)	(1,309,599)	(1,395,423)
Total Primary Government	\$ 9,510,350	\$ 10,239,731	\$ 10,539,673	\$ 11,184,692
Change in Net Position				
Governmental activities	\$ 4,828,353	\$ 4,561,962	\$ 4,566,555	\$ 2,231,610
Business-type activities	883,747	110,425	160,253	293,414
Total Primary Government	\$ 5,712,100	\$ 4,672,387	\$ 4,726,808	\$ 2,525,024

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 6,452,911	\$ 6,441,270	\$ 6,975,344	\$ 7,027,755	\$ 7,612,682	\$ 8,145,649
2,901,318	3,037,188	2,946,279	2,776,366	2,994,232	3,396,295
1,264,528	1,229,769	1,426,481	1,329,757	1,113,688	1,254,909
60,941	117,990	229,697	334,911	149,979	9,411
2,210,157	608,779	1,064,992	1,036,348	632,640	792,443
1,487,809	1,762,574	1,822,415	2,173,738	2,084,076	2,062,935
<u>14,902,664</u>	<u>13,197,570</u>	<u>14,465,208</u>	<u>14,678,875</u>	<u>14,587,297</u>	<u>15,661,642</u>
-	292,975	299,010	298,573	344,369	345,335
18,721	94,532	203,399	263,537	107,906	8,432
296,428	228,258	212,727	224,385	214,811	38,192
<u>(1,487,809)</u>	<u>(1,762,574)</u>	<u>(1,822,415)</u>	<u>(2,173,738)</u>	<u>(2,084,076)</u>	<u>(2,062,935)</u>
<u>(1,172,660)</u>	<u>(1,439,784)</u>	<u>(1,107,279)</u>	<u>(1,387,243)</u>	<u>(1,416,990)</u>	<u>(1,670,976)</u>
<u>\$ 13,730,004</u>	<u>\$ 11,757,786</u>	<u>\$ 13,357,929</u>	<u>\$ 13,291,632</u>	<u>\$ 13,170,307</u>	<u>\$ 13,990,666</u>
\$ 3,443,891	\$ 1,132,407	\$ 1,909,147	\$ 1,330,440	\$ 1,457,254	\$ 2,888,216
440,159	539,954	1,284,943	745,141	2,799,940	832,542
<u>\$ 3,884,050</u>	<u>\$ 1,672,361</u>	<u>\$ 3,194,090</u>	<u>\$ 2,075,581</u>	<u>\$ 4,257,194</u>	<u>\$ 3,720,758</u>

CITY OF SEABROOK, TEXAS
TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES
Last Ten Years
(Accrual Basis of Accounting)

Function	Fiscal Year			
	2012	2013	2014	2015
Property taxes	\$ 5,442,550	\$ 5,656,089	\$ 5,795,618	\$ 6,004,934
Sales and use taxes	2,135,045	2,332,016	2,516,219	2,768,645
Franchise fees and local taxes	1,075,551	1,183,623	1,265,765	1,294,765
Totals	\$ 8,653,146	\$ 9,171,728	\$ 9,577,602	\$ 10,068,344

Fiscal Year						Change
2016	2017	2018	2019	2020	2021	2020-2021
\$ 6,452,911	\$ 6,441,270	\$ 6,975,344	\$ 7,027,755	\$ 7,612,682	\$ 8,145,649	7.0%
2,901,318	3,037,188	2,946,279	2,776,366	2,994,232	3,396,295	13.4%
1,264,528	1,229,769	1,426,481	1,329,757	1,113,688	1,254,909	12.7%
<u>\$ 10,618,757</u>	<u>\$ 10,708,227</u>	<u>\$ 11,348,104</u>	<u>\$ 11,133,878</u>	<u>\$ 11,720,602</u>	<u>\$ 12,796,853</u>	<u>9.2%</u>

CITY OF SEABROOK, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Years
 (Modified Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Nonspendable	\$ 24,677	\$ 13,687	\$ 78,664	\$ 142,883
Committed	-	801,291	801,561	801,976
Assigned	853,532	78,000	54,000	21,000
Unassigned	3,345,601	3,649,445	3,998,314	5,149,807
Total General Fund	\$ 4,223,810	\$ 4,542,423	\$ 4,932,539	\$ 6,115,666
All Other Governmental Funds				
Nonspendable	\$ 195	\$ 980	\$ 12	\$ 23,333
Restricted	4,701,768	4,388,221	4,552,760	12,484,357
Assigned	-	-	-	-
Total All Other Governmental Funds	\$ 4,701,963	\$ 4,389,201	\$ 4,552,772	\$ 12,507,690

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 84,443	\$ 38,780	\$ 86,334	\$ 67,459	\$ 52,707	\$ 55,889
2,404,292	2,409,881	822,402	2,441,637	2,449,307	2,449,729
21,000	21,000	-	-	-	-
5,052,164	5,830,055	8,025,330	6,925,563	6,564,500	5,072,555
<u>\$ 7,561,899</u>	<u>\$ 8,299,716</u>	<u>\$ 8,934,066</u>	<u>\$ 9,434,659</u>	<u>\$ 9,066,514</u>	<u>\$ 7,578,173</u>
\$ 31,896	\$ 34,630	\$ 103,953	\$ 62,762	\$ -	\$ 44,257
11,536,398	4,868,848	4,757,197	5,023,848	7,982,410	11,061,868
-	-	522,655	522,655	1,441,141	1,442,093
<u>\$ 11,568,294</u>	<u>\$ 4,903,478</u>	<u>\$ 5,383,805</u>	<u>\$ 5,609,265</u>	<u>\$ 9,423,551</u>	<u>\$ 12,548,218</u>

CITY OF SEABROOK, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years
(Modified Accrual Basis of Accounting)

	Fiscal Year			
	2012	2013	2014	2015
Revenues				
Taxes and fees	\$ 8,696,855	\$ 9,144,003	\$ 9,598,547	\$ 10,077,143
Licenses and permits	227,156	183,263	402,187	234,429
Fines and forfeitures	709,306	429,178	424,148	526,530
Charges for services	134,229	142,670	254,578	141,056
Intergovernmental	3,904,292	2,693,769	1,611,914	470,670
Investment revenue	10,124	8,293	3,073	8,544
Other revenues	592,662	799,891	696,853	814,897
Total Revenues	<u>14,274,624</u>	<u>13,401,067</u>	<u>12,991,300</u>	<u>12,273,269</u>
Expenditures				
General government	3,456,967	3,532,719	3,515,144	3,680,496
Public safety	4,531,674	4,738,699	4,785,911	4,550,492
Public works	5,428,496	4,290,863	3,444,606	1,805,990
Economic development	303,003	357,550	428,060	349,247
Capital outlay	445,831	598,454	329,055	1,361,769
Debt service:				
Principal	652,500	850,000	900,000	935,000
Interest and fiscal fees	725,358	670,545	606,581	699,810
Bond issuance costs	-	42,256	-	126,244
Refunding contribution	-	30,000	-	-
Total Expenditures	<u>15,543,829</u>	<u>15,111,086</u>	<u>14,009,357</u>	<u>13,509,048</u>
(Deficiency) of Revenues (Under) Expenditures	(1,269,205)	(1,710,019)	(1,018,057)	(1,235,779)
Other Financing Sources (Uses)				
Transfers in	1,624,942	1,668,673	1,571,744	1,736,381
Transfers out	(55,069)	-	-	(48,051)
Refunding bonds issued	-	3,975,000	-	-
Bonds issued	-	-	-	8,380,000
Premium on bonds issued	-	-	-	305,494
Payments to refunding bond escrow agent	-	(3,927,803)	-	-
Insurance proceeds	47,344	-	-	-
Sales of capital assets	-	-	-	-
Total Other Financing Sources	<u>1,617,217</u>	<u>1,715,870</u>	<u>1,571,744</u>	<u>10,373,824</u>
Net Change in Fund Balances	<u>\$ 348,012</u>	<u>\$ 5,851</u>	<u>\$ 553,687</u>	<u>\$ 9,138,045</u>
Debt service as a percentage of noncapital expenditures	12.77%	14.83%	15.43%	14.13%

Fiscal Year

	2016	2017	2018	2019	2020	2021
\$	10,567,809	\$ 10,759,116	\$ 11,349,124	\$ 11,095,136	\$ 11,709,039	\$ 12,539,258
	162,395	346,990	392,499	291,126	368,305	318,576
	596,813	615,090	514,887	556,447	627,683	401,555
	117,021	181,094	128,184	126,093	669,045	784,793
	764,278	362,416	490,391	435,398	1,184,743	462,317
	60,941	114,471	221,271	357,272	138,414	8,717
	2,210,157	608,779	1,058,957	598,998	632,640	557,226
	<u>14,479,414</u>	<u>12,987,956</u>	<u>14,155,313</u>	<u>13,460,470</u>	<u>15,329,869</u>	<u>15,072,442</u>
	3,060,008	3,075,333	3,495,141	3,422,795	3,709,753	3,479,615
	5,526,619	5,744,384	6,099,004	6,391,905	8,394,178	7,852,225
	2,334,366	1,993,389	2,175,847	2,060,579	1,900,645	1,845,927
	613,263	691,646	809,430	681,919	520,730	298,109
	2,211,265	6,351,653	193,970	219,453	442,360	81,116
	1,215,000	1,265,000	1,345,000	1,410,000	1,440,000	1,491,749
	768,742	619,594	583,780	525,677	506,334	563,089
	-	59,046	-	-	52,737	-
	-	105,881	-	-	-	-
	<u>15,729,263</u>	<u>19,905,926</u>	<u>14,702,172</u>	<u>14,712,328</u>	<u>16,966,737</u>	<u>15,611,830</u>
	(1,249,849)	(6,917,970)	(546,859)	(1,251,858)	(1,636,868)	(539,388)
	2,549,695	1,854,983	2,352,098	2,040,825	3,045,973	4,576,674
	(793,009)	(924,746)	(690,562)	(559,492)	(1,117,597)	(2,636,177)
	-	5,365,000	-	-	-	-
	-	-	-	-	2,669,904	-
	-	-	-	-	484,729	-
	-	(5,304,266)	-	-	-	-
	-	-	-	-	-	235,217
	-	-	-	496,578	-	-
	<u>1,756,686</u>	<u>990,971</u>	<u>1,661,536</u>	<u>1,977,911</u>	<u>5,083,009</u>	<u>2,175,714</u>
\$	<u>506,837</u>	<u>\$ (5,926,999)</u>	<u>\$ 1,114,677</u>	<u>\$ 726,053</u>	<u>\$ 3,446,141</u>	<u>\$ 1,636,326</u>
	15.53%	14.67%	14.05%	14.23%	12.67%	13.34%

CITY OF SEABROOK, TEXAS
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Real property	\$ 921,323,736	\$ 937,092,962	\$ 983,065,482	\$ 1,050,841,139
Personal	86,707,764	90,255,089	87,589,652	83,736,870
Less: Tax Exempt Property	<u>(169,776,137)</u>	<u>(170,919,619)</u>	<u>(175,815,601)</u>	<u>(183,332,730)</u>
Total Taxable Assessed Valuation (1)	<u>\$ 838,255,363</u>	<u>\$ 856,428,432</u>	<u>\$ 894,839,533</u>	<u>\$ 951,245,279</u>
Total Direct Tax Rate	\$ 0.649978	\$ 0.665232	\$ 0.651229	\$ 0.640030

Source: Harris County Certified Tax Rolls and Corrections

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.
Tax rates are per \$100 of assessed value.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,149,250,879	\$ 1,263,608,355	\$ 1,363,048,039	\$ 1,420,712,298	\$ 1,555,906,561	\$ 1,649,341,446
101,798,001	104,585,004	120,684,600	134,321,104	142,704,467	150,017,016
<u>(206,733,522)</u>	<u>(226,833,984)</u>	<u>(251,105,865)</u>	<u>(268,916,146)</u>	<u>(289,422,871)</u>	<u>(306,343,957)</u>
<u>\$ 1,044,315,358</u>	<u>\$ 1,141,359,375</u>	<u>\$ 1,232,626,774</u>	<u>\$ 1,286,117,256</u>	<u>\$ 1,409,188,157</u>	<u>\$ 1,493,014,505</u>
\$ 0.612611	\$ 0.565177	\$ 0.574911	\$ 0.551983	\$ 0.551983	\$ 0.543613

CITY OF SEABROOK, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
City by fund:				
General	\$ 0.48269	\$ 0.48315	\$ 0.48315	\$ 0.45951
Debt service	0.16729	0.18208	0.16808	0.18052
Total Direct Rates	<u>0.64998</u>	<u>0.66523</u>	<u>0.65123</u>	<u>0.64003</u>
Clear Creek Independent School District	1.36000	1.36000	1.40000	1.40000
Harris County	0.39117	0.40021	0.41455	0.41731
Harris County Flood Control District	0.02809	0.02809	0.02827	0.02736
Port of Houston Authority	0.01856	0.01952	0.01716	0.01531
Harris County Hospital District	0.19406	0.18216	0.17000	0.17000
Harris County Dept. of Education	<u>0.00658</u>	<u>0.00662</u>	<u>0.00636</u>	<u>0.00600</u>
Total Direct and Overlapping Rates (1)	<u>\$ 2.64844</u>	<u>\$ 2.66183</u>	<u>\$ 2.68757</u>	<u>\$ 2.67601</u>

Tax rates per \$100 of assessed valuation

Source: Harris County Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of Seabrook.

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 0.42346	\$ 0.39457	\$ 0.41941	\$ 0.40314	\$ 0.40314	\$ 0.39985
0.18916	0.17060	0.15551	0.14884	0.14884	0.14376
0.61261	0.56518	0.57491	0.55198	0.55198	0.54361
1.40000	1.40000	1.40000	1.40000	1.31000	1.26590
0.41656	0.41656	0.41801	0.41858	0.40713	0.39116
0.02829	0.02829	0.28310	0.02877	0.02792	0.03142
0.01334	0.01334	0.01256	0.01155	0.01074	0.00991
0.17000	0.17179	0.17110	0.17108	0.16591	0.16671
0.00520	0.00520	0.00520	0.00519	0.00500	0.00499
<u>\$ 2.64600</u>	<u>\$ 2.60036</u>	<u>\$ 2.86488</u>	<u>\$ 2.58715</u>	<u>\$ 2.47868</u>	<u>\$ 2.41371</u>

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CITY OF SEABROOK, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2021			2012		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
Western Rim Investors	\$ 64,652,538	1	4.33%	\$ -	-	-
FRBH Regatta Bay LLC	27,085,856	2	1.81%	-	-	-
Seabrook Properties LLC.	25,825,166	3	1.73%	-	-	-
WREF Bar Harbor LP	25,766,526	4	1.73%	-	-	-
Vista Shores 2011LP	22,040,750	5	1.48%	-	-	-
Sinbad Landing Corp.	21,395,907	6	1.43%	12,185,700	2	1.45%
Duke Reality LP	20,500,000	7	1.37%	-	-	-
3000 Nasa Parkway LLC	14,878,602	8	1.00%	6,523,290	7	0.78%
Nasa Road Apartments LLC	13,062,393	9	0.87%	7,086,263	5	0.85%
CMH LA Maison LLC	12,436,273	10	0.83%	-	-	-
Repsdorph Road LTD	-	-	-	13,246,501	1	1.58%
CGMT 2006C5 Repsdorph Rd APT	-	-	-	8,113,216	4	0.97%
DMH 90	-	-	-	9,389,802	3	1.12%
Lamrock 3/2001LP	-	-	-	6,312,325	8	0.75%
Centerpoint Energy Inc.	-	-	-	6,529,108	6	0.78%
Omkar Group Seabrook LP	-	-	-	5,181,560	9	0.62%
Seabrook Land Com	-	-	-	4,346,507	10	0.52%
Subtotal	<u>247,644,011</u>		<u>16.59%</u>	<u>78,914,272</u>		<u>9.41%</u>
Other Taxpayers	<u>1,245,370,494</u>		<u>83.41%</u>	<u>759,341,091</u>		<u>90.59%</u>
Total	<u>\$ 1,493,014,505</u>		<u>100.00%</u>	<u>\$ 838,255,363</u>		<u>100.00%</u>

Source: Harris County Tax Assessor-Collector's records.

CITY OF SEABROOK, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Tax levy	\$ 5,389,311	\$ 5,627,317	\$ 5,766,934	\$ 5,984,940
Current tax collected	\$ 5,327,402	\$ 5,541,099	\$ 5,699,970	\$ 5,908,134
Percentage of current tax collections	98.85%	98.47%	98.84%	98.72%
Collections in subsequent years	<u>52,131</u>	<u>70,191</u>	<u>54,346</u>	<u>60,462</u>
Total tax collections to date	<u><u>\$ 5,379,533</u></u>	<u><u>\$ 5,611,290</u></u>	<u><u>\$ 5,754,316</u></u>	<u><u>\$ 5,968,596</u></u>
Total collections as a percentage of current levy	99.82%	99.72%	99.78%	99.73%

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 6,329,284	\$ 6,411,690	\$ 6,960,493	\$ 6,997,431	\$ 7,612,966	\$ 7,918,011
\$ 6,248,998	\$ 6,344,390	\$ 6,887,981	\$ 6,902,533	\$ 7,525,983	\$ 7,848,851
98.73%	98.95%	98.96%	98.64%	98.86%	99.13%
61,267	42,016	43,333	64,524	32,466	-
<u>\$ 6,310,265</u>	<u>\$ 6,386,406</u>	<u>\$ 6,931,314</u>	<u>\$ 6,967,057</u>	<u>\$ 7,558,449</u>	<u>\$ 7,848,851</u>
99.70%	99.61%	99.58%	99.57%	99.28%	99.13%

CITY OF SEABROOK, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Primary Government				
Governmental Activities:				
General obligation bonds	\$ 16,251,492	\$ 15,687,585	\$ 14,824,773	\$ 22,590,010
Certificates of obligation	865,000	830,000	790,000	750,000
Subtotal	17,116,492	16,517,585	15,614,773	23,340,010
Business-Type Activities:				
Revenue bonds	4,767,727	3,418,000	3,173,000	2,918,000
Certificates of obligation	-	-	-	-
General obligation bonds	-	1,175,000	1,165,000	1,155,000
Notes payable	-	-	-	-
Subtotal	4,767,727	4,593,000	4,338,000	4,073,000
Total Primary Government	\$ 21,884,219	\$ 21,110,585	\$ 19,952,773	\$ 27,413,010
 Personal Income	 \$ 493,026,700	 \$ 531,297,900	 \$ 521,510,475	 \$ 524,443,905
Debt as a Percentage of Personal Income	4.44%	3.97%	3.83%	5.23%
Population	12,700	12,853	12,853	12,843
Debt Per Capita	\$ 1,723	\$ 1,642	\$ 1,552	\$ 2,134

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Fiscal Year

2016	2017	2018	2019	2020	2021
\$ 21,394,753	\$ 20,265,325	\$ 18,959,485	\$ 17,593,645	\$ 16,197,805	\$ 15,199,828
705,000	655,000	600,000	540,000	3,610,396	3,073,155
<u>22,099,753</u>	<u>20,920,325</u>	<u>19,559,485</u>	<u>18,133,645</u>	<u>19,808,201</u>	<u>18,272,983</u>
2,653,000	2,377,000	2,209,000	2,039,000	1,856,000	1,665,000
2,500,000	8,320,000	8,005,000	7,680,000	15,591,155	15,133,938
1,145,000	1,955,815	1,785,128	1,614,440	725,000	585,000
-	-	3,700,000	3,632,195	3,562,254	3,490,110
<u>6,298,000</u>	<u>12,652,815</u>	<u>15,699,128</u>	<u>14,965,635</u>	<u>21,734,409</u>	<u>20,874,048</u>
<u>\$ 28,397,753</u>	<u>\$ 33,573,140</u>	<u>\$ 35,258,613</u>	<u>\$ 33,099,280</u>	<u>\$ 41,542,610</u>	<u>\$ 39,147,031</u>
\$ 557,459,388	\$ 725,800,284	\$ 740,316,290	\$ 796,559,396	\$ 797,085,120	\$ 803,229,960
5.09%	4.63%	4.76%	4.16%	5.21%	4.87%
13,716	14,287	14,554	14,826	14,931	15,036
\$ 2,070	\$ 2,350	\$ 2,423	\$ 2,232	\$ 2,782	\$ 2,603

CITY OF SEABROOK, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Net Taxable Assessed Value				
All property	\$ 838,255,363	\$ 856,428,432	\$ 894,839,533	\$ 951,245,279
Net Bonded Debt				
Gross bonded debt	\$ 17,116,492	\$ 17,692,585	\$ 16,779,773	\$ 24,495,010
Less debt service funds	1,746,037	1,742,115	1,738,285	1,799,611
Net Bonded Debt	<u>\$ 15,370,455</u>	<u>\$ 15,950,470</u>	<u>\$ 15,041,488</u>	<u>\$ 22,695,399</u>
Ratio of Net Bonded Debt to Assessed Value	1.83%	1.86%	1.68%	2.39%
Population	12,700	12,853	12,853	12,843
Net Bonded Debt Per Capita	\$ 1,210	\$ 1,241	\$ 1,170	\$ 1,767

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,044,315,358	\$ 1,141,359,375	\$ 1,232,626,774	\$ 1,286,117,256	\$ 1,409,188,157	\$ 1,493,014,505
\$ 25,744,753 1,796,375	\$ 20,920,325 1,783,732	\$ 29,349,613 1,785,719	\$ 27,428,085 1,795,563	\$ 36,124,356 1,913,432	\$ 33,991,921 1,943,157
<u>\$ 23,948,378</u>	<u>\$ 19,136,593</u>	<u>\$ 27,563,894</u>	<u>\$ 25,632,522</u>	<u>\$ 34,210,925</u>	<u>\$ 32,048,764</u>
2.29%	1.68%	2.24%	1.99%	2.43%	2.15%
13,716	14,287	14,554	14,826	14,931	15,036
\$ 1,746	\$ 1,339	\$ 1,894	\$ 1,729	\$ 2,291	\$ 2,131

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CITY OF SEABROOK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
September 30, 2021

	Net Bonded Debt Outstanding (1)	Estimated Percentage Applicable (2)	Estimated Share of Overlapping Debt (1)
Debt Repaid with Property Taxes			
Governmental Unit			
Clear Creek Independent School District	\$ 1,144,627	4.58%	\$ 52,424
Harris County (3)	\$ 1,867,957	0.21%	3,923
Harris County Flood Control District	\$ 327,927	0.21%	689
Port of Houston Authority	\$ 446,699	0.21%	938
Harris County Municipal Utility District 373	\$ 1,320	100.00%	1,320
Subtotal, overlapping debt			59,293
City Direct Debt (in thousands)	\$		33,991
		Total Direct and Overlapping Debt	\$ 93,284

Sources: Harris County Auditor's Office
Accounting records of the City and the various taxing authorities

(1) Dollars in thousands

(2) Excludes toll road tax bonds. The City's policy and practice have been to provide payment of debt service on the outstanding Toll Road Tax Bonds from toll revenues and certain other funds, and to date no tax has been collected to provide for such debt service.

(3) Excludes commercial paper transactions. Harris County and the Harris County Flood Control District have established a general obligation commercial paper program payable from ad valorem taxes for the purpose of financing various short-term assets and temporary construction financing for certain long-term fixed assets. The commercial paper program consists of six series totaling \$655 million. To date, specific projects have been approved for no more than \$462.8 million.

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for repaying the debt of each overlapping government.

CITY OF SEABROOK, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2012	2013	2014	2015
Gross Revenues (1)	\$ 6,294,720	\$ 6,469,433	\$ 6,299,963	\$ 6,672,233
Operating Expenses (2)	3,610,061	4,125,816	4,135,263	4,155,276
Net Revenues Available for Debt Service	\$ 2,684,659	\$ 2,343,617	\$ 2,164,700	\$ 2,516,957
Debt Service Requirements (3)				
Principal	\$ 205,000	\$ 240,000	\$ 255,000	\$ 265,000
Interest	209,571	179,623	166,361	155,894
Total	\$ 414,571	\$ 419,623	\$ 421,361	\$ 420,894
Coverage	6.48	5.59	5.14	5.98

- (1) Total revenues including interest
- (2) Total operating expenses less depreciation
- (3) Includes revenue bonds only

Fiscal Year

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 7,133,106	\$ 8,260,336	\$ 8,715,355	\$ 8,472,410	\$ 9,038,010	\$ 9,906,394
4,512,995	4,897,551	5,084,986	5,472,137	5,546,860	6,763,194
\$ 2,620,111	\$ 3,362,785	\$ 3,630,369	\$ 3,000,273	\$ 3,491,150	\$ 3,143,200
\$ 265,000	\$ 276,000	\$ 168,000	\$ 170,000	\$ 183,000	\$ 191,000
123,933	112,192	101,430	94,130	86,746	78,793
\$ 388,933	\$ 388,192	\$ 269,430	\$ 264,130	\$ 269,746	\$ 269,793
6.74	8.66	13.47	11.36	12.94	11.65

CITY OF SEABROOK, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Years

<u>Fiscal Year Ended</u>	<u>Population (2)(6)</u>	<u>Personal Income (5)</u>	<u>Per Capita Personal Income (6)</u>	<u>Median Age (6)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)(6)</u>
2012 (8)	12,700	\$ 493,026,700	\$ 38,821	38.0	1,794	7.5%
2013	12,853	\$ 531,297,900	\$ 41,336	38.0	1,871	5.5%
2014	12,853	\$ 521,510,475	\$ 40,575	35.2	1,797	5.0%
2015	12,843	\$ 524,443,905	\$ 40,835	36.8	1,763	4.9%
2016	13,716	\$ 557,459,388	\$ 40,643	36.8	1,778	5.5%
2017 (9)	14,287	\$ 725,800,284	\$ 50,801	39.8	1,754	3.1%
2018	14,554	\$ 740,316,290	\$ 50,866	39.8	1,674	4.2%
2019	14,826	\$ 796,559,396	\$ 53,726	37.2	1,681	2.5%
2020	14,931	\$ 797,085,120	\$ 53,383	37.6	1,574	4.0%
2021	15,036	\$ 803,229,960	\$ 53,419	37.7	1,742	3.4%

Data sources:

- (1) U.S. Census Bureau
- (2) Records of the City
- (3) Clear Creek Independent School District
- (4) Tracer
- (5) Personal income information is a total for the year.
- (6) Sperlings Best Places
- (7) All 2008 figures, except school enrollment, are estimates from the Bay Area Houston Economic Partnership.
- (8) 2012 income figures are from U.S Census Bureau, unemployment rate from Sperlings, population from Buildings department.
- (9) Retail Coach

CITY OF SEABROOK, TEXAS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Fiscal Year			
	2021		2012	
	Employees	Total City Employment (%)	Employees	Total City Employment (%)
Technical Automation Service Corporation	222	19.44%	159	16.68%
City of Seabrook	117	10.25%	94	9.86%
Tookies Seafood	110	9.63%	-	0.00%
Kroger	95	8.32%	90	9.44%
Seabrook Intermediate School	91	7.97%	100	10.49%
Bay Area Elementary	90	7.88%	90	9.44%
Lakewood Yacht Club	75	6.57%	80	8.39%
Maas Nursery and Landscaping	52	4.55%	28	2.94%
Bay Area Trees and Landscape	49	4.29%	44	4.62%
McDonald's	35	3.06%	39	4.09%
Seabrook Classic Café	45	3.94%	40	4.20%
Kiwo, Inc.	42	3.68%	24	2.52%
Hooters	35	3.06%	40	4.20%
Mario's Flying Pizza	34	2.98%	40	4.20%
Marine Max	30	2.63%	35	3.67%
Gulf Coast Limestone	20	1.75%	50	0.00%
Total	1,142	100.00%	953	94.75%

Sources: Bay Area Economic Partnership, City records

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CITY OF SEABROOK, TEXAS
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Years

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government:										
City Manager	1.00	1.50	1.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Legislative	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Marketing	0.50	0.50	0.50	0.50	1.00	0.80	0.80	0.80	1.80	1.00
Human Resources	1.75	1.25	1.25	1.75	2.00	2.00	2.00	2.00	2.00	2.00
Purchasing	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00
Finance	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.00	3.00	3.00
Administrative Assistants	1.00	1.00	-	-	-	-	-	1.00	1.00	-
GIS	-	-	-	-	-	-	-	-	1.00	2.00
Information Technology	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets and Drainage	8.29	8.79	8.17	8.17	8.38	8.72	8.38	8.38	9.38	9.43
Community Development	6.00	5.00	5.00	5.00	5.00	6.00	6.00	5.30	5.30	5.30
Municipal Court	3.00	5.50	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00
Subtotal	<u>27.54</u>	<u>29.54</u>	<u>27.92</u>	<u>27.92</u>	<u>28.88</u>	<u>30.02</u>	<u>29.68</u>	<u>31.48</u>	<u>34.48</u>	<u>33.73</u>
Public Safety:										
Police	32.00	35.00	35.50	36.00	37.00	33.00	32.50	33.75	33.25	35.25
Emergency Management	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.00
Animal Control	1.48	1.48	1.48	1.48	1.68	2.20	2.70	2.70	2.70	3.00
Commercial Vehicle Enforcement	2.50	-	-	-	-	3.00	3.00	3.00	3.00	3.00
Crime District	6.00	6.00	5.50	5.00	5.00	5.00	5.50	5.25	5.25	5.25
Emergency Medical Services	-	-	-	-	-	-	-	-	7.00	7.00
Subtotal	<u>42.98</u>	<u>43.48</u>	<u>43.48</u>	<u>43.48</u>	<u>44.68</u>	<u>44.20</u>	<u>44.70</u>	<u>46.20</u>	<u>53.20</u>	<u>55.50</u>
Enterprise Operations:										
Water	6.85	6.80	7.03	7.03	7.48	7.81	7.48	7.48	7.48	7.53
Sewer	4.47	4.41	4.41	4.78	4.86	5.19	4.86	4.86	4.86	4.91
Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Subtotal	<u>14.32</u>	<u>14.21</u>	<u>14.44</u>	<u>14.81</u>	<u>15.34</u>	<u>16.00</u>	<u>15.34</u>	<u>15.34</u>	<u>15.34</u>	<u>15.44</u>
Parks and Recreation	9.81	10.31	7.94	9.78	7.91	7.91	7.60	8.60	8.60	9.65
Hotel Tax	1.00	1.00	1.00	1.00	1.00	1.20	1.20	1.20	1.20	1.00
Economic Development	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.70	1.70	1.70
Total	<u>96.65</u>	<u>99.54</u>	<u>95.78</u>	<u>97.99</u>	<u>99.81</u>	<u>101.33</u>	<u>100.52</u>	<u>104.52</u>	<u>114.52</u>	<u>117.02</u>

Source: Economic development department

CITY OF SEABROOK, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Police				
Arrests	1,046	761	768	686
Accident reports	235	205	251	358
Citations	4,222	1,971	2,378	3,620
Offense reports	198	170	191	442
Calls for service	19,069	10,323	12,758	10,084
Fire				
Emergency responses	290	306	316	326
Fire incidents	37	41	22	24
Total calls for service	n/a	n/a	n/a	605
Average response time	5:49	5:10	5:25	5:00
EMS				
Emergency responses	-	-	-	-
Transports	-	-	-	-
No transports	-	-	-	-
Average response time	-	-	-	-
Water				
New accounts	380	490	293	346
Average daily consumption (thousands of gallons)	1,774	1,830	1,667	1,602
Total consumption	646,133	667,435	604,898	584,860
Peak daily consumption (thousands of gallons)	3,425	3,303	2,234	2,974
Sewer				
Average daily sewage treatment (thousands of gallons)	1,156	1,092	1,026	1,393
Total consumption	418,777	500,420	374,650	510,623
Peak daily consumption (thousands of gallons)	4,797	5,200	4,014	6,947

Source: Various City departments

Fiscal Year

2016	2017	2018	2019	2020	2021
1,120	1,580	839	662	644	589
241	648	259	271	230	232
5,871	5,315	2,130	5,365	3,361	2,594
823	848	707	870	1,119	1,148
13,170	6,589	12,772	12,132	12,132	10,770
386	410	459	490	599	875
20	30	20	27	25	34
555	621	663	666	749	909
4:54	5:27	4:57	4:13	4:19	4:41
-	-	-	-	905	1208
-	-	-	-	25	620
-	-	-	-	749	588
-	-	-	-	4:37	4:35
362	359	252	371	378	384
1,708	1,762	1,802	1,625	1,768	1,622
618,735	623,545	658,942	593,675	442,981	592,046
2,989	2,881	2,296	2,454	2,677	2,527
1,220	1,300	1,262	1,431	1,315	1,290
444,910	475,586	458,634	522,331	481,723	459,240
5,310	8,127	5,192	7,730	7,055	7,060

CITY OF SEABROOK, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2012	2013	2014	2015
Police				
Stations	1	1	1	1
Patrol units	17	17	17	17
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	42.1	42.6	42.6	42.6
Streetlights	1,000	1,048	1,048	1,048
Parks and recreation				
Parks	19	19	19	19
Parks acreage	232	232	232	232
Baseball/softball diamonds	6	5	1	2
Swimming pools	1	1	2	2
Community centers	2	2	2	2
Water				
Water mains (miles)	56.4	56.4	56.4	56.4
Fire hydrants	481	493	498	503
Storage capacity (millions of gallons)	2.1	2.1	2.1	2.1
Sewer				
Sanitary sewers (miles)	54.4	54.7	54.7	54.9
Storm sewers (miles)	22.0	23.0	23.0	23.2
Open ditch/creek/canal drainage (miles)	20.3	20.3	20.3	20.5
Treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5

Source: Various City departments

Fiscal Year

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
17	17	26	26	26	26
1	1	1	1	1	1
42.6	43.0	43.0	43.3	43.3	43.3
1,048	1,048	1,050	1,053	1,053	1,053
19	19	19	19	19	19
232	232	232	232	232	232
2	3	3	3	3	3
2	2	2	2	2	2
2	2	2	2	2	2
56.4	56.8	57.0	57.3	57.3	57.3
505	510	514	516	516	516
2.1	2.5	2.5	2.5	2.5	2.5
54.9	55.3	55.3	55.5	55.5	55.5
23.2	23.4	23.4	23.6	23.6	23.6
20.5	20.5	20.5	20.5	20.5	20.5
2.5	2.5	2.5	2.5	2.5	2.5

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