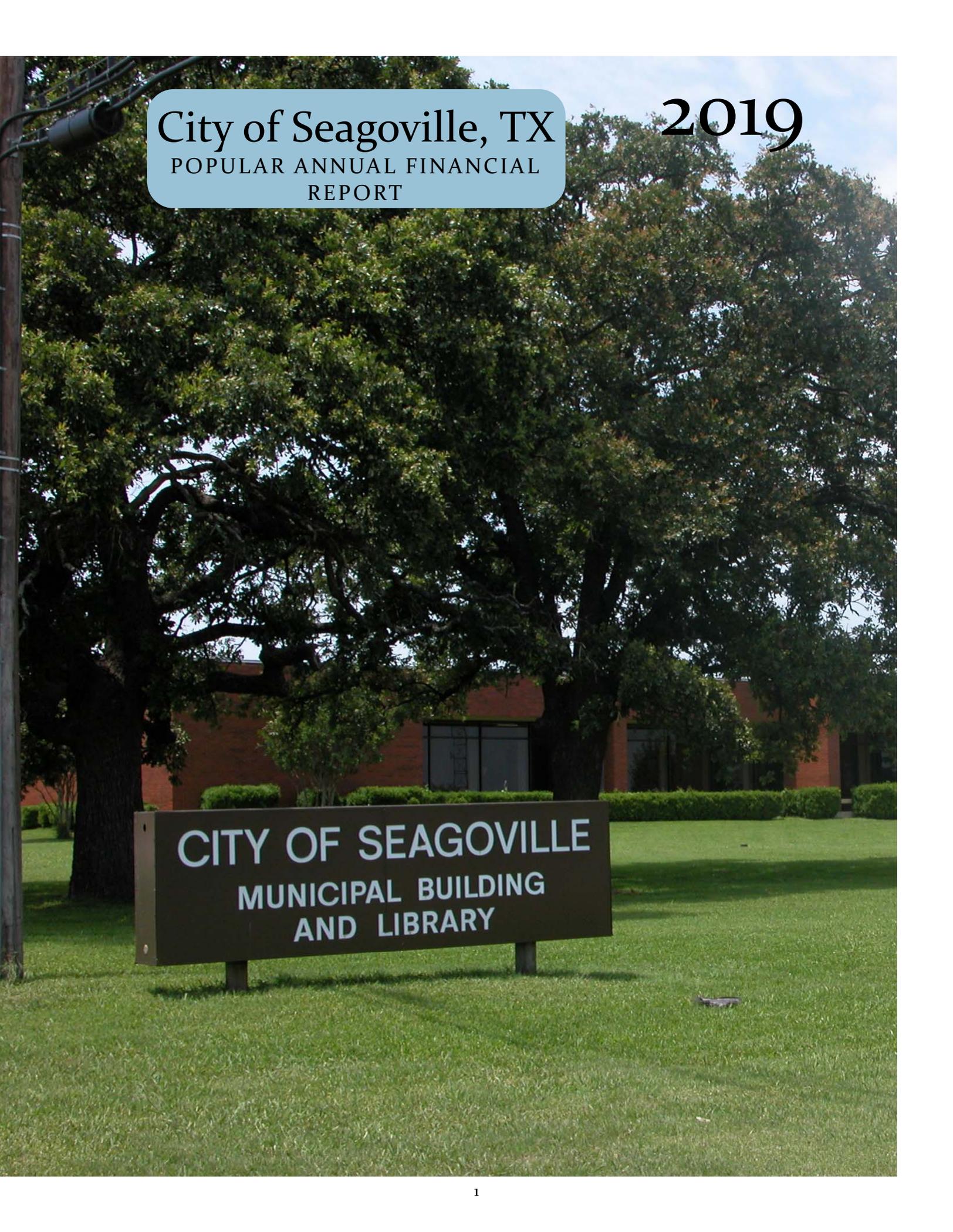


**City of Seagoville, TX**  
POPULAR ANNUAL FINANCIAL  
REPORT

**2019**



**CITY OF SEAGOVILLE  
MUNICIPAL BUILDING  
AND LIBRARY**

# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

I am pleased to present to you the City of Seagoville Popular Annual Financial Report (PAFR) for the year ended September 30, 2019. This report is intended to increase awareness throughout the community of the financial operations of the City. As such, this report is written in a manner that will summarize and communicate, in a user friendly manner, the City's financial condition.

As we strive to keep citizens informed about the City's financial position, we understand the importance of being accountable for the receipt and expenditure of public funds. Through easier, more user friendly financial reporting, the PAFR is another example of our commitment to improve communication with our citizens and increase public confidence in the City of Seagoville. I want to thank the directors and their staff for their commitment to develop a budget that provides funding support for a quality level of service delivery while maintaining expenditures within fiscally conservative parameters. I also wish to express appreciation to you, citizens of Seagoville, and to the Mayor and City Council, for your commitment to this municipal organization.

I welcome any feedback, comments, or concerns regarding the information included in this report.

Sincerely,  
*Patrick Stallings*

Pat Stallings, City Manager

### Table of Contents

---

Introduction.....	3
Org Chart.....	5
Major Initiatives.....	6
About This Financial Report .....	8
General Financial Information 9-15	
General Fund 16-17	
Water and Sewer 18	
Other Information 19	

---

---

### City of Seagoville

---

702 N. Hwy 175  
Seagoville, TX 75159  
972-287-2050  
<http://www.seagoville.us/>

# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### INTRODUCTION

Seagoville, a suburban residential community, is on State Highway 175 and the Southern Pacific line ten miles southeast of Mesquite in southeastern Dallas County. Interstate Highway 635, State Highway 75, and Interstate Highway 20 all skirt the community.

Seagoville is on the original land grant of J. D. Merchant. One of the first recorded settlers in the area was Hugh L. Buchanan, who arrived in the 1860s. By 1867 John A. Brinegar had constructed a one-room log school with seats made of split logs. The early 1870s saw the arrival of the next group of settlers, which included the Cravens, Sorrells, Peaks, Moores, and Hawthornes, as well as the town's founder, T. K. Seago, who built a general store there in 1876. A community began to develop around the store, and in 1876 it was known as Seago. In that year B. F. Peak built a cotton gin, and two years later the community's first Baptist church was completed. Freight was shipped and received from locks on the Trinity River. In 1910 the community's first brick school was constructed; it had ten grades and fifteen students. That year the post office name was changed to Seagoville to avoid confusion with the town of Seago. In 1925 Seagoville secured electrical service, and in 1926 it incorporated.

The City of Seagoville is a Home rule city which operates under a Council/City Manager form of government, serving an estimated population of 17,001. The Council consists of the Mayor and five Council members. Council members serve two-year terms and are responsible for appointing the City Manager, Municipal Judge and City Secretary. The City Manager serves as the administrative head of the government and is responsible for implementing and carrying out the goals and objectives set forth by the City Council; and is responsible for the overall operations of the entire city. The City provides a full range of services, general administrative services, public safety services, to include: police and fire protection, communications, ambulance services, an animal shelter and code enforcement; community services: municipal court, library, senior center, health and sanitation; community development: building inspection, planning, streets, parks and recreation; additionally, water and sewer utility services.



# City of Seagoville, TX

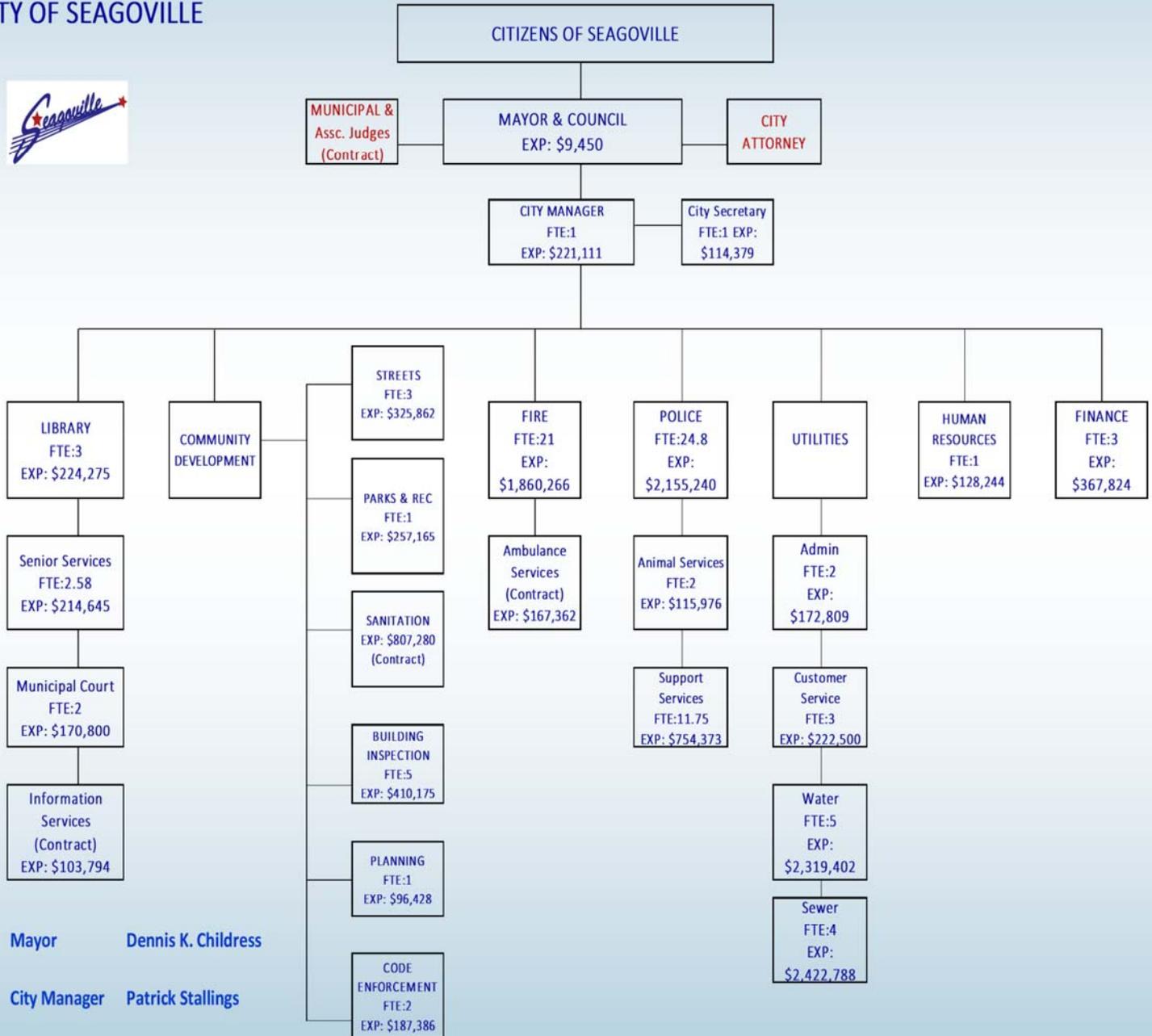
POPULAR ANNUAL FINANCIAL REPORT

# 2019



## ORGANIZATION CHART

CITY OF SEAGOVILLE



## Major Initiatives

The City of Seagoville, Texas under the directive of the City Council undertook a number of initiatives during the fiscal year to provide for and improve the quality of governmental services the citizens of Seagoville have come to expect. These improvements were identified after a systematic review of all activities of the City in which each program was analyzed to ensure that it was needed and wanted by the community and that it was being provided with maximum efficiency at the lowest cost possible.

Capital asset acquisitions enhanced the quality of life for Seagoville residents. This year, the city added an Building Inspection vehicle, two police vehicles, refurbished a Fire pumper tanker and acquired football and baseball scoreboards for Bearden Park. The City improved the quality of street infrastructure through the renovation of Hall Street, Malloy Bridge Road, Concord Circle and Seagoville Road.

The City also installed a restroom facility at Bruce Park, installed lighting fixtures at Casa Grande, Bruce and Petty White Parks and installed City Hall facility improvements. The City also acquired two vehicles, two lawn mowers, a jackhammer and replaced a sewer pump for the Water and Sewer function.

Throughout the year the City operated with an extremely lean budget and reduced service costs without sacrificing quality or impacting critical core areas.

## MISSION STATEMENT AND FOCUS AREAS

The long-term goals of the City of Seagoville, Texas are to provide quality municipal services to all our citizens and to respond in the most appropriate and fiscally responsible manner to citizen needs and concerns with the active participation of those citizens. These services include general government, public safety, community services and community development. Our focus areas in support of the long term goals are:

1. Provide quality safety services
2. Open, transparent and responsive governance and business services
3. Provide quality leisure opportunities to the community
4. Support economic and community development initiatives
5. Perform infrastructure operations and maintenance
6. Retain and attract quality employees

# City of Seagoville, TX

POPULAR ANNUAL FINANCIAL REPORT

# 2019



## About This Financial Report

As part of our continuous effort to keep you informed of how your tax dollars are being spent, we are pleased to present the 2019 Popular Annual Financial Report (PAFR). The PAFR is a summary of the financial activities of the City's governmental funds and was drawn from information found in the Comprehensive Annual Financial Report (CAFR). The CAFR was prepared in conformance with generally accepted accounting principles (GAAP) and includes financial statements audited by Fox, Byrd & Company, P.C.

Unlike the CAFR, the PAFR is unaudited and presented on a non-GAAP basis. The GAAP basis presentation in the CAFR includes the City's component unit and the presentation of individual funds, as well as, full disclosure of all material events, financial and non-financial, in the notes to the financial statements. Seagoville's CAFR can be viewed by the public at City Hall, at the Public Library and online at [www.seagoville.us](http://www.seagoville.us)

## AWARDS

The City received the following awards (valid for one year only) from the Government Finance Officers Association (GFOA):

- Certificate of Achievement for Excellence in Financial Reporting for the CAFR for the year ended September 30, 2018.
- Award for Distinguished Budget Presentation for the fiscal year beginning October 1, 2018.
- Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended September 30, 2018.

## FINANCIAL HIGHLIGHTS

The City's combined net position (difference between assets and deferred outflows and liabilities and deferred inflows in governmental and business-type activities) at September 30, 2019 totaled \$37,053,829 as follows: \$20,703,038 net investment in capital assets, \$6,376,353 restricted and \$9,974,438 unrestricted (can be used to meet the government's ongoing obligations to the citizens and creditors). Net position is the residual of all other financial statement elements presented in a statement of financial position. Net investment in capital assets is one of three components of net position, consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets (assets whose use is subject to external constraints or constraints imposed by law) reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the difference between total net position and net investment in capital assets and restricted net position.

Total revenues for all governmental funds were \$11,497,674 and total spending was \$12,900,410. The fund balances for these funds were \$10,544,274 in FY 2019 and \$5,292,416 in FY 2018.

Total revenues for business-type activities at the end of FY 2019 were \$7,474,661 and total spending was \$5,625,456 (including interest revenue and interest expense). Total net position was \$17,815,697 as compared to \$15,585,414 in FY 2018.

# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### GENERAL FINANCIAL INFORMATION

Most City services and projects are accounted for in a general category known as Governmental Funds. These concise descriptions should provide you with a better understanding of the accounts.

### GOVERNMENTAL FUNDS

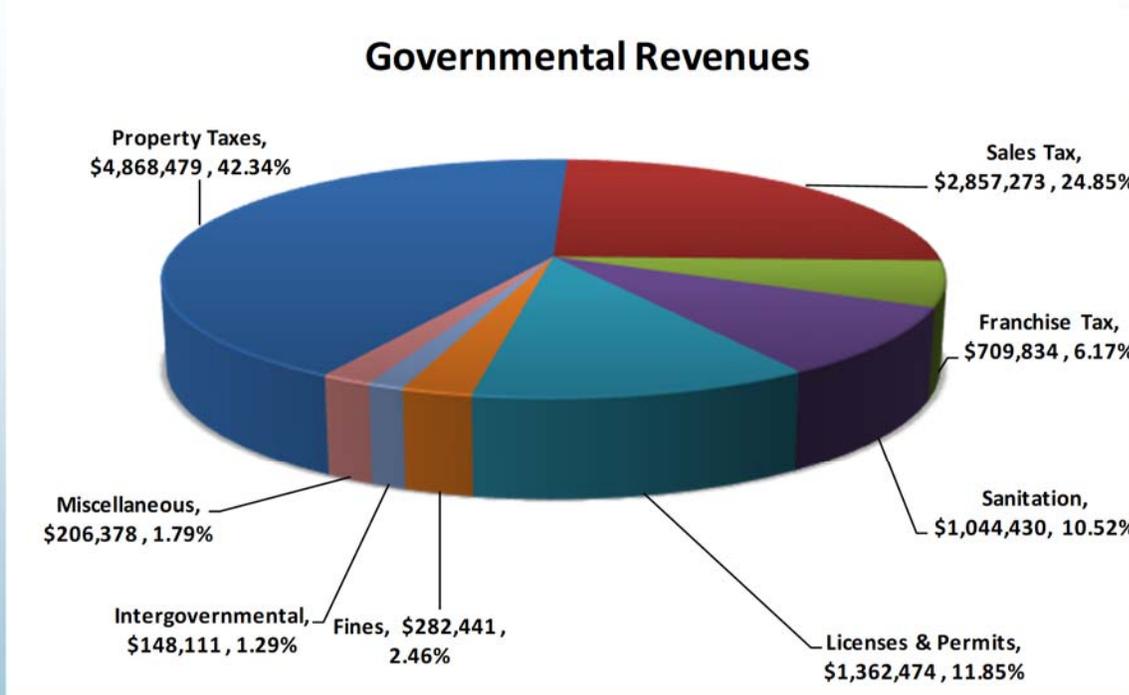
**General Fund** - Accounts for revenues and expenditures associated with the general operations of the City that are not required to be accounted for in separate funds.

**Special Revenue Funds** – Account for proceeds of specific revenue sources that are legally restricted for specific purposes (e.g. public safety).

**Debt Service Fund** – Account for the payment of principal, interest and related costs on general long-term debt.

**Capital Projects Funds** – Account for the financial resources used for the construction and/or acquisition of major capital facilities.

At September 30, 2019 the City’s governmental funds reflected a combined fund balance of \$10,544,274, a 5,251,858 increase from the previous year at \$5,292,416. This increase in fund balance was primarily due to net resource inflows from debt proceeds to finance City street improvements. The following chart provides an illustration of the composition of governmental revenues:



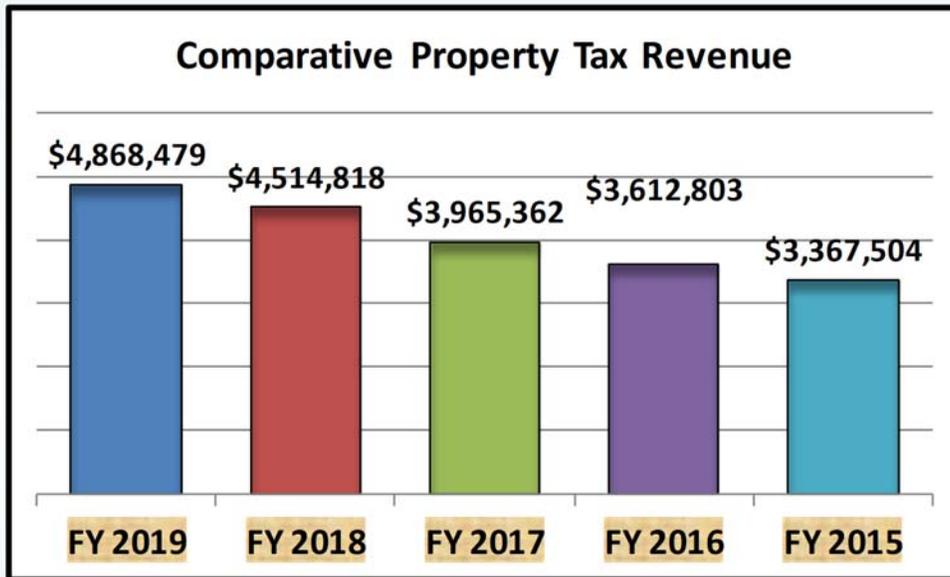
# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### GENERAL FINANCIAL INFORMATION (continued)

Total revenues for the governmental funds (\$11,497,674) showed an increase of 15.89% or \$1,576,521 compared to the prior year (\$9,921,153). The primary reasons for the increase were due to an increase in the property tax valuation from \$607,531,041 in the prior fiscal year to \$683,530,390 in FY 2019, and increases in sales taxes and building permit revenue.



### GOVERNMENTAL EXPENDITURES

Total governmental expenditures increased by \$2,370,569 (22,51%) in fiscal year 2019 (\$12,900,410) from 2018 (\$10,529,841). The City's capital outlay increased \$1,952,632 in FY 2019 from FY 2018. FY 2019 capital outlay expenditures include **Buildings:** City Hall facility improvements (\$43,110), C.O Bruce Park restroom facility (\$89,586), **Machinery and Equipment:** Building Inspection vehicle (\$28,969), two vehicles for the Police department (\$96,302), Plotter for Community Development (\$8,695), refurbishing pumper tanker for Fire (\$33,036), football and baseball scoreboards for Bearden Park (\$53,525),

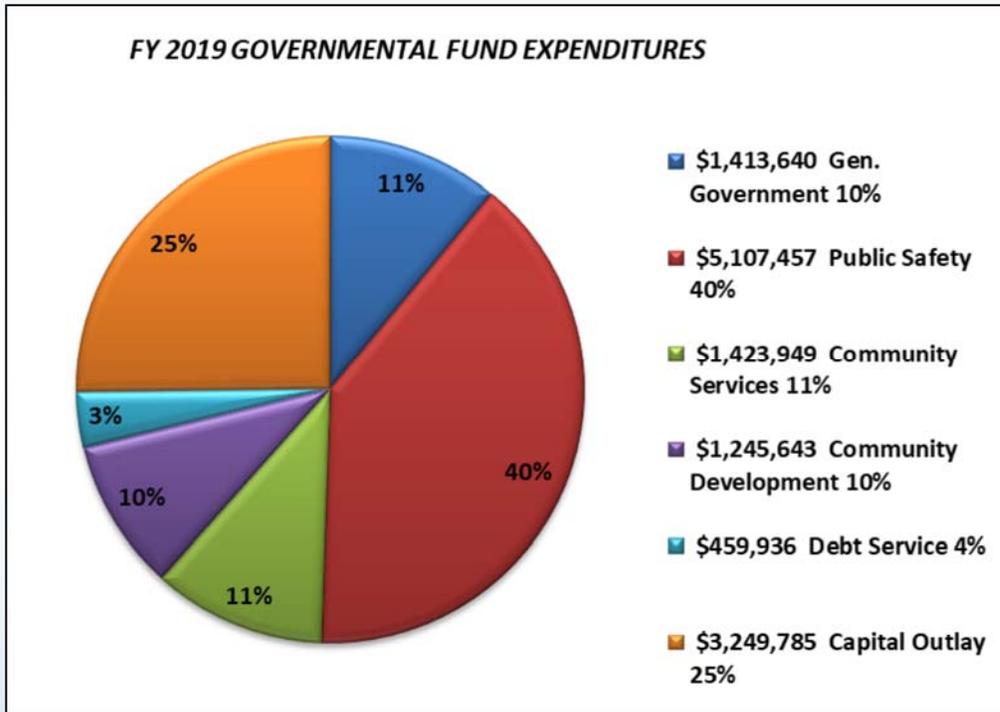
# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### GOVERNMENTAL EXPENDITURES (continued)

**Improvements:** Installation of light poles at Casa Grande park (\$18,324) fence installation at Bearden and Petty White parks (\$44,966), concession stand foundation repair (\$8,900) and installation of lighting at Bruce Park (\$88,900), Infrastructure: Street improvements – renovation of Hall Street (\$21,443), Malloy bridge reconstruction (\$662,568), Malloy Bridge road chip seal (\$126,659), Concord Circle repair (\$104,529), Seagoville Road reconstruction (\$143,755), and Bruce Park entry way improvements (\$50,053).



# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### CAPITAL ASSETS

The City of Seagoville has \$34,558,708 in the following categories of capital assets:

#### Land

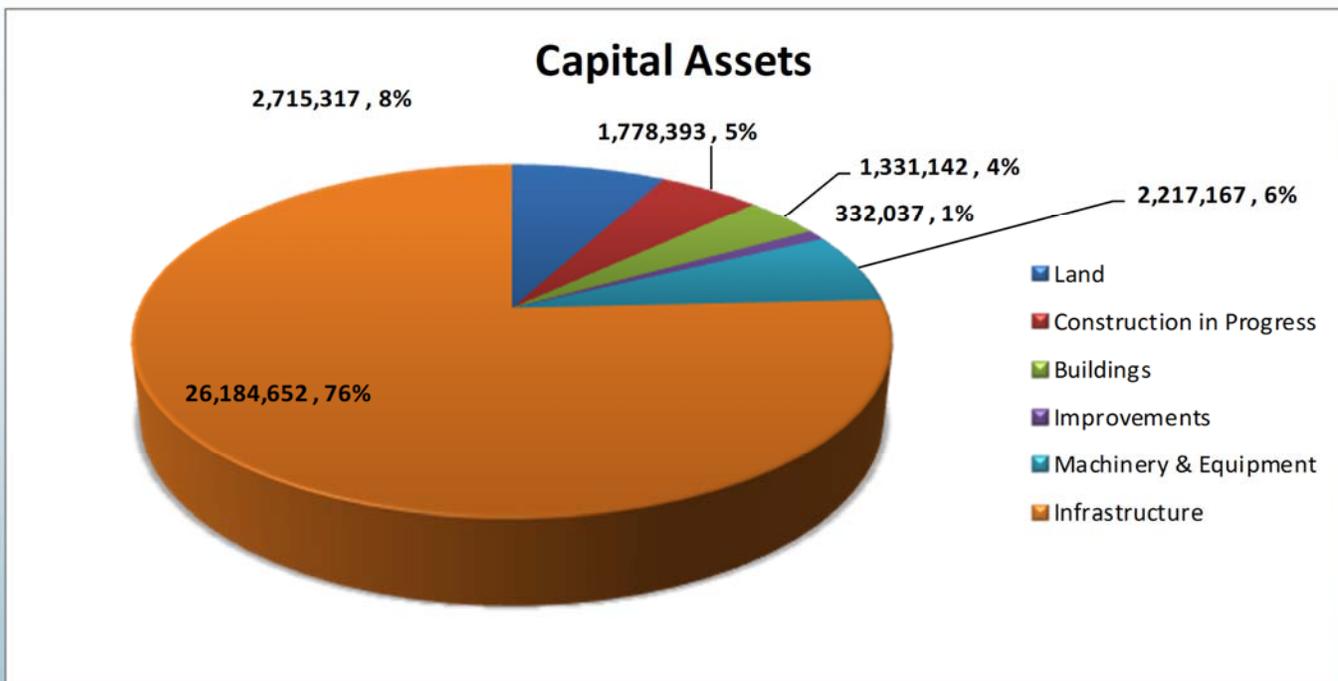
**Construction in Progress** - This class of capital assets is used for costs incurred to construct or develop capital assets before it is substantially ready to be placed in service.

**Buildings** – Includes permanent structures like City Hall, the police facility and fire station.

**Improvements** – This class of assets is used for permanent (i.e., non-movable) improvements other than buildings that add value to land. Examples include fencing, parking lots and landscaping.

#### Machinery and Equipment

**Infrastructure** – These are long-lived capital assets that are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples include streets, drainage systems, water and sewer systems.



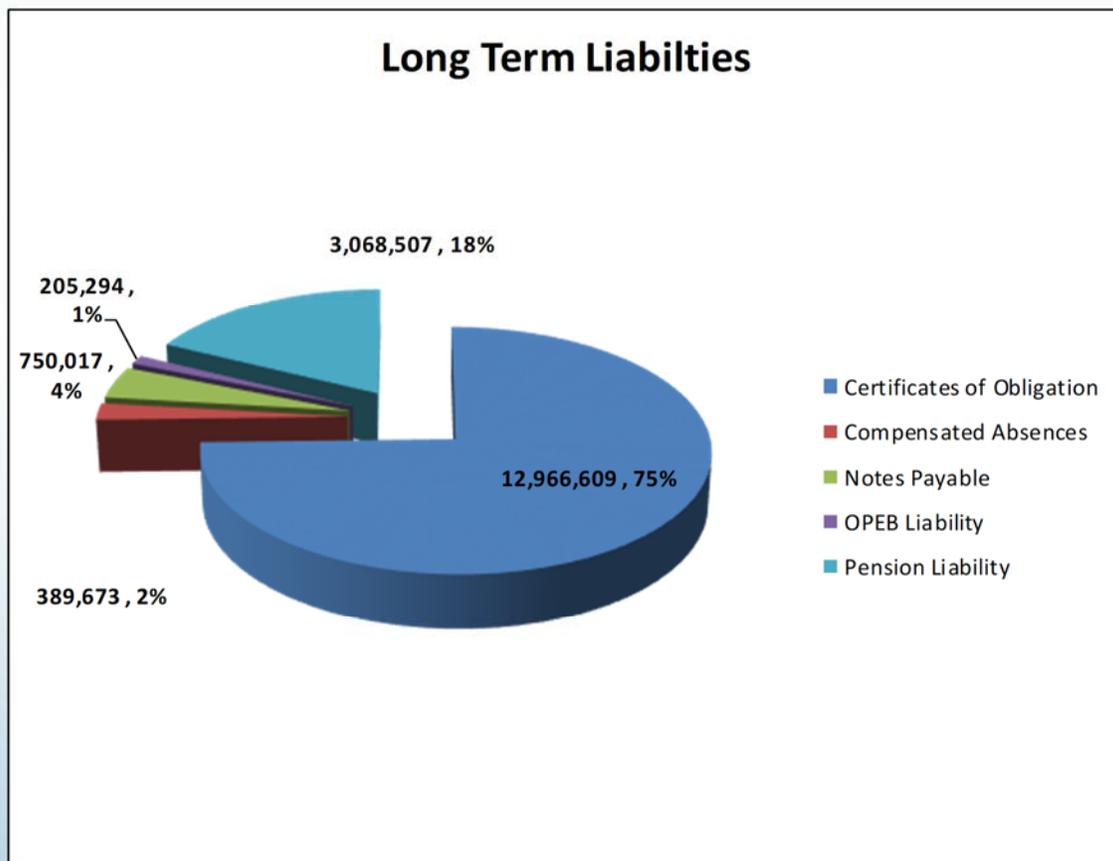
# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### LONG-TERM LIABILITIES

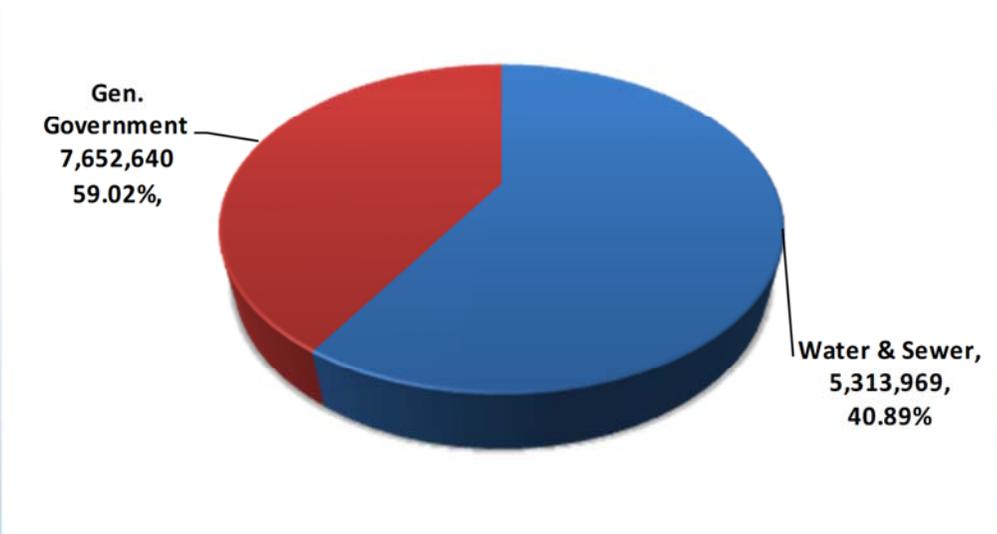
As of the fiscal year end, the City had \$17,380,100 in long-term liabilities compared to \$10,340,953 in 2018 (\$7,039,147 increase or 40.5%). The City of Seagoville's general government long term debt increased by \$5,996,640 during the fiscal year due to the issuance of FY 2019 certificates of obligation amounting to \$6,159,865 offset by scheduled payments and amortization of \$163,225 during the fiscal year. The FY 2019 bonds were issued to provide resources for street reconstruction projects. Notes payable—general government decreased by \$93,897 due to scheduled payments. Business-type activities bonded debt decreased by \$358,331 due to scheduled payments and amortization during the fiscal year. Total pension liability increased \$1,450,674 due to information provided by the Texas Municipal Retirement System. The OPEB liability represents the impact of GASB 75. Total compensated absences increased \$49,050 due to staff replacements and salary upgrades.



**LONG-TERM LIABILITIES**

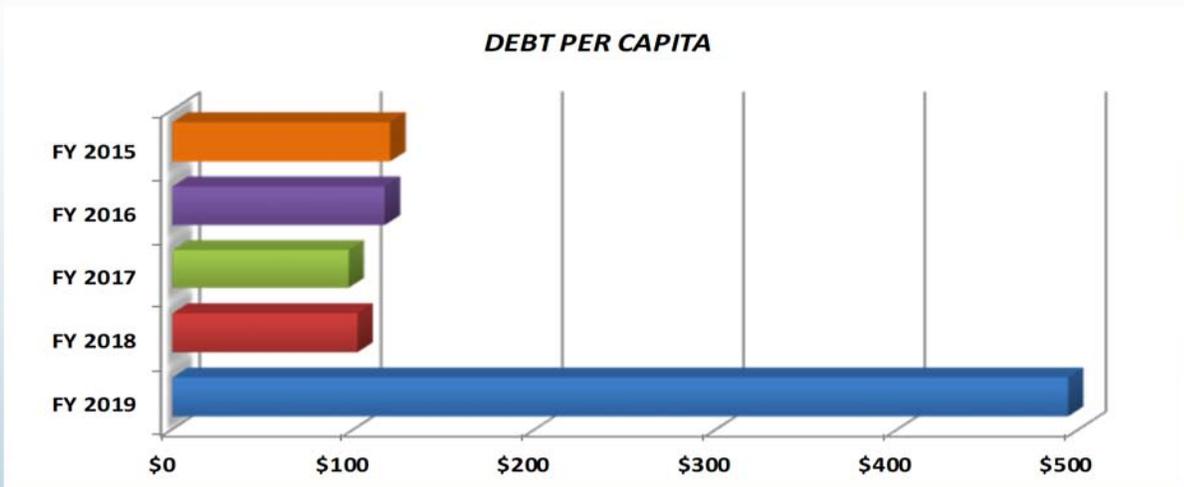
The City issues certificates of obligation and combination tax and revenue bonds to provide for the acquisition and construction of major capital facilities and infrastructure. Certificates of obligation pledge the full faith and credit of the City. Combination tax and revenue bonds are payable from the net revenues of the Water and Sewer system and general debt service tax. Compensated absences are liquidated in the General Fund for general government employees and to the Water and Sewer Fund for business type activities. Net Pension and OPEB represent the estimated liability for employees' retirement obligation for which employees are entitled to be paid upon termination. The retirement of these liabilities is paid from the General Fund and Water and Sewer Fund based on the assignment of an employee at termination.

***OUTSTANDING CERTIFICATES OF OBLIGATION BY TYPE***



### GENERAL FINANCIAL INFORMATION (continued)

### LONG-TERM LIABILITIES



The City's current bond rating is A1 (Moody's). The rating recommendation reflects the stable local economy benefitting from the Dallas/Fort Worth location, the affordability despite low wealth levels, and management's maintenance of a low debt profile, healthy general fund balance and manageable pension burden. **FY 2019 represents the issuance of new general obligation debt.** The rating also reflects the relatively small tax base and moderate taxpayer concentration present.

# City of Seagoville, TX

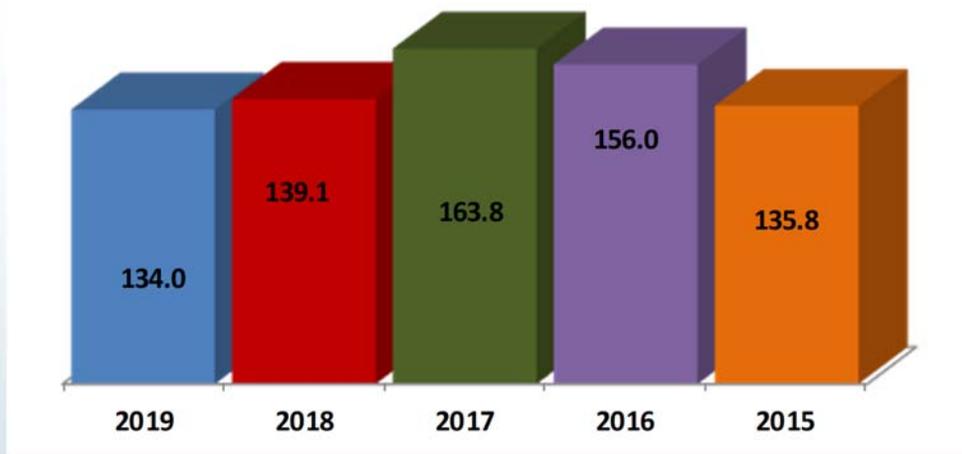
## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### GENERAL FUND FUND BALANCE

Fund balance is the excess of what is owned (assets) over what is owed (debts or liabilities). Because the General Fund reports only a subset of related assets (i.e., financial assets) and liabilities (i.e., those normally expected to be liquidated with current financial resources), the difference (fund balance) between the two is more of a measure of liquidity. The Financial Policies of the City of Seagoville require the General Fund to maintain a minimum 60 day reserve of budgeted expenditures. The City has consistently exceeded this goal, as shown in the chart below. The General Fund reported an unassigned fund balance at September 30, 2019 of \$3,484,383, a decrease of \$194,673 (5.29%) in comparison with the prior year of \$3,679,056 (Governmental Funds' combining ending fund balances were \$10,544,274 compared to FY 2018 at \$5,292,416 producing a \$5,251,858) or 99.23% increase. This decrease in General Fund balance was largely due to planned drawdown of excess fund balance to acquire public safety, parks and planning equipment and implement public facility improvement projects. Of the total General Fund balance of \$4,107,131, \$3,484,383 constitutes the unassigned fund balance, which is available for spending at the government's discretion (referred to as unassigned fund balance). Comparative days of fund balance is an indication of how many days of reserve the City has available to fund operations. The chart below provides fund balance comparisons:

**COMPARATIVE DAYS OF GENERAL FUND BALANCE**



### GENERAL FUND EXPENDITURES

General Fund expenditures total \$10,910,757 for FY 2019, an increase of \$693,766 or 6.79% compared with FY 2018 (\$10,216,991). In FY 2019, the City's capital expenditures (\$1,686,310) for asset acquisitions and street improvements increased by \$389,157, compared to FY 2018 expenditure of \$1,297,153. Compared to FY 2018, there was a 3% increase in base pay for first responders and civilian employees with increased fringe benefit expenditures for medical and dental insurance. Additionally, FY 2019 personnel costs reflect an additional police officer, firefighter, communications dispatcher and building inspector positions. Other increases in expenditures over FY 2018 can be attributed to increased emphasis on street repair and park maintenance, equipment acquisitions, park and building facility improvements. Increases or decreases for major functions are as follows:

# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

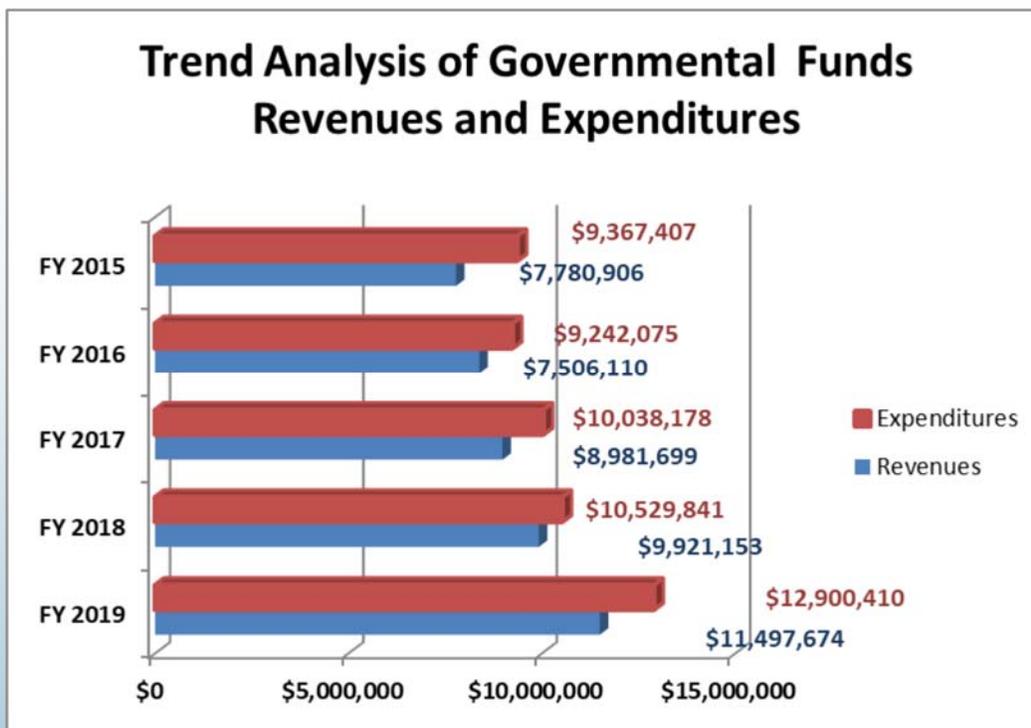
# 2019

### GENERAL FUND CONTINUED

### GENERAL FUND EXPENDITURES

Major Functions	Amount	Percent of Total	Increase (Decrease) over 2018
General Government	\$ 1,355,749	12.43%	79,082
Public Safety	5,098,340	46.73%	358,555
Community Services	1,423,087	13.04%	79,018
Community Development	1,232,747	11.30%	(212,046)
Debt Service	114,524	1.06%	-
Capital Outlay	1,686,310	15.46%	389,157
<b>Total</b>	<b>\$ 10,910,757</b>	<b>100.00%</b>	<b>693,766</b>

The chart below illustrates trend data for total governmental revenue and expenditures:



The increase in Governmental Funds expenditures in FY 2019 is primarily due to street maintenance and capital asset purchases.

# City of Seagoville, TX

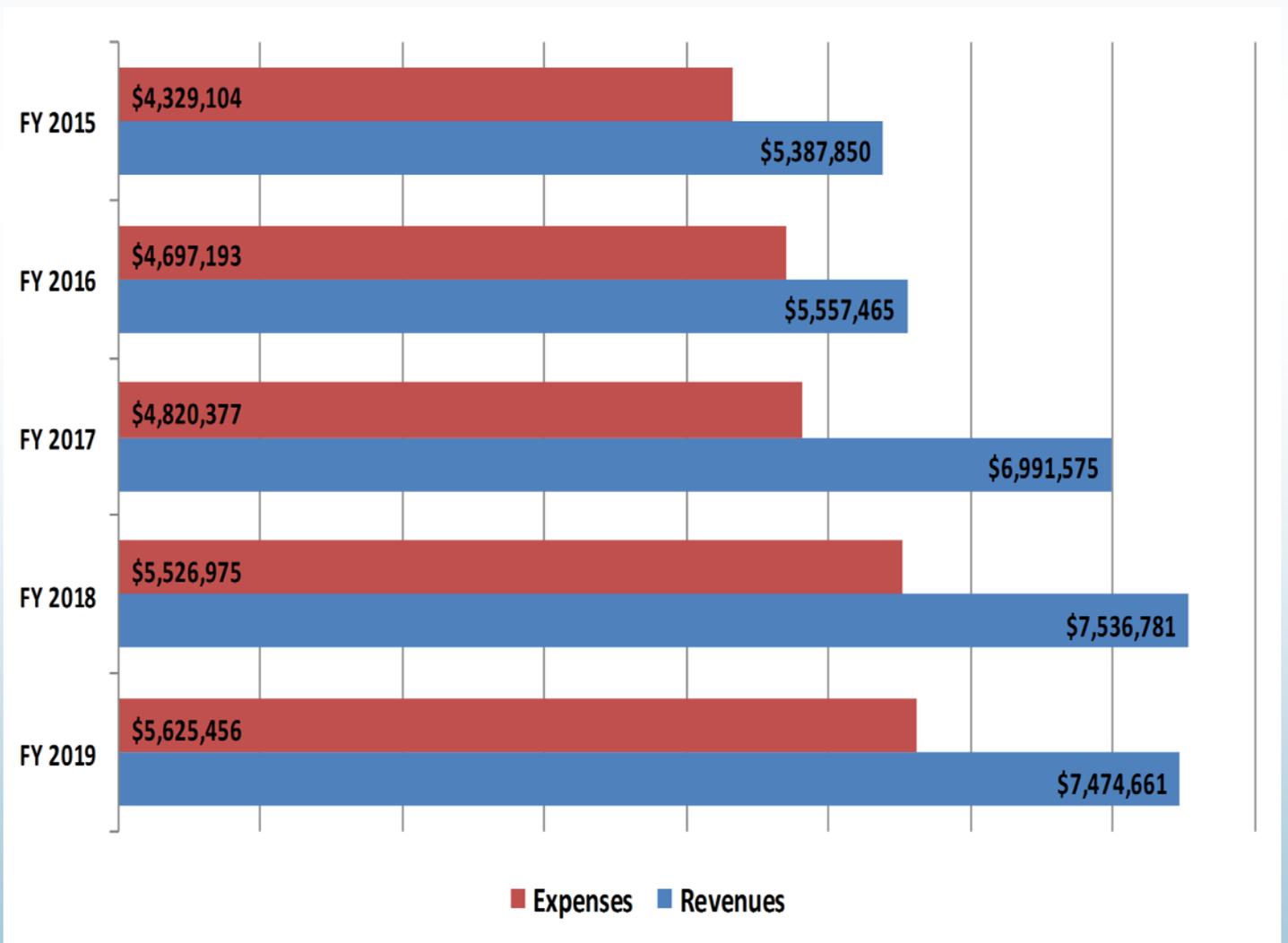
## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### WATER AND SEWER FUND

The City's Water and Sewer Fund has experienced steady growth and the customer base has grown to approximately 4,537 water customers and 4,237 sewer customers. The operating income on customer sales for FY 2019 totaled \$1,947,487 compared to last year's amount of \$2,005,573. The decrease in operating income results from increased costs for water purchases from Dallas Water Utilities and sewerage treatment from North Texas Municipal Water District.

Water and sewer operations are reflected as follows:

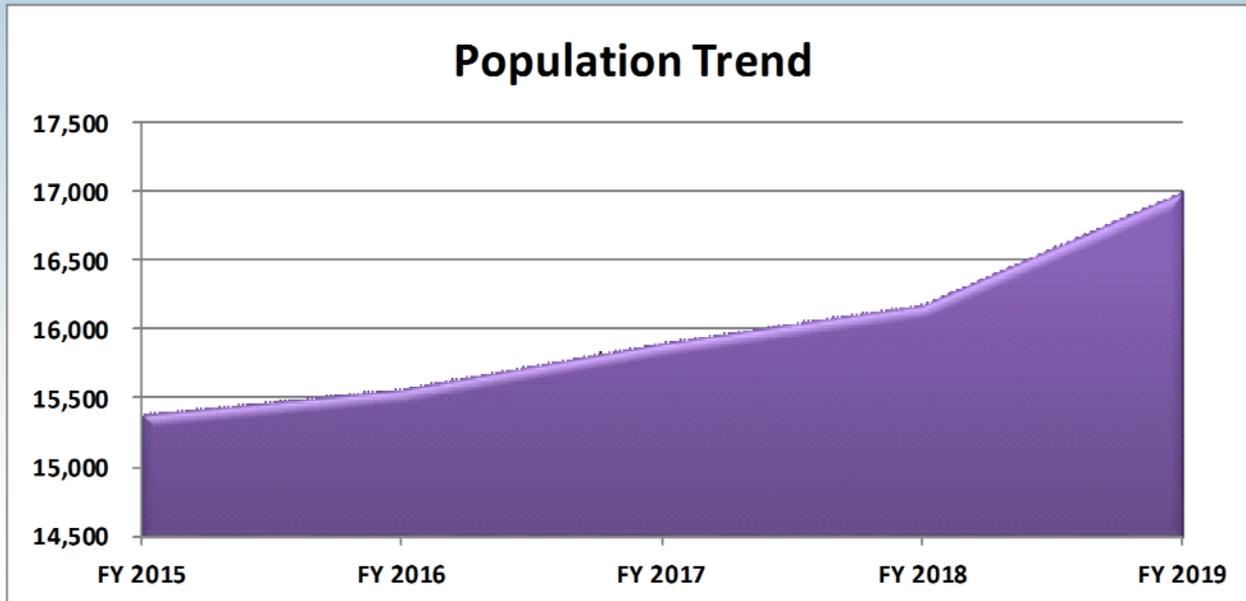


# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### OTHER INFORMATION



<b>Taxpayer Name</b>	<b>Type of Business</b>	<b>2019 Assessed Value</b>	<b>% of Total Assessed Value</b>	<b>% of Top 10 Taxpayers to Assessed Value</b>
OReilly Auto Parts	Distribution	\$ 43,439,981.00	6%	37%
ONCOR Electric Delivery	Public Utility	\$ 14,729,210.00	2%	13%
Wal Mart	Retailer	\$ 14,618,300.00	2%	13%
YES Companies EXP2 LLC	Mobile Home Park	\$ 10,128,870.00	1%	9%
HEARTLAND EXPRESS INC OF IOW	Distribution	\$ 7,350,810.00	1%	6%
Equity Development	Property Management	\$ 6,841,820.00	1%	6%
Seagoville CP LLC	Property Management	\$ 5,700,000.00	1%	5%
TSCA 202 LTD	Property Management	\$ 5,350,000.00	1%	5%
BEACON INDUSTRIES INC		\$ 4,418,490.00	1%	4%
Seagoville Self Storage LP	Storage	\$ 4,162,310.00	1%	4%
<b>TOTAL</b>		<b>\$ 116,739,791.00</b>	<b>21%</b>	<b>100%</b>

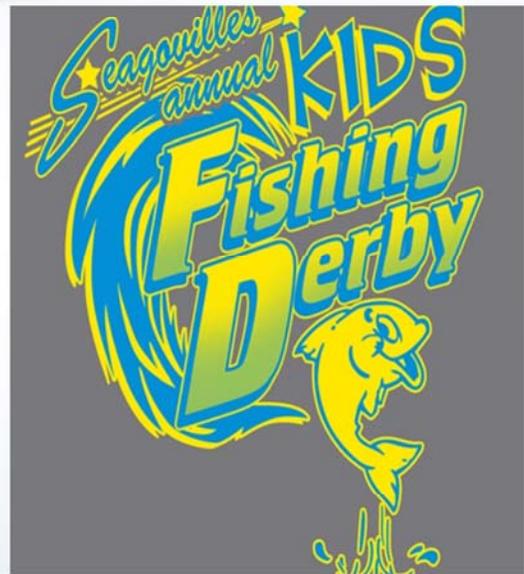
# City of Seagoville, TX

## POPULAR ANNUAL FINANCIAL REPORT

# 2019

### NEED MORE INFORMATION?

Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Seagoville, Patrick Harvey, Director of Finance, 702 N. Hwy. 175, Seagoville, Texas, 75159.



City of Seagoville, Texas  
Principal City Officials  
2018 – 2019  
City Council

Dennis Childress

Mayor

Term Expires May, 2021

Rick Howard

Council Member Place 1

Term Expires May, 2020

Jose Hernandez

Council Member Place 2

Term Expires May, 2021

Harold Magill

Council Member Place 3

Term Expires May, 2020

Mike Fruin

Council Member Place 4

Term Expires May, 2021

Jon Epps

Mayor Pro-Tem Place 5

Term Expires May, 2020

