

City of Seabrook, Texas

Annual Comprehensive Financial Report

Fiscal Year Ending September 30, 2024



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

CITY OF SEABROOK, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the year ended September 30, 2024

Prepared by
City Administration and the Finance and Accounting Office

Gayle Cook
City Manager

Sean Landis
Assistant City Manager

Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 For the year ended September 30, 2024

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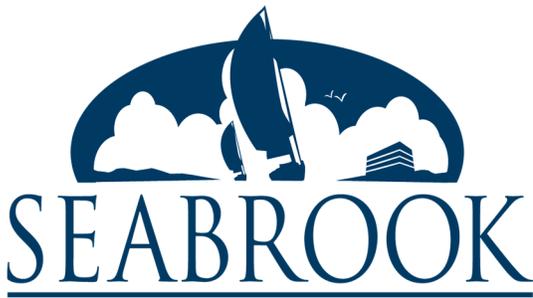
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INTRODUCTORY SECTION



May 30, 2025

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

It is our pleasure to submit the Annual Comprehensive Financial Report (ACFR) on behalf of the City of Seabrook, Texas (the "City"). It is required each year that a complete set of financial statements is 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, 2024.

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 Crowe LLP, 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, 2024 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, 2024 are fairly presented in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

As required by U.S. 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 (GASB), 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.

Regional Transportation Projects

The **SH 146 Expansion from Red Bluff to FM 96** project (CSJ# 0389-05-116) construction phase began on February 13, 2019, with the planned project duration for 60 months (5 years). As of the end of the fiscal year 2024, the project was substantially complete but not closed out.

The **SH 146 Expansion from Red Bluff to Spencer** (CSJ 0389-05-087) is a continuation of the Major Investment Study conducted in the late 1990s and continues the current expansion project with 3 main lanes northbound and southbound. The construction camp is operational within the city limits of Seabrook as of late 2023, at Red Bluff and SH 146 on the northwest corner in TxDOT right of way. The contractor in the phase of widening the southbound side of SH 146 and has experienced some contractor delays that report the complete widening is still over a year out. Once the southbound lane is constructed, the traffic will transfer, and the northbound side will be constructed. Two new MSE walls are expected to be constructed with this project and the continuation of the 'Bay Area Theme' with the sailboat motif and Seabrook logo will be incorporated into that intersection on three sides.

The project includes the widening of the existing four-lane undivided roadway to a six-lane divided facility (three lanes in each direction) and constructing four frontage roadways (two lanes in each direction) in selected locations, with the addition of pedestrian and bicycle facilities that come into the City limits at the intersection of Red Bluff and SH 146.

The **Port of Houston Rail Spur** project, which began in the early 2020, secured a new construction team on the project in 2023. During this fiscal year, the Port's new contractor completed rail installation across Old SH 146, Northbound and Southbound frontage roads of SH 146. Safety arms that will work with the Quiet Zones were installed but electrical and testing have not been initiated. The completed rail project will traverse SH 146 on the northern boundary of the city and create three (3) new at grade crossing on SH 146 and Old SH 146 serving rail service into the city's industrial districts and the Port of Houston.

The Port of Houston Southern Access Road presented on September 17, 2024, to the City Council about plans for the construction of the Bayport Southern Access Road. During the meeting, the public and City Council viewed a presentation about the proposed alignment from Red Bluff and extending in the Bayport complex. By exhibit, the throughfare in first phase was stated to begin at grade with possible future aerial additions. In the Houston Galveston Area Council (H-GAC), there are 3 identified projects associated with this area: 1) Todville Road Connection constructing a 2-lane raised median; 2) Bayport Cruise Terminal – widen to 4-lane; and 3) Westbound Southern Access Road construction of a direct connector westbound southern access road SH 146 to northbound SH 146.

The Old SH 146 Expansion project by Texas Department of Transportation (TxDOT) has initiated a project to reconstruct the intersection of Old SH 146 and Red Bluff Road. This project includes widening the intersection to six lanes—three lanes in each direction—to improve traffic flow and reduce congestion. Additionally, TxDOT plans to widen portions of Old SH 146, expanding it to four lanes (two lanes in each direction) to accommodate increasing traffic demands.

Economic Condition and Outlook

Property values, as projected, for the fiscal year were approximately \$1.8 billion with strong economic development projects continuing to make progress. During the 2023-2024 fiscal year, the City did experience a drop in permits and added valuation for new residential and commercial developments.

- **Seabrook Towne Center (The Edge)** – In May 2023, the Seabrook Economic Development Corporation finalized an incentive agreement to support the Seabrook Towne Center (The Edge) development. As of the close of FY 2024, vertical construction had not yet commenced. However, progress was made on site preparation, including the completion of sanitary sewer line relocations within the Planned Unit Development (PUD) area. The project is planned to include a 324-unit luxury multi-family apartment complex, approximately 37,000 square feet of leasable retail space, an entertainment plaza, and surrounding walkable trails. Additionally, the development will feature several commercial parcels fronting State Highway 146 and Lakeside Drive.
- **Seabrook Plaza One LLC** – A PUD for the project was approved in March 2023, followed by the Seabrook Economic Development Corporation's approval of an incentive agreement in September 2023. The agreement includes a \$2,000,000 grant payment and an additional \$550,000, or 50%, toward drainage system modifications. As of the end of fiscal year 2024, construction had not yet commenced. The project, located on a 15-acre site along Clear Lake, is planned to include a 170-room boutique hotel, a 76-room extended stay hotel, a 21,500-square-foot conference center and ballroom, approximately 25,000 square feet of retail space, and a 260-unit luxury multi-family residential complex.
- **Residential – Ellis Cove** – This new subdivision continued during the fiscal year for a 48 single family development just off Respdorph near the Seabrook Town Center.
- **Residential – Lake Mija Village, Section 3** – Single family construction continued on Section 3 for Lake Mija Village with an estimated 75 single family homes in the subdivision just off Lake Mija.
- **Residential – Oak Alley Estates** – This smaller residential project consisting of 10 single family units completed four units and continues its progress just off E. Meyer and N. Meyer.
- **Residential – Old Seabrook Village, Section A and B** – This 88 single family Planned Unit Development consisting of Sections A-C continued development during the year adding to sections A and B. The new section saw a slow in plans due to market conditions.

Long-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

The Comprehensive Master Plan 2040 completed its last update in 2022 and is being utilized as new developments and applications are submitted.

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.

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 expenditures 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.

Certificates of Obligation

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 project for this issuance was as follows:

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

In 2017, the City issued Certificates of Obligation, Series 2016A for the amount of \$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 (CIP # D11)
- Baybrook Subdivision Drainage Project (CIP # D12)
- Smart Water Meter Conversion (AMI) System (CIP # FAC6)

All projects were activated and in different phases of completion except for CIP # D2. This project did not proceed after issuance of debt was not approved by City Council. The funds were redirected through the capital improvement meetings for the CIP # S13 and the drainage improvements in the City owned side streets.

In 2024, the City issued Certificates of Obligation, Series 2024 for the amount of \$10,000,000. Projects for the issuance were for:

- Street Program

Bond Program 2023

On August 1, 2023, the City Council approved Ordinance 2023-19, Calling for a Special Bond Election on November 7, 2023. The following are the propositions that were presented to the qualified voters:

- Proposition A - \$27,800,000 *Public Safety Building
- Proposition B - \$ 2,400,000 EMS Renovation to Fire Station
- Proposition C - \$ 1,905,000 Fire Engine and Fire Training Tower

*Failed: Proposition A – Public Safety Building

Major Initiatives

The following capital projects are in progress and are initiatives at different stages of implementation being design, procurement, or construction.

Water

1. Red Acres Subdivision Water Line (CIP# W9)
2. Old SH 146 Interconnect (CIP# W16)
3. SH 146 Frontage Road to Red Bluff Water Line Interconnect (CIP# W21)
4. Seascape Water Lines (CIP# W31)

Wastewater

5. Pine Gully Wastewater Treatment Plant (CIP # WW9)
6. Portable Generators for Lift Stations (CIP# WW16)
7. Lakeside Sanitary Sewer Relocation (CIP# WW20)
8. Lift Station No. 5 Force Main Improvements (CIP# WW14)
9. Main Street Wastewater Plant Demo (CIP# WW19)
10. Pine Gully Lift Station Force main Bore (CIP# WW21)

Facilities

11. City Hall Generator (CIP# FAC22)
12. Fire Station Generator (CIP# FAC33)
13. Fiber Loop (CIP# FAC31)
14. EMS & EOC Building Feasibility Study (CIP# FAC25)

Parks

15. Pelican Bay Municipal Pool Facility (CIP# P24)

Overview of the Budget Process

The City of Seabrook's budget process is a multi-step procedure which transforms taxpayer requests and resources into government services and expenditures. The City of Seabrook is committed to align community goals, performance measures and council priorities to the City's budget. The following is the budget process for the City.

Definition and Authority

The budget document is a financial plan that aligns all revenues and expenditures with the services provided to Seabrook residents, based on established budgetary policies and procedures. The budget and accounting year are established in Section 5.01 of the City Charter which establishes the fiscal year will begin the first day of October and end the last day of September. The City Charter also requires the City Manager submit a proposed balanced budget to City Council at least sixty (60) days prior to the end of the fiscal year. The budget shall provide a complete financial plan of all City funds and activities for the current fiscal year and ensuing five (5) fiscal years. Additional information that shall be included in the budget, but not limited to is as follows:

- A budget message explaining the budget both in fiscal terms and in terms of the work programs, the proposed financial policies, describe the important features of the budget and indicate any major changes in revenue and expenses.
- Statement with estimated revenues and proposed expenditures for the proposed budget and ensuing five (5) years
- Tax levies, rates and collections for the proceeding three (3) years.

Budget Preparation Process

Activities of the general, debt service, and special revenue funds are included in the annual appropriated budget. The City Manager, Finance Department and Department Directors analyzed data and prepared the upcoming Fiscal Year budget. The annual process began in March with the Finance department analyzing financial estimates and historical data to work on upcoming projections. Additionally, Staff held the first strategic planning meeting for the year. Budget kick-off was held in April. The City's budget team consists of the City Manager, Department Directors, Finance Director and key members of the Finance Department. During the kickoff meeting the Finance Director distributed the budget and goal sheets to the Department Directors and held an overview of the budget process including expectations and explanation of revenue projections. The Finance Department works with the Directors to facilitate the completion of the department budgets.

All Department Directors submit the detailed budget sheets and decision packages to the finance department. Once the budget sheets and decision packages are reviewed by the finance department the budget and supporting documents are submitted to the City Manager. Department directors meet with the City Manager to go over their budgets. The Finance Director implements any changes that result from the City Manager and Directors meetings. The Finance Department works on revenue projections, reviews the budget and submits the Proposed Budget to City Council to meet the City Charters sixty day required deadline, sometime in late July.

Once the Proposed Budget has been submitted to City Council a series of budget workshops are conducted to allow Council to have additional input and change to the budget. During this period the finance department receives and estimated appraisal tax roll from Harris County Appraisal District.

Property tax is the largest revenue source for the General Fund operating budget. Estimating these revenues can have a huge impact on the level of service the City can provide the citizens. Once the finance department has the estimated tax roll, revenue estimates are recalculated, and the budget document is reviewed and public notices are prepared.

City Charter Article 5 Section 5(b) states Council shall post in the City Hall and publish in the official newspaper a general summary of their proposed budget and a notice stating:

- 1) The times and places where copies of the message and budget are available for inspection by the public, and
- 2) The time and place, not less than two (2) weeks after such publication, for a public hearing on the budget.

After the public hearing the budget shall be finally adopted by ordinance by one reading not later than the twenty seventh (27) of the last month of the fiscal year.

Budgetary Control

Monthly financial reports are delivered to City Council to ensure budgetary control. The monthly performance report highlights monthly revenue and expenditures, percentages and year-to-date totals to show any variances in the appropriated funds. The monthly reports are distributed to City Council, Economic Development Board, the City Manager and the Department Directors. The City Manager is authorized to approve line item transfers within a department, however, if the overall department expenditures is increased the budget amendment must be approved by City Council.

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, 2023. This was the 45th 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 generally accepted accounting standards 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.

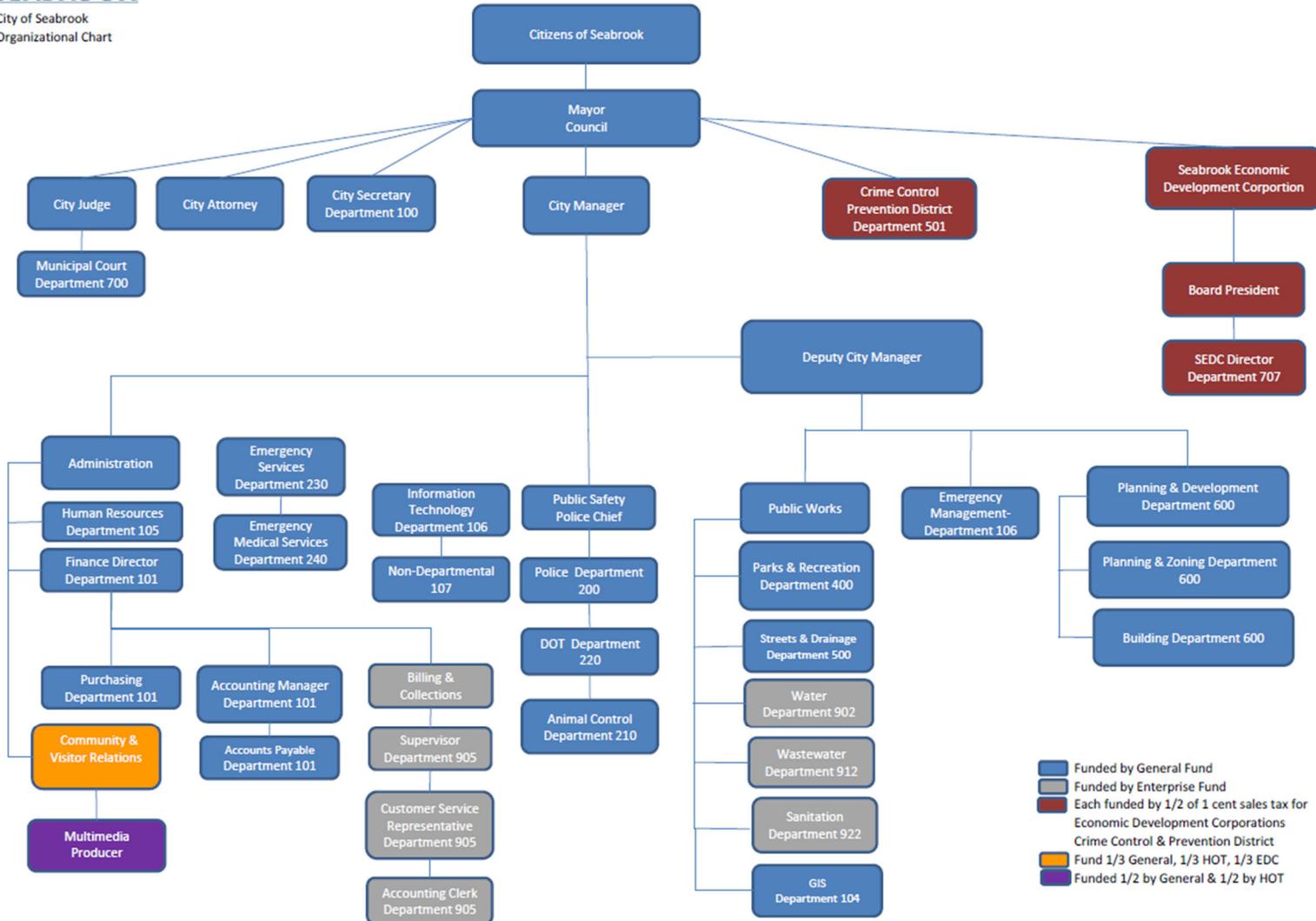


Gayle Cook
City Manager



Michael Gibbs
Director of Finance

CITY OF SEABROOK, TEXAS
 ORGANIZATIONAL CHART
 September 30, 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seabrook
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF SEABROOK, TEXAS
PRINCIPAL OFFICIALS
For year ended September 30, 2024

City Officials

Thomas G. Kolupski
Jackie Rasco
Rob Hefner
Tom Tollett
Mike Giangrosso
Walter "Buddy" Hammann III
Joe Machol

Elective Position

Mayor
Council Member – Position One
Council Member – Position Two
Council Member – Position Three
Council Member – Position Four
Council Member – Position Five, Mayor Pro Tem
Council Member – Position Six

Key Staff

Gayle Cook
Sean Landis
Michael Gibbs
Rachel Lewis
Rolf Nelson
Kevin Padgett
Dick Gregg

Position

City Manager
Assistant City Manager
Director of Finance
City Secretary
Police Chief
Director of Public Services
Municipal Judge

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements***Opinions***

We have audited the 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statements currently known information that may raise substantial doubt shortly thereafter.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 liability and related ratios, and schedules of contributions, identified as Required Supplementary Information on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

(Continued)

Supplementary 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 combining statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Crowe LLP

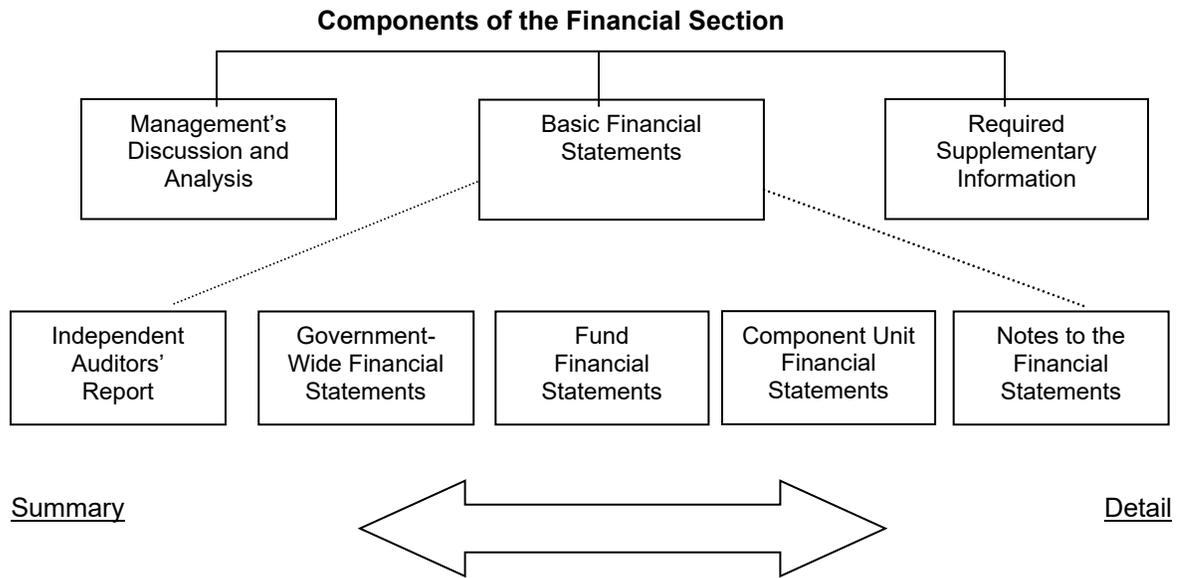
Houston, Texas
May 30, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF SEABROOK, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended September 30, 2024

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of Seabrook, Texas (the "City") for the year ended September 30, 2024. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's basic financial statements, which follow this section.

THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other nonfinancial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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, community 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, wastewater, and civic center rentals.

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 funds balance sheet and the governmental funds 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 projects funds, which are considered to be major funds for reporting purposes.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

The City adopts an annual appropriated budget for its general fund, debt service fund, and select 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 Benefits 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 \$110,087,434 as of September 30, 2024. This compares with \$100,590,433 from the prior fiscal year. The largest portion of the City's net position, 76%, 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.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
ASSETS						
Current and other assets	\$ 37,597,777	\$ 26,245,749	\$ 15,370,627	\$ 16,720,446	\$ 52,968,404	\$ 42,966,195
Capital assets, net	<u>44,798,395</u>	<u>44,337,528</u>	<u>67,766,117</u>	<u>60,334,682</u>	<u>112,564,512</u>	<u>104,672,210</u>
Total assets	<u>82,396,172</u>	<u>70,583,277</u>	<u>83,136,744</u>	<u>77,055,128</u>	<u>165,532,916</u>	<u>147,638,405</u>
DEFERRED OUTFLOWS ON RESOURCES						
Deferred charge on refunding	66,307	103,416	4,169	8,338	70,476	111,754
Deferred outflows - pensions	2,144,054	3,728,773	301,298	504,599	2,445,352	4,233,372
Deferred outflows - OPEB	<u>61,928</u>	<u>68,643</u>	<u>-</u>	<u>-</u>	<u>61,928</u>	<u>68,643</u>
Total deferred outflows on resources	<u>2,272,289</u>	<u>3,900,832</u>	<u>305,467</u>	<u>512,937</u>	<u>2,577,756</u>	<u>4,413,769</u>
LIABILITIES						
Long-term liabilities	34,239,426	22,947,306	18,812,188	20,093,066	53,051,614	43,040,372
Other liabilities	<u>1,578,574</u>	<u>4,337,563</u>	<u>2,613,479</u>	<u>3,611,141</u>	<u>4,192,053</u>	<u>7,948,704</u>
Total liabilities	<u>35,818,000</u>	<u>27,284,869</u>	<u>21,425,667</u>	<u>23,704,207</u>	<u>57,243,667</u>	<u>50,989,076</u>
DEFERRED INFLOWS ON RESOURCES						
Deferred inflows - pensions	343,885	20,065	57,859	16,317	401,744	36,382
Deferred inflows - OPEB	112,593	141,579	-	-	112,593	141,579
Deferred inflows - leases	<u>265,234</u>	<u>294,704</u>	<u>-</u>	<u>-</u>	<u>265,234</u>	<u>294,704</u>
Total deferred inflows on resources	<u>721,712</u>	<u>456,348</u>	<u>57,859</u>	<u>16,317</u>	<u>779,571</u>	<u>472,665</u>
NET POSITION						
Net investment in capital assets	33,779,784	31,557,834	49,894,164	41,427,075	83,673,948	72,984,909
Restricted	6,551,176	6,235,065	4,972,406	4,881,538	11,523,582	11,116,603
Unrestricted	<u>7,797,789</u>	<u>8,949,993</u>	<u>7,092,115</u>	<u>7,538,928</u>	<u>14,889,904</u>	<u>16,488,921</u>
Total net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

A portion of the primary government's net position, \$11,523,582 or 10%, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$14,889,904 or 14%, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$9,497,001 as compared to the prior year. Overall, total assets increased primarily related to proceeds from the issuance of new debt. Capital assets increased mostly due to ongoing construction in progress. Total liabilities increased compared to prior year primarily related to increases in long-term liability amounts at the end of the year as a result of the issuance of new debt. Compared to the prior year, deferred outflows of resources decreased mainly due to changes in actuarially determined amounts for the net difference between projected and actual investment earnings.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

Statement of Activities

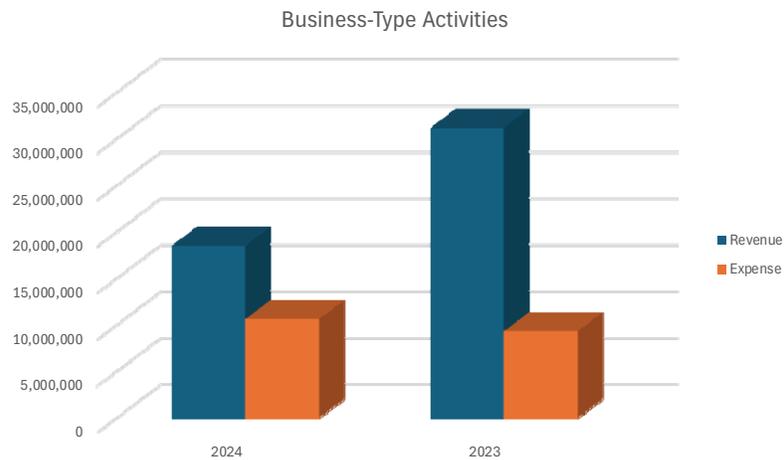
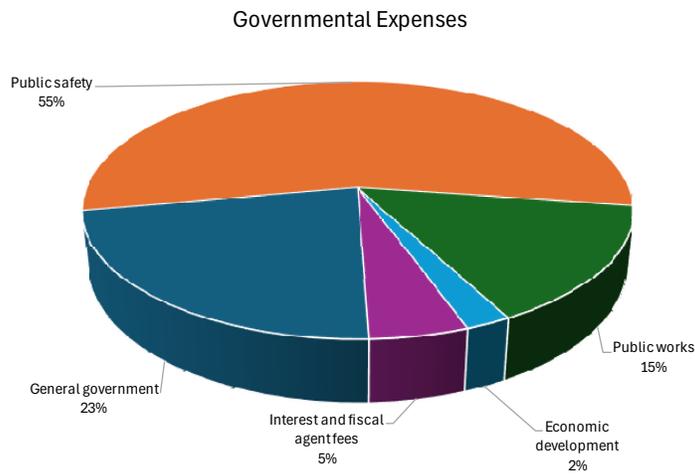
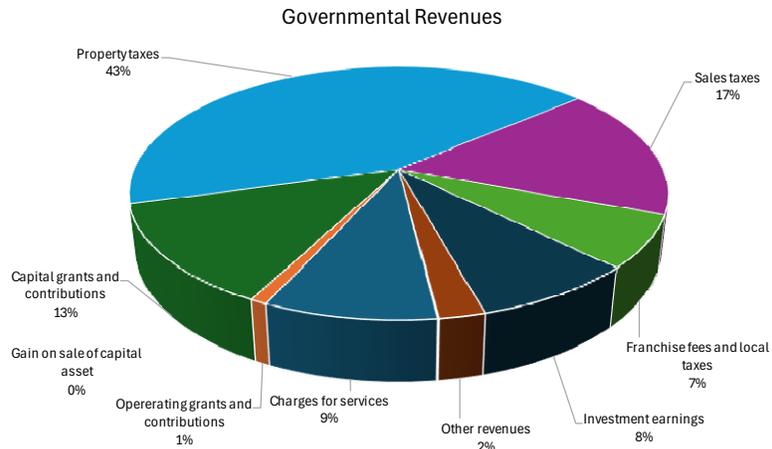
The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues						
Program revenues:						
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 11,918,031	\$ 11,927,424	\$ 13,658,064	\$ 13,253,717
Operating grants and contributions	172,876	863,698	-	-	172,876	863,698
Capital grants and contributions	2,600,469	-	5,579,994	18,410,179	8,180,463	18,410,179
General revenues:						
Property taxes	8,557,112	8,125,813	-	-	8,557,112	8,125,813
Sales taxes	3,348,696	3,693,971	-	-	3,348,696	3,693,971
Franchise fees and local taxes	1,331,273	1,243,064	419,903	422,135	1,751,176	1,665,199
Investment earnings	1,660,015	1,069,225	527,453	336,432	2,187,468	1,405,657
Other revenues	467,165	590,348	21,507	27,330	488,672	617,678
Gain on sale of capital asset	14,767	-	-	-	14,767	-
Total revenues	<u>19,892,406</u>	<u>16,912,412</u>	<u>18,466,888</u>	<u>31,123,500</u>	<u>38,359,294</u>	<u>48,035,912</u>
Expenses						
General government	4,168,822	4,517,144	-	-	4,168,822	4,517,144
Public safety	10,038,953	9,122,987	-	-	10,038,953	9,122,987
Public works	2,752,134	2,794,535	-	-	2,752,134	2,794,535
Economic development	417,428	476,929	-	-	417,428	476,929
Interest and fiscal agent fees	905,071	482,521	-	-	905,071	482,521
Utilities	-	-	10,579,885	9,270,928	10,579,885	9,270,928
Total expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>10,579,885</u>	<u>9,270,928</u>	<u>28,862,293</u>	<u>26,665,044</u>
Increase in net position before transfers	1,609,998	(481,704)	7,887,003	21,852,572	9,497,001	21,370,868
Transfers	(224,141)	1,776,319	224,141	(1,776,319)	-	-
Change in net position	1,385,857	1,294,615	8,111,144	20,076,253	9,497,001	21,370,868
Beginning net position	46,742,892	45,448,277	53,847,541	33,771,288	100,590,433	79,219,565
Ending net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>

(Continued)

CITY OF SEABROOK, TEXAS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the year ended September 30, 2024

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



(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

For the year ended September 30, 2024, revenues from governmental activities totaled \$19,892,406, which is an increase of \$2,979,994 from the prior year. This net increase is primarily related to an increase in capital grants and contribution. Capital grants and contributions increased due to an increase in grant Coronavirus State and Local Fiscal Recovery grant revenues.

For the year ended September 30, 2024, expenses from governmental activities totaled \$18,282,408, which is an increase of \$888,292 from the prior year. This net change can be attributed to increases in public safety and interest and fiscal agent fees. These functions increased primarily due to Hurricane Beryl debris clean up expenses, as well as issuance costs related to the issuance of new debt.

Operating revenues for business-type activities increased from the prior year. Capital grants and contributions decreased by \$12,830,185 as a result of a decrease in grant activity for the wastewater plant project in the current year. Charges for services in the amount of \$11,918,031 were comparable to the prior year. Operating expenses for business-type activities increased from the prior year. Utility expenses increased by \$1,308,957 primarily due to increases in contractual and professional fees and repairs and maintenance.

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 \$33,475,889. Of this, \$52,864 is nonspendable, \$23,852,875 is restricted for various purposes, \$895,366 is committed for a stabilization fund to cover potential future budget shortfalls, \$1,600,000 is committed for a sound mitigation project, \$1,035,522 is assigned for capital projects, and \$16,030 is assigned for animal control. The remaining balance of \$6,023,232 is unassigned in the general fund.

There was a net increase in the combined fund balance of \$14,605,838 compared to the prior year, primarily due to increases in proceeds from the issuance of new debt.

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 \$6,023,232, while total fund balance reached \$8,571,162. 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% of total general fund expenditures, while total fund balance represents 58% of the same amount. Total general fund revenues increased slightly in the current year primarily related to increases in property tax revenue. This increase is primarily due to an increase in assessed values. Total general fund expenditures also increased primarily related to increases in public safety due to Hurricane Beryl debris clean up costs.

The debt service fund has a total fund balance of \$2,220,721, 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 \$99,958, which is a result premium from the issuance of new debt.

The fund balance in the capital projects fund was \$18,372,069, which is an increase of \$14,728,434 when compared to the prior year. This increase is primarily related to proceeds from the issuance of new debt.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual general fund revenues were less than the original and amended budgeted revenues by a net \$521,388 during 2024. This net variance is primarily related to less property tax, sales tax and licenses and permits revenue than what was anticipated. Actual expenditures were less than original and amended budgeted expenditures by \$63,237 during 2024. The greatest variance was in the public safety function.

CAPITAL ASSETS

At the end of the current year, the City's governmental and business-type activities had invested \$44,798,395 and \$67,766,117, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net increase of \$460,867 for governmental activities and a net increase of \$7,431,435 for business-type activities.

More detailed information about the City's capital assets is presented in note 3 of the financial statements.

LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$43,336,499. Of this amount, \$14,410,000 was general obligation debt, \$1,046,000 was revenue bond debt, \$24,805,000 was certificates of obligation, and the remaining \$3,075,499 was a loan from the State Infrastructure Bank.

More detailed information about the City's long-term liabilities is presented in note 3 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 2025 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 \$16 million for the 2025 fiscal year. The 2025 budget incorporated a tax rate of \$0.455156 per \$100 of valuation, which was approximately a 1% decrease from the prior year.

(Continued)

CITY OF SEABROOK, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended September 30, 2024

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.

BASIC FINANCIAL STATEMENTS

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
September 30, 2024

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 35,846,380	\$ 6,557,393	\$ 42,403,773	\$ 4,588,102
Receivables, net of allowances	1,438,819	3,736,697	5,175,516	188,144
Lease Receivable	259,714	-	259,714	-
Due from primary government	-	-	-	81,136
Prepays and other assets	52,864	-	52,864	-
Restricted assets:				
Temporarily restricted cash and cash equivalents	-	5,076,537	5,076,537	-
Capital assets:				
Nondepreciable capital assets	15,257,030	47,029,167	62,286,197	-
Depreciable capital assets, net	29,541,365	20,736,950	50,278,315	-
	<u>44,798,395</u>	<u>67,766,117</u>	<u>112,564,512</u>	<u>-</u>
Total assets	<u>82,396,172</u>	<u>83,136,744</u>	<u>165,532,916</u>	<u>4,857,382</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	66,307	4,169	70,476	-
Deferred outflows - pensions	2,144,054	301,298	2,445,352	-
Deferred outflows - OPEB	61,928	-	61,928	-
Total deferred outflows of resources	<u>2,272,289</u>	<u>305,467</u>	<u>2,577,756</u>	<u>-</u>
LIABILITIES				
Accounts payable and accrued liabilities	858,984	2,515,080	3,374,064	2,895
Due to component unit	81,136	-	81,136	-
Unearned revenue	583,691	-	583,691	-
Accrued bond interest	54,763	98,399	153,162	-
Long-term liabilities				
Portion due within one year	2,290,247	993,593	3,283,840	-
Portion due in more than one year	31,949,179	17,818,595	49,767,774	-
Total liabilities	<u>35,818,000</u>	<u>21,425,667</u>	<u>57,243,667</u>	<u>2,895</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	343,885	57,859	401,744	-
Deferred inflows - OPEB	112,593	-	112,593	-
Deferred inflows- leases	265,234	-	265,234	-
Total deferred inflows of resources	<u>721,712</u>	<u>57,859</u>	<u>779,571</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	33,779,784	49,894,164	83,673,948	-
Restricted for				
Debt service	2,255,569	591,878	2,847,447	-
Public safety	1,991,611	-	1,991,611	-
Parks	270,924	-	270,924	-
Tourism	1,949,813	-	1,949,813	-
Governmental programming	83,259	-	83,259	-
Capital projects	-	4,380,528	4,380,528	-
Economic development	-	-	-	4,854,487
Unrestricted	<u>7,797,789</u>	<u>7,092,115</u>	<u>14,889,904</u>	<u>-</u>
Total net position	<u>\$ 48,128,749</u>	<u>\$ 61,958,685</u>	<u>\$ 110,087,434</u>	<u>\$ 4,854,487</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF ACTIVITIES
For the year ended September 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Government Activities	Business-Type Activities	Total	
Primary Government								
Governmental activities								
General government	\$ 4,168,822	\$ 872,047	\$ -	\$ -	\$ (3,296,775)	\$ -	\$ (3,296,775)	\$ -
Public safety	10,038,953	577,083	-	-	(9,461,870)	-	(9,461,870)	-
Public works	2,752,134	290,903	172,876	2,600,469	312,114	-	312,114	-
Economic development	417,428	-	-	-	(417,428)	-	(417,428)	-
Interest and fiscal agent fees	905,071	-	-	-	(905,071)	-	(905,071)	-
Total governmental activities	<u>18,282,408</u>	<u>1,740,033</u>	<u>172,876</u>	<u>2,600,469</u>	<u>(13,769,030)</u>	<u>-</u>	<u>(13,769,030)</u>	<u>-</u>
Business-type activities								
Utilities	10,579,885	11,918,031	-	5,579,994	-	6,918,140	6,918,140	-
Total business-type activities	<u>10,579,885</u>	<u>11,918,031</u>	<u>-</u>	<u>5,579,994</u>	<u>-</u>	<u>6,918,140</u>	<u>6,918,140</u>	<u>-</u>
Total primary government	<u>\$ 28,862,293</u>	<u>\$ 13,658,064</u>	<u>\$ 172,876</u>	<u>\$ 8,180,463</u>	<u>(13,769,030)</u>	<u>6,918,140</u>	<u>(6,850,890)</u>	<u>-</u>
Component Units								
Seabrook Economic Development Corp	\$ 518,302	\$ -	\$ -	\$ -	-	-	-	(518,302)
Total component units	<u>\$ 518,302</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(518,302)</u>
General revenues								
Property taxes					8,557,112	-	8,557,112	-
Sales taxes					3,348,696	-	3,348,696	1,090,226
Franchise fees and local taxes					692,869	419,903	1,112,772	-
Other taxes					638,404	-	638,404	-
Investment revenue					1,660,015	527,453	2,187,468	218,352
Other revenues					467,165	21,507	488,672	2,194
Gain on sale of capital asset					14,767	-	14,767	-
Transfers					(224,141)	224,141	-	-
Total general revenues and transfers					<u>15,154,887</u>	<u>1,193,004</u>	<u>16,347,891</u>	<u>1,310,772</u>
Change in net position					1,385,857	8,111,144	9,497,001	792,470
Beginning net position					<u>46,742,892</u>	<u>53,847,541</u>	<u>100,590,433</u>	<u>4,062,017</u>
Ending net position					<u>\$ 48,128,749</u>	<u>\$ 61,958,685</u>	<u>\$ 110,087,434</u>	<u>\$ 4,854,487</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
September 30, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 9,002,231	\$ 2,228,012	\$ 18,964,871	\$ 3,954,432	\$ 34,149,546
Receivables, net	954,324	89,611	-	394,884	1,438,819
Due from other funds	6,081	-	-	-	6,081
Lease receivable	259,714	-	-	-	259,714
Prepaid items	52,564	-	-	300	52,864
Total assets	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 701,273	\$ 1,210	\$ 99,060	\$ 32,968	\$ 834,511
Deposits payable	-	-	-	300	300
Due to other funds	56,700	6,081	-	-	62,781
Due to component unit	81,136	-	-	-	81,136
Due to others	22,223	-	-	-	22,223
Unearned revenue	85,538	-	493,742	4,411	583,691
Total liabilities	<u>946,870</u>	<u>7,291</u>	<u>592,802</u>	<u>37,679</u>	<u>1,584,642</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - EMS services	229,039	-	-	-	229,039
Unavailable revenue - property taxes	262,609	89,611	-	-	352,220
Deferred inflows- leases	265,234	-	-	-	265,234
Total deferred inflows of resources	<u>756,882</u>	<u>89,611</u>	<u>-</u>	<u>-</u>	<u>846,493</u>
FUND BALANCES					
Nonspendable					
Prepays	52,564	-	-	300	52,864
Restricted for					
Debt service	-	2,220,721	-	-	2,220,721
Public safety	-	-	-	1,991,611	1,991,611
Parks	-	-	-	270,924	270,924
Tourism	-	-	-	1,949,813	1,949,813
Governmental programming	-	-	-	83,259	83,259
Capital projects	-	-	17,336,547	-	17,336,547
Committed for					
Stabilization fund	895,366	-	-	-	895,366
Sound mitigation project	1,600,000	-	-	-	1,600,000
Assigned for					
Capital projects	-	-	1,035,522	-	1,035,522
Animal control	-	-	-	16,030	16,030
Unassigned	6,023,232	-	-	-	6,023,232
Total fund balances	<u>8,571,162</u>	<u>2,220,721</u>	<u>18,372,069</u>	<u>4,311,937</u>	<u>33,475,889</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,274,914</u>	<u>\$ 2,317,623</u>	<u>\$ 18,964,871</u>	<u>\$ 4,349,616</u>	<u>\$ 35,907,024</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO
THE STATEMENT OF NET POSITION
September 30, 2024

Total fund balances for governmental funds \$ 33,475,889

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

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

Capital assets - nondepreciable	15,257,030
Capital assets - depreciable/amortizable	27,633,520

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds.	581,259
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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 are included in the governmental activities in the Statement of Net Position.

Unrestricted net position	1,751,584
Net investment in capital assets	1,907,845

Some liabilities, including bonds payable, are not reported as liabilities in the governmental funds.

Accrued interest payable	(54,763)
Deferred charge on refunding	66,307
Deferred outflows - pensions	2,144,054
Deferred inflows - pensions	(343,885)
Deferred outflows - OPEB	61,928
Deferred inflows - OPEB	(112,593)
Noncurrent liabilities due in one year	(2,290,247)
Noncurrent liabilities due in more than one year	<u>(31,949,179)</u>

Net position of governmental activities	<u>\$ 48,128,749</u>
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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, 2024

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues					
Property taxes	\$ 6,562,224	\$ 1,974,711	\$ -	\$ -	\$ 8,536,935
Sales taxes	2,311,313	-	-	1,037,383	3,348,696
Franchise fees and local taxes	665,146	-	-	27,723	692,869
Other taxes	-	-	-	638,404	638,404
Licenses and permits	290,903	-	-	-	290,903
Fines and forfeitures	505,198	-	-	71,885	577,083
Charges for services	820,184	-	-	19,618	839,802
Intergovernmental	167,352	-	2,600,469	5,524	2,773,345
Investment revenue	557,821	166,654	639,771	186,897	1,551,143
Other revenue	342,552	-	-	124,613	467,165
Total revenues	<u>12,222,693</u>	<u>2,141,365</u>	<u>3,240,240</u>	<u>2,112,047</u>	<u>19,716,345</u>
Expenditures					
Current					
General government	3,772,566	-	-	124,243	3,896,809
Public safety	8,537,714	-	169,682	901,209	9,608,605
Public works	2,375,291	-	-	-	2,375,291
Economic development	-	-	-	419,052	419,052
Capital outlay	-	-	2,978,702	424,426	3,403,128
Debt service					
Principal	-	1,608,217	-	138,557	1,746,774
Interest and fiscal agent fees	-	686,946	-	1,443	688,389
Issuance costs	-	-	237,980	-	237,980
Total expenditures	<u>14,685,571</u>	<u>2,295,163</u>	<u>3,386,364</u>	<u>2,008,930</u>	<u>22,376,028</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,462,878)</u>	<u>(153,798)</u>	<u>(146,124)</u>	<u>103,117</u>	<u>(2,659,683)</u>
Other Financing Sources (Uses)					
Bonds issued	-	-	13,865,000	-	13,865,000
Lease proceeds	-	-	-	346,387	346,387
Premium on bonds	-	253,756	677,980	-	931,736
Transfers in	2,394,742	-	331,578	-	2,726,320
Transfers (out)	(331,578)	-	-	(272,344)	(603,922)
Total other financing sources (uses)	<u>2,063,164</u>	<u>253,756</u>	<u>14,874,558</u>	<u>74,043</u>	<u>17,265,521</u>
Net change in fund balances	(399,714)	99,958	14,728,434	177,160	14,605,838
Beginning fund balances	<u>8,970,876</u>	<u>2,120,763</u>	<u>3,643,635</u>	<u>4,134,777</u>	<u>18,870,051</u>
Ending fund balances	<u>\$ 8,571,162</u>	<u>\$ 2,220,721</u>	<u>\$ 18,372,069</u>	<u>\$ 4,311,937</u>	<u>\$ 33,475,889</u>

See notes to financial statements.

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, 2024

Net changes in fund balances - total governmental funds \$ 14,605,838

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/amortization expense.

Capital outlay	976,230
Depreciation/amortization expense	(1,482,139)
Disposals	(53,034)

The issuance of long-term debt (e.g., bonds, leases, 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 issuance costs, premiums, discounts, and similar items when they are first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Principal payments	1,746,774
Bond proceeds	(13,865,000)
Lease proceeds	(346,387)
Bond premium	(931,736)
Amortization of premium	75,347
Amortization of deferred charges	(37,109)
Accrued interest	(16,940)

Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the funds.

Property tax	20,177
EMS services	32,245

Governmental funds report the payment of pension contributions as an expenditure; whereas, these payments are treated as reduction in the net pension liability/(asset) on the Statement of Activities.

Compensated absences	(72,605)
Net pension liability	2,129,295
Total OPEB liability	(27,808)
Change in deferred outflows - pensions	(1,584,719)
Change in deferred inflows - pensions	(323,820)
Change in deferred outflows - OPEB	(6,715)
Change in deferred inflows - OPEB	28,986

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.

	518,977
Change in net position of governmental activities	\$ 1,385,857

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	<u>Business-Type Activities Utility Enterprise</u>	<u>Governmental Activities Internal Service</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Accounts receivable (net of allowance for uncollectibles)	3,736,697	-
Due from other funds	-	56,700
Restricted cash and cash equivalents		
Capital projects - impact fees	4,380,528	-
Capital projects - bond proceeds	104,131	-
Debt service	<u>591,878</u>	<u>-</u>
Prepaid expense	<u>-</u>	<u>-</u>
Total current assets	<u>15,370,627</u>	<u>1,753,534</u>
Noncurrent assets		
Capital assets:		
Land	1,605,575	-
Buildings	3,424,368	-
Infrastructure	28,440,081	-
Equipment	3,999,413	2,897,953
Construction in progress	45,423,592	-
Less accumulated depreciation	<u>(15,126,912)</u>	<u>(990,108)</u>
Total capital assets (net)	<u>67,766,117</u>	<u>1,907,845</u>
Total noncurrent assets	<u>67,766,117</u>	<u>1,907,845</u>
Total assets	<u>83,136,744</u>	<u>3,661,379</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	4,169	-
Deferred outflows - pensions	<u>301,298</u>	<u>-</u>
Total deferred outflows of resources	<u>305,467</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	1,750,217	1,950
Accrued interest payable	98,399	-
Customer deposits	764,863	-
Bonds payable - current	773,251	-
Note payable - current	178,176	-
Compensated absences- current	<u>42,166</u>	<u>-</u>
Total current liabilities	<u>3,607,072</u>	<u>1,950</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Noncurrent liabilities		
Bonds payable - noncurrent (net of premiums and discounts)	14,131,503	-
Note payable - noncurrent	2,897,323	-
Net pension liability	738,467	-
Compensated absences- noncurrent	<u>51,302</u>	<u>-</u>
Total noncurrent liabilities	<u>17,818,595</u>	<u>-</u>
Total liabilities	<u>21,425,667</u>	<u>1,950</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	<u>57,859</u>	<u>-</u>
Total deferred inflows of resources	<u>57,859</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	49,894,164	1,907,845
Restricted for		
Capital projects - impact fees	4,380,528	-
Debt service	591,878	-
Unrestricted	<u>7,092,115</u>	<u>1,751,584</u>
Total net position	<u>\$ 61,958,685</u>	<u>\$ 3,659,429</u>

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility <u>Enterprise</u>	Governmental <u>Activities</u> Internal <u>Service</u>
Operating revenues		
Water service	\$ 5,173,178	\$ -
Sewer service	3,932,920	-
Sanitation service	2,811,933	-
Franchise fees	419,903	-
Service fees	-	255,026
Other revenue	21,507	-
Total operating revenues	12,359,441	255,026
Operating expenses		
Personnel services	1,448,939	-
Supplies and materials	151,003	6,900
Contractual services	6,694,156	-
Repairs and maintenance	856,295	-
Depreciation	896,800	214,528
Total operating expenses	10,047,193	221,428
Operating income	2,312,248	33,598
Nonoperating revenues (expenses)		
Gain on sale of capital assets	-	67,801
Loss on disposal of assets	(6,105)	-
Intergovernmental revenue	5,579,994	-
Investment revenue	527,453	108,872
Interest expense and fiscal charges	(532,692)	-
Total nonoperating revenues	5,568,650	176,673
Income before contributions and transfers	7,880,898	210,271
Contributions and Transfers		
Capital contribution	2,527,874	133,476
Transfers in	86,014	272,344
Transfers (out)	(2,383,642)	(97,114)
Total contributions and transfers	230,246	308,706
Change in net position	8,111,144	518,977
Beginning net position	53,847,541	3,140,452
Ending Net Position	\$ 61,958,685	\$ 3,659,429

See notes to financial statements.

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	Business-Type <u>Activities</u> Utility Enterprise	Governmental <u>Activities</u> Internal Service
Cash flows from operating activities		
Receipts from customers and users	\$ 15,066,839	\$ 198,326
Payments to suppliers	(8,740,603)	(4,950)
Payments to employees	(1,462,490)	-
Net cash provided by operating activities	<u>4,863,746</u>	<u>193,376</u>
Cash flows from noncapital financing activities		
Transfers from other funds	86,014	272,344
Transfers (to) other funds	(2,383,642)	(97,114)
Net cash provided (used) by noncapital financing activities	<u>(2,297,628)</u>	<u>175,230</u>
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(5,806,465)	(1,100,862)
Intergovernmental	5,579,994	-
Proceeds from sale of capital assets	-	67,801
Interest and fiscal charges	(631,007)	-
Principal paid on capital debt	(928,518)	-
Net cash (used) in capital and related financing activities	<u>(1,785,996)</u>	<u>(1,033,061)</u>
Cash flows from investing activities		
Interest on investments	527,453	108,872
Net cash provided by investing activities	<u>527,453</u>	<u>108,872</u>
Net increase/(decrease) in cash and cash equivalents	1,307,575	(555,583)
Beginning cash and cash equivalents	<u>10,326,355</u>	<u>2,252,417</u>
Ending cash and cash equivalents	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>
Ending cash and cash equivalents		
Unrestricted cash and cash equivalents	\$ 6,557,393	\$ 1,696,834
Restricted cash and cash equivalents	5,076,537	-
	<u>\$ 11,633,930</u>	<u>\$ 1,696,834</u>

(Continued)

CITY OF SEABROOK, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended September 30, 2024

	<u>Business-Type</u> <u>Activities</u> Utility <u>Enterprise</u>	<u>Governmental</u> <u>Activities</u> Internal <u>Service</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 2,312,248	\$ 33,598
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	896,800	214,528
Changes in operating assets and liabilities		
(Increase) decrease in current assets		
Accounts receivable	2,657,154	-
Due from other funds	-	(56,700)
Prepays	240	-
Deferred outflows - pensions	203,301	-
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(1,039,389)	1,950
Compensated absences	14,770	-
Customer deposits	50,244	-
Net pension liability	(273,164)	-
Deferred inflows - pensions	<u>41,542</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 4,863,746</u>	<u>\$ 193,376</u>
Noncash investing, capital, and financing activities		
Contributions of capital assets	<u>\$ 2,527,874</u>	<u>\$ 133,476</u>

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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; public works to include municipal court, drainage, building and code inspection, planning, engineering, street repair and maintenance, park maintenance, and recreational activities for citizens; economic development; 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 (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. 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. However, the SEDC does not service the City exclusively. In the event of dissolution, net position of the SEDC shall be conveyed to the City. Separate financial statements of the SEDC may be obtained from the finance department of the City.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Blended Component Unit

Crime Control and Prevention District: The Seabrook Crime Control and Prevention District (the “Board”) 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 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. 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.

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.

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 funds. Separate financial statements are provided for governmental 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 charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements: The fund financial statements provide information about the City’s funds. 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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, community development, 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 proprietary funds:

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.

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 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 and internal service 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 transfers in the business-type activities column.

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 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.

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

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.”

Investments: Investments, except for certain investment pools, commercial paper, money market funds, and investment contracts, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are 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

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.

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.

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.

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 City 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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
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

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net 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 assets 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 net 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 assets 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.
- Deferred inflows related to leases are amortized over the terms of the leases.

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 and emergency medical services (EMS). These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Leases: The City is a lessor for a lease of a tower license. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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.

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.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

Other Postemployment Benefits: The City participates in a defined benefit group-term life insurance plan administered 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.

Revenues and Expenditures/Expenses:

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.

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.

Proprietary Funds Operating and Nonoperating Revenues and Expenses: Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses

(Continued)

CITY OF SEABROOK, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 For the year ended September 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 funds 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.

NOTE 2 - 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, 2024. All special revenue funds have adopted budgets.

Expenditures in Excess of Appropriations: For the year ended September 30, 2024, expenditures exceeded appropriations at the legal level of control as follows:

Crime Control Prevention District	\$276,634
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NOTE 3 - DETAILED NOTES ON ALL FUNDS

Deposits and Investments: As of September 30, 2024, the City and SEDC had the following cash equivalents:

<u>Investment Type</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
TexPool	\$ <u>50,090,088</u>	0.08
Portfolio weighted average maturity		0.08

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 "AAA" 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, 2024, the City's investments in investment pools were rated "AAA" or "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 deposit at the

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

depository bank to be collateralized by securities. As of September 30, 2024, 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.

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, debt service fund, the nonmajor governmental funds in the aggregate, and the component unit, including the applicable allowances for uncollectible accounts.

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor</u>	<u>Component Unit</u>
Property taxes	441,472	\$ 155,846	\$ -	\$ -
Sales taxes	395,321	-	177,819	188,144
Ambulance fees	529,016	-	-	-
Franchise fees	38,951	-	6,187	-
Other taxes	-	-	201,926	-
Other receivables	72,288	-	8,952	-
Less allowance	<u>(522,724)</u>	<u>(66,235)</u>	<u>-</u>	<u>-</u>
Total	<u>954,324</u>	<u>\$ 89,611</u>	<u>\$ 394,884</u>	<u>\$ 188,144</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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 Revenue</u>
Delinquent property taxes receivable - general fund	\$ 262,609
Delinquent property taxes receivable - debt service fund	89,611
Delinquent emergency medical services receivable	229,039
 Total	 \$ 581,259

Leases Receivable: The City has entered into a lease agreement related to the lease of certain areas of the Crown Castle tower license agreement. The lease spans 12 years, and the City will receive yearly payments of \$29,470 plus interest for the leases. The City recognized \$29,470 in lease revenue during the current fiscal year related to these leases. As of September 30, 2024, the City's receivable for lease payments was \$259,714. Also, the City has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. September 30, 2024, the balance of the deferred inflow of resources was \$265,234.

The remaining principal and interest payments from the lease and amortization of the deferred inflows are as follows:

Fiscal Year Ended <u>September 30,</u>	<u>Lease Receipts</u>			<u>Amortization of Deferred Inflows</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2025	\$ 23,106	\$ 10,101	\$ 33,207	\$ 29,470
2026	24,929	9,274	34,203	29,470
2027	26,848	8,381	35,229	29,470
2028	28,866	7,420	36,286	29,470
2029	30,988	6,387	37,375	29,470
2030-2033	124,977	13,635	138,612	117,884
	\$ 259,714	\$ 55,198	\$ 314,912	\$ 265,234

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

	<u>Beginning Balance</u>	<u>Increase/ Reclassifications</u>	<u>(Decreases)/ Reclassifications</u>	<u>Ending Balance</u>
<u>Governmental activities</u>				
Capital assets not being depreciated/ amortized				
Land	\$ 14,848,184	\$ -	\$ -	\$ 14,848,184
Construction in progress	<u>210,084</u>	<u>225,366</u>	<u>(26,604)</u>	<u>408,846</u>
Total capital assets not being depreciated/amortized	<u>15,058,268</u>	<u>225,366</u>	<u>(26,604)</u>	<u>15,257,030</u>
Other capital assets				
Infrastructure	28,718,566	6,105	-	28,724,671
Buildings and improvements	19,620,960	61,000	(7,520)	19,674,440
Machinery and equipment	11,474,651	1,598,314	(359,313)	12,713,652
Right-to-use asset	<u>-</u>	<u>346,387</u>	<u>-</u>	<u>346,387</u>
Total other capital assets	<u>59,814,177</u>	<u>2,011,806</u>	<u>(366,833)</u>	<u>61,459,150</u>
Less accumulated depreciation/ amortization for				
Infrastructure	(13,998,031)	(550,456)	-	(14,548,487)
Buildings and improvements	(7,802,686)	(504,321)	7,520	(8,299,487)
Machinery and equipment	(8,734,200)	(572,613)	306,279	(9,000,534)
Right-to-use asset	<u>-</u>	<u>(69,277)</u>	<u>-</u>	<u>(69,277)</u>
Total accumulated depreciation/ amortization	<u>(30,534,917)</u>	<u>(1,696,667)</u>	<u>313,799</u>	<u>(31,917,785)</u>
Other capital assets, net	<u>29,279,260</u>	<u>315,139</u>	<u>(53,034)</u>	<u>29,541,365</u>
Governmental activities capital assets, net	<u>\$ 44,337,528</u>	<u>\$ 540,505</u>	<u>\$ (79,638)</u>	<u>\$ 44,798,395</u>
				66,307
				17,336,547
				<u>(28,421,465)</u>
				<u>\$ 33,779,784</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to governmental activities functions as follows:

General government	\$	423,645
Public safety		520,537
Public works		<u>752,485</u>
Total governmental activities depreciation and amortization	\$	<u><u>1,696,667</u></u>

Construction in progress and other significant commitments under related construction contracts as of September 30, 2024 were \$458,438.

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>
<u>Business-type activities</u>				
Capital assets not being depreciated				
Land	\$ 1,605,575	\$ -	\$ -	\$ 1,605,575
Construction in progress	<u>40,437,005</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>45,423,592</u>
Total capital assets not being depreciated	<u>42,042,580</u>	<u>5,577,868</u>	<u>(591,281)</u>	<u>47,029,167</u>
Other capital assets				
Water and sewer system	25,305,925	3,134,156	-	28,440,081
Buildings and improvements	3,424,368	-	-	3,424,368
Machinery and equipment	<u>3,829,552</u>	<u>207,492</u>	<u>(37,631)</u>	<u>3,999,413</u>
Total other capital assets	<u>32,559,845</u>	<u>3,341,648</u>	<u>(37,631)</u>	<u>35,863,862</u>
Less accumulated depreciation for				
Water and sewer system	(9,367,760)	(620,698)	-	(9,988,458)
Buildings and improvements	(2,346,227)	(74,990)	-	(2,421,217)
Machinery and equipment	<u>(2,553,756)</u>	<u>(201,112)</u>	<u>37,631</u>	<u>(2,717,237)</u>
Total accumulated depreciation	<u>(14,267,743)</u>	<u>(896,800)</u>	<u>37,631</u>	<u>(15,126,912)</u>
Other capital assets, net	<u>18,292,102</u>	<u>2,444,848</u>	<u>-</u>	<u>20,736,950</u>
Business-type activities capital assets, net	<u>\$ 60,334,682</u>	<u>\$ 8,022,716</u>	<u>\$ (591,281)</u>	<u>\$ 67,766,117</u>
				4,169
				104,131
				<u>(17,980,253)</u>
				<u>\$ 49,894,164</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	<u>896,800</u>
Total business-type activities depreciation expense	\$	<u><u>896,800</u></u>

Construction in progress and remaining commitments under related construction contracts for proprietary fund projects as of September 30, 2024 were \$1,439,189.

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.

	Beginning Balances	Additions	(Reductions)	Ending Balances	Amounts Due Within One Year
<u>Governmental activities</u>					
Direct borrowings/placements:					
General obligation bonds	\$ 5,300,000	\$ -	\$ (1,250,000)	\$ 4,050,000	\$ 1,285,000
Certificates of obligation	275,000	-	(70,000)	205,000	70,000
Bonds, notes, and other payables:					
Certificates of obligation	2,634,657	9,715,000	(13,217)	12,336,440	136,749
General obligation bonds	6,335,000	4,150,000	(275,000)	10,210,000	365,000
Deferred amounts:					
For issuance discounts/premiums	<u>555,806</u>	<u>931,736</u>	<u>(75,347)</u>	<u>1,412,195</u>	<u>-</u>
	<u>15,100,463</u>	<u>14,796,736</u>	<u>(1,683,564)</u>	<u>28,213,635</u>	<u>* 1,856,749</u>
Other liabilities					
Net pension liability (asset)	6,296,350	-	(2,129,295)	4,167,055	-
Total OPEB liability	304,796	27,808	-	332,604	7,528
Leases	-	346,387	(138,557)	207,830	* 51,634
Compensated absences	<u>1,245,697</u>	<u>437,113</u>	<u>(364,508)</u>	<u>1,318,302</u>	<u>374,336</u>
Total governmental activities	<u>\$ 22,947,306</u>	<u>\$ 15,608,044</u>	<u>\$ (4,315,924)</u>	<u>\$ 34,239,426</u>	<u>\$ 2,290,247</u>
Long-term debt due in more than one year				<u>\$ 31,949,179</u>	
*Debt associated with capital assets				<u>\$ 28,421,465</u>	

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Business-type activities</u>					
Direct borrowings/placements:					
Note - State loan	\$ 3,248,234	\$ -	\$ (172,735)	\$ 3,075,499	\$ 178,176
Revenue bonds	1,260,000	-	(214,000)	1,046,000	225,000
General obligation bonds	300,000	-	(150,000)	150,000	150,000
Certificates of obligation	1,430,000	-	(165,000)	1,265,000	170,000
Bonds, notes, and other payables:					
Certificates of obligation	11,225,343	-	(226,783)	10,998,560	228,251
Deferred amounts:					
For issuance discounts/premiums	<u>1,539,160</u>	<u>-</u>	<u>(93,966)</u>	<u>1,445,194</u>	<u>-</u>
	<u>19,002,737</u>	<u>-</u>	<u>(1,022,484)</u>	<u>17,980,253</u>	<u>951,427</u>
Other liabilities					
Net pension liability (asset)	1,011,631	-	(273,164)	738,467	-
Compensated absences	<u>78,698</u>	<u>69,870</u>	<u>(55,100)</u>	<u>93,468</u>	<u>42,166</u>
Total governmental activities	<u>\$ 20,093,066</u>	<u>\$ 69,870</u>	<u>\$ (1,350,748)</u>	<u>\$ 18,812,188</u>	<u>\$ 993,593</u>
				<u>\$ 17,818,595</u>	
				<u>\$ 17,980,253</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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

The following is a summary of the terms of general obligation bonds, certificates of obligation, revenue bonds, and lease and subscription liabilities outstanding as of September 30, 2024:

<u>Description</u>	<u>Interest Rate</u>	<u>Balance</u>
<u>Governmental Activities</u>		
General obligation bonds		
Series 2003	4.40%	\$ 385,000
Series 2013 refunding	1.86%	505,000
Series 2015	2.00-3.25%	6,060,000
Series 2017 refunding	1.96%	3,160,000
Series 2024	4.25 5.00%	<u>4,150,000</u>
Total general obligation bonds		<u>14,260,000</u>
Certificates of obligation		
Series 2010	3.64%	205,000
Series 2020	2.00-4.00%	2,621,440
Series 2024	4.00-5.00%	<u>9,715,000</u>
Total certificates of obligation		<u>12,541,440</u>
Lease		
Police body cameras	5.00%	<u>207,830</u>
Total governmental activities long-term debt		<u>\$ 27,009,270</u>
<u>Business-Type Activities</u>		
General obligation bonds		
Series 2013 refunding	1.86%	<u>\$ 150,000</u>
Total general obligation bonds		<u>150,000</u>
Certificates of obligation		
Series 2016	2.13%	1,265,000
Series 2016A	2.00%	4,695,000
Series 2020	2.00-4.00%	<u>6,303,560</u>
Total certificates of obligation		<u>12,263,560</u>
Revenue bonds		
Series 2003 refunding	4.45%	155,000
Series 2008	4.12%	<u>891,000</u>
Total revenue bonds		<u>1,046,000</u>
State loan		
State Infrastructure Bank Loan 2018	3.15%	<u>3,075,499</u>
Total state loan		<u>3,075,499</u>
Total business-type activities long-term debt		<u>\$ 16,535,059</u>

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities			
	Direct Borrowings/Placement		Governmental Activities		Direct Borrowings/Placement		Business-Type Activities	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 1,355,000	\$ 95,735	\$ 501,749	\$ 942,632	\$ 723,176	\$ 167,413	\$ 228,251	\$ 436,106
2026	1,435,000	59,111	478,217	923,596	760,788	145,520	236,783	429,541
2027	1,465,000	29,807	498,217	905,082	783,578	119,350	246,783	420,705
2028	-	-	1,111,826	885,667	375,549	92,294	638,174	411,470
2029	-	-	1,154,168	845,495	386,709	82,203	660,832	385,943
2030-2034	-	-	6,435,986	3,546,252	1,487,952	262,009	3,719,014	1,511,653
2035-2039	-	-	3,876,862	2,465,832	1,018,747	65,425	4,028,138	742,568
2040-2044	-	-	3,884,415	1,515,327	-	-	1,240,585	64,423
2045-2049	-	-	4,605,000	577,000	-	-	-	-
	<u>\$ 4,255,000</u>	<u>\$ 184,653</u>	<u>\$ 22,546,440</u>	<u>\$ 12,606,883</u>	<u>\$ 5,536,499</u>	<u>\$ 934,214</u>	<u>\$ 10,998,560</u>	<u>\$ 4,402,409</u>

In April 2024, the City issued General Obligation Bonds, Series 2024 in the amount of \$4,150,000. The bond will be used for renovating, expanding, developing and equipping the Seabrook Fire Station; this includes additions for emergency medical services, emergency management services, an emergency center, and all matters incident or necessary thereto. The bond will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

In April 2024, the City issued Certificates of Obligation, Series 2024 in the amount of \$9,715,000. The certificates will be used for the design, engineering, acquisition and construction of certain public works and the purchase of equipment for authorized needs and purposes. The certificates will mature during fiscal year 2044 and have an interest rate ranging from 4% to 5%.

Leases Payable: The City has entered into lease agreements as lessee for the use of police body cameras. As of September 30, 2024, the value of the lease liability was \$207,830. The City is required to make monthly payments of \$52,500. The interest rate is based on the incremental borrowing rate of 5%. In addition, the City's right to- use lease asset will be amortized using a straight-line basis over the remaining term of the leases. The value of the right-to-use assets as of the end of the current fiscal year was \$346,387 and had accumulated amortization of \$69,277. The future principal and interest payments as of September 30, 2024 for governmental activities were as follows:

Fiscal Year Ended September 30,	Governmental Activities	
	Lease	
	Principal	Interest
2025	\$ 51,634	\$ 866
2026	51,849	651
2027	52,065	435
2028	<u>52,282</u>	<u>218</u>
	<u>\$ 207,830</u>	<u>\$ 2,170</u>

(Continued)

CITY OF SEABROOK, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 For the year ended September 30, 2024

NOTE 3 - DETAILED NOTES ON ALL FUNDS (Continued)

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.

Interfund Transactions: The interfund balances as of year end were as follows.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amounts</u>
General	Debt service	\$ 6,081
Internal service	General	<u>56,700</u>
		<u>\$ 62,781</u>

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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amounts</u>
Capital projects	General	\$ 331,578
Internal service	Nonmajor governmental	272,344
General	Internal service	11,100
Utility	Internal service	86,014
General	Utility	<u>2,383,642</u>
		<u>\$ 3,084,678</u>

Transfers from the general fund to the capital project fund were subsidies for construction in progress 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.

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

NOTE 4 - OTHER INFORMATION

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

(Continued)

NOTE 4 - OTHER INFORMATION (Continued)

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, 2024, the City believed the amounts paid on workers' compensation would not change significantly from the amounts recorded.

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.

Pension Plans:

Texas Municipal Retirement System

Plan Description: The City participates as one of 934 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 Texas Government Code, Title 8, Subtitle G (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 (the "Board"); however, TMRS is not fiscally dependent on the State. TMRS issues a publicly available annual comprehensive financial report that can be obtained at 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 member's benefit is calculated based on the sum of the member's contributions, with interest, and the City-financed monetary credits, with interest, and their age at retirement and other actuarial factors. The retiring member may select one of seven monthly payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the total member contributions and interest.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

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:

	2024	2023
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/yrs of service)	60/5, 0/25	60/5, 0/25
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	30% of CPI	30% of CPI

Employees Covered by Benefit Terms: At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	91
Inactive employees entitled to, but not yet receiving, benefits	62
Active employees	114
 Total	 267

Contributions: Member contribution rates in TMRS are either 5%, 6%, or 7% of the member's total compensation, and the City-matching percentages are either 100%, 150%, or 200%, 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 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 7% percent of their annual gross earnings during the fiscal year. The contribution rates for the City were 16.11% and 16.37% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the fiscal year ended September 30, 2024 were \$1,419,877, which are equal to the required contributions.

Net Pension Liability: The City's Net Pension Liability (NPL) was measured as of December 31, 2023, 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, 2023 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment rate of return inflation	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with 110% of the Public Safety table used for males and 100% of the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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 the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023, actuarial valuation.

The post-retirement mortality assumption for Annuity Purchase Rates (APRs) 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 n both capital appreciation as well as the production of income 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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage.

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 public equity	35%	6.7%
Core fixed income	6%	4.7%
Non-core fixed income	20%	8.0%
Other public and private markets	12%	8.0%
Real estate	12%	7.6%
Hedge funds	5%	6.4%
Private equity	<u>10%</u>	11.6%
 Total	 <u>100%</u>	

Discount Rate: The discount rate used to measure the TPL was 6.75%. The projection of cash flows used to determine the discount rate assumed that member and employer contributions will be made at the rates specified in statute. Based on that assumption, TMRS's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive members. 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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

Changes in the NPL:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	<u>(A)</u>	<u>(B)</u>	<u>(A) - (B)</u>
Changes for the year:			
Service cost	\$ 1,472,641	\$ -	\$ 1,472,641
Interest	3,097,577	-	3,097,577
Difference between expected and actual experience	(336,387)	-	(336,387)
Changes in assumptions	(165,681)	-	(165,681)
Contributions - employer	-	1,386,571	(1,386,571)
Contributions - employee	-	603,383	(603,383)
Net investment income	-	4,509,563	(4,509,563)
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,285,418)	-
Administrative expense	-	(28,707)	28,707
Other changes	-	(201)	201
Net Changes	1,782,732	4,185,191	(2,402,459)
Balance at December 31, 2022	46,296,414	38,988,433	7,307,981
Balance at December 31, 2023	<u>\$ 48,079,146</u>	<u>\$ 43,173,624</u>	<u>\$ 4,905,522</u>

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%, 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%)	Current Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability/(asset)	\$ 11,049,340	\$ 4,905,522	\$ (209,789)

Pension Plan Fiduciary Net Position: Detailed information about TMRS's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at www.tmr.com.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions: For the fiscal year ended September 30, 2024, the City recognized pension expense of \$1,170,801.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual economic experience	\$ 295,274	\$ 274,955
Changes in assumptions	-	126,789
Net difference between projected and actual investment earnings	1,055,665	-
Contributions subsequent to the measurement date	<u>1,094,413</u>	<u>-</u>
 Total	 <u>\$ 2,445,352</u>	 <u>\$ 401,744</u>

\$1,094,413 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, 2025. 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 September 30,</u>	<u>Pension Expense</u>
2025	\$ 313,626
2026	341,336
2027	700,433
2028	<u>(406,200)</u>
 Total	 <u>\$ 949,195</u>

Other Postemployment Benefits:

TMRS - Supplemental Death Benefits

Plan Description: The City participates in an OPEB plan administered by TMRS. TMRS administers the defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (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, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (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.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The contributions to the SDBF are pooled for investment purposes with those of the Pension Trust Fund (PTF). The SDBF's funding policy assures that adequate resources are available to meet all death benefit payments for the upcoming year. The SDBF is a pay-as-you-go fund, and any excess contributions are available for future SDBF benefits.

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).

Participation in the SDBF as of December 31, 2023 is summarized below:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to, but not yet receiving, benefits	10
Active employees	114
 Total	 185

Total OPEB Liability: The City's total OPEB liability of \$332,604 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs: The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.60% to 11.85% including inflation
Discount rate*	3.77%*
Administrative expenses	All administrative expenses are paid through the PTF and accounted for under reporting requirements of GASB Statement No. 68.
Mortality rates-service retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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 3.0% 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 MP-2021 (with immediate convergence) 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, 2023.

(Continued)

CITY OF SEABROOK, TEXAS
NOTES TO FINANCIAL STATEMENTS
For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Changes in the Total OPEB Liability:

	<u>Total OPEB Liability</u>
Changes for the year:	
Service cost	\$ 11,189
Interest	12,256
Difference between expected and actual experience	607
Changes of assumptions	15,826
Benefit payments*	<u>(8,607)</u>
Net changes	31,271
Balance at September 30, 2022	<u>301,333</u>
Balance at September 30, 2023	<u><u>\$ 332,604</u></u>

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

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 (2.77%)</u>	<u>Discount Rate (3.77%)</u>	<u>1% Increase in Discount Rate (4.77%)</u>
City's total OPEB liability	<u>\$ 396,903</u>	<u>\$ 332,604</u>	<u>\$ 282,062</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB: At September 30, 2024, the City recognized OPEB expense of \$17,707. The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in actuarial assumptions	\$ 54,548	\$ 106,920
Differences between expected and actual economic experience	695	5,673
Contributions subsequent to the measurement date	<u>6,685</u>	<u>-</u>
Total	<u><u>\$ 61,928</u></u>	<u><u>\$ 112,593</u></u>

(Continued)

CITY OF SEABROOK, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 For the year ended September 30, 2024

NOTE 4 - OTHER INFORMATION (Continued)

\$6,685 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the fiscal year ending September 30, 2025.

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

<u>Fiscal Year ended September 30.</u>	<u>OPEB Expense</u>
2025	\$ (5,500)
2026	(9,442)
2027	(14,727)
2028	(20,860)
2029	(7,088)
Thereafter	<u>267</u>
Total	<u>\$ (57,350)</u>

Tax Abatements and Economic Incentives:

The City and the 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 2024, the SEDC has granted the following incentive agreements:

The SEDC agreed to rebate the amount of SEDC sales 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 2024, the SEDC rebated \$6,309 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 2024, the SEDC rebated \$4,615 in sales taxes paid by Mario's Pizza.

REQUIRED SUPPLEMENTARY INFORMATION

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

For the year ended September 30, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 6,957,067	\$ 6,957,067	\$ 6,562,224	(394,843)	\$ 6,044,300
Sales taxes	2,585,725	2,585,725	2,311,313	(274,412)	2,544,164
Franchise fees	730,013	730,013	665,146	(64,867)	712,162
Licenses and permits	500,000	500,000	290,903	(209,097)	276,441
Fines and forfeitures	450,998	450,998	505,198	54,200	300,923
Charges for services	758,527	758,527	820,184	61,657	723,499
Intergovernmental	112,937	112,937	167,352	54,415	446,310
Investment revenue	329,377	329,377	510,484	181,107	391,610
Other revenue	272,100	272,100	342,552	70,452	290,753
Total revenues	<u>12,696,744</u>	<u>12,696,744</u>	<u>12,175,356</u>	<u>(521,388)</u>	<u>11,730,162</u>
Expenditures					
General government					
Legislative	324,412	318,063	318,063	-	382,173
Administrative	680,034	644,039	644,039	-	1,510,807
Information technology	537,825	534,999	534,999	-	521,845
Nondepartmental	535,692	456,768	456,768	-	877,606
Community development	756,445	788,114	788,114	-	689,788
Legal	229,400	120,745	120,745	-	-
Public affairs	236,411	211,986	211,986	-	-
Finance	731,166	697,852	697,852	-	-
Total general government	<u>4,031,385</u>	<u>3,772,566</u>	<u>3,772,566</u>	<u>-</u>	<u>3,982,219</u>
Public safety					
Public safety	6,848,994	6,834,927	6,774,906	60,021	6,609,632
Emergency management	112,978	101,946	101,946	-	131,197
Animal control	279,950	270,787	270,787	-	264,968
DOT-CVE	399,436	291,672	288,456	3,216	269,899
Municipal court	572,195	530,393	530,393	-	517,655
Hurricane Beryl	-	571,226	571,226	-	-
Total public safety	<u>8,213,553</u>	<u>8,600,951</u>	<u>8,537,714</u>	<u>63,237</u>	<u>7,793,351</u>
Public works					
Parks	1,158,302	1,068,103	1,068,103	-	949,822
Public works	1,345,568	1,307,188	1,307,188	-	1,252,610
	<u>2,503,870</u>	<u>2,375,291</u>	<u>2,375,291</u>	<u>-</u>	<u>2,202,432</u>
Total expenditures	<u>14,748,808</u>	<u>14,748,808</u>	<u>14,685,571</u>	<u>63,237</u>	<u>13,978,002</u>
Excess of revenues over expenditures	<u>(2,052,064)</u>	<u>(2,052,064)</u>	<u>(2,510,215)</u>	<u>(458,151)</u>	<u>(2,247,840)</u>

(Continued)

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

For the year ended September 30, 2024
 With Comparative Totals for the Year Ended September 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)	<u>2023 Actual</u>
Other financing sources (uses)					
Transfers in	2,383,642	2,383,642	2,394,742	11,100	5,543,541
Transfers (out)	<u>(331,578)</u>	<u>(331,578)</u>	<u>(331,578)</u>	-	<u>(292,000)</u>
Total other financing (uses)	<u>2,052,064</u>	<u>2,052,064</u>	<u>2,063,164</u>	<u>11,100</u>	<u>5,251,541</u>
 Net change in fund balance	 <u>\$ -</u>	 <u>\$ -</u>	 (447,051)	 <u>\$ (447,051)</u>	 <u>\$ 3,003,701</u>
 Beginning fund balance			 <u>8,075,510</u>		
 Ending fund balance			 <u>\$ 7,628,459</u>		

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
2. Reconciliation of general fund balance to fund financial statements:

Net effect of subfunds within the general	
fund without appropriated budgets	<u>942,703</u>
	<u>\$ 8,571,162</u>

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Measurement Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	\$ 1,472,641	\$ 1,384,219	\$ 1,326,064	\$ 1,305,168	\$ 1,154,034	\$ 1,039,984	\$ 1,025,430	\$ 969,041	\$ 848,138	\$ 868,525
Interest (on the total pension liability)	3,097,577	2,943,902	2,753,205	2,629,179	2,495,569	2,378,239	2,286,065	2,164,619	2,088,380	2,004,153
Difference between expected and actual experience	(336,387)	53,414	735,786	(92,932)	181,638	136,392	(97,278)	475,863	189,720	(201,421)
Change of assumptions	(165,681)	-	-	-	121,784	-	-	-	570,417	-
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Net change in total pension liability	1,782,732	2,368,790	2,789,817	1,837,765	1,858,318	1,902,483	1,154,440	1,992,270	2,268,538	1,183,744
Beginning total pension liability	46,296,414	43,927,624	41,137,807	39,300,042	37,441,724	35,539,241	34,384,801	32,392,531	30,123,993	28,940,249
Ending total pension liability	<u>\$ 48,079,146</u>	<u>\$ 46,296,414</u>	<u>\$ 43,927,624</u>	<u>\$ 41,137,807</u>	<u>\$ 39,300,042</u>	<u>\$ 37,441,724</u>	<u>\$ 35,539,241</u>	<u>\$ 34,384,801</u>	<u>\$ 32,392,531</u>	<u>\$ 30,123,993</u>
Plan fiduciary net position										
Contributions - employer	\$ 1,386,571	\$ 1,258,793	\$ 1,265,378	\$ 1,222,777	\$ 1,081,777	\$ 1,001,258	\$ 954,625	\$ 807,730	\$ 759,316	\$ 807,068
Contributions - employee	603,383	564,329	552,899	539,007	486,348	439,538	434,767	412,107	379,116	413,007
Net investment income	4,509,563	(3,082,742)	4,897,752	2,668,641	4,782,392	(962,606)	3,996,792	1,852,069	40,850	1,513,501
Benefit payments, including refunds of employee contributions	(2,285,418)	(2,012,745)	(2,025,238)	(2,003,650)	(2,094,707)	(1,652,132)	(2,059,777)	(1,617,253)	(1,428,117)	(1,487,513)
Administrative expense	(28,707)	(26,692)	(22,672)	(17,279)	(27,037)	(18,609)	(20,714)	(20,918)	(24,879)	(15,799)
Other	(201)	31,851	154	(675)	(812)	(972)	(1,050)	(1,127)	(1,229)	(1,299)
Net change in plan fiduciary net position	4,185,191	(3,267,206)	4,668,273	2,408,821	4,227,961	(1,193,523)	3,304,643	1,432,608	(274,943)	1,228,965
Beginning plan fiduciary net position	38,988,433	42,255,639	37,587,365	35,178,543	30,950,581	32,144,104	28,839,461	27,406,853	27,681,796	26,452,831
Ending plan fiduciary net position	<u>\$ 43,173,624</u>	<u>\$ 38,988,433</u>	<u>\$ 42,255,638</u>	<u>\$ 37,587,364</u>	<u>\$ 35,178,542</u>	<u>\$ 30,950,581</u>	<u>\$ 32,144,104</u>	<u>\$ 28,839,461</u>	<u>\$ 27,406,853</u>	<u>\$ 27,681,796</u>
Net Pension Liability	<u>\$ 4,905,522</u>	<u>\$ 7,307,981</u>	<u>\$ 1,671,986</u>	<u>\$ 3,550,443</u>	<u>\$ 4,121,500</u>	<u>\$ 6,491,143</u>	<u>\$ 3,395,137</u>	<u>\$ 5,545,340</u>	<u>\$ 4,985,678</u>	<u>\$ 2,442,197</u>
Plan fiduciary net position as a percentage of total pension liability	89.80%	84.21%	96.19%	91.37%	89.51%	82.66%	90.45%	83.87%	84.61%	91.89%
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964	\$ 5,887,247	\$ 5,415,949	\$ 5,413,615
Net pension liability as a percentage of covered payroll	57.00%	90.65%	21.59%	46.11%	59.32%	103.74%	54.66%	94.19%	92.06%	45.11%

CITY OF SEABROOK, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
For the year ended September 30, 2024

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 1,419,877	\$ 1,369,531	\$ 1,247,906	\$ 1,243,032	\$ 1,244,320	\$ 1,046,439	\$ 976,004	\$ 920,301	\$ 789,851	\$ 766,607
Contributions in relation to the actuarially determined contribution	<u>(1,419,877)</u>	<u>(1,369,531)</u>	<u>(1,247,906)</u>	<u>(1,243,032)</u>	<u>(1,244,320)</u>	<u>(1,046,439)</u>	<u>(976,004)</u>	<u>(920,301)</u>	<u>(789,851)</u>	<u>(766,607)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
Covered payroll	\$ 8,606,900	\$ 8,561,183	\$ 7,929,016	\$ 7,734,305	\$ 7,875,897	\$ 6,670,465	\$ 6,178,270	\$ 6,167,712	\$ 5,719,105	\$ 5,414,848
Contributions as a percentage of covered payroll	16.50%	16.00%	15.74%	16.07%	15.80%	15.69%	15.80%	14.92%	13.81%	14.16%

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 22 years (longest amortization ladder)
 - Asset valuation method 10 year smoothed market; 12.00% soft corridor
 - Inflation 2.50%
 - Salary increases 3.60% to 11.85% including inflation
 - Investment rate of return 6.75%
 - Retirement age Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
 - Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
3. Other Information: There were no benefit changes during the year.

CITY OF SEABROOK, TEXAS
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS
For the year ended September 30, 2024

	Measurement Year*						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability							
Service cost	\$ 11,189	\$ 21,767	\$ 19,364	\$ 15,400	\$ 10,422	\$ 10,638	\$ 9,316
Interest (on the total OPEB liability)	12,256	8,136	8,151	9,233	9,683	8,777	8,566
Difference between expected and actual experience	607	(3,128)	(1,652)	(6,221)	888	(1,835)	-
Change of assumptions	15,826	(153,487)	13,837	55,703	53,454	(19,676)	21,889
Benefit payments**	<u>(8,607)</u>	<u>(6,449)</u>	<u>(6,197)</u>	<u>(2,310)</u>	<u>(2,084)</u>	<u>(1,877)</u>	<u>(1,863)</u>
Net change in total OPEB liability	31,271	(133,161)	33,503	71,805	72,363	(3,973)	37,908
Beginning total OPEB liability	<u>301,333</u>	<u>434,494</u>	<u>400,991</u>	<u>329,186</u>	<u>256,823</u>	<u>260,796</u>	<u>222,888</u>
Ending total OPEB liability	<u>\$ 332,604</u>	<u>\$ 301,333</u>	<u>\$ 434,494</u>	<u>\$ 400,991</u>	<u>\$ 329,186</u>	<u>\$ 256,823</u>	<u>\$ 260,796</u>
Covered Payroll	\$ 8,606,900	\$ 8,061,846	\$ 7,745,699	\$ 7,700,104	\$ 6,947,829	\$ 6,257,427	\$ 6,210,964
Net OPEB liability as a percentage of covered payroll	3.86%	3.74%	5.61%	5.21%	4.74%	4.10%	4.20%

*Only seven years of information is currently available. The City will build this schedule over the next four-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. Methods and Assumptions Used to Determine Contribution Rates:
 - Actuarial cost method Entry age normal
 - Inflation 2.50%
 - Salary increases 3.60% to 11.85% including inflation
 - Discount rate* 3.77%
 - Administrative expenses All administrative expenses are paid through the PTF and accounted for under reporting requirements GASB Statement No. 68.
 - Mortality rates - service retirees 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
 - 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

COMBINING STATEMENTS AND SCHEDULES

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, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Property taxes	\$ 2,066,855	\$ 1,979,064	\$ 1,974,711	\$ (4,353)	\$ 2,040,850
Investment revenue	<u>36,000</u>	<u>420,410</u>	<u>166,654</u>	<u>(253,756)</u>	<u>139,932</u>
Total revenues	<u>2,102,855</u>	<u>2,399,474</u>	<u>2,141,365</u>	<u>(258,109)</u>	<u>2,180,782</u>
Expenditures					
Debt service					
Principal	1,608,217	1,608,217	1,608,217	-	1,566,749
Interest and fiscal charges	<u>441,638</u>	<u>694,263</u>	<u>686,946</u>	<u>7,317</u>	<u>484,923</u>
Total expenditures	<u>2,049,855</u>	<u>2,302,480</u>	<u>2,295,163</u>	<u>7,317</u>	<u>2,051,672</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>53,000</u>	<u>96,994</u>	<u>(153,798)</u>	<u>(250,792)</u>	<u>129,110</u>
Other financing sources (uses)					
Premium on bonds	<u>-</u>	<u>-</u>	<u>253,756</u>	<u>253,756</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>253,756</u>	<u>253,756</u>	<u>-</u>
Net change in fund balance	<u>\$ 53,000</u>	<u>\$ 96,994</u>	99,958	<u>\$ 2,964</u>	<u>\$ 129,110</u>
Beginning fund balance			<u>2,120,763</u>		
Ending fund balance			<u>\$ 2,220,721</u>		

Notes to Required Supplementary Information:

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

CITY OF SEABROOK, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
For the year September 30, 2024

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
 For the year ended September 30, 2024

	Special Revenue Funds							
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	Total Nonmajor Governmental Funds
ASSETS								
Cash and cash equivalents	\$ 1,762,757	\$ 136,903	\$ 273,135	\$ 1,315,539	\$ 372,996	\$ 77,072	\$ 16,030	\$ 3,954,432
Receivables, net	201,926	-	-	177,819	8,952	6,187	-	394,884
Prepaid items	-	300	-	-	-	-	-	300
Total assets	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>
LIABILITIES								
Accounts payable and accrued liabilities	\$ 12,370	\$ -	\$ -	\$ 18,998	\$ 1,600	\$ -	\$ -	\$ 32,968
Deposits payable	-	-	300	-	-	-	-	300
Unearned revenue	2,500	-	1,911	-	-	-	-	4,411
Total liabilities	<u>14,870</u>	<u>-</u>	<u>2,211</u>	<u>18,998</u>	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>37,679</u>
FUND BALANCES								
Nonspendable								
Prepaid items	-	300	-	-	-	-	-	300
Restricted for								
Public safety	-	136,903	-	1,474,360	380,348	-	-	1,991,611
Parks	-	-	270,924	-	-	-	-	270,924
Tourism	1,949,813	-	-	-	-	-	-	1,949,813
Governmental programming	-	-	-	-	-	83,259	-	83,259
Assigned	-	-	-	-	-	-	16,030	16,030
Total fund balances	<u>1,949,813</u>	<u>137,203</u>	<u>270,924</u>	<u>1,474,360</u>	<u>380,348</u>	<u>83,259</u>	<u>16,030</u>	<u>4,311,937</u>
Total liabilities and fund balances	<u>\$ 1,964,683</u>	<u>\$ 137,203</u>	<u>\$ 273,135</u>	<u>\$ 1,493,358</u>	<u>\$ 381,948</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,349,616</u>

CITY OF SEABROOK, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
 For the year ended September 30, 2024

	Special Revenue Funds							
	Hotel and Motel Occupancy Tax	Municipal Court Programs	Park Improvement Fees	Crime Control and Prevention District	Public Safety Programs	Cable PEG Fees	Animal Control	Total Nonmajor Governmental Funds
Revenues								
Sales and use taxes	\$ -	\$ -	\$ -	\$ 1,037,383	\$ -	\$ -	\$ -	\$ 1,037,383
Franchise fees	-	-	-	-	-	27,723	-	27,723
Hotel occupancy tax	638,404	-	-	-	-	-	-	638,404
Fines and forfeitures	-	43,114	-	-	28,771	-	-	71,885
Charges for services	-	-	19,618	-	-	-	-	19,618
Intergovernmental	-	-	-	-	5,524	-	-	5,524
Investment revenue	82,870	2,098	13,660	67,218	15,977	4,640	434	186,897
Other revenue	8,886	-	-	2,477	113,250	-	-	124,613
Total revenues	<u>730,160</u>	<u>45,212</u>	<u>33,278</u>	<u>1,107,078</u>	<u>163,522</u>	<u>32,363</u>	<u>434</u>	<u>2,112,047</u>
Expenditures								
Current								
General government	-	-	-	-	-	124,243	-	124,243
Public safety	-	25,472	-	755,951	116,111	-	3,675	901,209
Economic development	404,560	-	14,492	-	-	-	-	419,052
Capital outlay	-	-	5,518	346,387	72,521	-	-	424,426
Debt service								
Principal	-	-	-	138,557	-	-	-	138,557
Interest and fiscal agent fees	-	-	-	1,443	-	-	-	1,443
Total expenditures	<u>404,560</u>	<u>25,472</u>	<u>20,010</u>	<u>1,242,338</u>	<u>188,632</u>	<u>124,243</u>	<u>3,675</u>	<u>2,008,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>325,600</u>	<u>19,740</u>	<u>13,268</u>	<u>(135,260)</u>	<u>(25,110)</u>	<u>(91,880)</u>	<u>(3,241)</u>	<u>103,117</u>
Other financing sources (uses)								
Lease proceeds	-	-	-	346,387	-	-	-	346,387
Transfers (out)	-	-	-	(272,344)	-	-	-	(272,344)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,043</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,043</u>
Net change in fund balance	325,600	19,740	13,268	(61,217)	(25,110)	(91,880)	(3,241)	177,160
Beginning fund balance	<u>1,624,213</u>	<u>117,463</u>	<u>257,656</u>	<u>1,535,577</u>	<u>405,458</u>	<u>175,139</u>	<u>19,271</u>	<u>4,134,777</u>
Ending fund balance	<u>\$ 1,949,813</u>	<u>\$ 137,203</u>	<u>\$ 270,924</u>	<u>\$ 1,474,360</u>	<u>\$ 380,348</u>	<u>\$ 83,259</u>	<u>\$ 16,030</u>	<u>\$ 4,311,937</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, 2024
 With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Hotel and motel occupancy tax	\$ 502,396	\$ 502,396	\$ 638,404	\$ 136,008	\$ 499,732
Investment revenue	27,107	27,107	82,870	55,763	60,342
Other revenue	<u>8,175</u>	<u>8,175</u>	<u>8,886</u>	<u>711</u>	<u>66,919</u>
Total revenues	<u>537,678</u>	<u>537,678</u>	<u>730,160</u>	<u>192,482</u>	<u>626,993</u>
Expenditures					
Current					
Economic development	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Total expenditures	<u>508,084</u>	<u>508,084</u>	<u>404,560</u>	<u>103,524</u>	<u>458,115</u>
Net change in fund balance	<u>\$ 29,594</u>	<u>\$ 29,594</u>	325,600	<u>\$ 296,006</u>	<u>\$ 168,878</u>
Beginning fund balance			<u>1,624,213</u>		
Ending fund balance			<u>\$ 1,949,813</u>		

Notes to Required Supplementary Information:

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, 2024
 With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 32,347	\$ 32,347	\$ 43,114	\$ 10,767	\$ 24,489
Investment revenue	853	853	2,098	1,245	1,776
Total revenues	<u>33,200</u>	<u>33,200</u>	<u>45,212</u>	<u>12,012</u>	<u>26,265</u>
Expenditures					
Current					
Public safety	27,438	38,225	25,472	12,753	11,500
Total expenditures	<u>27,438</u>	<u>38,225</u>	<u>25,472</u>	<u>12,753</u>	<u>11,500</u>
Net change in fund balance	<u>\$ 5,762</u>	<u>\$ (5,025)</u>	19,740	<u>\$ 24,765</u>	<u>\$ 14,765</u>
Beginning fund balance			<u>117,463</u>		
Ending fund balance			<u>\$ 137,203</u>		

Notes to Required Supplementary Information:

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, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Charges for services	\$ 10,313	\$ 10,313	\$ 19,618	\$ 9,305	\$ 20,271
Investment revenue	703	703	13,660	12,957	14,310
Total revenues	<u>11,016</u>	<u>11,016</u>	<u>33,278</u>	<u>22,262</u>	<u>34,581</u>
Expenditures					
Current					
Economic development	-	14,492	14,492	-	12,960
Capital outlay	246,144	246,144	5,518	240,626	134,942
Total expenditures	<u>246,144</u>	<u>260,636</u>	<u>20,010</u>	<u>240,626</u>	<u>147,902</u>
Net change in fund balance	<u>\$ (235,128)</u>	<u>\$ (249,620)</u>	13,268	<u>\$ 262,888</u>	<u>\$ (113,321)</u>
Beginning fund balance			<u>257,656</u>		
Ending fund balance			<u>\$ 270,924</u>		

Notes to Required Supplementary Information:

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, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Sales taxes	\$ 1,136,199	\$ 1,136,199	\$ 1,037,383	\$ (98,816)	\$ 1,149,807
Investment revenue	25,537	25,537	67,218	41,681	45,186
Other revenue	-	-	2,477	2,477	3,688
Total revenues	<u>1,161,736</u>	<u>1,161,736</u>	<u>1,107,078</u>	<u>(54,658)</u>	<u>1,198,681</u>
Expenditures					
Current					
Public safety	827,730	825,704	755,951	69,753	748,580
Capital outlay	-	-	346,387	(346,387)	-
Debt service	-	-	-	-	-
Principal	-	138,557	138,557	-	-
Interest and fiscal agent fees	-	1,443	1,443	-	-
Total expenditures	<u>827,730</u>	<u>965,704</u>	<u>1,242,338</u>	<u>(276,634) *</u>	<u>748,580</u>
Excess of revenues over expenditures	<u>334,006</u>	<u>196,032</u>	<u>(135,260)</u>	<u>(331,292)</u>	<u>450,101</u>
Other financing sources (uses)					
Lease proceeds	-	-	346,387	346,387	-
Transfers (out)	(272,344)	(272,344)	(272,344)	-	(193,671)
Total other financing (uses)	<u>(272,344)</u>	<u>(272,344)</u>	<u>74,043</u>	<u>346,387</u>	<u>(193,671)</u>
Net change in fund balance	<u>\$ 61,662</u>	<u>\$ (76,312)</u>	(61,217)	<u>\$ 15,095</u>	<u>\$ 256,430</u>
Beginning fund balance			<u>1,535,577</u>		
Ending fund balance			<u>\$ 1,474,360</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.

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, 2024
With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Fines and forfeitures	\$ 26,287	\$ 26,287	\$ 28,771	\$ 2,484	\$ 25,326
Intergovernmental	2,400	2,400	5,524	3,124	2,212
Investment revenue	8,395	8,395	15,977	7,582	15,944
Other revenue	<u>111,679</u>	<u>111,679</u>	<u>113,250</u>	<u>1,571</u>	<u>111,189</u>
Total revenues	<u>148,761</u>	<u>148,761</u>	<u>163,522</u>	<u>14,761</u>	<u>154,671</u>
Expenditures					
Current					
Public safety	121,112	121,225	116,111	5,114	86,148
Capital outlay	<u>134,349</u>	<u>196,598</u>	<u>72,521</u>	<u>124,077</u>	<u>76,110</u>
Total expenditures	<u>255,461</u>	<u>317,823</u>	<u>188,632</u>	<u>129,191</u>	<u>162,258</u>
Net change in fund balance	<u>\$ (106,700)</u>	<u>\$ (169,062)</u>	(25,110)	<u>\$ 143,952</u>	<u>\$ (7,587)</u>
Beginning fund balance			<u>405,458</u>		
Ending fund balance			<u>\$ 380,348</u>		

Notes to Required Supplementary Information:

- 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, 2024
 With Comparative Totals for the Year Ended September 30, 2023

	<u>Original Budget Amounts</u>	<u>Final Budget Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>2023 Actual</u>
Revenues					
Franchise fees	\$ 33,781	\$ 33,781	\$ 27,723	\$ (6,058)	\$ 31,170
Investment revenue	<u>6,220</u>	<u>6,220</u>	<u>4,640</u>	<u>(1,580)</u>	<u>6,871</u>
Total revenues	<u>40,001</u>	<u>40,001</u>	<u>32,363</u>	<u>(7,638)</u>	<u>38,041</u>
Expenditures					
Current					
General government	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Total expenditures	<u>46,000</u>	<u>138,386</u>	<u>124,243</u>	<u>14,143</u>	<u>29,731</u>
Net change in fund balance	<u>\$ (5,999)</u>	<u>\$ (98,385)</u>	(91,880)	<u>\$ 6,505</u>	<u>\$ 8,310</u>
Beginning fund balance			<u>175,139</u>		
Ending fund balance			<u>\$ 83,259</u>		

Notes to Required Supplementary Information:

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, 2024
 With Comparative Totals for the Year Ended September 30, 2023

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)	2023 Actual
Revenues					
Interest	\$ 30	\$ 30	\$ 434	\$ 404	\$ 176
Other revenue	<u>3,434</u>	<u>3,434</u>	<u>-</u>	<u>(3,434)</u>	<u>-</u>
Total revenues	<u>3,464</u>	<u>3,464</u>	<u>434</u>	<u>(3,030)</u>	<u>176</u>
Expenditures					
Current					
Public safety	<u>7,650</u>	<u>7,650</u>	<u>3,675</u>	<u>3,975</u>	<u>-</u>
Total expenditures	<u>7,650</u>	<u>7,650</u>	<u>3,675</u>	<u>3,975</u>	<u>-</u>
Net change in fund balance	<u>\$ (4,186)</u>	<u>\$ (4,186)</u>	<u>(3,241)</u>	<u>\$ 945</u>	<u>\$ 176</u>
Beginning fund balance			<u>19,271</u>		
Ending fund balance			<u>\$ 16,030</u>		

Notes to Required Supplementary Information:

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

STATISTICAL SECTION

CITY OF SEABROOK, TEXAS
STATISTICAL SECTION

This part of the City's comprehensive annual 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.

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FINANCIAL TRENDS..... 77

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

REVENUE CAPACITY..... 83

These schedules contain information to help the reader assess the government's most significant local revenue source, property tax.

DEBT CAPACITY..... 87

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION 91

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

OPERATING INFORMATION..... 93

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.

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 33,779,784	\$ 31,557,834	\$ 34,022,511	\$ 30,820,312	\$ 28,175,351	\$ 27,201,835	\$ 26,318,825	\$ 25,265,858	\$ 23,619,809	\$ 22,278,266
Restricted	6,551,176	6,235,065	5,738,814	5,539,625	4,876,957	4,672,760	4,757,197	4,694,544	5,170,228	4,861,342
Unrestricted	<u>7,797,789</u>	<u>8,949,993</u>	<u>5,686,952</u>	<u>6,756,244</u>	<u>7,127,429</u>	<u>7,053,199</u>	<u>6,521,332</u>	<u>5,949,341</u>	<u>5,987,299</u>	<u>4,193,837</u>
Total governmental activities net position	<u>\$ 48,128,749</u>	<u>\$ 46,742,892</u>	<u>\$ 45,448,277</u>	<u>\$ 43,116,181</u>	<u>\$ 40,179,737</u>	<u>\$ 38,927,794</u>	<u>\$ 37,597,354</u>	<u>\$ 35,909,743</u>	<u>\$ 34,777,336</u>	<u>\$ 31,333,445</u>
Business-type activities										
Net investment in capital assets	\$ 49,894,164	\$ 41,427,075	\$ 22,199,475	\$ 8,050,272	\$ 6,958,646	\$ 8,283,669	\$ 8,812,420	\$ 4,673,874	\$ 10,976,731	\$ 10,898,317
Restricted	4,972,406	4,881,538	4,433,873	4,433,874	4,300,283	3,145,604	2,674,389	2,683,443	2,522,751	2,495,389
Unrestricted	<u>7,092,115</u>	<u>7,538,928</u>	<u>7,137,940</u>	<u>9,294,829</u>	<u>9,687,504</u>	<u>6,717,220</u>	<u>5,914,543</u>	<u>8,759,092</u>	<u>1,783,998</u>	<u>1,449,615</u>
Total business-type activities net position	<u>\$ 61,958,685</u>	<u>\$ 53,847,541</u>	<u>\$ 33,771,288</u>	<u>\$ 21,778,975</u>	<u>\$ 20,946,433</u>	<u>\$ 18,146,493</u>	<u>\$ 17,401,352</u>	<u>\$ 16,116,409</u>	<u>\$ 15,283,480</u>	<u>\$ 14,843,321</u>
Primary government										
Net investment in capital assets	\$ 83,673,948	\$ 72,984,909	\$ 56,221,986	\$ 38,870,584	\$ 35,133,997	\$ 35,485,504	\$ 35,131,245	\$ 29,939,732	\$ 34,596,540	\$ 33,176,583
Restricted	11,523,582	11,116,603	10,172,687	9,973,499	9,177,240	7,818,364	7,431,586	7,377,987	7,692,979	7,356,731
Unrestricted	<u>14,889,904</u>	<u>16,488,921</u>	<u>12,824,892</u>	<u>16,051,073</u>	<u>16,814,933</u>	<u>13,770,419</u>	<u>12,435,875</u>	<u>14,708,433</u>	<u>7,771,297</u>	<u>5,643,452</u>
Total primary government net position	<u>\$ 110,087,434</u>	<u>\$ 100,590,433</u>	<u>\$ 79,219,565</u>	<u>\$ 64,895,156</u>	<u>\$ 61,126,170</u>	<u>\$ 57,074,287</u>	<u>\$ 54,998,706</u>	<u>\$ 52,026,152</u>	<u>\$ 50,060,816</u>	<u>\$ 46,176,766</u>

CITY OF SEABROOK, TEXAS
 CHANGES IN NET POSITION
 Last Ten Years
 (Accrual Basis of Accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses										
Governmental activities										
General government	\$ 4,168,822	\$ 4,517,144	\$ 4,092,940	\$ 3,796,799	\$ 3,680,753	\$ 3,890,689	\$ 3,900,540	\$ 3,338,192	\$ 3,454,477	\$ 3,848,282
Public safety	10,038,953	9,122,987	8,060,818	8,103,724	8,837,709	7,124,146	6,629,558	6,668,690	6,104,299	4,786,353
Public works	2,752,134	2,794,535	2,699,573	1,992,198	2,380,054	2,509,691	2,438,285	2,283,662	2,209,046	1,899,510
Economic development	417,428	476,929	543,142	294,254	524,516	689,091	812,566	778,571	617,333	348,324
Other intergovernmental charges	905,071	482,521	508,528	553,692	561,811	543,882	592,887	681,853	762,518	838,721
Total governmental activities expenses	<u>18,282,408</u>	<u>17,394,116</u>	<u>15,905,001</u>	<u>14,740,667</u>	<u>15,984,843</u>	<u>14,757,499</u>	<u>14,373,836</u>	<u>13,750,968</u>	<u>13,147,673</u>	<u>11,721,190</u>
Business-type activities										
Utilities	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total business-type activities expenses	<u>10,579,885</u>	<u>9,270,928</u>	<u>8,034,750</u>	<u>8,004,669</u>	<u>6,754,222</u>	<u>6,076,489</u>	<u>6,035,659</u>	<u>5,901,487</u>	<u>5,279,016</u>	<u>4,832,090</u>
Total primary government expenses	<u>\$ 28,862,293</u>	<u>\$ 26,665,044</u>	<u>\$ 23,939,751</u>	<u>\$ 22,745,336</u>	<u>\$ 22,739,065</u>	<u>\$ 20,833,988</u>	<u>\$ 20,409,495</u>	<u>\$ 19,652,455</u>	<u>\$ 18,426,689</u>	<u>\$ 16,553,280</u>
Program revenues										
Governmental activities										
Charges for services	\$ 1,740,033	\$ 1,326,293	\$ 1,948,404	\$ 1,504,924	\$ 1,665,033	\$ 973,666	\$ 1,035,570	\$ 1,143,174	\$ 876,229	\$ 902,015
Operating grants and contributions	172,876	863,698	405,973	462,317	1,187,359	432,945	487,907	282,408	334,239	238,472
Capital grants and contributions	<u>2,600,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,408</u>	<u>2,453</u>	<u>294,298</u>	<u>260,223</u>	<u>478,432</u>	<u>232,198</u>
Total governmental activities program revenues	<u>4,513,378</u>	<u>2,189,991</u>	<u>2,354,377</u>	<u>1,967,241</u>	<u>2,854,800</u>	<u>1,409,064</u>	<u>1,817,775</u>	<u>1,685,805</u>	<u>1,688,900</u>	<u>1,372,685</u>

(Continued)

CITY OF SEABROOK, TEXAS
CHANGES IN NET POSITION
Last Ten Years
(Accrual Basis of Accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Business-type activities										
Charges for services	\$ 11,918,031	\$ 11,927,424	\$ 10,703,944	\$ 9,514,435	\$ 8,370,924	\$ 7,905,427	\$ 8,000,219	\$ 7,644,570	\$ 6,817,957	\$ 6,379,326
Capital grants and contributions	5,579,994	18,410,179	11,035,992	993,752	2,600,228	303,446	427,662	236,655	73,878	141,601
Total business-type activities revenues	<u>17,498,025</u>	<u>30,337,603</u>	<u>21,739,936</u>	<u>10,508,187</u>	<u>10,971,152</u>	<u>8,208,873</u>	<u>8,427,881</u>	<u>7,881,225</u>	<u>6,891,835</u>	<u>6,520,927</u>
Total primary government program revenues	<u>\$ 22,011,403</u>	<u>\$ 32,527,594</u>	<u>\$ 24,094,313</u>	<u>\$ 12,475,428</u>	<u>\$ 13,825,952</u>	<u>\$ 9,617,937</u>	<u>\$ 10,245,656</u>	<u>\$ 9,567,030</u>	<u>\$ 8,580,735</u>	<u>\$ 7,893,612</u>
Net (expense)/revenue										
Governmental activities	\$ (13,769,030)	\$ (15,204,125)	\$ (13,550,624)	\$ (12,773,426)	\$ (13,130,043)	\$ (13,348,435)	\$ (12,556,061)	\$ (12,065,163)	\$ (11,458,773)	\$ (10,348,505)
Business-type activities	6,918,140	21,066,675	13,705,186	2,503,518	4,216,930	2,132,384	2,392,222	1,979,738	1,612,819	1,688,837
Total primary government net (expense) revenue	<u>\$ (6,850,890)</u>	<u>\$ 5,862,550</u>	<u>\$ 154,562</u>	<u>\$ (10,269,908)</u>	<u>\$ (8,913,113)</u>	<u>\$ (11,216,051)</u>	<u>\$ (10,163,839)</u>	<u>\$ (10,085,425)</u>	<u>\$ (9,845,954)</u>	<u>\$ (8,659,668)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use taxes	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Investment revenue	1,660,015	1,069,225	171,800	9,411	149,979	334,911	229,697	117,990	60,941	8,544
Other revenues	467,165	547,548	638,174	792,443	632,640	1,036,348	1,064,992	608,779	2,210,157	814,897
Special item	14,767	42,800	62,327	-	-	-	-	-	525,000	-
Transfers	(224,141)	1,776,319	2,238,075	2,062,935	2,084,076	2,173,738	1,822,415	1,762,574	1,487,809	1,688,330
Total governmental activities	<u>15,154,887</u>	<u>16,498,740</u>	<u>15,882,720</u>	<u>15,661,642</u>	<u>14,587,297</u>	<u>14,678,875</u>	<u>14,465,208</u>	<u>13,197,570</u>	<u>14,902,664</u>	<u>12,580,115</u>
Business-type activities										
Franchise fees	419,903	422,135	378,111	345,335	344,369	298,573	299,010	292,975	-	-
Investment revenue	527,453	336,432	69,138	8,432	107,906	263,537	203,399	94,532	18,721	2,442
Other revenues	21,507	27,330	7,795	38,195	214,811	224,385	212,727	228,258	296,428	290,465
Transfers	224,141	(1,776,319)	(2,238,075)	(2,062,935)	(2,084,076)	(2,173,738)	(1,822,415)	(1,762,574)	(1,487,809)	(1,688,330)
Total business-type activities	<u>1,193,004</u>	<u>(990,422)</u>	<u>(1,783,031)</u>	<u>(1,670,973)</u>	<u>(1,416,990)</u>	<u>(1,387,243)</u>	<u>(1,107,279)</u>	<u>(1,146,809)</u>	<u>(1,172,660)</u>	<u>(1,395,423)</u>
Total primary government	<u>\$ 16,347,891</u>	<u>\$ 15,508,318</u>	<u>\$ 14,099,689</u>	<u>\$ 13,990,669</u>	<u>\$ 13,170,307</u>	<u>\$ 13,291,632</u>	<u>\$ 13,357,929</u>	<u>\$ 12,050,761</u>	<u>\$ 13,730,004</u>	<u>\$ 11,184,692</u>
Changes in net position										
Governmental activities	\$ 1,385,857	\$ 1,294,615	\$ 2,332,096	\$ 2,888,216	\$ 1,457,254	\$ 1,330,440	\$ 1,909,147	\$ 1,132,407	\$ 3,443,891	\$ 2,231,610
Business-type activities	8,111,144	20,076,253	11,992,313	832,542	2,799,940	745,141	1,284,943	539,954	440,159	293,414
Total primary government	<u>\$ 9,497,001</u>	<u>\$ 21,370,868</u>	<u>\$ 14,324,409</u>	<u>\$ 3,720,758</u>	<u>\$ 4,257,194</u>	<u>\$ 2,075,581</u>	<u>\$ 3,194,090</u>	<u>\$ 1,672,361</u>	<u>\$ 3,884,050</u>	<u>\$ 2,525,024</u>

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

Function	Change 2023-2024	Fiscal Year									
		2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Property	0.8%	\$ 8,557,112	\$ 8,125,813	\$ 8,064,350	\$ 8,145,649	\$ 7,612,682	\$ 7,027,755	\$ 6,975,344	\$ 6,441,270	\$ 6,452,911	\$ 6,004,934
Sales and use	5.2%	3,348,696	3,693,971	3,510,399	3,396,295	2,994,232	2,776,366	2,946,279	3,037,188	2,901,318	2,768,645
Franchise fees and local taxes	3.8%	1,331,273	1,243,064	1,197,595	1,254,909	1,113,688	1,329,757	1,426,481	1,229,769	1,264,528	1,294,765
Totals	2.3%	<u>\$ 13,237,081</u>	<u>\$ 13,062,848</u>	<u>\$ 12,772,344</u>	<u>\$ 12,796,853</u>	<u>\$ 11,720,602</u>	<u>\$ 11,133,878</u>	<u>\$ 11,348,104</u>	<u>\$ 10,708,227</u>	<u>\$ 10,618,757</u>	<u>\$ 10,068,344</u>

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

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General fund										
Nondspendable	\$ 52,564	\$ 77,856	\$ 48,545	\$ 55,889	\$ 52,707	\$ 67,459	\$ 86,334	\$ 38,780	\$ 84,443	\$ 142,883
Committed	2,495,366	2,495,366	2,455,709	2,449,729	2,449,307	2,441,637	822,402	2,409,881	2,404,292	801,976
Assigned	-	-	-	-	-	-	-	21,000	21,000	21,000
Unassigned	<u>6,023,232</u>	<u>6,397,654</u>	<u>3,423,264</u>	<u>5,072,555</u>	<u>6,564,500</u>	<u>6,925,563</u>	<u>8,025,330</u>	<u>5,830,055</u>	<u>5,052,164</u>	<u>5,149,807</u>
Total general fund	<u>\$ 8,571,162</u>	<u>\$ 8,970,876</u>	<u>\$ 5,927,518</u>	<u>\$ 7,578,173</u>	<u>\$ 9,066,514</u>	<u>\$ 9,434,659</u>	<u>\$ 8,934,066</u>	<u>\$ 8,299,716</u>	<u>\$ 7,561,899</u>	<u>\$ 6,115,666</u>
All other governmental funds										
Nondspendable	\$ 300	\$ 1,204	\$ 40,870	\$ 44,257	\$ -	\$ 62,762	\$ 103,953	\$ 34,630	\$ 31,896	\$ 23,333
Restricted	23,852,875	8,452,418	12,028,292	11,061,868	7,982,410	5,023,848	4,757,197	4,868,848	11,536,398	12,484,357
Assigned	<u>1,051,552</u>	<u>1,445,553</u>	<u>1,445,377</u>	<u>1,442,093</u>	<u>1,441,141</u>	<u>522,655</u>	<u>522,655</u>	-	-	-
Total all other governmental funds	<u>\$ 24,904,727</u>	<u>\$ 9,899,175</u>	<u>\$ 13,514,539</u>	<u>\$ 12,548,218</u>	<u>\$ 9,423,551</u>	<u>\$ 5,609,265</u>	<u>\$ 5,383,805</u>	<u>\$ 4,903,478</u>	<u>\$ 11,568,294</u>	<u>\$ 12,507,690</u>

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Taxes and fees	\$ 13,216,904	\$ 13,022,185	\$ 12,793,272	\$ 12,539,258	\$ 11,709,039	\$ 11,095,136	\$ 11,349,124	\$ 10,759,116	\$ 10,567,809	\$ 10,077,143
Licenses and fees	290,903	276,441	770,103	318,576	368,305	291,126	392,499	346,990	162,395	234,429
Fines and forfeitures	577,083	350,738	415,051	401,555	627,683	556,447	514,887	615,090	596,813	526,530
Charges for services	839,802	743,770	763,250	784,793	669,045	126,093	128,184	181,094	117,021	141,056
Intergovernmental	2,773,345	863,698	405,973	462,317	1,184,743	435,398	490,391	362,416	764,278	470,670
Investment revenue	1,551,143	992,834	160,117	8,717	138,414	357,272	221,271	114,471	60,941	8,544
Other revenues	467,165	547,548	416,865	557,226	632,640	598,998	1,058,957	608,779	2,210,157	814,897
Total revenues	19,716,345	16,797,214	15,724,631	15,072,442	15,329,869	13,460,470	14,155,313	12,987,956	14,479,414	12,273,269
Expenditures										
General government	3,896,809	4,011,950	3,630,593	3,479,615	3,709,753	3,422,795	3,495,141	3,075,333	3,060,008	3,680,496
Public safety	9,608,605	8,639,579	8,035,131	7,852,225	8,394,178	6,391,905	6,099,004	5,744,384	5,526,619	4,550,492
Public works	2,375,291	2,202,432	1,942,671	1,845,927	1,900,645	2,060,579	2,175,847	1,993,389	2,334,366	1,805,990
Economic development	419,052	471,075	549,179	298,109	520,730	681,919	809,430	691,646	613,263	349,247
Capital outlay	3,403,128	1,283,160	2,265,947	81,116	442,360	219,453	193,970	6,351,653	2,211,265	1,361,769
Debt service:			1,526,749							
Principal	1,746,774	1,566,749	514,056	1,491,749	1,440,000	1,410,000	1,345,000	1,265,000	1,215,000	935,000
Interest and fiscal agent fees	688,389	484,923	-	563,089	506,334	525,677	583,780	619,594	768,742	699,810
Bond issuance costs	237,980	-	-	-	52,737	-	-	59,046	-	126,244
Refunding contribution	-	-	-	-	-	-	-	105,881	-	-
Total expenditures	22,376,028	18,659,868	18,464,326	15,611,830	16,966,737	14,712,328	14,702,172	19,905,926	15,729,263	13,509,048
Excess (deficiency) of revenues over (under) expenditures	(2,659,683)	(1,862,654)	(2,739,695)	(539,388)	(1,636,868)	(1,251,858)	(546,859)	(6,917,970)	(1,249,849)	(1,235,779)
Other financing sources (uses)										
Transfers in	2,726,320	5,543,541	5,083,888	4,576,674	3,045,973	2,040,825	2,352,098	1,854,983	2,549,695	1,736,381
Transfer out	(603,922)	(4,252,893)	(3,028,527)	(2,636,177)	(1,117,597)	(559,492)	(690,562)	(924,746)	(793,009)	(48,051)
Refunding bonds issued	-	-	-	-	-	-	-	5,365,000	-	-
Proceeds from debt	14,211,387	-	-	-	2,669,904	-	-	-	-	8,380,000
Premium on bonds issued	931,736	-	-	-	484,729	-	-	-	-	305,494
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	(5,304,266)	-	-
Insurance proceeds	-	-	-	235,217	-	-	-	-	-	-
Total other financing sources (uses)	17,265,521	1,290,648	2,055,361	2,175,714	5,083,009	1,481,333	1,661,536	990,971	1,756,686	10,373,824
Net change in fund balances	\$ 14,605,838	\$ (572,006)	\$ (684,334)	\$ 1,636,326	\$ 3,446,141	\$ 229,475	\$ 1,114,677	\$ (5,926,999)	\$ 506,837	\$ 9,138,045
Debt service as a percentage of noncapital expenditures	12.49%	12.30%	12.62%	13.34%	12.67%	14.23%	14.05%	14.67%	15.53%	14.13%

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

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Real property	\$ 2,073,262,438	\$ 1,931,682,141	\$ 1,745,644,123	\$ 1,649,341,446	\$ 1,555,906,561	\$ 1,420,712,298	\$ 1,363,048,039	\$ 1,263,608,355	\$ 1,149,250,879	\$ 1,050,841,139
Personal property	195,594,679	160,676,614	149,950,968	150,017,016	142,704,467	134,321,104	120,684,600	104,585,004	101,798,001	83,736,870
Less: Tax exempt property	<u>(396,305,206)</u>	<u>(360,190,868)</u>	<u>(322,822,093)</u>	<u>(306,343,957)</u>	<u>(289,422,871)</u>	<u>(268,916,146)</u>	<u>(251,105,865)</u>	<u>(226,833,984)</u>	<u>(206,733,522)</u>	<u>(183,332,730)</u>
Total Taxable Assessed Value ⁽¹⁾	<u>\$ 1,872,551,911</u>	<u>\$ 1,732,167,887</u>	<u>\$ 1,572,772,998</u>	<u>\$ 1,493,014,505</u>	<u>\$ 1,409,188,157</u>	<u>\$ 1,286,117,256</u>	<u>\$ 1,232,626,774</u>	<u>\$ 1,141,359,375</u>	<u>\$ 1,044,315,358</u>	<u>\$ 951,245,279</u>
Total Direct Tax Rate	\$ 0.457755	\$ 0.476526	\$ 0.524444	\$ 0.543613	\$ 0.551983	\$ 0.551983	\$ 0.574911	\$ 0.565177	\$ 0.612611	\$ 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.

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

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

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City by fund:										
General	0.35219	0.35657	0.39011	0.39985	0.40314	0.40314	0.41941	0.39457	0.42346	0.45951
Debt service	0.10557	0.11995	0.13434	0.14376	0.14884	0.14884	0.15551	0.17060	0.18916	0.18052
Total direct rates	<u>0.45776</u>	<u>0.47652</u>	<u>0.52445</u>	<u>0.54361</u>	<u>0.55198</u>	<u>0.55198</u>	<u>0.57492</u>	<u>0.56517</u>	<u>0.61262</u>	<u>0.64003</u>
Clear Creek Independent School District	0.97460	1.11460	1.17970	1.26590	1.31000	1.40000	1.40000	1.40000	1.40000	1.40000
Harris County	0.35007	0.34373	0.37693	0.39116	0.40713	0.41858	0.41801	0.41656	0.41656	0.41731
Harris County Flood Control District	0.03105	0.03055	0.03349	0.03142	0.02792	0.02877	0.28310	0.02829	0.02829	0.02736
Port of Houston Authority	0.00574	0.00799	0.00872	0.00991	0.01074	0.01155	0.01256	0.01334	0.01334	0.01531
Harris County Hospital District	0.14343	0.14831	0.16221	0.16671	0.16591	0.17108	0.17110	0.17179	0.17000	0.17000
Harris County Dept. of Education	<u>0.00480</u>	<u>0.00490</u>	<u>0.00499</u>	<u>0.00499</u>	<u>0.00500</u>	<u>0.00519</u>	<u>0.00520</u>	<u>0.00520</u>	<u>0.00520</u>	<u>0.00600</u>
Total Direct and Overlapping Rates ⁽¹⁾	<u>\$ 1.96745</u>	<u>\$ 2.12660</u>	<u>\$ 2.29049</u>	<u>\$ 2.41370</u>	<u>\$ 2.47868</u>	<u>\$ 2.58715</u>	<u>\$ 2.86489</u>	<u>\$ 2.60035</u>	<u>\$ 2.64601</u>	<u>\$ 2.67601</u>

Tax rates per \$100 of assessed valuation

Source: Harris Central Appraisal District

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

Note: In 2002, the City approved creation of the Harris County Municipal Utility District (HC MUD 373) and agreed to pay HC MUD 373 12 percent of the taxes collected by the City on land and improvements for entities within the HC MUD 373 jurisdiction for a term of seven and a half years, so long as the HC MUD 373 has any bonded indebtedness. Total direct rates exclude the HC MUD 373 tax of \$0.355 because it only affects 298 tax accounts within the City.

CITY OF SEABROOK, TEXAS
 PRINCIPAL PROPERTY TAXPAYERS
 Current Year and Ten Years Ago

<u>Property Taxpayer</u>	<u>2024</u>			<u>2015</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Taxable Assessed Value</u>
Western Rim Investors	\$ 76,715,507	1	4.10%	\$ -	0	0.00%
Aireit Bayport 146 DC LP	49,500,000	2	2.64%	-	0	0.00%
Seabrook Properties LLC.	45,272,247	3	2.42%	-	0	0.00%
Vista Shores 2011LP	32,251,952	4	1.72%	10,290,397	4	1.08%
WREF Bar Harbor LP	31,636,076	5	1.69%	-	0	0.00%
Sinbad Landing Corp.	28,584,636	6	1.53%	15,635,635	1	1.64%
Duke Reality LP	22,554,605	7	1.20%	-	0	0.00%
Marina Max	19,761,742	8	1.06%	-	0	0.00%
3000 Nasa Parkway LLC	18,121,584	9	0.97%	8,474,143	5	0.89%
Grove at Searock LLC	16,283,313	10	0.87%	-	0	0.00%
Nasa Road Apartments LLC	-	-	0.00%	6,966,678	7	0.73%
Repsdorph Road LTD	-	-	0.00%	15,578,988	2	1.64%
DMH 90	-	-	0.00%	11,738,989	3	1.23%
Lamrock 3/2001LP	-	-	0.00%	6,870,649	8	0.72%
Centerpoint Energy Inc.	-	-	0.00%	7,494,860	6	0.79%
Omkar Group Seabrook LP	-	-	0.00%	5,261,535	9	0.55%
Seabrook Hospitality	-	-	0.00%	4,689,967	10	0.50%
Subtotal	<u>340,681,662</u>		<u>18.20%</u>	<u>93,001,841</u>		<u>9.77%</u>
Other taxpayers	<u>1,531,870,249</u>		<u>81.80%</u>	<u>858,243,438</u>		<u>90.23%</u>
Total taxable assessed value*	<u>\$ 1,872,551,911</u>		<u>100.00%</u>	<u>\$ 951,245,279</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									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Tax levy	\$ 8,618,798	\$ 8,075,029	\$ 8,042,633	\$ 7,977,305	\$ 7,612,966	\$ 6,997,431	\$ 6,960,493	\$ 6,411,690	\$ 6,329,284	\$ 5,984,940
Current tax collected	\$ 8,494,568	\$ 7,968,492	\$ 7,965,081	\$ 7,869,493	\$ 7,525,983	\$ 6,902,533	\$ 6,887,981	\$ 6,344,390	\$ 6,248,998	\$ 5,908,134
Percentage of current tax collections	98.56%	98.68%	99.04%	98.65%	98.86%	98.64%	98.96%	98.95%	98.73%	98.72%
Collections in subsequent years	-	<u>55,663</u>	<u>55,891</u>	<u>88,952</u>	<u>65,349</u>	<u>76,202</u>	<u>52,724</u>	<u>51,882</u>	<u>67,828</u>	<u>66,419</u>
Total tax collections to date	<u>\$ 8,494,569</u>	<u>\$ 8,024,156</u>	<u>\$ 8,020,973</u>	<u>\$ 7,958,446</u>	<u>\$ 7,591,333</u>	<u>\$ 6,978,736</u>	<u>\$ 6,940,706</u>	<u>\$ 6,396,273</u>	<u>\$ 6,316,827</u>	<u>\$ 5,974,554</u>
Total collections as a percentage of current levy	98.56%	98.68%	99.61%	99.71%	99.69%	99.71%	99.69%	99.74%	99.78%	99.80%

CITY OF SEABROOK, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Primary government										
Governmental activities:										
General obligation bonds	\$ 14,726,094	\$ 11,803,022	\$ 13,715,316	\$ 15,199,828	\$ 16,197,805	\$ 17,593,645	\$ 18,959,485	\$ 20,265,325	\$ 21,394,753	\$ 22,590,010
Certificates of obligation	13,487,541	3,297,441	2,991,406	3,073,155	3,610,396	540,000	600,000	655,000	705,000	750,000
Leases	<u>207,830</u>	<u>-</u>								
Subtotal	<u>28,421,465</u>	<u>15,100,463</u>	<u>16,706,722</u>	<u>18,272,983</u>	<u>19,808,201</u>	<u>18,133,645</u>	<u>19,559,485</u>	<u>20,920,325</u>	<u>22,099,753</u>	<u>23,340,010</u>
Business-type activities:										
Revenue bonds	\$ 1,046,000	\$ 1,260,000	\$ 1,465,000	\$ 1,665,000	\$ 1,856,000	\$ 2,039,000	\$ 2,209,000	\$ 2,377,000	\$ 2,653,000	\$ 2,918,000
Certificates of obligation	13,708,754	14,194,503	14,666,719	15,133,937	15,591,155	7,680,000	8,005,000	8,320,000	2,500,000	-
General obligation bonds	150,000	300,000	445,000	585,000	725,000	1,614,440	1,785,128	1,955,815	1,145,000	1,155,000
Notes payable	<u>3,075,499</u>	<u>3,248,234</u>	<u>3,415,694</u>	<u>3,490,110</u>	<u>3,562,254</u>	<u>3,632,195</u>	<u>3,700,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>17,980,253</u>	<u>19,002,737</u>	<u>19,992,413</u>	<u>20,874,047</u>	<u>21,734,409</u>	<u>14,965,635</u>	<u>15,699,128</u>	<u>12,652,815</u>	<u>6,298,000</u>	<u>4,073,000</u>
Total primary government	<u>\$ 46,401,718</u>	<u>\$ 34,103,200</u>	<u>\$ 36,699,135</u>	<u>\$ 39,147,030</u>	<u>\$ 41,542,610</u>	<u>\$ 33,099,280</u>	<u>\$ 35,258,613</u>	<u>\$ 33,573,140</u>	<u>\$ 28,397,753</u>	<u>\$ 27,413,010</u>
Personal income	\$ 809,281,658	\$ 826,032,402	\$ 822,105,864	\$ 803,229,960	\$ 797,085,120	\$ 796,559,396	\$ 740,316,290	\$ 725,800,284	\$ 557,459,388	\$ 52,444,395
Debt as a percentage of personal income	5.73%	4.13%	4.46%	4.87%	5.21%	4.16%	4.76%	4.63%	5.09%	5.23%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Debt per capita	\$ 3,069	\$ 2,256	\$ 2,429	\$ 2,603	\$ 2,782	\$ 2,232	\$ 2,423	\$ 2,350	\$ 2,070	\$ 2,134

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

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

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net Taxable Assessed Value										
All property	\$1,872,551,911	\$1,732,167,887	\$1,572,772,998	\$1,493,014,505	\$1,409,188,157	\$1,286,117,256	\$1,232,626,774	\$1,141,359,375	\$1,044,315,358	\$ 951,245,279
Net bonded debt										
Gross bonded debt	\$ 42,072,389	\$ 29,594,966	\$ 31,818,441	\$ 33,991,920	\$ 36,124,356	\$ 27,428,085	\$ 29,349,613	\$ 20,920,325	\$ 25,744,753	\$ 24,495,010
Less debt service funds	<u>2,220,721</u>	<u>2,120,763</u>	<u>1,991,653</u>	<u>1,943,158</u>	<u>1,913,432</u>	<u>1,795,563</u>	<u>1,785,719</u>	<u>1,783,732</u>	<u>1,796,375</u>	<u>1,799,611</u>
Total net bonded debt	<u>\$ 39,851,668</u>	<u>\$ 27,474,203</u>	<u>\$ 29,826,788</u>	<u>\$ 32,048,762</u>	<u>\$ 34,210,924</u>	<u>\$ 25,632,522</u>	<u>\$ 27,563,894</u>	<u>\$ 19,136,593</u>	<u>\$ 23,948,378</u>	<u>\$ 22,695,399</u>
Ratio of net bonded debt to assessed value	2.13%	1.59%	1.90%	2.15%	2.43%	1.99%	2.24%	1.68%	2.29%	2.39%
Population	15,118	15,118	15,112	15,036	14,931	14,826	14,554	14,287	13,716	12,843
Net bonded debt per capita	\$ 2,636	\$ 1,817	\$ 1,974	\$ 2,131	\$ 2,291	\$ 1,729	\$ 1,894	\$ 1,339	\$ 1,746	\$ 1,767

CITY OF SEABROOK, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

	Net Bonded Debt <u>Outstanding</u> ⁽¹⁾	Estimated Percentage <u>Applicable</u> ⁽²⁾	Estimated Share of Overlapping <u>Debt</u> ⁽¹⁾
Debt Repaid with Property Taxes			
Governmental unit			
Clear Creek Independent School District	\$ 1,176,243	4.58%	\$ 53,872
Harris County ⁽³⁾	2,577,839	0.21%	5,413
Harris County Flood Control District	991,095	0.21%	2,081
Port of Houston Authority	426,134	0.21%	895
Harris County Municipal Utility District 373	865	100.00%	<u>865</u>
Subtotal, overlapping debt			63,127
City Direct Debt (in thousands)	\$ 28,214	100.00%	<u>28,214</u>
Total direct and overlapping debt			<u>\$ 91,340</u>

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									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Gross Revenues ⁽¹⁾	\$ 12,886,894	\$ 12,713,321	\$ 11,229,146	\$ 9,906,394	\$ 9,038,010	\$ 8,472,410	\$ 8,715,355	\$ 8,260,336	\$ 7,133,106	\$ 6,672,233
Operating Expenses ⁽²⁾	<u>9,150,393</u>	<u>7,916,986</u>	<u>6,785,238</u>	<u>6,763,194</u>	<u>5,546,860</u>	<u>5,472,137</u>	<u>5,084,986</u>	<u>4,897,551</u>	<u>4,512,995</u>	<u>4,155,276</u>
Net Revenues Available for Debt Service	<u>\$ 3,736,501</u>	<u>\$ 4,796,335</u>	<u>\$ 4,443,908</u>	<u>\$ 3,143,200</u>	<u>\$ 3,491,150</u>	<u>\$ 3,000,273</u>	<u>\$ 3,630,369</u>	<u>\$ 3,362,785</u>	<u>\$ 2,620,111</u>	<u>\$ 2,516,957</u>
Debt Service Requirements ⁽³⁾										
Principal	\$ 214,000	\$ 205,000	\$ 200,000	\$ 191,000	\$ 183,000	\$ 170,000	\$ 168,000	\$ 276,000	\$ 265,000	\$ 265,000
Interest	<u>52,902</u>	<u>61,810</u>	<u>70,495</u>	<u>78,793</u>	<u>86,746</u>	<u>94,130</u>	<u>101,430</u>	<u>112,192</u>	<u>123,933</u>	<u>155,894</u>
Total	<u>\$ 266,902</u>	<u>\$ 266,810</u>	<u>\$ 270,495</u>	<u>\$ 269,793</u>	<u>\$ 269,746</u>	<u>\$ 264,130</u>	<u>\$ 269,430</u>	<u>\$ 388,192</u>	<u>\$ 388,933</u>	<u>\$ 420,894</u>
Coverage	14.00	17.98	16.43	11.65	12.94	11.36	13.47	8.66	6.74	5.98

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

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

<u>Fiscal Year</u>	<u>Population</u> ⁽¹⁾⁽⁵⁾	<u>Personal Income</u> ⁽⁴⁾	<u>Per Capita Personal Income</u> ⁽⁵⁾	<u>Median Age</u> ⁽⁵⁾	<u>School Enrollment</u> ⁽²⁾	<u>Unemployment Rate</u> ⁽³⁾⁽⁵⁾
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	505.0%
2017 ⁽⁶⁾	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	796,599,396	53,726	37.2	1,681	2.5%
2020	14,931	797,085,120	53,383	37.6	1,574	1.0%
2021	15,036	803,229,960	53,419	37.7	1,742	3.4%
2022	15,112	822,105,864	54,403	34.7	1,607	4.7%
2023	15,118	826,032,402	54,639	34.8	1,536	2.9%
2024	15,118	809,281,658	53,531	34.8	1,420	4.1%

Data Sources:

- (1) Records of the City
- (2) Clear Creek Independent School District
- (3) Tracer
- (4) Personal income information is a total for the year.
- (5) Sperlings Best Places
- (6) Retail Coach

CITY OF SEABROOK, TEXAS
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

<u>Employer</u>	Fiscal Year			
	2024		2015	
	<u>Employees</u>	<u>Total City Employment (%)</u>	<u>Employees</u>	<u>Total City Employment (%)</u>
Technical Automation Service Corporation	230	18.57%	189	18.12%
City of Seabrook	118	9.53%	99	9.49%
Tookies Seafood	108	8.72%	-	0.00%
Kroger	95	7.67%	100	9.59%
Seabrook Intermediate School	93	7.51%	91	8.72%
Bay Area Elementary	90	7.26%	80	7.67%
Lakewood Yacht Club	68	5.49%	70	6.71%
Maas Nursery and Landscaping	52	4.20%	38	3.64%
Kiwo, Inc.	48	3.87%	22	2.11%
McDonald's	47	3.79%	35	3.36%
Bay Area Trees and Landscape	46	3.71%	46	4.41%
Mario's Flying Pizza	46	3.71%	40	3.84%
Seabrook Classic Café	45	3.63%	49	4.70%
Merlion	38	3.07%	-	0.00%
Hooters	35	2.82%	80	7.67%
Marine Max	35	2.82%	32	3.07%
Burkes Outlet	25	2.02%	-	0.00%
Gulf Coast Limestone	<u>20</u>	1.61%	<u>72</u>	6.90%
Total	<u>1,239</u>	<u>100.00%</u>	<u>1,043</u>	<u>100.00%</u>

Sources: Bay Area Economic Partnership, City records

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

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental Government:										
City manager	1.00	1.00	1.00	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	1.00	1.00	1.00	1.00	1.80	0.80	0.80	0.80	1.00	0.50
Human resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.75
Purchasing	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.50	0.50	0.50
Finance	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50
Aministrative Assistants	-	-	-	-	1.00	1.00	-	-	-	-
GIS	2.00	2.00	2.00	2.00	1.00	-	-	-	-	-
Information technology	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Streets and drainage	9.43	9.43	9.43	9.43	9.38	8.38	8.38	8.72	8.38	8.17
Community development	5.30	5.30	5.30	5.30	5.30	5.30	6.00	6.00	5.00	5.00
Municipal court	5.00	5.00	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50
Subtotal	<u>33.73</u>	<u>33.73</u>	<u>33.73</u>	<u>33.73</u>	<u>34.48</u>	<u>31.48</u>	<u>29.68</u>	<u>30.02</u>	<u>28.88</u>	<u>27.92</u>
Public Safety:										
Police	35.25	35.25	35.25	35.25	33.25	33.75	32.50	33.00	37.00	36.00
Emergency management	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.00
Animal control	3.00	3.00	3.00	3.00	2.70	2.70	2.70	2.20	1.68	1.48
Commerical vehicle enforcement	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	-	-
Crime district	5.25	5.25	5.25	5.25	5.25	5.25	5.50	5.00	5.00	5.00
Emergency Medical Services	7.42	7.42	7.00	7.00	7.00	-	-	-	-	-
Subtotal	<u>55.92</u>	<u>55.92</u>	<u>55.50</u>	<u>55.50</u>	<u>53.20</u>	<u>46.20</u>	<u>44.70</u>	<u>44.20</u>	<u>44.68</u>	<u>43.48</u>
Enterprise Operations:										
Water	7.53	7.53	7.53	7.53	7.48	7.48	7.48	7.81	7.48	7.03
Sewer	4.91	4.91	4.91	4.91	4.86	4.86	4.86	5.19	4.86	4.78
Billing	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Subtotal	<u>15.44</u>	<u>15.44</u>	<u>15.44</u>	<u>15.44</u>	<u>15.34</u>	<u>15.34</u>	<u>15.34</u>	<u>16.00</u>	<u>15.34</u>	<u>14.81</u>
Parks and Recreation	9.65	9.65	9.65	9.65	8.60	8.60	7.60	7.91	7.91	9.78
Hotel Tax	2.00	2.00	1.00	1.00	1.20	1.20	1.20	1.20	1.00	1.00
Economic Development	1.70	1.70	1.70	1.70	1.70	1.70	2.00	2.00	2.00	1.00
Total	<u>118.44</u>	<u>118.44</u>	<u>117.02</u>	<u>117.02</u>	<u>114.52</u>	<u>104.52</u>	<u>100.52</u>	<u>101.33</u>	<u>99.81</u>	<u>97.99</u>

Source: Economic development department

CITY OF SEABROOK, TEXAS
OPERATING INDICATORS BY FUNCTION
Last Ten Years

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Arrests	514	397	405	589	644	662	839	1,580	1,120	686
Accident reports	222	237	275	232	230	271	259	648	241	358
Citations	2,477	2,574	2,280	2,594	3,361	5,365	2,130	5,315	5,871	3,620
Offense reports	1,320	843	950	1,148	1,119	870	707	848	823	442
Calls for service	20,594	18,566	11,878	10,770	12,132	12,132	12,772	6,589	13,170	10,084
Fire										
Emergency responses	716	712	588	875	599	490	459	410	386	326
Fire incidents	35	25	24	34	25	27	20	30	20	24
Total calls for service	1,047	975	770	909	749	666	663	621	555	605
Average response time	5:41	3:34	2:48	4:41	4:19	4:13	4:57	4:54	5:00	5:00
EMS										
Emergency responses	1,553	1,362	1,215	1,208	905	-	-	-	-	-
Transports	885	760	650	620	25	-	-	-	-	-
No transports	668	602	565	588	749	-	-	-	-	-
Average response time	5:06	4:54	3:55	4:35	4:37	-	-	-	-	-
Water										
New accounts	286	282	368	384	378	371	252	359	362	346
Average daily consumption (thousands of gallons)	1,612	1,593	1,715	1,622	1,768	1,625	1,802	1,708	1,602	1,602
Total consumption	461,029	461,029	587,125	592,046	442,981	593,675	658,942	623,545	618,735	584,860
Peak daily consumption (thousands of gallons)	3,370	2,836	2,643	2,527	2,677	2,454	2,296	2,881	2,989	2,974
Sewer										
Average daily sewage treatment (thousands of gallons)	857	1,109	1,160	1,290	1,315	1,431	1,262	1,300	1,220	1,393
Total consumption	312,763	404,827	417,612	459,240	481,723	522,331	458,634	475,586	444,910	510,623
Peak daily consumption (thousands of gallons)	5,191	5,729	4,450	7,060	7,055	7,730	5,192	8,127	5,310	6,947

Source: Various City departments

CITY OF SEABROOK, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Years

Function/Program	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrols	26	26	26	26	26	26	26	17	17	17
Fire stations	1	1	1	1	1	1	1	1	1	1
Other public works										
Streets (miles - centerlines)	44.3	44.3	44.1	43.3	43.3	43.3	43.0	43.0	42.6	42.6
Streetlights	1,053	1,053	1,053	1,053	1,053	1,053	1,050	1,048	1,048	1,048
Parks and recreation										
Parks	19	19	19	19	19	19	19	19	19	19
Parks acreage	232	232	232	232	232	232	232	232	232	232
Baseball/softball diamonds	3	3	3	3	3	3	3	3	3	3
Swimming pools	2	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	2	2	2	2	2	2	2
Water										
Water mains (miles)	58.3	58.3	58.1	57.3	57.3	57.3	57.3	56.8	56.4	56.4
Fires hydrants	570	570	525	516	516	516	514	510	505	503
Storage capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.1	2.1
Sewer										
Sanitary swers (miles)	56.5	56.5	56.3	55.5	55.5	55.5	55.5	55.3	54.9	54.9
Strom swers (miles)	24.4	24.4	24.4	23.6	23.6	23.6	23.4	23.4	23.2	23.2
Open ditch/creek/canal drainage (miles)	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5	20.5
Treatment capacity (millions of gallons)	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5

Source: Various City departments