THE CITY OF SEABROOK TEXAS

MONTHLY FINANCIAL REPORT

PERFORMANCE SUMMARY

February 2010

	Current Month	Year to Date	Chart
GENERAL FUND			
Total Revenues	N/A	NEGATIVE	A
Total Expenditures	N/A	NEGATIVE	B
Property Tax Collection Analysis	NEGATIVE	NEGATIVE	C
Sales Tax Collection Analysis	NEGATIVE	NEGATIVE	D
Expenditure Analysis	NEGATIVE	NEGATIVE	E
ENTERPRISE FUND			
Water Billing Analysis	POSITIVE	NEGATIVE	F
Sewer Billing Analysis	POSITIVE	POSITIVE	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	NEGATIVE	NEGATIVE	L
Expenditure Analysis	POSITIVE	POSITIVE	M
INVESTMENTS			
Investment Report	N/A	N/A	N

PERFORMANCE INDICATORS:

POSITIVE	Positive = Positive variance as compared to seasonal trend.
NEGATIVE	Negative = Negative variance as compared to seasonal trend.

GENERAL FUND

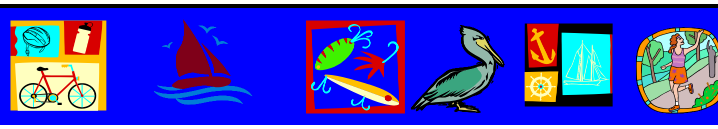


CHART A

TOTAL REVENUE THROUGH FEBRUARY 28, 2010

	Budget	YTD Revenue	% of Budget Collected	Prior YTD % of Total Collected	
Ad Valorem Taxes	3,798,381	3,391,654	89.29%	89.55%	
Penalities & Interest	60,000	10,611	17.68%	36.06%	
Sales Tax	1,575,000	584,255	37.10%	41.54%	
Franchise Tax	710,000	322,257	45.39%	44.93%	
Other Tax	110,000	21,579	19.62%	19.39%	
License & Permits	300,000	105,732	35.24%	41.68%	
Charges for Services	37,407	11,245	30.06%	36.74%	
DOT Fines	143,300	31,567	22.03%	17.70%	
Other Municipal Court Fees	277,000	127,071	45.87%	40.53%	
Interest Income	23,573	1,632	6.92%	53.16%	
Intergovernmental	382,147	145,885	38.17%	30.42%	*** excludes FEMA reimbursements**
Other Revenue	65,000	43,391	66.76%	26.80%	
Transfers from Enterprise Fund	1,447,381	603,075	41.67%	41.67%	
Payment for Services-EDC	30,000	10,890	36.30%	25.00%	
Total Revenues	8,959,189	5,410,844	60.39%	61.28%	

CHART B

TOTAL EXPENDITURES THROUGH FEBRUARY 28, 2010

	Budget	YTD Expenditures *	% of Budget Expended	Prior YTD % of Total Expended **
Personnel	5,983,554	2,486,051	41.55%	41.63%
Supplies	353,445	93,440	26.44%	21.53%
Services	2,491,362	1,089,253	43.72%	39.43%
Capital	130,828	224,642	171.71%	15.12%
Total Expenditures	8,959,189	3,893,387	43.46%	39.73%

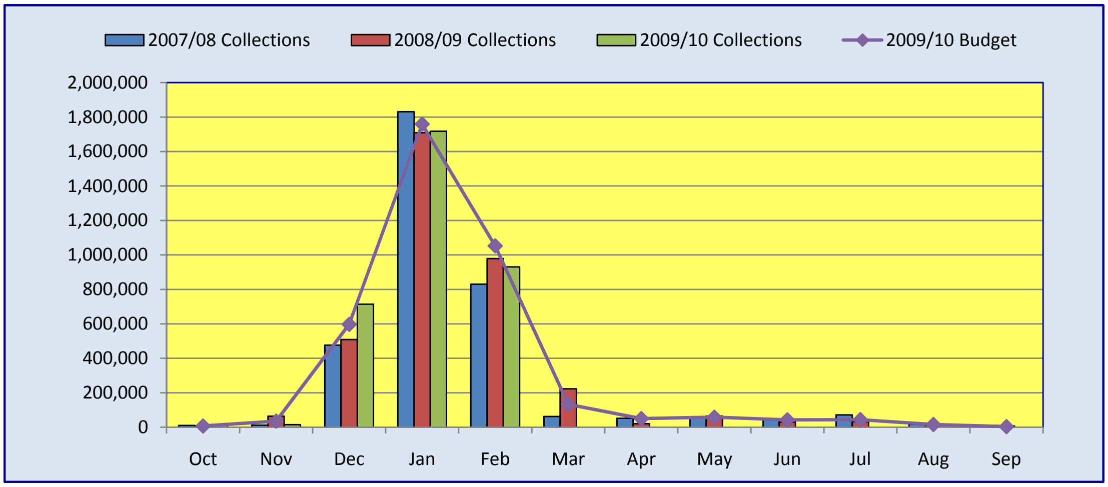
* YTD capital includes generator purchases for grant

** prior year does NOT include IKE expenditures

GENERAL FUND-continued

CHART C

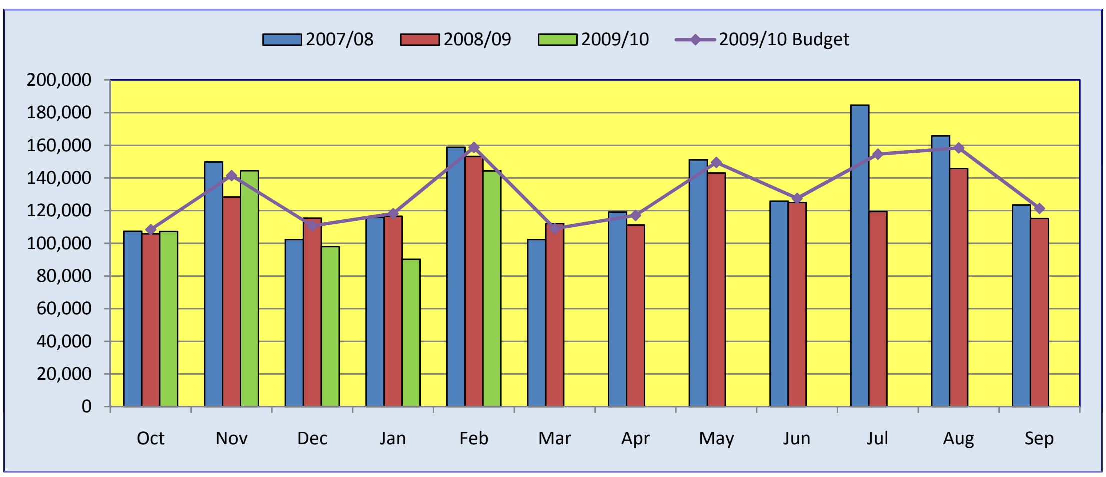
PROPERTY TAX ANALYSIS



2009/10 Budget is divided into months based on the monthly percentages of the last 5 years' collections.

CHART D

SALES TAX ANALYSIS

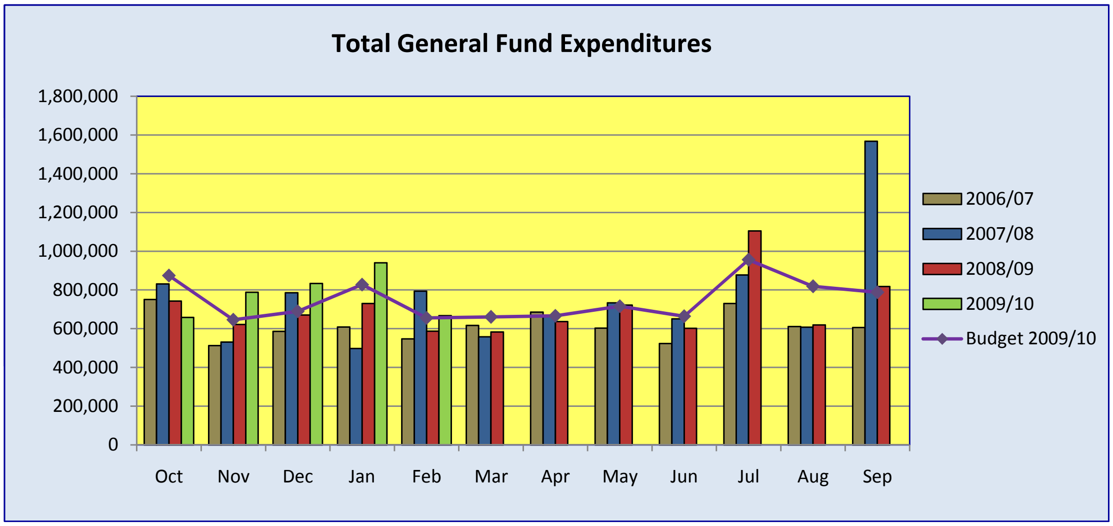


2009/10 Budget is divided into months based on the monthly percentages of the last 5 years' activity of sales tax revenue.

GENERAL FUND-continued

CHART E

EXPENDITURE ANALYSIS



High expenditures beginning September 2008 a result of Hurricane Ike. Low expenditures in March 2009 due to large insurance reimbursement for Ike.

ENTERPRISE FUND

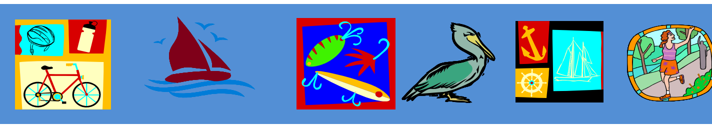
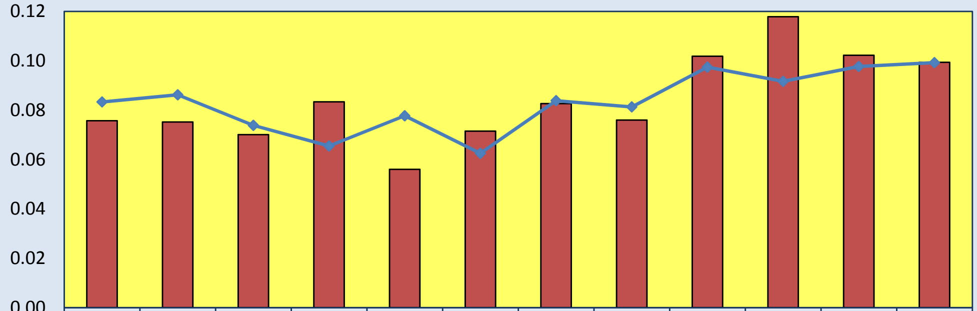


CHART F

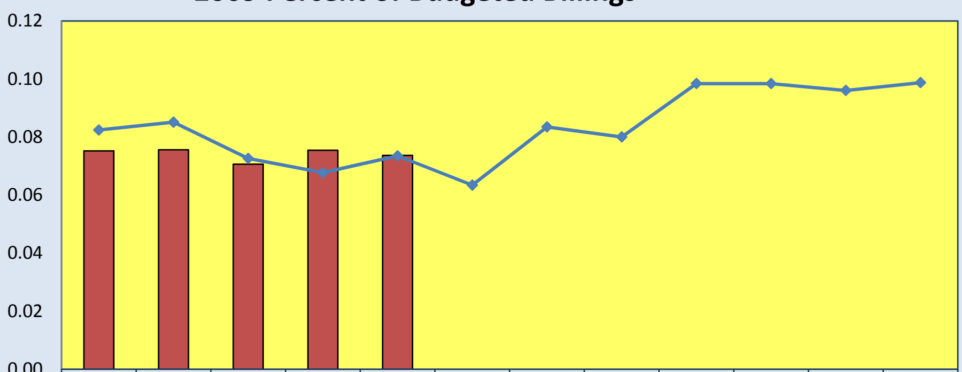
WATER BILLING ANALYSIS

Average Percent of Water Billings by Month vs. 2008 Percent of Budgeted Billings



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2008	0.075676	0.075164	0.070075	0.083356	0.055992	0.071462	0.08263	0.07593	0.101823	0.117813	0.102231	0.099359
Average	0.083312	0.086206	0.073819	0.065451	0.077687	0.062474	0.083825	0.081296	0.097408	0.09162	0.097682	0.099219

Average Percent of Water Billings by Month vs. 2009 Percent of Budgeted Billings



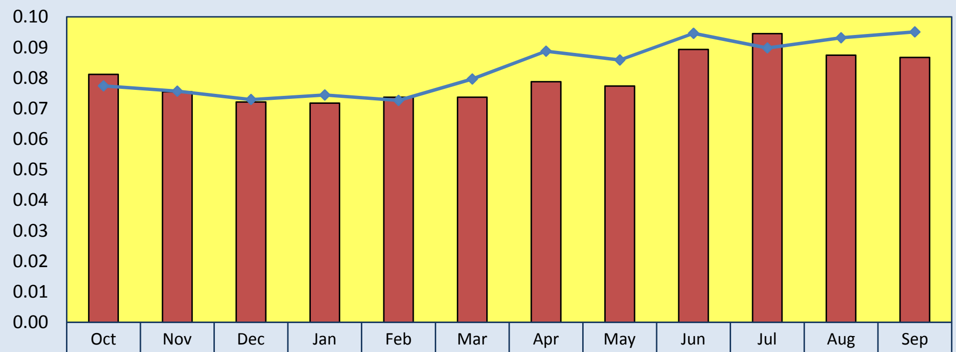
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2009	0.075233	0.075603	0.070635	0.075425	0.073687	0	0	0	0	0	0	0
Average	0.08241	0.085109	0.072632	0.067726	0.073493	0.063444	0.083494	0.080036	0.098429	0.098413	0.096061	0.098753

ENTERPRISE FUND-continued

CHART G

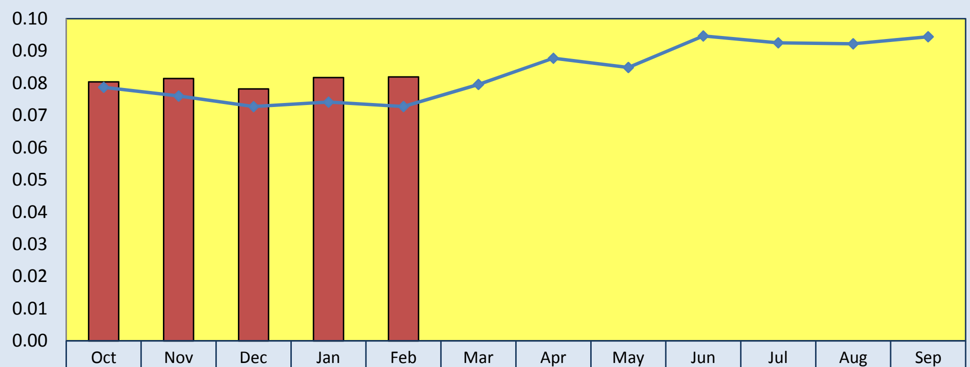
WASTEWATER BILLING ANALYSIS

Average Percent of Wastewater Billings by Month vs. 2008 Percent of Budgeted Billings



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2008	0.081197	0.075481	0.072115	0.071754	0.073683	0.073672	0.078771	0.077369	0.089335	0.094523	0.087452	0.086698
Average	0.077399	0.07567	0.072926	0.074413	0.072638	0.079642	0.088765	0.085886	0.094606	0.08982	0.09316	0.095076

Average Percent of Wastewater Billings by Month vs. 2009 Percent of Budgeted Billings

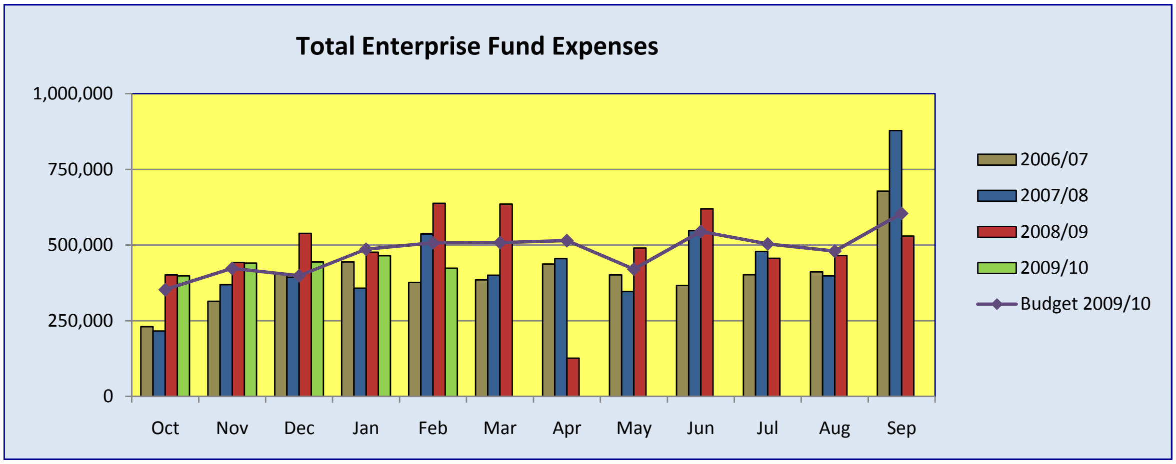


	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
2009	0.080359	0.081426	0.07819	0.081707	0.081889	0	0	0	0	0	0	0
Average	0.078696	0.075989	0.072711	0.074104	0.072731	0.079596	0.087695	0.084852	0.094598	0.09249	0.092168	0.094369

ENTERPRISE FUND-continued

CHART H

EXPENDITURE ANALYSIS



HOTEL TAX FUND

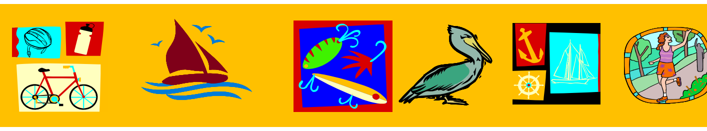
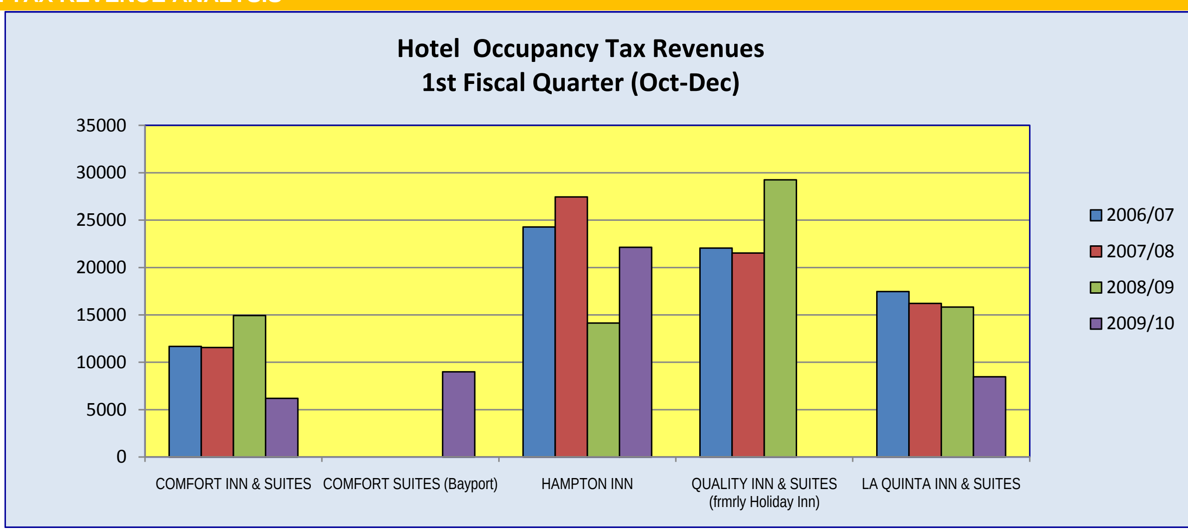


CHART I

HOTEL TAX REVENUE ANALYSIS



Hotel occupancy tax is paid quarterly. The City will receive payments for the 1st quarter of 2009/10 in January 2010.

SEABROOK EDC

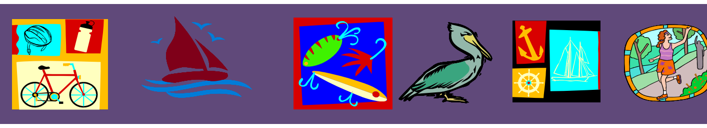
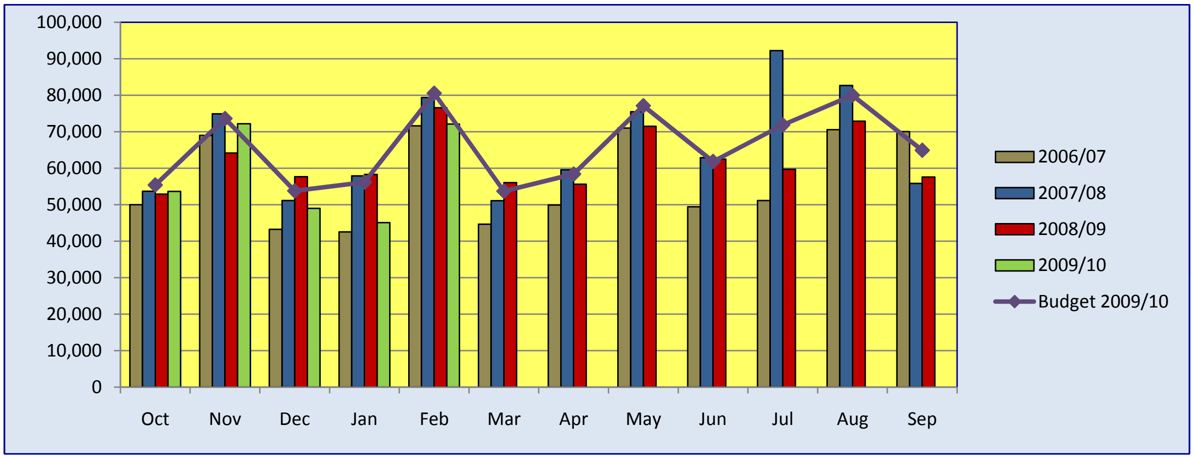


CHART J

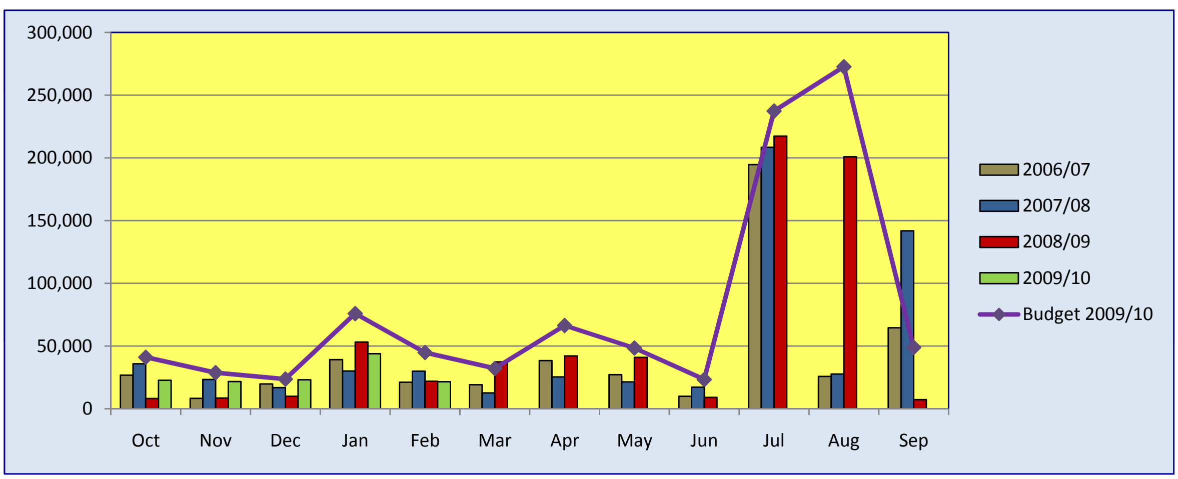
SALES TAX REVENUE ANALYSIS



Increased revenues in January due to budgeted repayment of loan

CHART K

EXPENDITURE ANALYSIS



CRIME DISTRICT

CHART L

SALES TAX REVENUE ANALYSIS

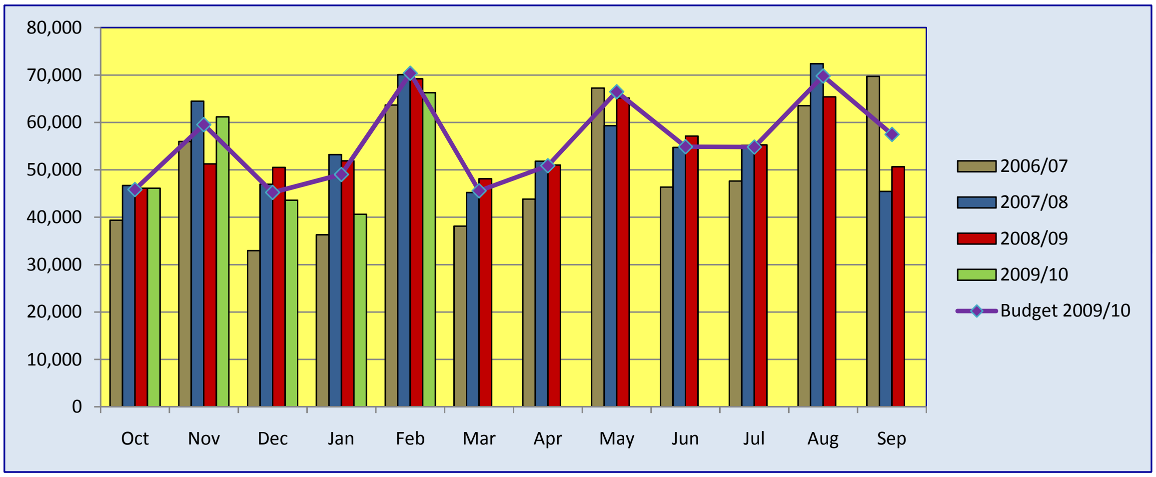
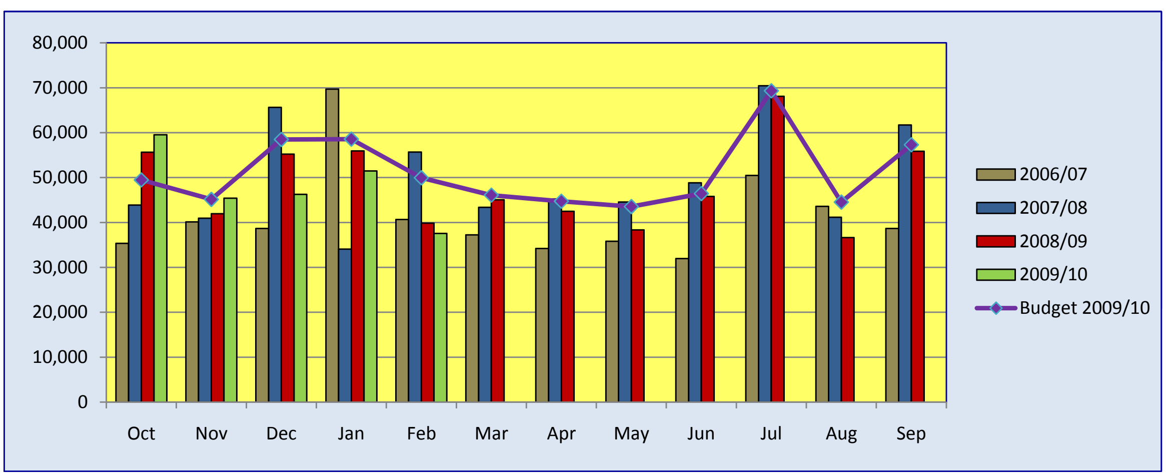


CHART M

EXPENDITURE ANALYSIS



INVESTMENTS

CHART N

MONTHLY INVESTMENT REPORT

TEXPOOL REPORT

MONTH OF FEBRUARY 2010
AVG RATE .1512%

	BEGINNING BALANCE	TRANSFER IN/(OUT)	INT EARNED (Posted Feb)	ENDING BALANCE	PURPOSE OF FUND
GENERAL FUND - UNRESTRICTED	2,856,565.13	1,276,931.83	388.18	4,133,885.14	Working capital
ENTERPRISE FUND - UNRESTRICT	2,298,270.07	(20,615.08)	289.14	2,277,944.13	Working capital
ENTERPRISE FUND - RESTRICTED	300,000.00	0.00	incl in above	300,000.00	Customer liability
CAPITAL IMPACT FEES	1,949,978.88	0.00	226.24	1,950,205.12	Water & sewer lines extensions & expansions
PARK FEES	22,143.30	0.00	2.57	22,145.87	Reserved for acquisition & development of park land
CHILD SAFETY PROGRAMS	15,025.89	0.00	1.74	15,027.63	Reserved for Child Safety/School Zones
FEDERAL SEIZURE	80,285.84	0.00	9.31	80,295.15	Criminal Investigation - Federal Funds
HOTEL/MOTEL FUND	625,145.11	15,000.00	72.78	640,217.89	Restricted for promotion of tourism
DEBT SERVICE FUND	2,504,892.30	(391,871.25)	283.99	2,113,305.04	Restricted for General fund reserves & yearly debt service
WTR/SWR BONDS	812,531.00	(150,000.00)	91.73	662,622.73	Funds transferred from Bond Mkt Acct to allow liquidity
FIRE BONDS	1,269,505.83	0.00	147.29	1,269,653.12	Funds transferred from Bond Mkt Acct to allow liquidity
STREET BONDS	143,533.06	0.00	16.65	143,549.71	Funds transferred from Bond Mkt Acct to allow liquidity
PINE GULLY PARK BONDS	364,922.92	(10,000.00)	41.83	354,964.75	Funds transferred from Bond Mkt Acct to allow liquidity
LIBRARY BONDS	821,765.29	(799,000.00)	55.04	22,820.33	Funds transferred from Bond Mkt Acct to allow liquidity
CRIME DISTRICT	137,281.19	15,000.00	16.18	152,297.37	Funds transferred from Bond Mkt Acct to allow liquidity
SEDC II - UNRESTRICTED	1,704,136.64	64,554.50	249.59	1,768,940.73	Seabrook Economic Development Corporation II
SEDC II - RESTRICTED FOR BONDS	223,755.00	0.00	incl in above	223,755.00	SEDC II - Reserve for revenue bond debt service
SEDC II - RESTRICT FOR EMERGENC	180,000.00	0.00	incl in above	180,000.00	Emergency Reserve
MUNI COURT - SECURITY FUND	36,995.75	0.00	4.29	37,000.04	Funds from fines to be used for security
MUNI COURT - TECHNOLOGY FUND	376.50	0.00	0.04	376.54	Funds from fines to be used to improve court
STEP FUND	90,003.76	0.00	10.44	90,014.20	
TOTAL TEXPOOL FUND	16,437,113.46	0.00	1,907.03	$16,439,020.49	

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

THE TEXAS INVESTMENT SERVICE FOR PUBLIC FUNDS March 2010

PERFORMANCE

As of February 26, 2010	***TexPool***	***TexPool Prime***
Current Invested Balance	$20,061,294,477.76	$2,179,269,372.86
Weighted Average Maturity (1)*	41 Days	41 Days
Weighted Average Maturity (2)*	84 Days	49 Days
Net Asset Value	1.00005	1.00003
Total Number of Participants	2,213	113
Management Fee on Invested Balance	0.0473%	0.0638%
Interest Distributed	$2,406,225.33	$300,494.59
Management Fee Collected	$755,923.06	$80,004.07
Standard & Poor's Current Rating	AAAm	AAAm
February Averages		
Average Invested Balance	$20,756,119,244.65	$2,165,481,382.07
Average Monthly Yield, on a simple basis (3)*	0.1512%	0.1814%
Average Weighted Average Maturity (1)*	41 Days	45 Days
Average Weighted Average Maturity (2)*	78 Days	50 Days

**Definitions for Average Weighted Maturity can be found on Page 2.*

Economic and Market Commentary – February 26, 2010

Cash yields finished the month virtually unchanged from January as investors looked to the Federal Reserve for clues about when interest rates would finally begin to rise. In both word and deed, there was much to consider. Early in the month, Fed Chairman Ben Bernanke hinted that the central bank would soon take a tentative (if mostly symbolic) step towards normalizing policy by raising the discount rate, or the price that banks pay for Fed loans. One week later, Bernanke followed through on his pledge, moving the discount rate higher by 25 basis points to 0.75%. Even at that marginally elevated level, however, it is still below the traditional 100 basis point premium over Fed funds, which remained near the middle of the Fed's zero to 0.25% target range. In subsequent testimony to Congress, Bernanke repeated his intention to keep interest rates low for an extended period.

Though an increase in the discount rates does nothing to make cash yields more attractive, we view it as the beginning of a process that eventually will lead to that end. In effect, the virtually free-money policies that have penalized and frustrated savers over the last two years might be compared to speeding in the left lane of a superhighway; the discount rate hike is akin to turning on the right-hand blinker, thus signaling the intention to exit the fast lane — and eventually the highway itself — even though the exit ramp is still an indefinite ways off.

Meanwhile, the Fed is likely to take additional measures of a largely technical nature, including ending its massive purchases of mortgage-backed securities and using assets on its balance sheet as collateral to drain reserves from the banking system through reverse repurchase agreements. The reverse repo program should at least push overnight cash rates towards the upper end of the Fed's super-low target range. Yet with excess capacity remaining in domestic labor and product markets, policymakers have latitude to wait before raising the funds rate, which serves as the basis for yields on cash equivalents. In fact, core consumer prices fell in January for the first time since 1982, and U.S. economic growth appeared to weaken markedly amid poor weather in February.

With no significant or lasting changes in the yield curve — three, six and 12-month Libor finished the month at 0.23%, 0.39%, and 0.84%, respectively — we concentrated new positions in floating rate paper and securities maturing within six months. However, we also moved to lock-in the slightly higher yields that became available on longer-dated securities when the economic outlook brightened temporarily around the middle of the month. On balance, we believe the prudent course at this nascent stage of the economic recovery is to nibble opportunistically across the yield curve in response to market reactions to the daily flow of economic data and Fed activity.

ANNOUNCEMENTS

New Participants

We would like to recognize and welcome the following entities who joined the TexPool/TexPool Prime program in February, 2010:

1. City of Tomball (TexPool Prime)
2. Dallas County Park Cities MUD

Holiday Closings

In observance of Good Friday, TexPool will be closed on Friday, April 2, 2010. All ACH transactions placed on Thursday, April 1st, will settle on Monday, April 5th. Any transactions placed on Friday, April 2nd will be given a transaction date of Monday, April 5, 2010. Please plan accordingly for you liquidity needs.

Upcoming Events

04/11/10 – 04/13/10 GFOAT Spring Conference Austin

Operations Announcements:

Vendor Bill Payment

Did you know you can now make payments directly to your vendors without completing a Special Wire Instruction Form? By adding Vendor Payment Instructions to your account, TexConnect now allows you to enter the invoice information when placing your transaction.

Contact the TexPool Operations Team to learn more. Call Participant Services at 866-839-7665 and ask to speak to Operations.

TexConnect Enhancement

Accrued Interest is now available on TexConnect! TexPool has added your month to date accrued interest to the Transaction and Portfolio Inquiry screens. More information will be available to you soon.

TexPool

PORTFOLIO ASSET SUMMARY AS OF FEBRUARY 26, 2010

	Book Value	*Market Value*
Uninvested Balance	$5,563,984.39	$5,563,984.39
Receivable for Investments Sold	0.00	0.00
Accrual of Interest Income	14,109,636.36	14,109,636.36
Interest and Management Fees Payable	(2,405,965.63)	(2,405,965.63)
Payable for Investments Purchased	(190,000,000.00)	(190,000,000.00)
Repurchase Agreements	11,935,659,000.00	11,935,381,800.00
Mutual Fund Investments	0.00	0.00
Government Securities	7,796,508,829.59	7,797,454,715.71
U.S. Treasury Bills	339,858,993.05	339,976,540.00
U.S. Treasury Notes	162,000,000.00	162,000,000.00
Total	**$20,061,294,477.76**	**$20,062,080,710.83**

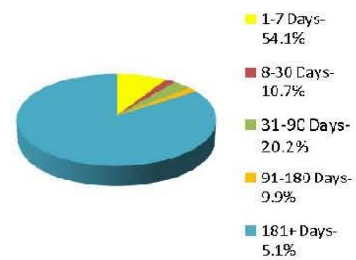
Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investors and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool. The only source of payment to the Participants 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.

DAILY SUMMARY

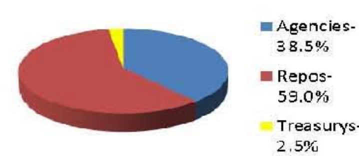
Date	*Money Mkt Fund Equiv (SEC Std.)*	*Daily Allocation Factor*	*TexPool Invested Balance*	*Market Value Per Share*	*WAM Days (1)*	*WAM Days (2)*
02/01	0.1715%	0.000004699	$20,138,240,356.88	1.00009	38	64
02/02	0.1594%	0.000004368	$20,581,567,322.11	1.00010	41	72
02/03	0.1598%	0.000004377	$20,809,371,585.98	1.00009	43	79
02/04	0.1567%	0.000004294	$21,245,173,780.35	1.00008	41	77
02/05	0.1410%	0.000003864	$21,294,638,903.26	1.00007	42	77
02/06	0.1410%	0.000003864	$21,294,638,903.26	1.00007	42	77
02/07	0.1410%	0.000003864	$21,294,638,903.26	1.00007	42	77
02/08	0.1479%	0.000004053	$21,420,897,105.40	1.00007	41	76
02/09	0.1445%	0.000003960	$21,494,925,729.91	1.00006	40	75
02/10	0.1360%	0.000003725	$21,544,760,818.30	1.00007	40	75
02/11	0.1403%	0.000003844	$21,196,370,743.66	1.00007	40	75
02/12	0.1484%	0.000004065	$20,645,320,482.02	1.00007	43	79
02/13	0.1484%	0.000004065	$20,645,320,482.02	1.00007	43	79
02/14	0.1484%	0.000004065	$20,645,320,482.02	1.00007	43	79
02/15	0.1484%	0.000004065	$20,645,320,482.02	1.00007	43	79
02/16	0.1610%	0.000004412	$20,520,987,081.61	1.00006	38	76
02/17	0.1590%	0.000004357	$20,753,913,796.97	1.00005	37	74
02/18	0.1520%	0.000004164	$20,762,905,769.21	1.00005	37	74
02/19	0.1600%	0.000004383	$20,674,543,852.81	1.00006	45	80
02/20	0.1600%	0.000004383	$20,674,543,852.81	1.00006	45	80
02/21	0.1600%	0.000004383	$20,674,543,852.81	1.00006	45	80
02/22	0.1592%	0.000004361	$20,631,593,769.28	1.00005	41	78
02/23	0.1463%	0.000004007	$20,569,219,251.06	1.00005	41	84
02/24	0.1274%	0.000003491	$20,503,339,158.38	1.00005	40	84
02/25	0.1594%	0.000004367	$20,325,358,951.54	1.00005	40	84
02/26	0.1526%	0.000004180	$20,061,294,477.76	1.00005	41	84
02/27	0.1526%	0.000004180	$20,061,294,477.76	1.00005	41	84
02/28	0.1526%	0.000004180	$20,061,294,477.76	1.00005	41	84
Averages	0.1512%	0.000004144	$20,756,119,244.65		41	78

	Number of Participants	*Balance*
School District	556	$7,632,189,018.44
Higher Education	53	$2,437,320,579.96
Health Care	83	$704,783,272.77
Utility District	680	$1,976,609,452.88
City	432	$5,078,157,193.38
County	173	$1,836,846,392.26
Other	236	$394,858,231.13

Portfolio By Maturity
As of February 26, 2010



Portfolio By Type of Investment
As of February 26, 2010



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

*(1) This weighted average maturity calculation uses the SEC Rule 2A-7 definition for stated maturity for any floating rate instrument held in the portfolio to determine the weighted average maturity for the pool. This rule specifies that a variable rate instrument to be paid in 397 calendar days or less shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate.

*(2) This weighted average maturity calculation uses the final maturity of any floating rate instruments held in the portfolio to calculate the weighted average maturity for the pool.

TexPool *Prime*

PORTFOLIO ASSET SUMMARY AS OF FEBRUARY 26, 2010

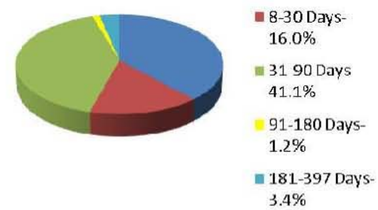
	Book Value	Market Value
Uninvested Balance	$938.33	$938.33
Accrual of Interest Income	644,848.39	644,848.39
Interest and Management Fees Payable	(298,678.62)	(298,678.62)
Payable for Investments Purchased	0.00	0.00
Repurchase Agreements	544,801,000.00	544,801,000.00
Mutual Fund Investments	0.00	0.00
Government Securities	329,175,203.65	329,271,507.80
Commercial Paper	1,304,946,061.11	1,304,910,738.99
Bank Instruments	0.00	0.00
Variable Rate Note	0.00	0.00
Total	**$2,179,269,372.86**	**$2,179,330,354.89**

Market value of collateral supporting the Repurchase Agreements is at least 102% of the Book Value. The portfolio is managed by Federated Investors and the assets are safe kept in a separate custodial account at State Street Bank in the name of TexPool *Prime*. The assets of TexPool *Prime* are the only source of payments to the Participants. 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.

DAILY SUMMARY

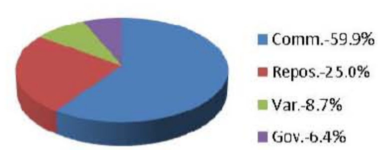
Date	Money Mkt Fund Equiv (SEC Std.)	Daily Allocation Factor	TexPool Invested Balance	Market Value Per Share	WAM Days (1)	WAM Days (2)
02/01	0.1986%	0.000005442	$1,977,382,472.21	1.00006	49	53
02/02	0.1935%	0.000005300	$2,031,644,763.93	1.00005	47	51
02/03	0.1918%	0.000005256	$2,038,184,413.37	1.00005	48	52
02/04	0.1862%	0.000005100	$2,124,699,228.99	1.00005	45	49
02/05	0.1665%	0.000004563	$2,153,924,720.96	1.00005	46	50
02/06	0.1665%	0.000004563	$2,153,924,720.96	1.00005	46	50
02/07	0.1665%	0.000004563	$2,153,924,720.96	1.00005	46	50
02/08	0.1825%	0.000005000	$2,166,773,911.43	1.00005	44	48
02/09	0.1682%	0.000004608	$2,193,557,701.39	1.00004	43	47
02/10	0.1706%	0.000004673	$2,206,094,123.33	1.00003	49	53
02/11	0.1714%	0.000004696	$2,190,269,205.62	1.00002	49	52
02/12	0.1826%	0.000005003	$2,179,501,646.07	1.00003	50	53
02/13	0.1826%	0.000005003	$2,179,501,646.07	1.00003	50	53
02/14	0.1826%	0.000005003	$2,179,501,646.07	1.00003	50	53
02/15	0.1826%	0.000005003	$2,179,501,646.07	1.00003	50	53
02/16	0.1898%	0.000005200	$2,108,024,316.26	1.00005	45	51
02/17	0.1923%	0.000005268	$2,059,995,789.86	1.00004	45	52
02/18	0.1844%	0.000005053	$2,243,924,749.12	1.00004	41	47
02/19	0.1891%	0.000005181	$2,229,158,745.52	1.00002	42	45
02/20	0.1891%	0.000005181	$2,229,158,745.52	1.00002	42	45
02/21	0.1891%	0.000005181	$2,229,158,745.52	1.00002	42	45
02/22	0.1867%	0.000005115	$2,229,946,359.31	1.00003	42	45
02/23	0.1813%	0.000004968	$2,219,885,520.46	1.00004	42	50
02/24	0.1574%	0.000004313	$2,241,798,594.67	1.00004	42	49
02/25	0.1917%	0.000005252	$2,196,232,445.64	1.00005	44	52
02/26	0.1781%	0.000004879	$2,179,269,372.86	1.00003	41	49
02/27	0.1781%	0.000004879	$2,179,269,372.86	1.00003	41	49
02/28	0.1781%	0.000004879	$2,179,269,372.86	1.00003	41	49
Averages	0.1814%	0.000004969	$2,165,481,382.07		45	50

Portfolio By Maturity
As of February 26, 2010



	Number of Participants	Balance
School District	61	$1,646,288,328.61
Higher Education	6	$141,470,255.10
Health Care	6	$43,564,217.55
Utility District	3	$12,450,588.14
City	18	$83,783,516.72
County	13	$251,661,553.60
Other	6	$50,811.84

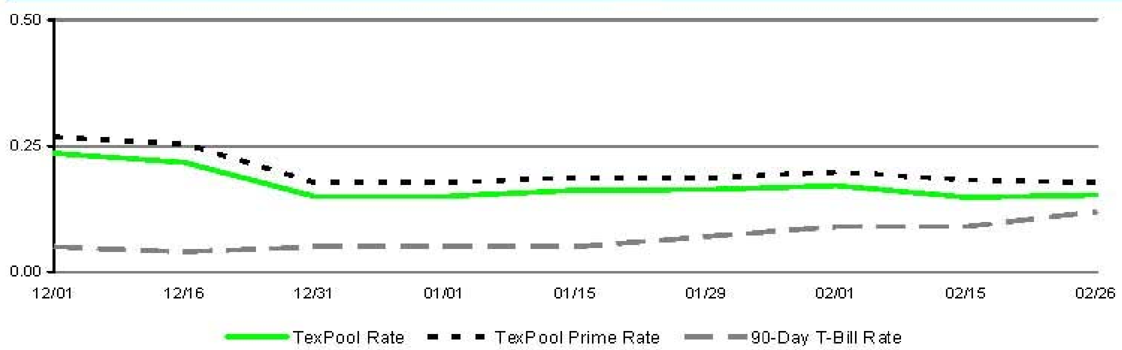
Portfolio By Type of Investment
As of February 26, 2010



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

TEXPOOL & TEXPOOL PRIME VS. 90-DAY TREASURY BILL



Additional information regarding TexPool is available upon request:

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