



# MONTHLY FINANCIAL REPORT

## PERFORMANCE SUMMARY

July 2012

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

**PERFORMANCE INDICATORS:**

<b>POSITIVE</b>
<b>NEGATIVE</b>
<b>NEUTRAL</b>

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 JULY 31, 2012

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	3,980,689	4,002,468	100.55%	99.07%
Penalties & Interest	55,000	43,185	78.52%	87.08%
Sales Tax	1,445,161	1,099,225	76.06%	81.01%
Franchise Tax	710,000	540,410	76.11%	87.89%
Other Tax	74,000	69,765	94.28%	74.45%
License & Permits	200,000	184,600	92.30%	84.16%
Charges for Services	54,500	46,568	85.45%	81.77%
DOT Fines	110,000	73,349	66.68%	84.19%
Other Municipal Court Fees	608,000	480,495	79.03%	81.01%
Interest Income	3,052	2,818	92.33%	87.13%
Intergovernmental	363,069	291,387	80.26%	83.88%
Other Revenue	47,000	43,395	92.33%	87.36%
Transfers from Enterprise Fund	1,628,547	1,357,123	83.33%	89.58%
Payment for Services-EDC	<u>125,000</u>	<u>104,167</u>	<u>83.33%</u>	<u>100.00%</u>
<b>Total Revenues</b>	<b>9,404,018</b>	<b>8,338,954</b>	<b>88.67%</b>	<b>89.25%</b>

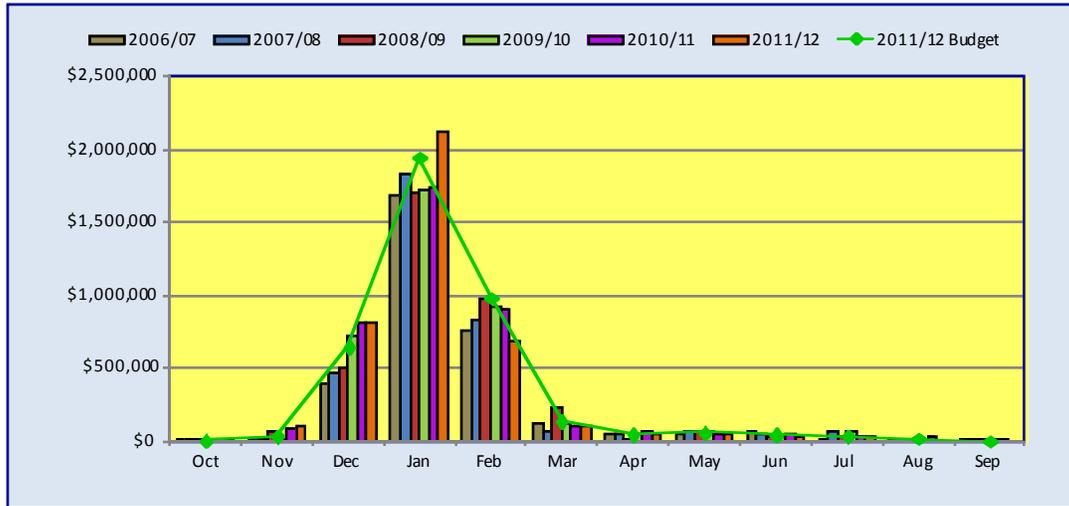
## CHART B

### TOTAL EXPENDITURES THROUGH JULY 31, 2012

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,256,116	5,060,239	80.88%	79.92%
Supplies	334,575	263,400	78.73%	74.24%
Services	2,588,599	1,897,703	73.31%	83.08%
Capital	210,895	17,720	8.40%	55.57%
Oper Transfer to Other Funds	0	0	0.00%	0.00%
<b>Total Expenditures</b>	<b>9,390,185</b>	<b>7,239,061</b>	<b>77.09%</b>	<b>78.87%</b>

CHART C

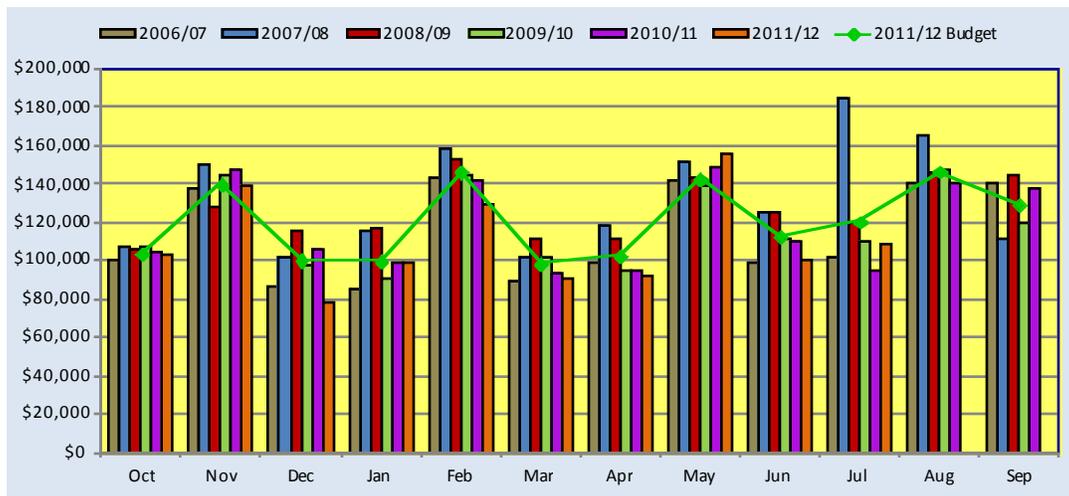
PROPERTY TAX ANALYSIS



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

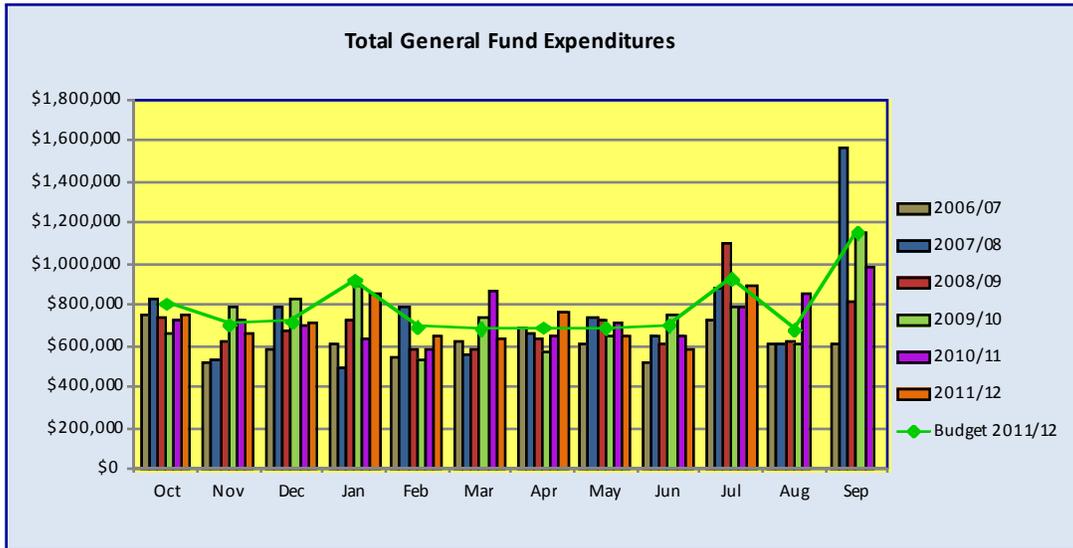
CHART D

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



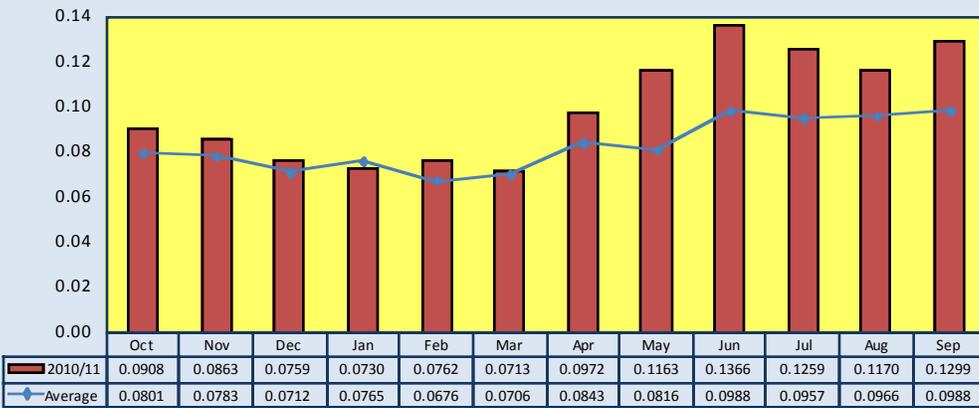
High expenditures in September 2008 are a result of Hurricane Ike.  
 High expenditures in September 2010 are due to city hall A/C replacement.



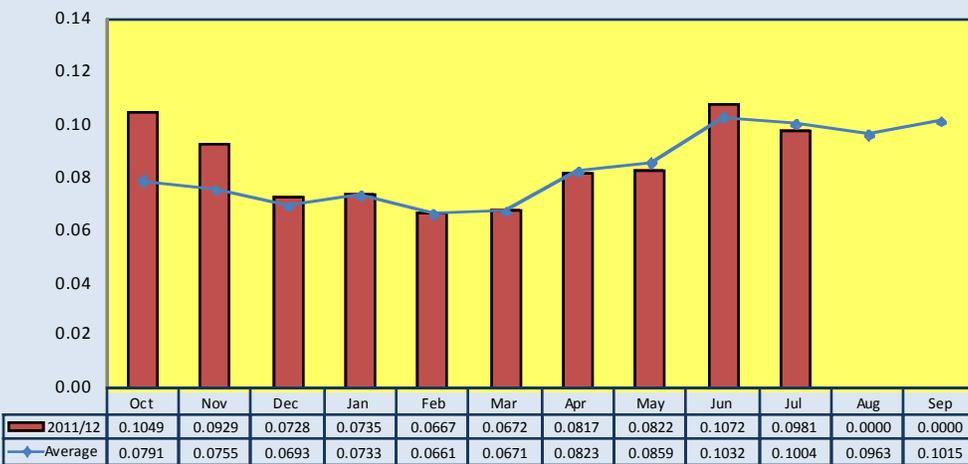
CHART F

WATER BILLING ANALYSIS

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

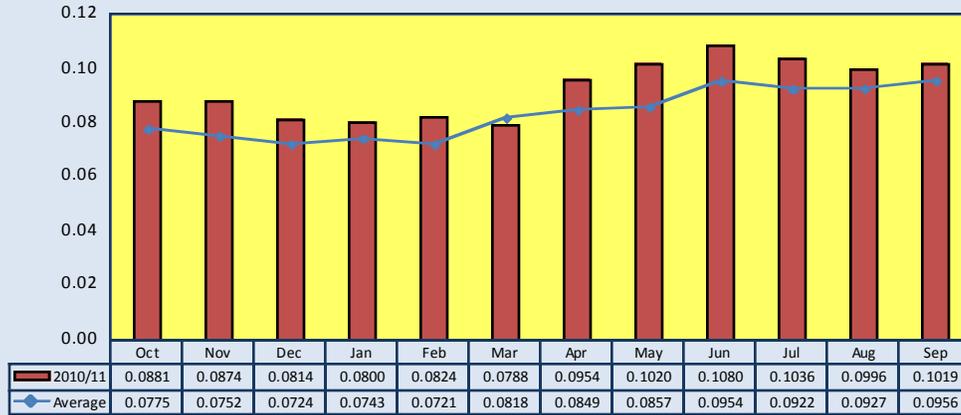


Average Percent of Water Billings by Month vs. 2011/12 Percent of Budgeted Billings

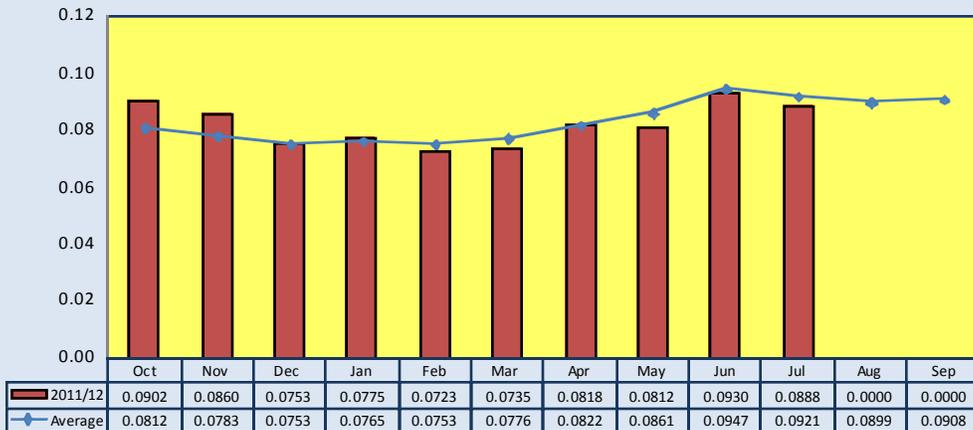


WASTEWATER BILLING ANALYSIS

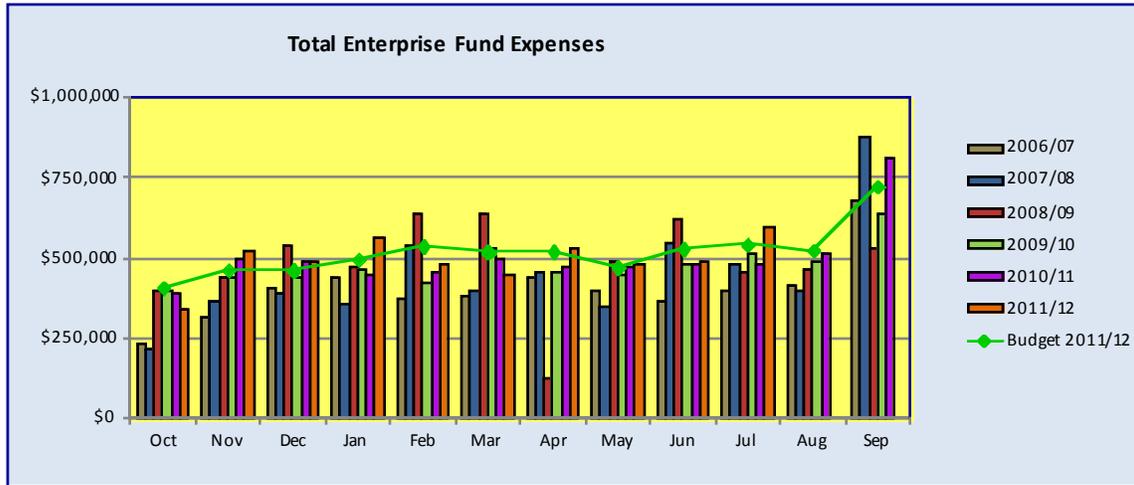
**Average Percent of Wastewater Billings by Month vs. 2010/11 Percent of Budgeted Billings**



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



EXPENDITURE ANALYSIS



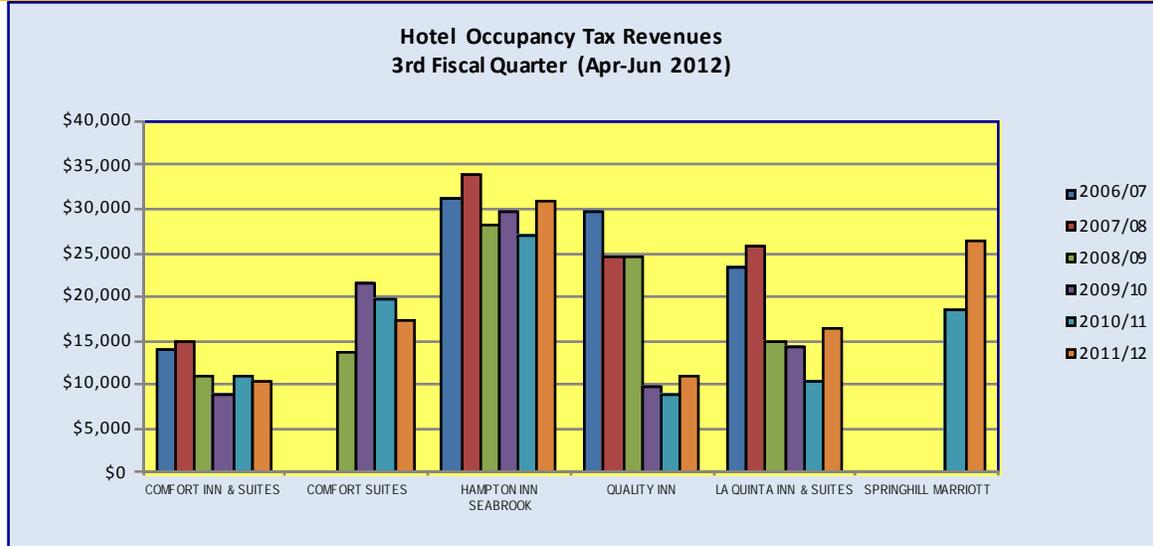
Low expenses April 2009 due to TML insurance reimbursement for IKE

# HOTEL TAX FUND



CHART I

## HOTEL TAX REVENUE ANALYSIS

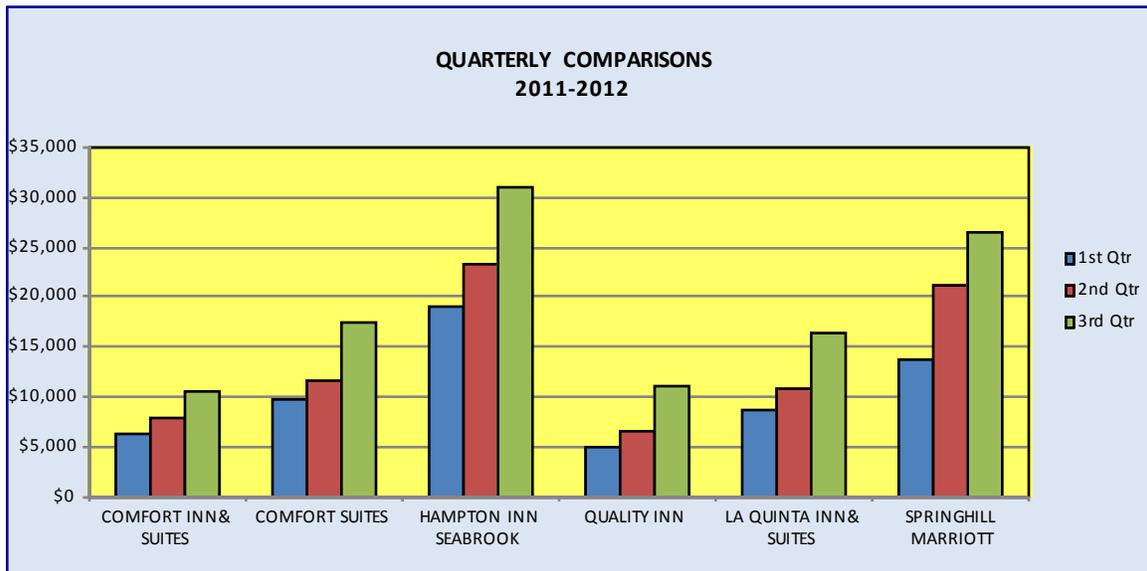


\*Comfort Suites-Bayport Blvd. opened 2008/09

\*\* Springhill Marriott opened last quarter 2010

CHART J

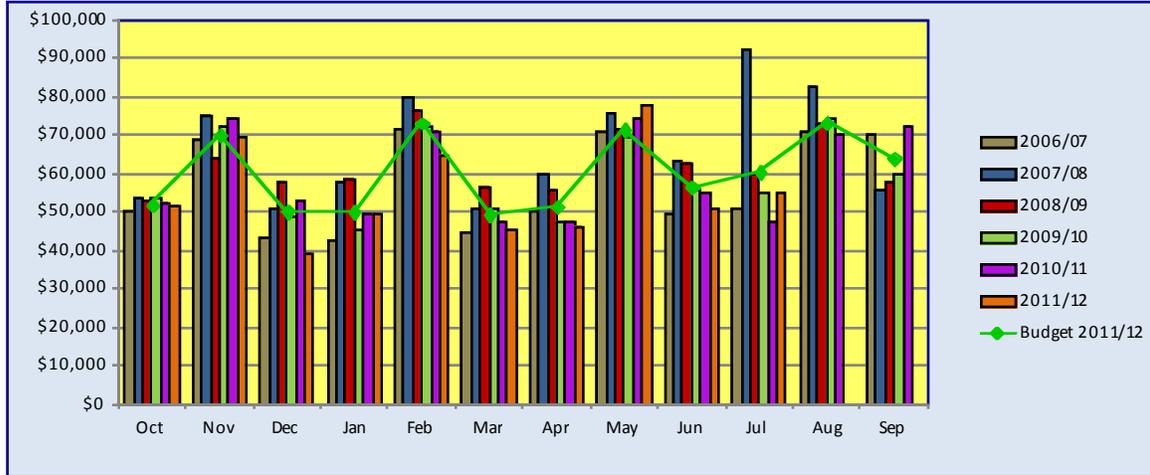
## HOTEL TAX REVENUE





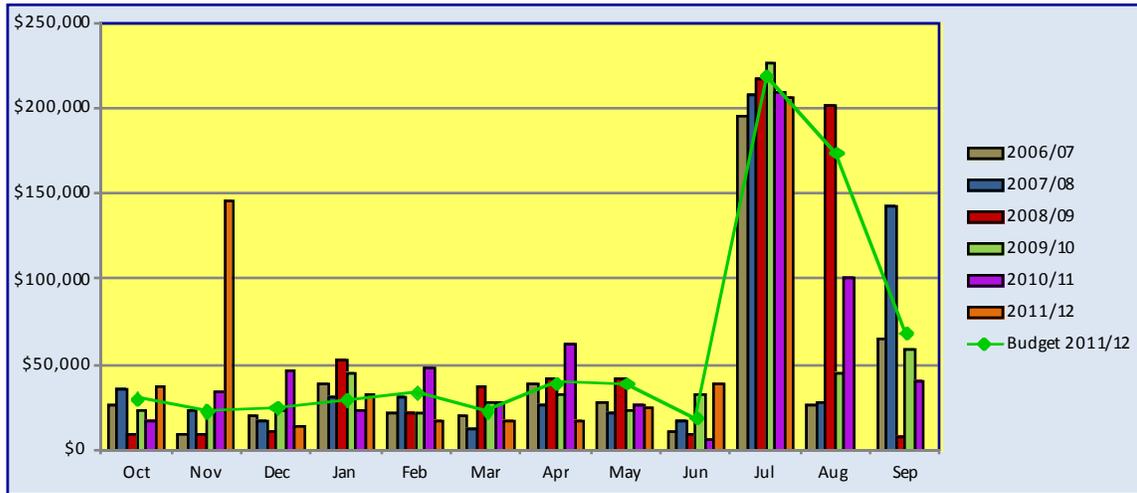
## SALES TAX REVENUE ANALYSIS

CHART J



## EXPENDITURE ANALYSIS

CHART K



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

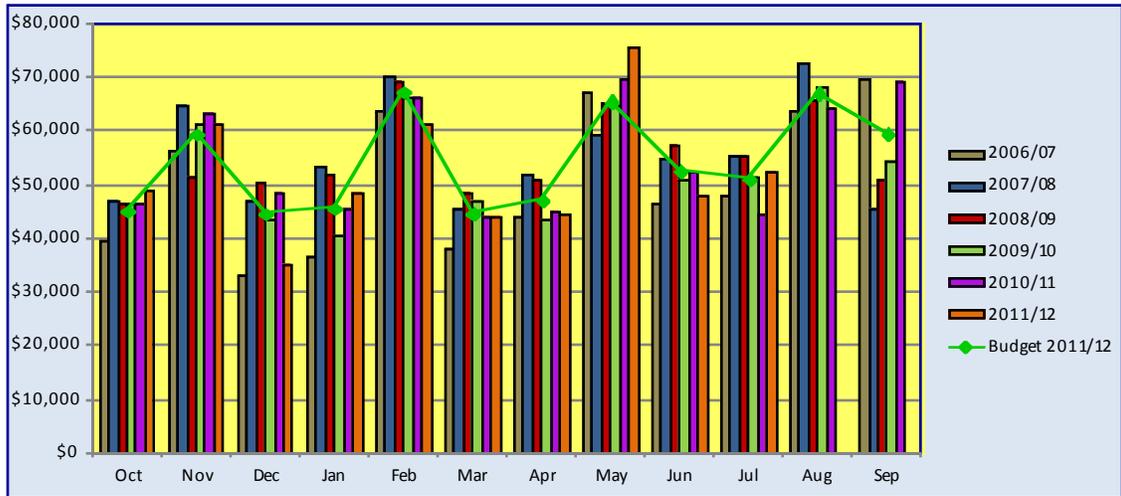
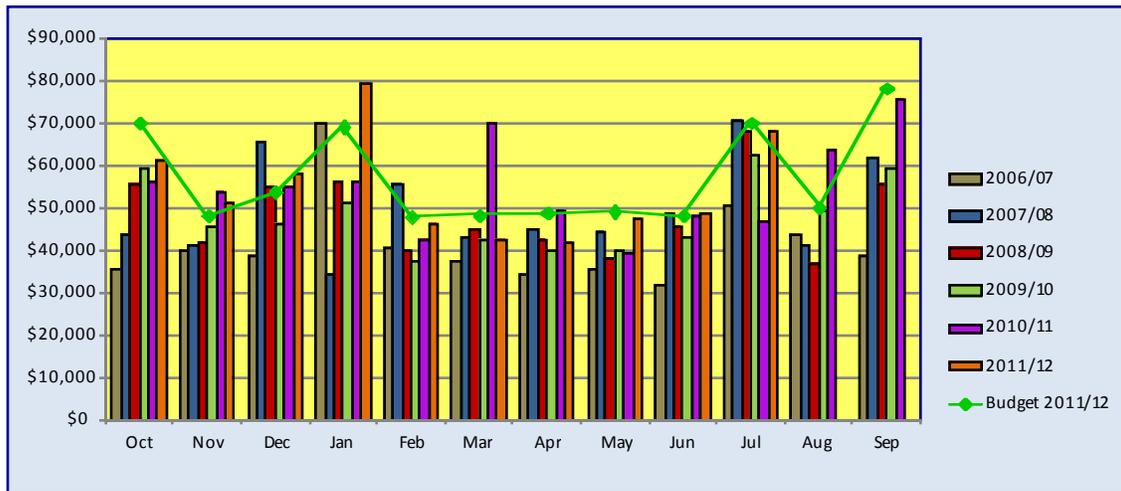


CHART M

## EXPENDITURE ANALYSIS



# INVESTMENTS



CHART N

## MONTHLY INVESTMENT REPORT

### TEXPOOL REPORT

MONTH OF JULY 2012

0.1316%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted July)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,090,637.22	(1,002,768.03)	433.41	3,088,302.60	Working capital
ENTERPRISE FUND - UNRESTRIC	3,250,321.10	75,228.67	410.30	3,325,960.07	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,308,031.78	0.00	258.04	2,308,289.82	Water & sewer lines extensions & expansions
PARK FEES	15,695.24	0.00	1.75	15,696.99	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,105.28	0.00	1.69	15,106.97	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	109,760.14	0.00	12.27	109,772.41	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	767,052.58	0.00	85.76	767,138.34	Restricted for promotion of tourism
DEBT SERVICE FUND	2,709,638.17	9,212.52	302.98	2,719,153.67	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	381,494.07	0.00	42.65	381,536.72	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	815,510.34	(120,000.00)	79.80	695,590.14	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	128,976.26	0.00	14.42	128,990.68	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	22,894.19	0.00	2.56	22,896.75	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	232,280.35	0.00	25.97	232,306.32	
CRIME DISTRICT	130,526.25	(4,716.28)	14.21	125,824.18	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,897,240.63	(56,956.88)	257.03	1,840,540.78	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	130,276.15	0.00	14.57	130,290.72	
PUBLIC SAFETY	65,065.38	0.00	7.27	65,072.65	
MUNI COURT - SECURITY FUND	31,117.28	0.00	3.48	31,120.76	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	10,020.70	0.00	1.12	10,021.82	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,472.72	0.00	0.72	6,473.44	
STABILIZATION FUND	800,249.40	0.00	89.47	800,338.87	
<b>TOTAL TEXPOOL FUND</b>	<b>18,622,120.23</b>	<b>(1,100,000.00)</b>	<b>2,059.47</b>	<b>\$17,524,179.70</b>	

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 July 2012:

### TEXPOOL

- Mitchell County

### TEXPOOL PRIME

- Education Service Center Region 15

## Upcoming Events

08/29/12 – 08/31/12

TAC Conference, Austin

09/17/12 – 09/20/12

CIAT, 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

## 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

## Federated®

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## Monthly Newsletter August 2012

# Economic and Market Commentary

## Month in Cash: What might the Fed have in reserve?

August 1, 2012

The Federal Reserve's June announcement of an extension of "Operation Twist", under which the Fed purchases longer-term Treasury securities with the proceeds from the sale of short-term Treasuries, was probably the most benign choice for additional stimulus after coming under intense pressure as a result of sluggish domestic economic growth and continued concerns over Europe. Since then, of course, speculation has grown that the Fed might take further steps before long to shore up the economy. Fed Chairman Ben Bernanke continues to indicate that while the Fed remains in watchful waiting mode, it is of course prepared to act to provide more accommodation—it simply hasn't decided to do so yet, nor has it determined what steps would be appropriate, should it decide to go down that path.

Bernanke identified asset purchases and communications as the primary tools under consideration, but there are a number of different options the Fed might pursue. The current Operation Twist focuses on three-year and under Treasury securities. The Fed could expand that to include longer-dated Treasuries, mortgage-backed securities, or agencies. Judging from their discussions, they seem most interested in mortgages. That might not cause many problems for the money market world—we'd see the bizarre effect of an easing that would actually help stabilize rates, if not push them up a few basis points, if only because it would take idle supply just sitting on the Fed's balance sheet and put it back out into the markets for use—maybe not by money markets directly, but in the case of mortgages, as collateral for repo. Another idea would be to initiate a full Quantitative Easing III, and resume purchasing securities. That option might be a possibility, but it seems it would be a distant second.

There is a third option—lowering or eliminating the Interest Rate on Excess Reserves, or IOER, from its current 25 basis point level. Bernanke brought up this option only after a second wave of questioning by congressmen. The seemingly reluctant mention of IOER was a bit of a relief, as speculation had mounted in the past several days that the Fed might go there. The speculation was prompted by the recent action taken by the European Central Bank (ECB) to lower its deposit rate from 25 basis points to zero, which was accompanied by a reduction in its lending rate from 1.0% to 0.75%. The Fed has probably observed, however, that the ECB's current zero-rate environment isn't working out in the way that they had hoped, pushing this option to an unlikely third.

## Atlantic crossing?

There are, of course, concerns about European credit markets slowing down—they're a major trade partner. But the slowdown on the European continent has already happened.

(continued page 6)

## PERFORMANCE as of July 31, 2012

	TexPool	TexPool Prime
Current Invested Balance	\$14,787,740,762.99	\$969,545,346.17
Weighted Average Maturity (1)*	39 Days	59 Days
Weighted Average Maturity (2)*	80 Days	75 Days
Net Asset Value	1.00009	1.00003
Total Number of Participants	2,268	147
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	\$1,683,258.75	\$144,137.98
Management Fee Collected	\$606,443.71	\$57,664.81
Standard & Poor's Current Rating	AAAm	AAAm

## Month Averages

Average Invested Balance	\$15,116,299,553.29	\$1,063,197,469.03
Average Monthly Yield, on a simple basis (3)*	0.13%	0.16%
Average Weighted Average Maturity (1)*	39 Days	56 Days
Average Weighted Average Maturity (2)*	78 Days	70 Days

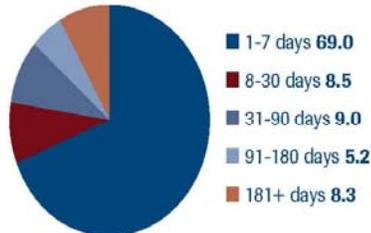
\*Definitions for Average Monthly Yield and Weighted Average Maturity can be found on page 2.

# TEXPOOL

August 2012

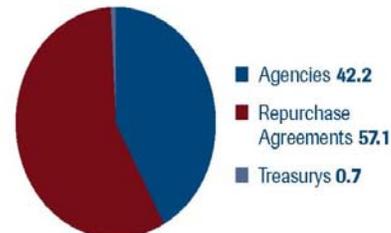
## Portfolio by Maturity (%)

As of July 31, 2012



## Portfolio by Type of Investment (%)

As of July 31, 2012



### PORTFOLIO ASSET SUMMARY AS OF July 31, 2012

	Book Value	Market Value
Uninvested Balance	-\$2,400.35	-\$2,400.35
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	9,860,484.92	9,860,484.92
Interest and Management Fees Payable	-1,683,319.69	-1,683,319.69
Payable for Investments Purchased	-205,138,389.00	-205,138,389.00
Repurchase Agreements	8,555,685,000.00	8,555,683,500.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,328,870,307.47	6,330,145,932.58
US Treasury Bills	0.00	0.00
US Treasury Notes	100,149,079.64	100,152,300.00
<b>Total</b>	<b>\$14,787,740,762.99</b>	<b>\$14,789,018,108.46</b>

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

### PARTICIPANT SUMMARY

	Number of Participants	Balance
School District	569	\$5,024,580,851.07
Higher Education	56	\$1,388,369,057.78
Healthcare	79	\$348,513,001.52
Utility District	694	\$1,558,894,757.98
City	441	\$4,149,368,612.25
County	172	\$1,214,475,454.61
Other	257	\$1,102,154,726.15

#### 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)
07/01	0.1366%	0.000003743	\$15,235,186,735.32	1.00002	46	83
07/02	0.1598%	0.000004379	\$15,182,720,538.03	1.00004	44	81
07/03	0.1625%	0.000004452	\$15,101,010,954.66	1.00004	45	82
07/04	0.1625%	0.000004452	\$15,101,010,954.66	1.00004	45	82
07/05	0.1591%	0.000004358	\$15,128,414,999.46	1.00007	44	80
07/06	0.1552%	0.000004251	\$15,227,269,735.24	1.00007	44	80
07/07	0.1552%	0.000004251	\$15,227,269,735.24	1.00007	44	80
07/08	0.1552%	0.000004251	\$15,227,269,735.24	1.00007	44	80
07/09	0.1318%	0.000003612	\$15,172,050,029.90	1.00008	42	78
07/10	0.1267%	0.000003471	\$15,177,534,983.07	1.00007	39	78
07/11	0.1312%	0.000003595	\$15,166,078,866.21	1.00007	38	78
07/12	0.1483%	0.000004062	\$15,051,613,476.80	1.00007	39	79
07/13	0.1284%	0.000003517	\$15,064,405,511.42	1.00008	40	79
07/14	0.1284%	0.000003517	\$15,064,405,511.42	1.00008	40	79
07/15	0.1284%	0.000003517	\$15,064,405,511.42	1.00008	40	79
07/16	0.1434%	0.000003928	\$15,096,832,893.72	1.00009	38	73
07/17	0.1360%	0.000003725	\$15,222,949,635.13	1.00008	37	73
07/18	0.1183%	0.000003241	\$15,136,682,227.85	1.00009	38	75
07/19	0.0933%	0.000002555	\$15,225,503,632.85	1.00009	37	74
07/20	0.0997%	0.000002732	\$15,075,726,594.11	1.00009	36	75
07/21	0.0997%	0.000002732	\$15,075,726,594.11	1.00009	36	75
07/22	0.0997%	0.000002732	\$15,075,726,594.11	1.00009	36	75
07/23	0.1091%	0.000002988	\$15,023,736,461.92	1.00008	34	73
07/24	0.1281%	0.000003509	\$14,953,539,755.35	1.00008	35	74
07/25	0.1376%	0.000003769	\$15,193,054,671.20	1.00007	34	76
07/26	0.1190%	0.000003260	\$15,141,432,044.30	1.00008	34	74
07/27	0.1222%	0.000003349	\$15,118,455,753.97	1.00007	39	79
07/28	0.1222%	0.000003349	\$15,118,455,753.97	1.00007	39	79
07/29	0.1222%	0.000003349	\$15,118,455,753.97	1.00007	39	79
07/30	0.1229%	0.000003366	\$15,050,619,744.46	1.00008	37	78
07/31	0.1383%	0.000003789	\$14,787,740,762.99	1.00009	39	80
<b>Average</b>	<b>0.1316%</b>	<b>0.000003606</b>	<b>\$15,116,299,553.29</b>	<b>1.00007</b>	<b>39</b>	<b>78</b>

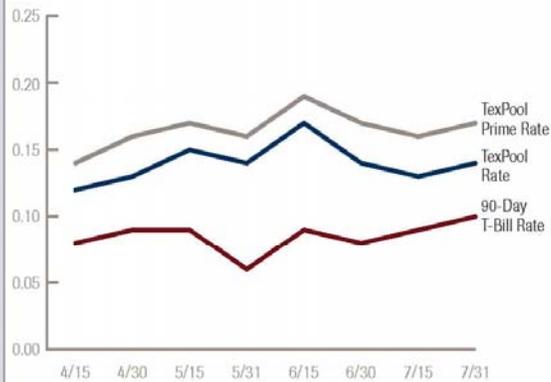
# TEXPOOL

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

*(continued from page 1)*

It's one of the reasons the U.S. pace has slowed. And it's not as important of a sector for us as some other areas, such as Canada and Mexico, which are more significant trading partners. While there's a good deal of headline risk concerning the potential for Europe's economic problems to bleed into our markets, from a money markets perspective, we don't see that happening just yet. They don't have much supply—European rates are at such low levels, if not negative, that few are buying there. Europe does have the potential to impact demand. Buyers who are turned off by euro investments could swap those investments for dollar-based investments going forward, and if they're in our markets trying to buy our securities—and there's a finite supply—obviously rates would go down, as demand could outstrip supply. We haven't seen that play out yet, but we're keeping our own watchful, waiting eye on Europe.

**TexPool & TexPool Prime vs. 90-Day Treasury Bill**



*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.*