



MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

August 2012

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

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE
NEUTRAL

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

Neutral = Variance is less than 1%

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH AUGUST 31, 2012

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	3,980,689	4,012,892	100.81%	99.64%
Penalties & Interest	55,000	45,778	83.23%	93.93%
Sales Tax	1,445,161	1,242,968	86.01%	91.52%
Franchise Tax	710,000	640,410	90.20%	95.25%
Other Tax	74,000	102,684	138.76%	74.45%
License & Permits	200,000	194,600	97.30%	91.70%
Charges for Services	54,500	56,262	103.23%	92.80%
DOT Fines	110,000	83,754	76.14%	93.69%
Other Municipal Court Fees	608,000	526,069	86.52%	89.95%
Interest Income	3,052	3,177	104.09%	93.85%
Intergovernmental	363,069	325,168	89.56%	88.48%
Other Revenue	47,000	45,780	97.40%	92.78%
Transfers from Enterprise Fund	1,628,547	1,492,835	91.67%	98.54%
Payment for Services-EDC	<u>125,000</u>	<u>114,584</u>	<u>91.67%</u>	<u>100.00%</u>
Total Revenues	9,404,018	8,886,962	94.50%	94.42%

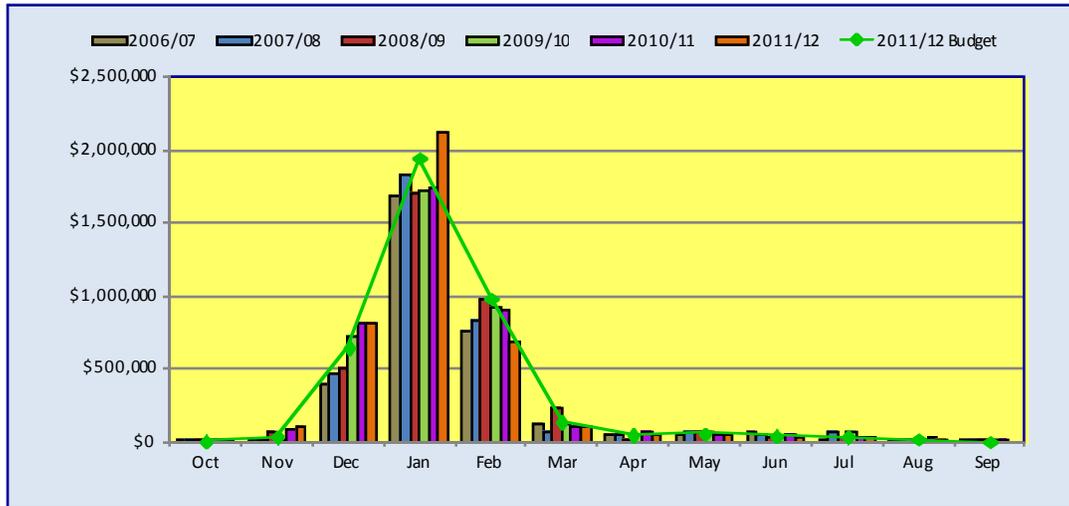
CHART B

TOTAL EXPENDITURES THROUGH AUGUST 31, 2012

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,256,116	5,531,173	88.41%	90.14%
Supplies	334,575	307,510	91.91%	89.25%
Services	2,588,599	2,077,564	80.26%	90.15%
Capital	210,895	17,720	8.40%	67.96%
Oper Transfer to Other Funds	<u>0</u>	<u>300,000</u>	0.00%	0.00%
Total Expenditures	9,390,185	8,233,968	87.69%	88.47%

CHART C

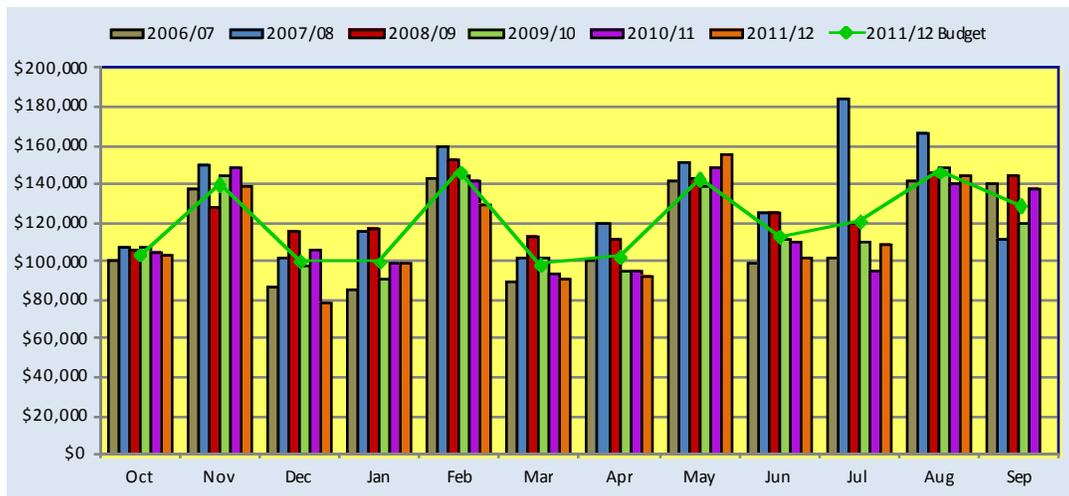
PROPERTY TAX ANALYSIS



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

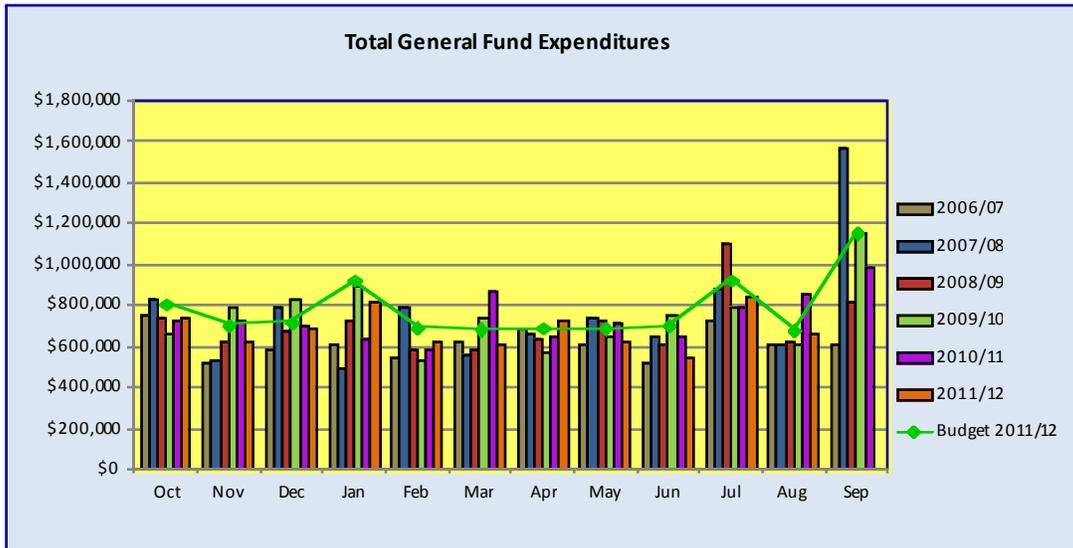
CHART D

SALES TAX ANALYSIS



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

EXPENDITURE ANALYSIS



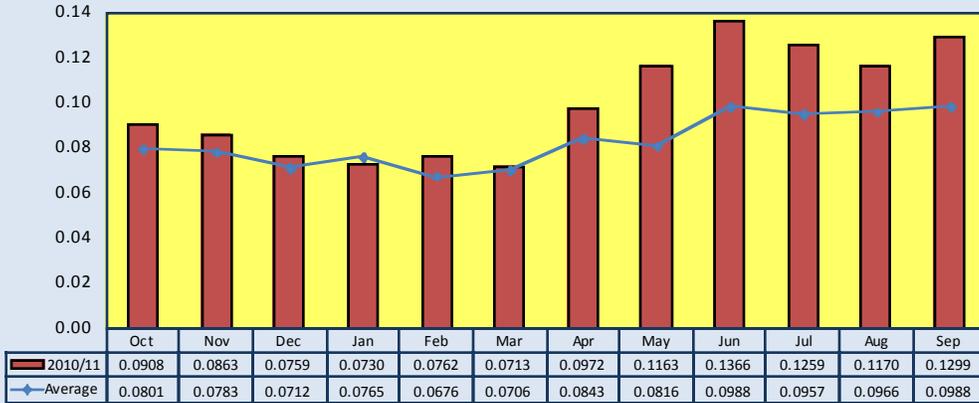
High expenditures in September 2008 are a result of Hurricane Ike.
 High expenditures in September 2010 are due to city hall A/C replacement.



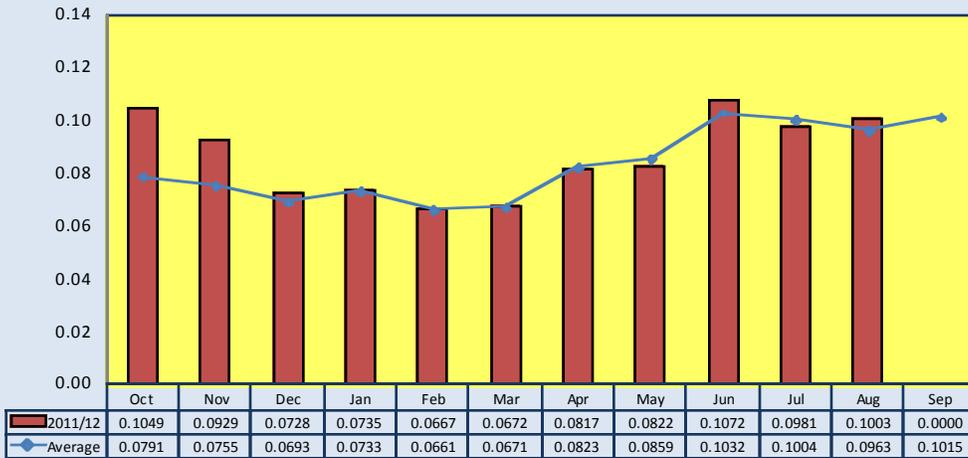
CHART F

WATER BILLING ANALYSIS

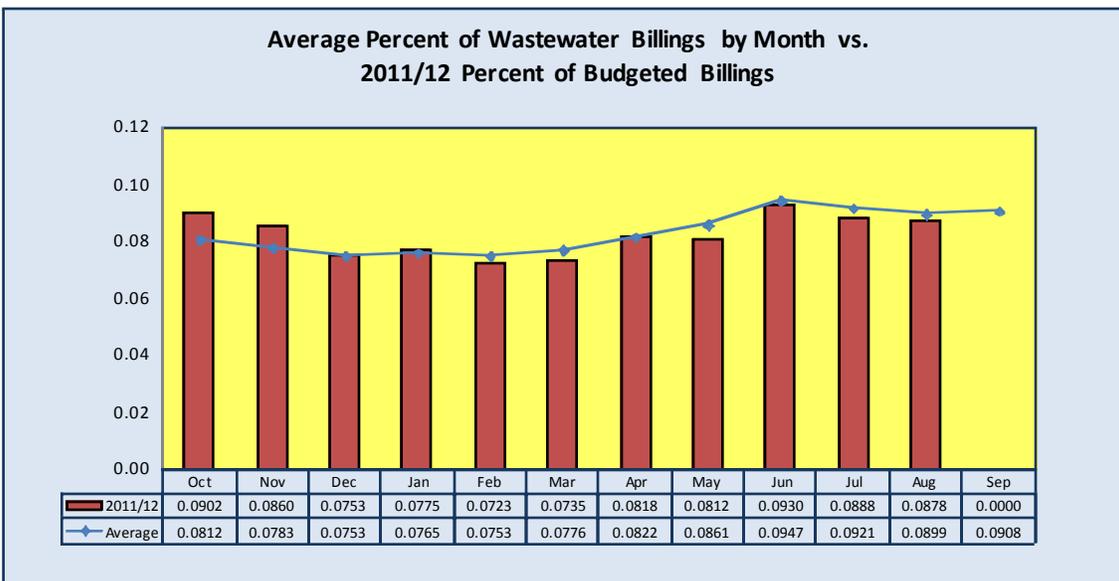
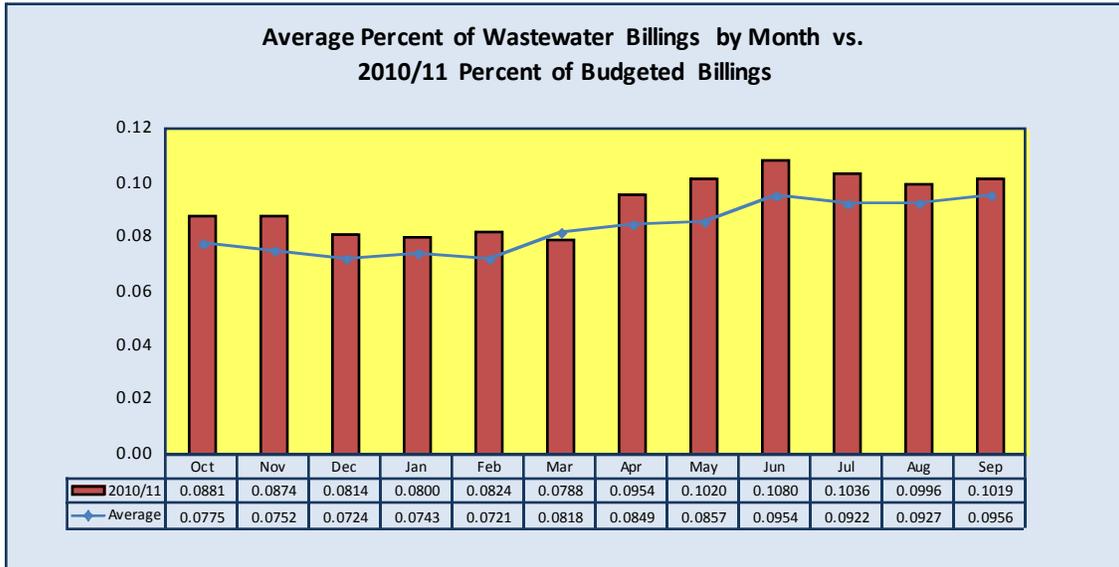
Average Percent of Water Billings by Month vs.
2010/11 Percent of Budgeted Billings



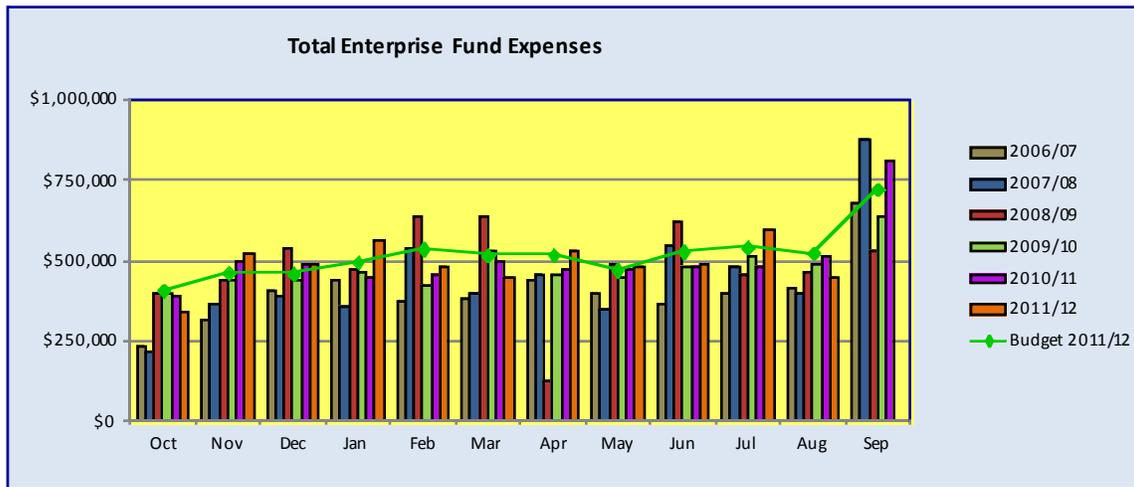
Average Percent of Water Billings by Month vs.
2011/12 Percent of Budgeted Billings



WASTEWATER BILLING ANALYSIS



EXPENDITURE ANALYSIS



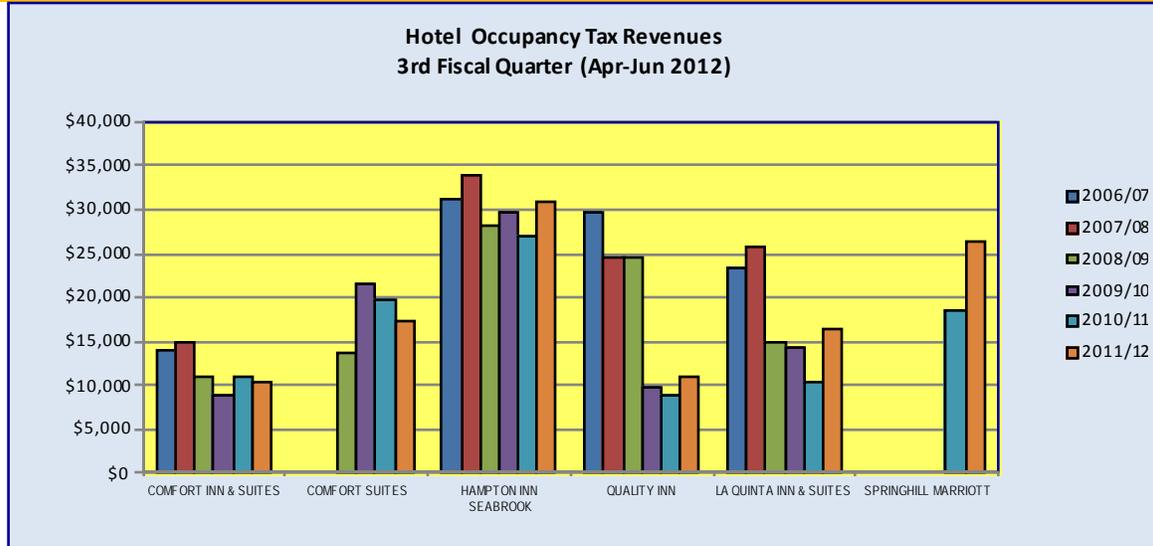
Low expenses April 2009 due to TML insurance reimbursement for IKE

HOTEL TAX FUND



CHART I

HOTEL TAX REVENUE ANALYSIS

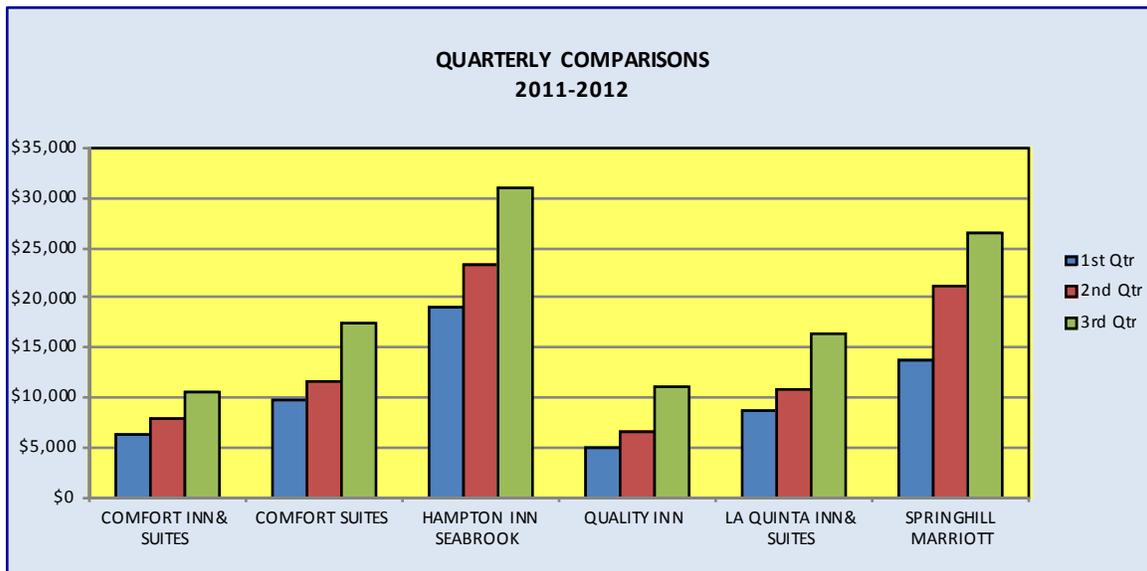


*Comfort Suites-Bayport Blvd. opened 2008/09

** Springhill Marriott opened last quarter 2010

CHART I

HOTEL TAX REVENUE



SEABROOK EDC



CHART J

SALES TAX REVENUE ANALYSIS

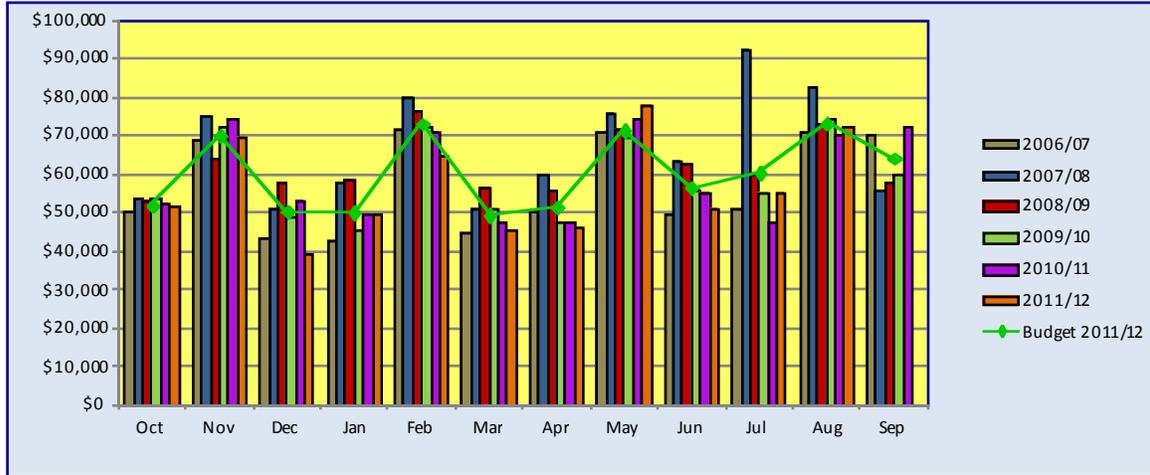
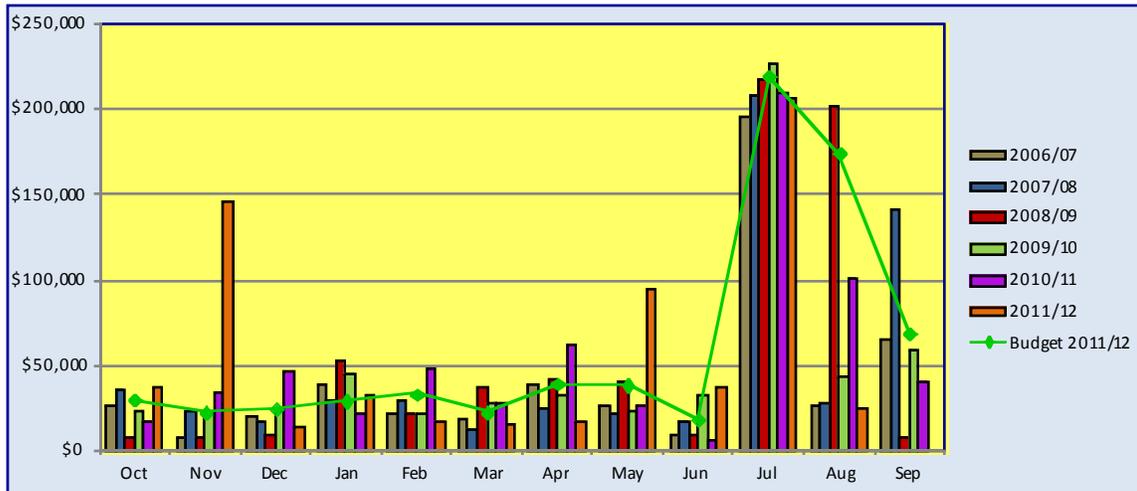


CHART K

EXPENDITURE ANALYSIS



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

CRIME DISTRICT



CHART L

SALES TAX REVENUE ANALYSIS

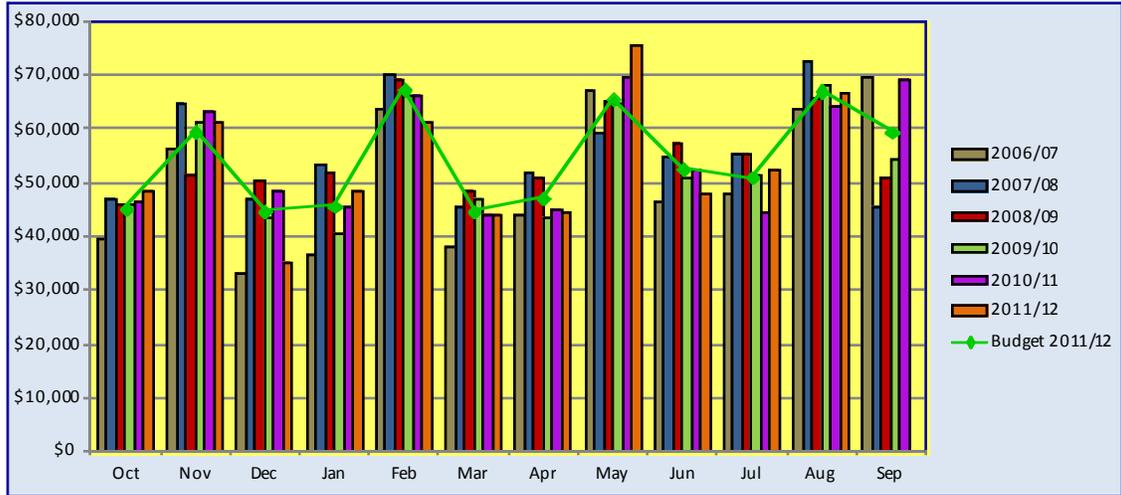
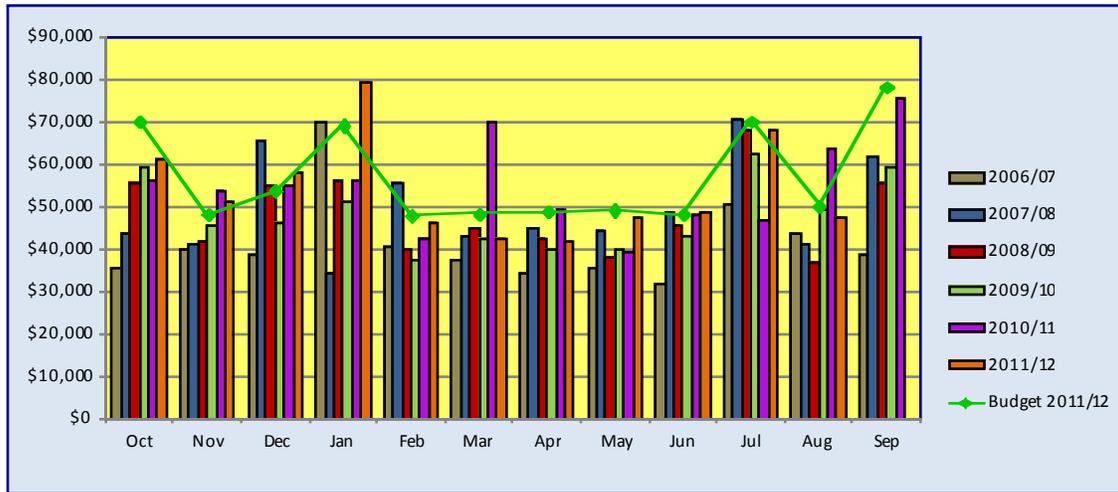


CHART M

EXPENDITURE ANALYSIS



INVESTMENTS



CHART N

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF AUGUST 2012
0.1313%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Aug)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	3,088,302.60	(307,903.44)	359.13	2,780,758.29	Working capital
ENTERPRISE FUND - UNRESTRIC	3,325,960.07	(284,212.44)	387.40	3,042,135.03	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,308,289.82	0.00	257.49	2,308,547.31	Water & sewer lines extensions & expansions
PARK FEES	15,696.99	0.00	1.75	15,698.74	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,106.97	0.00	1.69	15,108.66	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	109,772.41	0.00	12.25	109,784.66	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	767,138.34	0.00	85.58	767,223.92	Restricted for promotion of tourism
DEBT SERVICE FUND	2,719,153.67	(1,018,652.98)	281.73	1,700,782.42	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	381,536.72	0.00	42.56	381,579.28	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	695,590.14	0.00	77.59	695,667.73	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	128,990.68	0.00	14.39	129,005.07	Funds transferred from Bond Mkt Acct to allow liquidity
PINE GULLY PARK BONDS	0.00	0.00	0.00	0.00	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	22,896.75	0.00	2.55	22,899.30	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	232,306.32	0.00	25.91	232,332.23	
CRIME DISTRICT	125,824.18	(1,201.14)	13.90	124,636.94	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,840,540.78	61,970.00	254.94	1,902,765.72	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONI	223,755.00	0.00	incl in above	223,755.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERG	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
STEP FUND	130,290.72	0.00	14.53	130,305.25	
PUBLIC SAFETY	65,072.65	0.00	7.26	65,079.91	
MUNI COURT - SECURITY FUND	31,120.76	0.00	3.47	31,124.23	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	10,021.82	0.00	1.12	10,022.94	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,473.44	0.00	0.72	6,474.16	
STABILIZATION FUND	800,338.87	0.00	89.28	800,428.15	
TOTAL TEXPOOL FUND	17,524,179.70	(1,550,000.00)	1,935.24	\$15,976,114.94	

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

Pam Lab

Finance Director

TEXPOOL

ANNOUNCEMENTS

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

TEXPOOL

- North Hays County MUD 1
- Williamson Liberty Hill MUD
- City of Nolanville

TEXPOOL PRIME

- North Hays County MUD 1

Upcoming Events

09/17/12 – 09/20/12
CTAT, San Marcos
09/28/12 – 09/30/12
TASA/TASB Annual Conference, Austin
10/08/12 – 10/10/12
TACA, Kerrville
10/23/12 – 10/26/12
GFOAT Fall Conference, San Marcos
11/13/12 – 11/16/12
TML Conference, Grapevine

TexPool Advisory Board Members

R.C. Allen LaVonne Mason
Pati Buchenau John McGrane
Jose Elizondo, Jr. Clay McPhail
Ron Leverett Vivian Wood

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

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

Additional information regarding TexPool is available upon request:

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

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Monthly Newsletter September 2012 Economic and Market Commentary

Month in Cash: Rates steady as recovery shows signs of life

September 1, 2012

Treasury and repo rates have held fairly firm throughout the month, as we've had good supply in both markets. We've seen the overnight repo market holding in the mid to high teens, and Treasuries have been providing relatively decent returns in the three- to six-month area of the curve. Commercial paper has remained steady as well and, despite concerns, corporate earnings for the second quarter came in flat to mildly positive, staying out of negative territory, as had been feared when the second quarter took a downturn. TexPool and TexPool Prime continue to see outflows, but only because we're in that seasonal pattern where schools aren't collecting money during the summer, but are expected to continue expenditures. We have, as we do every year, adjusted the portfolio compositions to take this pattern into consideration.

London Interbank Offered Rates (Libor) have continued to drift slightly lower, a basis point at a time. That's a reflection of a couple of factors. First, some of the credit spreads in the global, and in particular the European banks, have gotten a bit thinner, as markets come to accept the idea that these banks do, in fact, have adequate financial backing and liquidity. Second, there's some market apathy happening here. The European/Greek sovereign debt crisis has been on the front page for so many months, and with each new story comes predictions that the end is upon us. The world hasn't imploded, though, as far as we can tell, and markets have come to grips with European risk, and have had time to make preparations for a European meltdown, if that were to happen.

Attention in Europe is focused right now on whether German Chancellor Angela Merkel will support European Central Bank President Mario Draghi's efforts to stabilize markets through a boost in the ECB's bond-buying capacity. While Merkel is likely, in the end, to fall in line, there's still no telling what conditions Germany might insist on as a price for its support.

Despite all the talk in the markets, we don't see it likely—without some sort of major market movement—that the Federal Reserve will announce any sort of new easing measures this month. We never thought another round of easing was as imminent as the headlines might have suggested during the rough summer months, and now that economic data is starting to show some strength again (thank you!), it seems there's even less justification out there.

Should the Fed decide to go down that path, we continue to see the limited measure of an extension and/or modification of Operation Twist, by either broadening the collateral types or widening maturities, as the likely choice. While there's always a chance of a full-scale Quantitative Easing III,

(continued page 6)

PERFORMANCE as of August 31, 2012

	TexPool	TexPool Prime
Current Invested Balance	\$13,642,779,110.22	\$981,504,077.46
Weighted Average Maturity (1)*	38 Days	43 Days
Weighted Average Maturity (2)*	81 Days	60 Days
Net Asset Value	1.00006	1.00005
Total Number of Participants	2,271	148
Management Fee on Invested Balance	0.0473%	0.0630%
Interest Distributed	\$1,578,404.01	\$128,017.27
Management Fee Collected	\$567,955.45	\$51,095.56
Standard & Poor's Current Rating	AAAm	AAAm

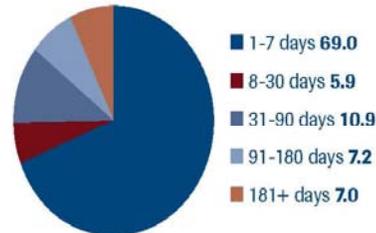
Month Averages

Average Invested Balance	\$14,168,998,076.57	\$947,221,340.49
Average Monthly Yield, on a simple basis (3)*	0.13%	0.10%
Average Weighted Average Maturity (1)*	40 Days	54 Days
Average Weighted Average Maturity (2)*	83 Days	70 Days

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

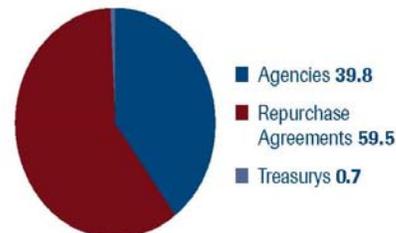
Portfolio by Maturity (%)

As of August 31, 2012



Portfolio by Type of Investment (%)

As of August 31, 2012



PORTFOLIO ASSET SUMMARY AS OF August 31, 2012

	Book Value	Market Value
Uninvested Balance	\$945.24	\$945.24
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	8,851,455.26	8,851,455.26
Interest and Management Fees Payable	-1,578,420.75	-1,578,420.75
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	8,108,834,000.00	8,108,834,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	5,426,624,750.13	5,427,416,693.20
US Treasury Bills	0.00	0.00
US Treasury Notes	100,046,380.34	100,035,200.00
Total	\$13,642,779,110.22	\$13,643,559,872.95

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

PARTICIPANT SUMMARY

	Number of Participants	Balance
School District	569	\$4,314,851,054.37
Higher Education	56	\$1,489,988,903.62
Healthcare	79	\$319,761,357.81
Utility District	696	\$1,452,926,963.50
City	442	\$3,905,615,069.82
County	172	\$1,087,123,178.91
Other	257	\$1,072,323,893.76

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

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

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

Definition of Average Monthly Yield (3)

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

TEXPOOL

DAILY SUMMARY

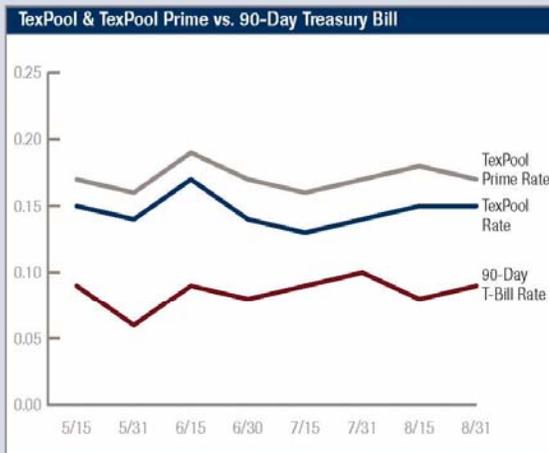
Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
08/01	0.1295%	0.000003547	\$14,640,868,869.64	1.00010	38	77
08/02	0.1373%	0.000003762	\$14,586,705,384.48	1.00011	43	85
08/03	0.1361%	0.000003729	\$14,540,855,291.52	1.00010	44	87
08/04	0.1361%	0.000003729	\$14,540,855,291.52	1.00010	44	87
08/05	0.1361%	0.000003729	\$14,540,855,291.52	1.00010	44	87
08/06	0.1324%	0.000003628	\$14,519,886,092.14	1.00010	42	84
08/07	0.1226%	0.000003360	\$14,505,278,429.78	1.00009	43	85
08/08	0.1361%	0.000003730	\$14,522,416,358.93	1.00008	42	84
08/09	0.1409%	0.000003861	\$14,550,071,853.79	1.00006	42	84
08/10	0.1349%	0.000003696	\$14,640,114,218.32	1.00007	42	84
08/11	0.1349%	0.000003696	\$14,640,114,218.32	1.00007	42	84
08/12	0.1349%	0.000003696	\$14,640,114,218.32	1.00007	42	84
08/13	0.1351%	0.000003702	\$14,581,465,701.07	1.00008	40	81
08/14	0.1225%	0.000003356	\$14,071,767,321.56	1.00007	41	84
08/15	0.1458%	0.000003985	\$13,800,817,001.70	1.00007	42	85
08/16	0.1309%	0.000003585	\$13,802,129,771.47	1.00007	41	85
08/17	0.1252%	0.000003430	\$13,755,211,159.39	1.00007	42	85
08/18	0.1252%	0.000003430	\$13,755,211,159.39	1.00007	42	85
08/19	0.1252%	0.000003430	\$13,755,211,159.39	1.00007	42	85
08/20	0.1214%	0.000003327	\$13,625,123,398.35	1.00007	40	84
08/21	0.1172%	0.000003212	\$13,594,129,851.12	1.00007	41	84
08/22	0.1149%	0.000003147	\$13,686,829,817.42	1.00008	40	83
08/23	0.1317%	0.000003609	\$13,732,520,901.76	1.00007	37	82
08/24	0.1350%	0.000003699	\$14,189,659,340.61	1.00007	36	80
08/25	0.1350%	0.000003699	\$14,189,659,340.61	1.00007	36	80
08/26	0.1350%	0.000003699	\$14,189,659,340.61	1.00007	36	80
08/27	0.1378%	0.000003776	\$14,083,233,271.46	1.00007	34	78
08/28	0.1242%	0.000003404	\$14,060,602,494.23	1.00007	34	76
08/29	0.1135%	0.000003110	\$13,974,099,827.19	1.00006	36	78
08/30	0.1358%	0.000003720	\$13,880,694,886.94	1.00005	36	78
08/31	0.1481%	0.000004058	\$13,642,779,110.22	1.00006	38	81
Average	0.1313%	0.000003598	\$14,168,998,076.57	1.00008	40	83

TEXPOOL

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

(continued from page 1)

that's looking more and more like a distant runner-up as conditions improve. The third option, lowering or eliminating the Interest Rate on Excess Reserves, or IOER, has fallen so far back that it's not really in the race any more. That's a good thing, though. The European Central Bank lowered its deposit rate in mid-July from 25 basis points to zero and reduced its lending rate from 1.0% to 0.75%, and things did not go well. The ECB had hoped European banks would have pulled their deposits and moved them over to more productive and lucrative lending to actual businesses and spur some growth. The banks didn't cooperate though, and now Europe is facing negative rates, zero loan growth, and, to top it off, less profitable banks. The move even had the perverse effect of causing European government money market funds to close to new investments so as to avoid further injury to their existing investors. Bottom line—don't look for that kind of action here.



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

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