



MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

May 2012

	Current Month	Year to Date	Chart
GENERAL FUND			
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
ENTERPRISE FUND			
Water Billing Analysis	NEGATIVE	POSITIVE	F
Sewer Billing Analysis	NEGATIVE	POSITIVE	G
Expense Analysis	NEGATIVE	POSITIVE	H
HOTEL OCCUPANCY TAX REVENUE			
Hotel Tax Revenue Analysis	N/A	N/A	I
SEDC			
Sales Tax Collection Analysis	POSITIVE	NEGATIVE	J
Expenditure Analysis	POSITIVE	NEGATIVE	K
CRIME DISTRICT			
Sales Tax Collection Analysis	POSITIVE	NEGATIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE
NEGATIVE

Positive = Positive variance as compared to seasonal trend.

Negative = Negative variance as compared to seasonal trend.

GENERAL FUND



CHART A

TOTAL REVENUE THROUGH MAY 31, 2012

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected
Ad Valorem Taxes	3,980,689	3,943,535	99.07%	97.05%
Penalties & Interest	55,000	33,336	60.61%	66.49%
Sales Tax	1,445,161	888,770	61.50%	65.26%
Franchise Tax	710,000	471,681	66.43%	72.10%
Other Tax	74,000	43,131	58.29%	43.91%
License & Permits	200,000	151,118	75.56%	65.34%
Charges for Services	54,500	22,695	41.64%	60.53%
DOT Fines	110,000	49,873	45.34%	61.98%
Other Municipal Court Fees	608,000	389,663	64.09%	56.75%
Interest Income	3,052	2,334	76.46%	79.85%
Intergovernmental	363,069	230,317	63.44%	16.09%
Other Revenue	47,000	39,359	83.74%	77.67%
Transfers from Enterprise Fund	1,628,547	1,085,698	66.67%	71.66%
Payment for Services-EDC	<u>125,000</u>	83,334	<u>66.67%</u>	<u>66.67%</u>
Total Revenues	9,404,018	7,434,843	79.06%	77.44%

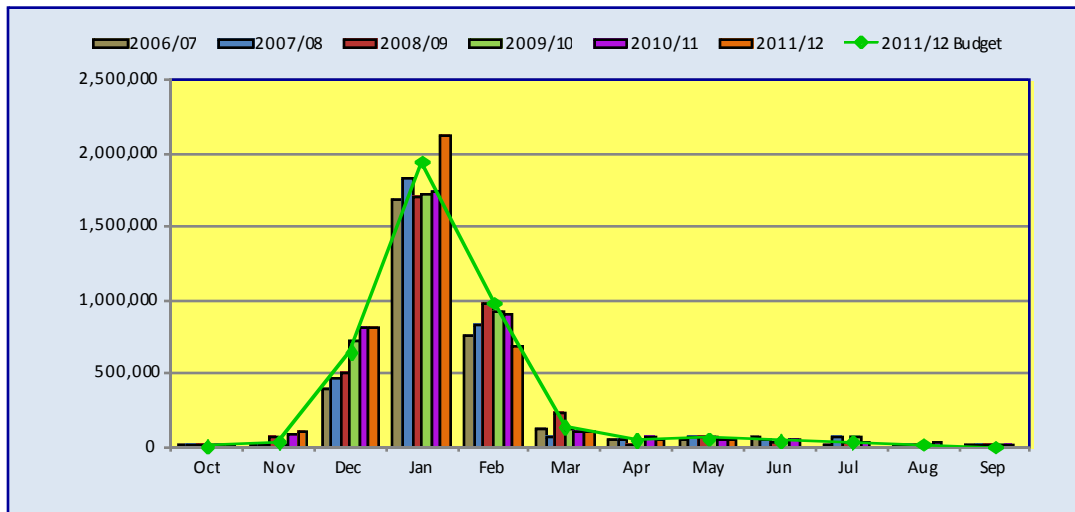
CHART B

TOTAL EXPENDITURES THROUGH MAY 31, 2012

	Budget	YTD Expenditures	% of Budget Expended	Prior YTD % of Total Expended
Personnel	6,256,116	3,910,924	62.51%	64.37%
Supplies	334,575	185,482	55.44%	57.74%
Services	2,588,599	1,588,958	61.38%	68.38%
Capital	210,895	13,481	6.39%	21.90%
Oper Transfer to Other Funds	<u>0</u>	<u>0</u>	0.00%	0.00%
Total Expenditures	9,390,185	5,698,845	60.69%	62.64%

CHART C

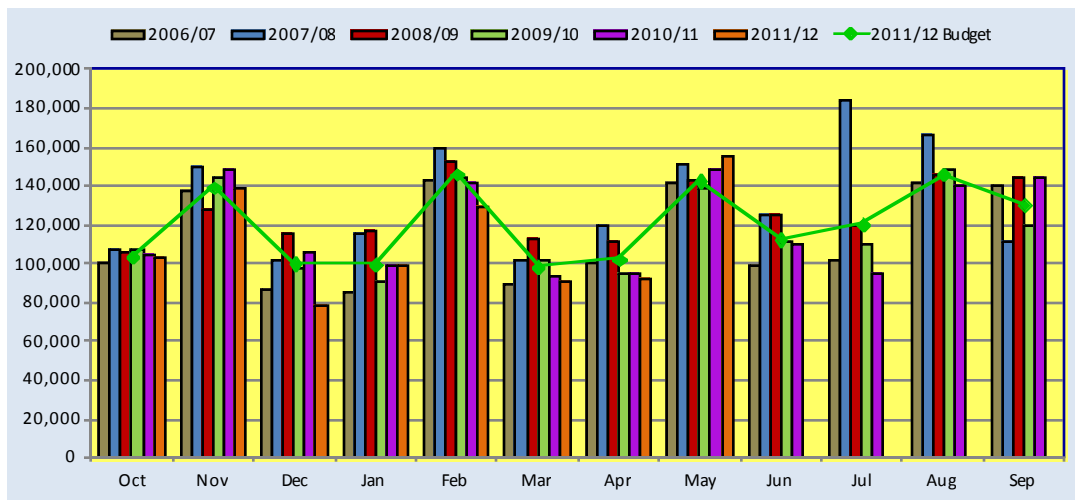
PROPERTY TAX ANALYSIS



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

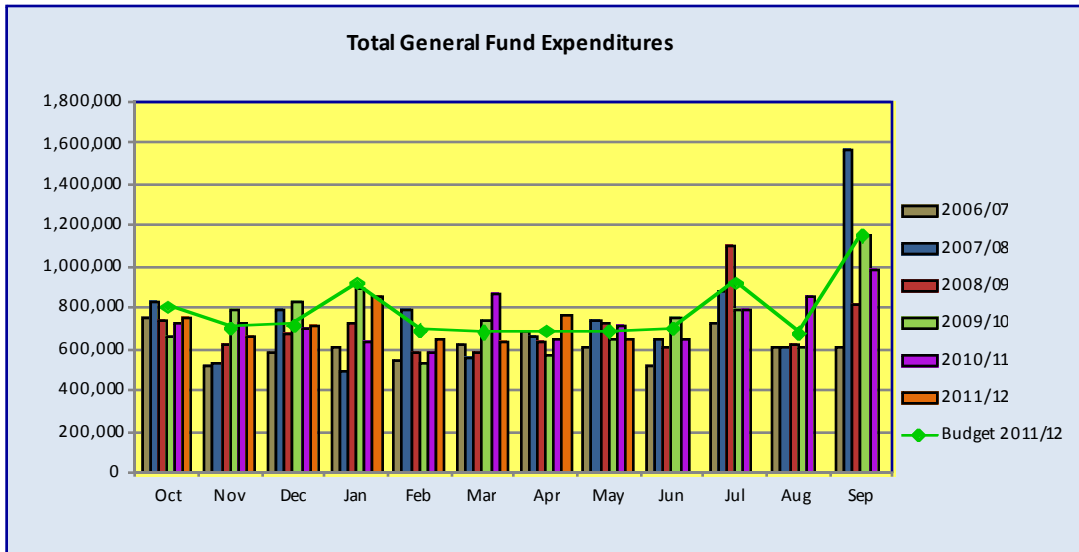
CHART D

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



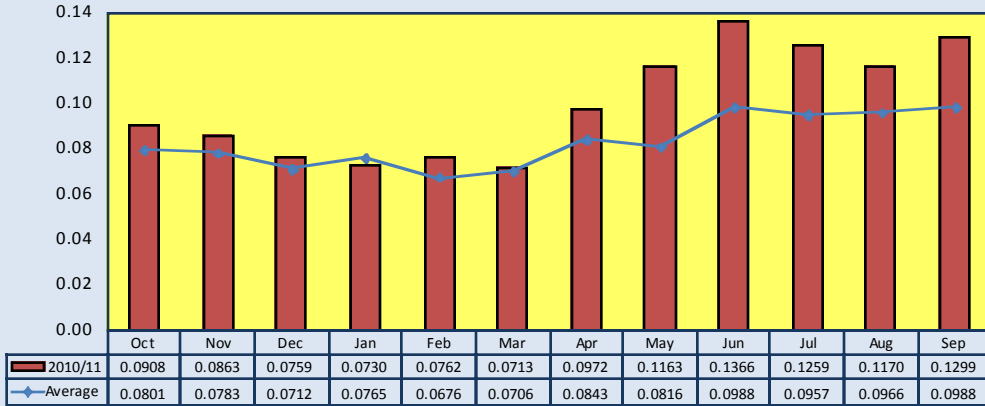
High expenditures in September 2008 are a result of Hurricane Ike.
High expenditures in September 2010 are due to city hall A/C replacement.



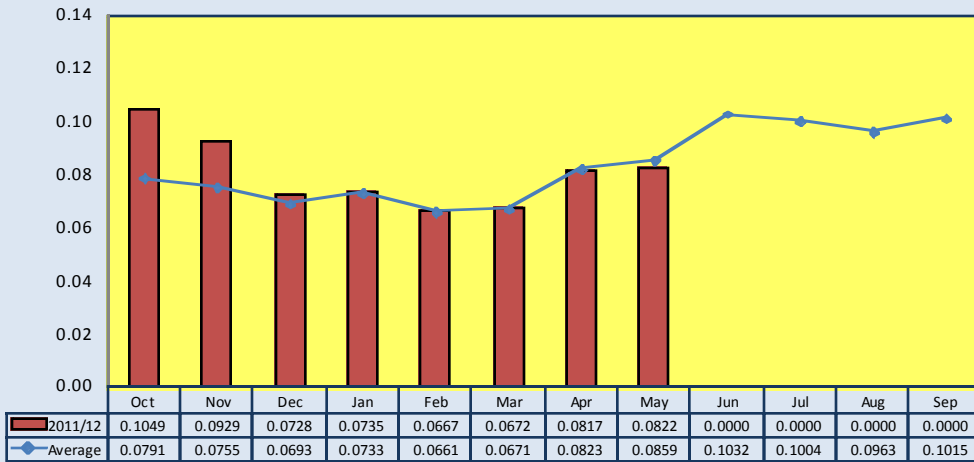
CHART F

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

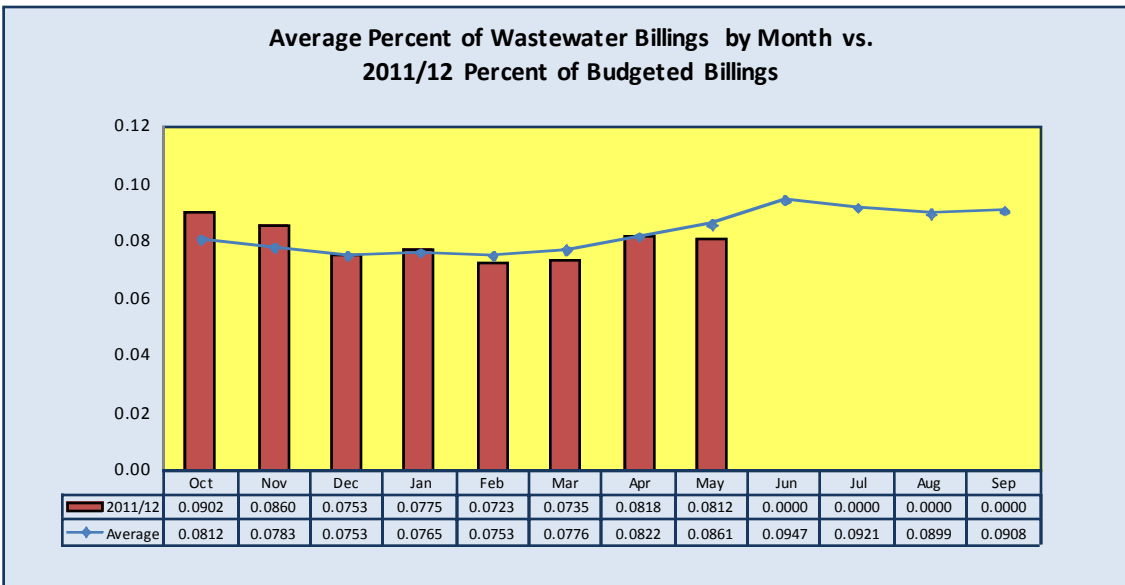
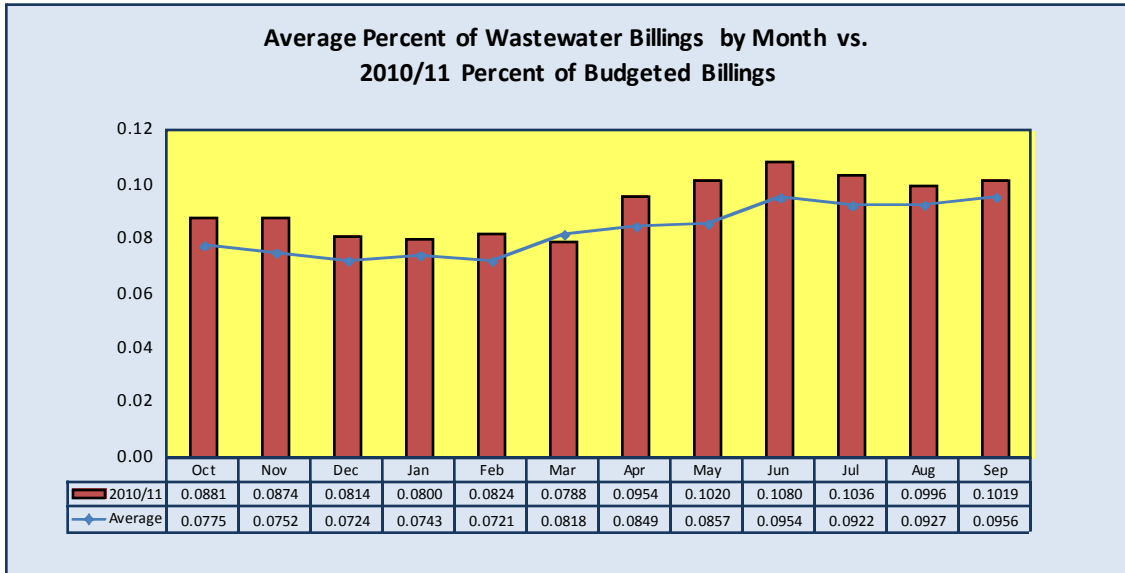
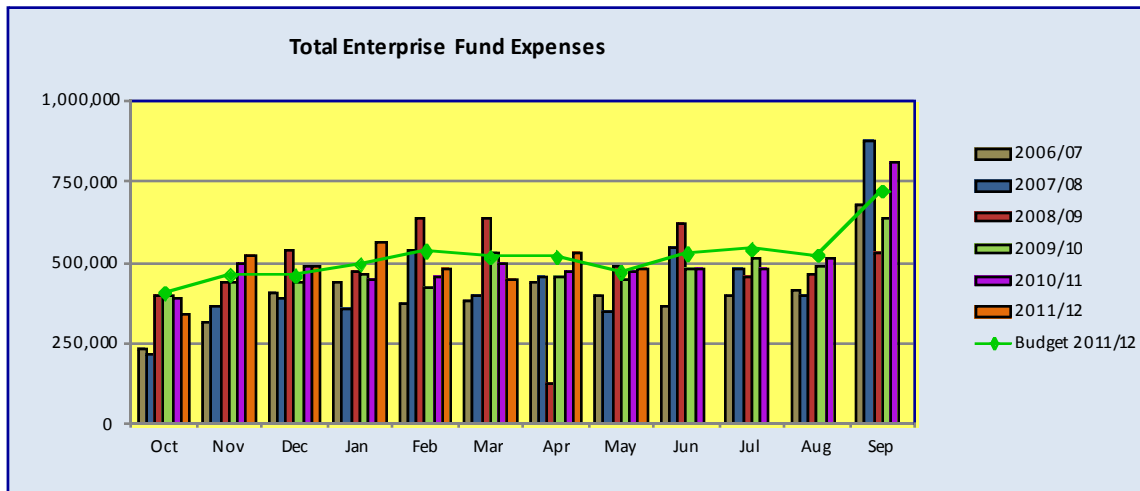


CHART H

EXPENDITURE ANALYSIS



Low expenses April 2009 due to TML insurance reimbursement for IKE

HOTEL TAX FUND

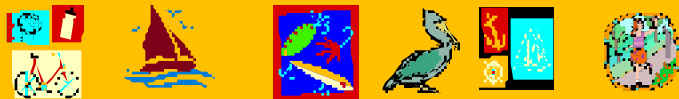
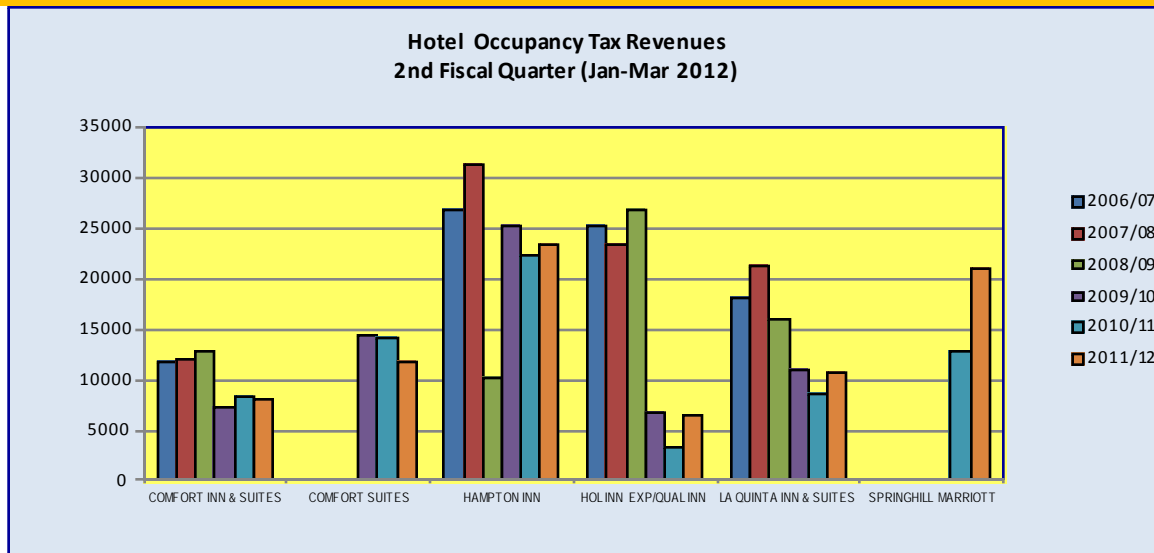


CHART I

HOTEL TAX REVENUE ANALYSIS



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

*Comfort Suites-Bayport Blvd. opened 2008/09

** Springhill Marriott opened last quarter 2010



CHART J

SALES TAX REVENUE ANALYSIS

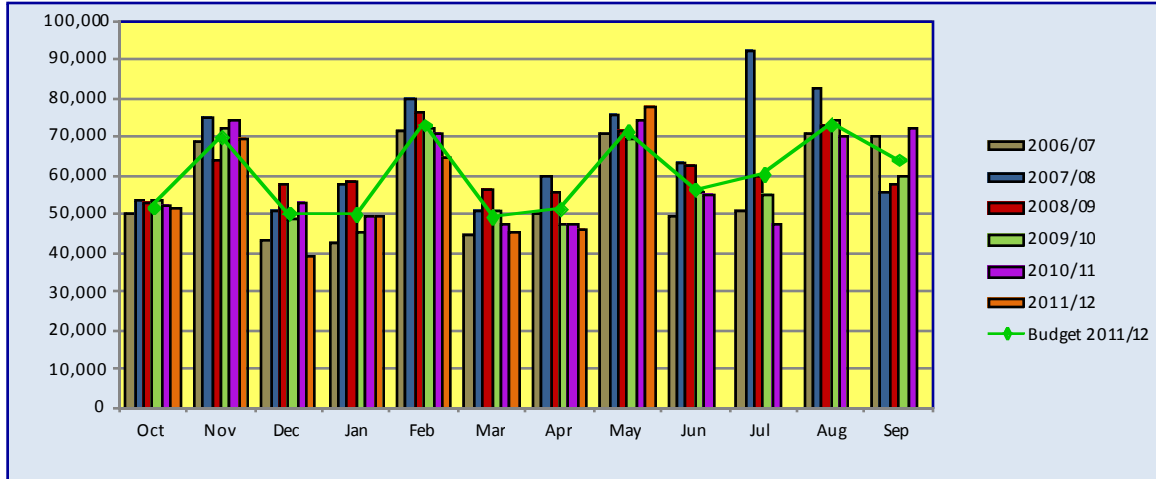
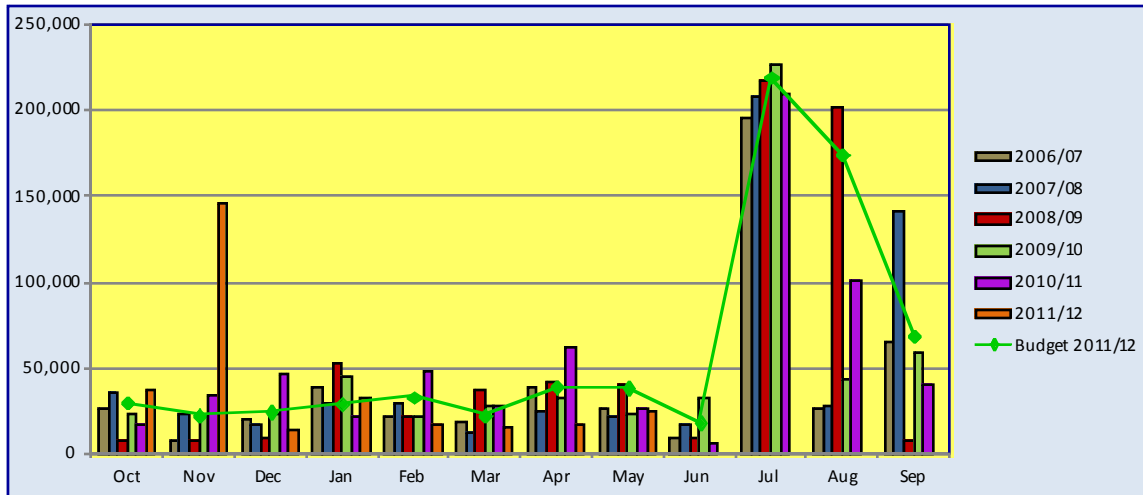


CHART K

EXPENDITURE ANALYSIS



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

CRIME DISTRICT



CHART L

SALES TAX REVENUE ANALYSIS

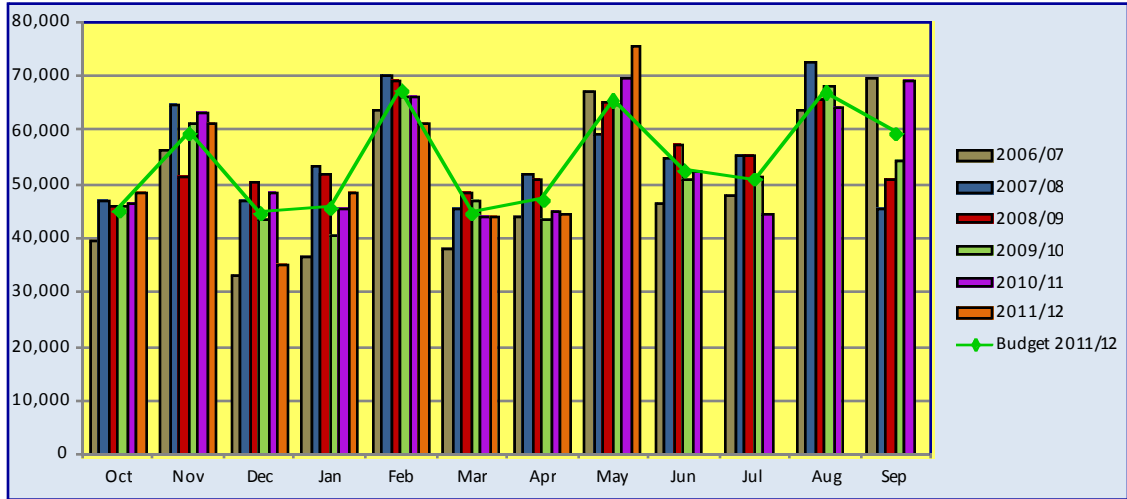
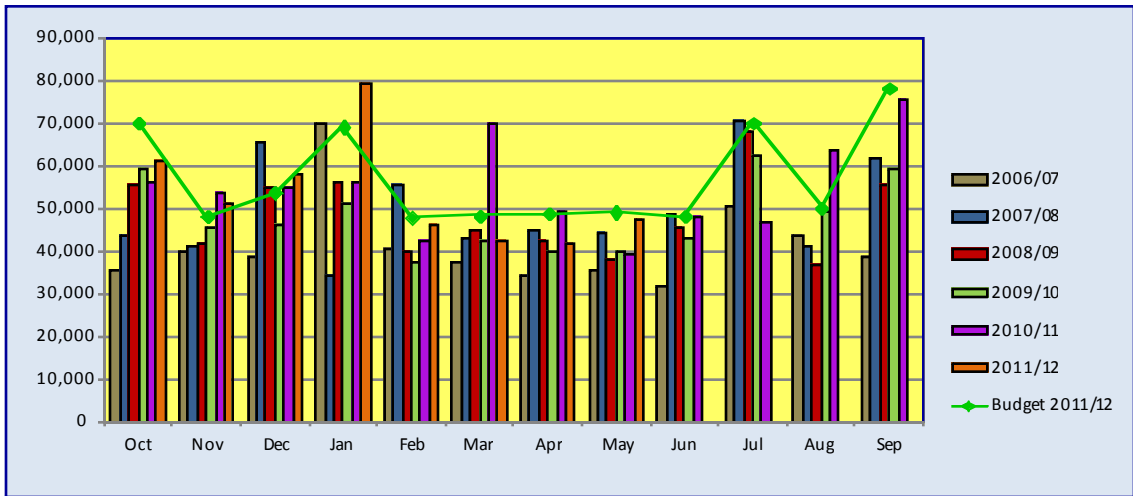


CHART M

EXPENDITURE ANALYSIS



INVESTMENTS



CHART N

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF MAY 2012
0.1246%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted May)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	4,256,943.87	(80,967.42)	450.04	4,176,426.49	Working capital
ENTERPRISE FUND - UNRESTRIC	3,333,236.96	(298,948.18)	356.90	3,034,645.68	Working capital
ENTERPRISE FUND - RESTRICTEI	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	2,307,523.05	0.00	244.16	2,307,767.21	Water & sewer lines extensions & expansions
PARK FEES	15,691.78	0.00	1.66	15,693.44	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,101.95	0.00	1.60	15,103.55	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	115,573.85	(5,838.50)	12.21	109,747.56	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	762,369.26	4,514.57	80.82	766,964.65	Restricted for promotion of tourism
DEBT SERVICE FUND	2,671,196.08	23,238.98	282.73	2,694,717.79	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	381,409.98	0.00	40.36	381,450.34	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	815,330.59	0.00	86.27	815,416.86	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	128,947.84	0.00	13.64	128,961.48	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	22,889.15	0.00	2.42	22,891.57	Funds transferred from Bond Mkt Acct to allow liquidity
LAKESIDE DRIVE CERT DEP	416,045.02	(3,848.37)	43.90	412,240.55	
CRIME DISTRICT	138,838.58	(4,731.72)	14.19	134,121.05	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,790,183.22	66,580.64	236.43	1,857,000.29	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	130,247.44	0.00	13.78	130,261.22	
PUBLIC SAFETY	65,051.04	0.00	6.88	65,057.92	
MUNI COURT - SECURITY FUND	31,110.42	0.00	3.29	31,113.71	Funds from fines to be used for security
COURT - TIME PAYMENT FEES	10,018.49	0.00	1.06	10,019.55	Funds from fines to be used to improve court
MUNI COURT - TECHNOLOGY FUNI	6,471.30	0.00	0.68	6,471.98	
STABILIZATION FUND	800,073.01	0.00	84.66	800,157.67	
TOTAL TEXPOOL FUND	18,918,007.88	(300,000.00)	1,977.68	\$18,619,985.56	

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 May 2012:

TEXPOOL

- City of Simonton

TEXPOOL PRIME

- Silsbee ISD

Upcoming Events

06/14/12 – 06/15/12
TASBO Summer Conference, Allen
06/20/12 – 06/22/12
TACCBO Conference, Horseshoe Bay
07/19/12 – 07/21/12
AWBD Conference, San Antonio

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 Safeguarding Trust Company.

Additional information regarding TexPool is available upon request:

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

Federated.

Federated, founded in 1955, is a S&P 500 company that is publicly traded on the NYSE. It is one of the largest managers of AAA-rated money market portfolios in the country (Source: *MoneyNet* as of 2/29/12).

Visit us at FederatedInvestors.com.

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Monthly Newsletter June 2012

Economic and Market Commentary

Month in Cash: Calm seas are good, but some more wind would be nice

June 1, 2012

Rates continued to remain steady throughout May, with few developments likely in the immediate future that could change that outlook. Overnight repo and federal fund rates have been holding in at the mid-teens, a positive sign, and the Treasury curve remains positively sloped. London interbank offered rates (Libor) have remained virtually unchanged for another month, with three- and six-month steady at 0.47% and 0.74% respectively; and one-year Libor remaining at 1.07%. The Federal Reserve also continues in a holding pattern. Fed Chairman Ben Bernanke and Federal Open Market Committee members have indicated we should not expect to see a third round of quantitative easing in our immediate future, but they also won't rule out additional easing should the situation warrant further action.

The domestic economy continues to develop nicely, but without enough growth that we should worry about inflation. Bottom line: The end of low rates is not in sight. Of course, savers and some investors would love to see some positive news on this front, but it's just more of the same. The month brought a mix of economic indicators. Early on, we saw indications 2012 might not experience the same cyclical summer growth problem seen in each of the last two years. The Labor Department reported the jobs openings rate picked up to 2.7% in March, the highest level since July 2008, as all major private industries posted gains. The National Federation of Independent Business Optimism Index rose in April by the most in 18 months, matching its level of February 2011, the highest since the start of the last recession. Availability of loans and expected credit conditions rose to their best levels since the first half of 2008. Sales of existing homes were up 3.40% and new home sales up 3.30%. While both measures were near two-year highs in each index, some of the underlying data, such as the percentage of sales that were distressed and the amount of supply in the market, were not so positive. Durable goods orders also ticked up, but only by 0.20%, an indication that the manufacturing sector might be showing some additional loss of momentum from April to May.

TexPool assets remained steady over the month. The pools saw a seasonal increase in assets at the beginning of the year, and expect to see the typical outflow towards the end of the third quarter. But given the largely unchanged nature of rates and markets, there's been little rationale for adjusting investment strategy in the pools.

Clouds over Europe?

Looking overseas, Greece is on a lot of minds right now and getting a good deal of press. The May elections didn't resolve any issues, and in fact left the country at a political stalemate, with

(continued page 6)

PERFORMANCE as of May 31, 2012

	TexPool	TexPool Prime
Current Invested Balance	\$15,591,382,233.42	\$1,149,229,160.30
Weighted Average Maturity (1)*	41 Days	45 Days
Weighted Average Maturity (2)*	81 Days	45 Days
Net Asset Value	1.00007	1.00004
Total Number of Participants	2,265	145
Management Fee on Invested Balance	0.0473%	0.0630%
Interest Distributed	\$1,695,141.22	\$148,385.27
Management Fee Collected	\$644,090.03	\$65,154.97
Standard & Poor's Current Rating	AAAm	AAAm

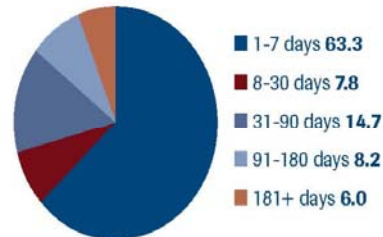
Month Averages

Average Invested Balance	\$16,054,852,328.81	\$1,201,697,224.44
Average Monthly Yield, on a simple basis (3)*	0.12%	0.15%
Average Weighted Average Maturity (1)*	42 Days	47 Days
Average Weighted Average Maturity (2)*	81 Days	48 Days

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

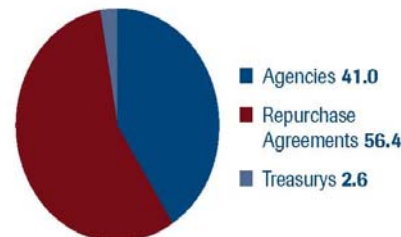
Portfolio by Maturity (%)

As of May 31, 2012



Portfolio by Type of Investment (%)

As of May 31, 2012



PORTFOLIO ASSET SUMMARY AS OF May 31, 2012

	Book Value	Market Value
Uninvested Balance	\$781.40	\$781.40
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	8,435,159.60	8,435,159.60
Interest and Management Fees Payable	-1,694,907.80	-1,694,907.80
Payable for Investments Purchased	-50,000,000.00	-50,000,000.00
Repurchase Agreements	8,828,049,000.00	8,828,029,150.00
Mutual Fund Investments	0.00	0.00
Government Securities	6,405,855,754.65	6,406,926,401.58
US Treasury Bills	0.00	0.00
US Treasury Notes	400,736,525.57	400,744,150.00
Total	\$15,591,382,233.42	\$15,592,440,654.78

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	\$5,420,933,584.18
Higher Education	56	\$1,693,259,457.97
Healthcare	79	\$324,486,414.25
Utility District	693	\$1,572,731,639.82
City	440	\$4,185,008,557.37
County	171	\$1,317,089,590.70
Other	257	\$1,077,379,069.15

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

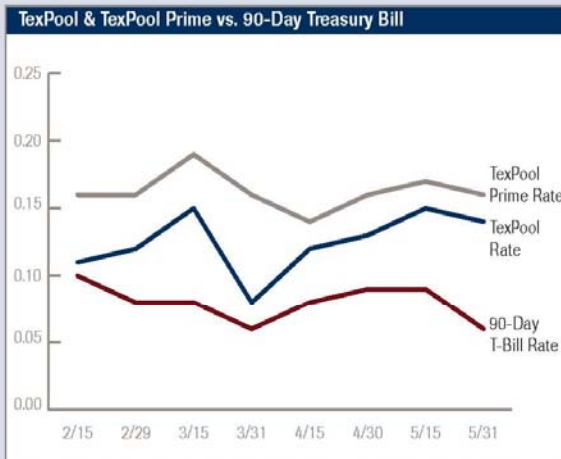
DAILY SUMMARY						
Date	Money Mkt. Fund Equiv. (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
05/01	0.1268%	0.000003473	\$16,439,320,009.99	1.00007	37	76
05/02	0.1067%	0.000002924	\$16,426,598,758.72	1.00008	37	76
05/03	0.1118%	0.000003062	\$16,360,583,701.94	1.00008	39	77
05/04	0.1210%	0.000003315	\$16,309,971,555.05	1.00008	41	79
05/05	0.1210%	0.000003315	\$16,309,971,555.05	1.00008	41	79
05/06	0.1210%	0.000003315	\$16,309,971,555.05	1.00008	41	79
05/07	0.1150%	0.000003150	\$16,248,718,173.72	1.00008	39	77
05/08	0.1143%	0.000003132	\$16,238,473,842.73	1.00008	38	76
05/09	0.1123%	0.000003078	\$16,187,710,098.76	1.00008	42	81
05/10	0.1198%	0.000003283	\$16,147,673,961.58	1.00007	42	80
05/11	0.1195%	0.000003273	\$16,220,246,023.09	1.00007	43	81
05/12	0.1195%	0.000003273	\$16,220,246,023.09	1.00007	43	81
05/13	0.1195%	0.000003273	\$16,220,246,023.09	1.00007	43	81
05/14	0.1377%	0.000003772	\$16,125,139,646.92	1.00006	44	82
05/15	0.1467%	0.000004019	\$15,948,925,211.05	1.00006	45	84
05/16	0.1293%	0.000003514	\$15,899,312,197.46	1.00005	45	83
05/17	0.1340%	0.000003672	\$15,957,545,415.55	1.00005	45	84
05/18	0.1370%	0.000003753	\$15,959,166,554.84	1.00006	46	85
05/19	0.1370%	0.000003753	\$15,959,166,554.84	1.00006	46	85
05/20	0.1370%	0.000003753	\$15,959,166,554.84	1.00006	46	85
05/21	0.1268%	0.000003473	\$15,909,213,815.52	1.00006	44	83
05/22	0.1201%	0.000003291	\$15,936,214,185.12	1.00005	43	82
05/23	0.1083%	0.000002966	\$15,929,873,016.36	1.00006	43	82
05/24	0.1133%	0.000003104	\$15,848,572,668.89	1.00004	43	82
05/25	0.1312%	0.000003595	\$15,889,096,405.23	1.00007	44	82
05/26	0.1312%	0.000003595	\$15,889,096,405.23	1.00007	44	82
05/27	0.1312%	0.000003595	\$15,889,096,405.23	1.00007	44	82
05/28	0.1312%	0.000003595	\$15,889,096,405.23	1.00007	44	82
05/29	0.1279%	0.000003503	\$15,783,427,834.35	1.00006	41	81
05/30	0.1129%	0.000003094	\$15,697,199,301.28	1.00006	41	81
05/31	0.1423%	0.000003898	\$15,591,382,233.42	1.00007	41	81
Average	0.1246%	0.000003413	\$16,054,852,328.81	1.00007	42	81

TEXPOOL

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

(continued from page 1)

neither the pro-austerity or anti-bailout sides able to form a government. There will be another election in mid-June, where a new government could be formed, or it could just mean reelection of the same players, leading to additional lack of progress. While there's a lot of "noise" in the marketplace right now over Europe, with this ongoing Greek drama and Moody's Investors Service's decision to downgrade the ratings of 16 Spanish and 26 Italian banks, these concerns aren't directly applicable to TexPool or TexPool Prime. They're always worth noting, however, because of the potential for European financial troubles to cross over into other regions.



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.

