

CITY OF SEAGOVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Seagoville ★

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INTRODUCTORY SECTION

Seagoville ★



August 29, 2022

To the Honorable Mayor,
Members of the City Council
and the Citizens of the City of Seagoville, Texas

The comprehensive annual financial report ("CAFR") of the City of Seagoville, Texas, for the fiscal year ending September 30, 2021 is hereby submitted. The City accepts full responsibility for the accuracy of the data, as well as, the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The City charter requires an annual audit to be conducted of the financial records by an independent public accountant. This requirement has been fulfilled and the report of the independent auditor is included in this report. Fox, Byrd and Company, P.C, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Seagoville's financial statements as of and for the year ended September 30, 2021. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) can be found immediately following the independent auditors' report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Reporting Entity

The accompanying financial statements present the City (the primary government) and its component unit. Component units are classified as either discretely presented or blended. The City of Seagoville's component unit, the Economic Development Corporation, is discretely presented, which means that the component unit is an entity that is legally separate from the City, but for which the City is financially accountable, or



whose relationship with the City is such that exclusion would be misleading or incomplete.

This report includes the financial statements of the funds required to account for those activities, as well as organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth in Governmental Accounting Standards Board (GASB) Statements. Based on these criteria, all municipal services listed are included in the City's 2021 financial statements.

The City of Seagoville

Seagoville, Texas, incorporated in 1926, sits at the southeast corner of Dallas County, bordering the Southern Pacific line ten miles from Mesquite, with Kaufman County to the east, and the City of Dallas on the northwest. The City of Seagoville has grown from a small rural town of 8,969 in 1990 to a suburban city with approximately 19,508 citizens.

The City of Seagoville is home to a Federal Correctional Institution, an Army Reserve Center, O' Reilly Distribution Center, the 334 acre Post Oak Preserve, the 500 acre Dallas Independent School District's Environmental Center, and the 200 acre North Texas Municipal Water District Water Reclamation Facility, one of the largest water reclamation projects in the country. This natural water filtration system attracts wild life; and is designed to be a tourist destination for bird watchers.



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. The City of Seagoville is a Home rule city which operates under a Council/City Manager form of government. 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 key to Seagoville's success as a thriving suburb which has managed to retain its own identity and down-home atmosphere is its citizenry. From its churches of every denomination to its active parent-teacher organizations, active senior life, civic groups, and sports teams, to its owner-operated personalized service companies; Seagoville's outstanding feature is the caring and involvement of the people who call it home.

Economic Outlook and Conditions

The City of Seagoville is expected to reach build-out in 2040 and has experienced planned and sustainable growth. Prudent financial planning, oversight, and flexibility have enabled the City to weather the economic slowdown in a comparably favorable or better position than many other cities in the Dallas/Fort Worth Metropolitan Statistical Area. The homebuilding market in Seagoville mirrors the resurgent housing market in the Dallas/Fort Worth region.

Seagoville has been able to provide affordable housing and sufficient availability; each new home being built in new and existing subdivisions continues to support City-provided service. Economic development is evidenced in the major retail outlets and small manufacturers that have acquired property and established a presence in the City. Wal-Mart is one of the dominant retail businesses opening in the last few years. Wal-Mart has served as an anchor along the Highway 175 corridor attracting two other retail centers in the same geographical area. The result has been that the City's economic position has been improved. The additional revenue stream from sales tax has helped to augment the City's ad valorem tax revenue.

In order to provide for orderly growth and aggressively improve on the City's infrastructure, the City Council approved a multi-year Capital Improvement Program (CIP). The CIP funding has resulted in significant infrastructure improvements over the last three years with both tax-supported and self-supported debt. Working in concert with accurate five year revenue and expense projections has enabled the City to plan for and meet the need for infrastructure improvements. With the City's first CIP in 2006, the City of Seagoville received a rating upgrade from Baa2 to A1, reflecting the City's growing tax base, favorable tax position, and solid financial operation. The rating upgrade was maintained through Moody's Investor Service with the subsequent 2019 \$5,885,000 bond issuance and 2021 \$5,015,000 bond issuance.



An increase in the industrial development area of the City has experienced a road expansion of nearly one-half mile. Although the character of Highway 175 will undoubtedly change in coming decades, Seagoville is positioned to become a dynamic gateway in the southeastern sector of Dallas County. The proposed future Loop 9 Toll Road through the eastern portion of the City is a significant highway expansion which will allow the city to realize its full economic potential in the coming years.

Major Initiatives

The City of Seagoville under the direction of the City Council undertook a number of initiatives during the fiscal year to provide for and improve the quality of governmental service 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 two public safety vehicles, Firefighting equipment, and a Transportation Concrete Shelter Pad, and completed the construction of a second fire station.

The City continued funding a four person litter crew to abate litter issues, provide mowing and upkeep of City rights of way. Additionally, the FY 2021 budget provided resources to complete street improvements in various areas of the City.

Long-Term Financial Planning

Unassigned fund balance in the general fund (41% of total general fund expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes (approximately 16.4 % of total general fund expenditures).

Other Information

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seagoville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2020. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.



In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Respectfully Submitted,

Patrick Stallings

Gail French

Patrick Stallings
City Manager

Gail French
Finance Director

Seagoville ★



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seagoville
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

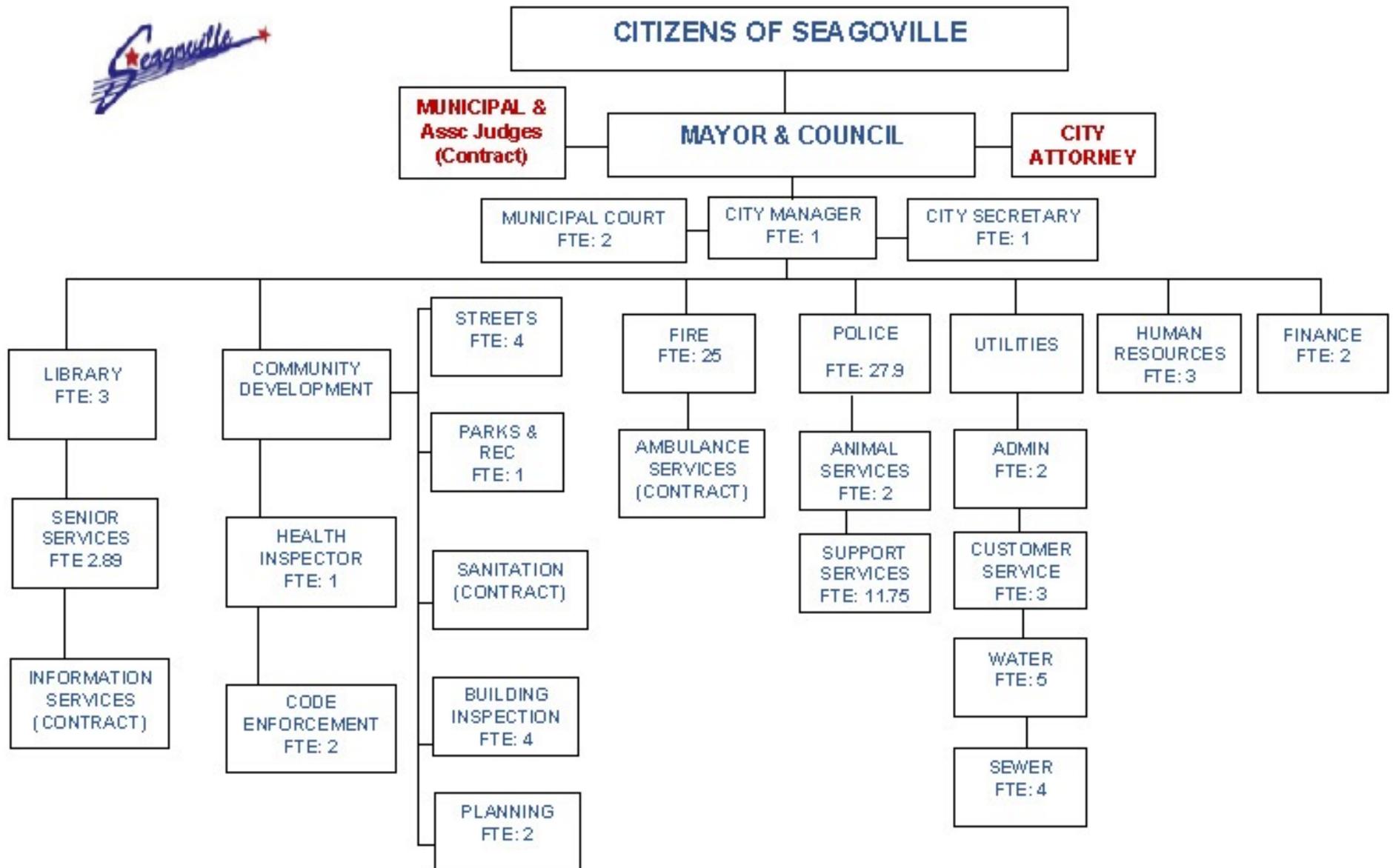
September 30, 2020

Christopher P. Morrill

Executive Director/CEO

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CITY OF SEAGOVILLE



Mayor **Dennis K. Childress**

City Manager **Patrick Stallings**

City of Seagoville, Texas

Principal City Officials

2020-2021

City Council

Dennis Childress	Mayor	Term Expires May, 2023
Rick Howard	Council Member, Place 1	Term Expires May, 2022
Jose Hernandez	Council Member, Place 2	Term Expires May, 2023
Harold Magill	Council Member, Place 3	Term Expires May, 2022
Mike Fruin	Mayor Pro-Tem Place 4	Term Expires May, 2023
Jon Epps	Council Member Place 5	Term Expires May, 2022

City Executive Staff

Pat Stallings	City Manager
Gail French	Director of Finance
Ray Calverley	Police Chief
Todd Gilcrease	Fire Chief
Cindy Brown	Director of Administrative Services
Kandi Jackson	City Secretary
Vivian Rawlings	Director of Library
Chris Ryan	Water Utilities Director
Ladis Barr	Community Development Director

FINANCIAL SECTION

Seagoville ★

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Seagoville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Seagoville, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the

discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seagoville, Texas as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-17), the General Fund budgetary comparison information (pages 85-86), the Texas Municipal Retirement System Schedule of Changes in Net Pension Liability (Asset) and Related Ratios (pages 88-89) and the Texas Municipal Retirement System Schedule of Changes in OPEB Liability (Asset) and Related Ratios (page 90) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, the budgetary comparison schedule – debt service fund, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Tox, Byrd + Company, P.C.

Dallas, Texas
August 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Seagoville ★

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

As management of the City of Seagoville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities and position of the City of Seagoville for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. Management's Discussion and Analysis has comparative data for the current year with the prior year.

Financial Highlights

- The assets and deferred outflows of the City of Seagoville exceeded its liabilities and deferred inflows at the close of the fiscal year ended September 30, 2021 by \$43,747,676 (net position). Of this amount, \$6,124,620 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Seagoville's governmental funds reported combined ending fund balances of \$15,475,293. Approximately 39% of this amount, \$6,011,394 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,005,561 or 53% of the general fund expenditures.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Seagoville's basic financial statements. The City of Seagoville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Seagoville's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Seagoville's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Seagoville is improving or deteriorating.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Seagoville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Seagoville include general government, public safety, community services departments, community development departments and other non-departmental expenses. The business-type activities of the City of Seagoville include water and sewer utilities.

The government-wide financial statements include not only the City of Seagoville itself (known as the *primary government*), but also a legally separate economic development corporation, which is a component unit of the City of Seagoville. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The water and sewer utilities, although also legally separate, functions for all practical purposes as departments of the City of Seagoville, and therefore have been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 21-25 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Seagoville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Seagoville can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Seagoville maintains twelve individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Seagoville adopts an annual appropriated budget for its General Fund and governmental Debt Service Fund. Budgetary comparison statements have been provided for both funds to demonstrate compliance with budget.

The basic governmental fund financial statements are on pages 29-34 of this report.

Proprietary funds. The City of Seagoville maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Seagoville uses an enterprise fund to account for its water and sewer utilities. Internal Service funds are used to report the collections of other fund expenses and subsequent payments to suppliers. The City of Seagoville uses an internal service fund to account for other funds expenses and payments to insurance providers for employee and dependent care insurance coverage.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer, customer service and other non-departmental activity, which makes up a major fund of the City of Seagoville.

The basic proprietary fund financial statements are on pages 35-40 of this report.

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 41-79 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information concerning the City of Seagoville's (1) General Fund budgetary compliance, and (2) progress in funding its obligation to provide pension benefits to its employees. Required supplementary information are on pages 81-91 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules are on pages 93-100 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Seagoville, assets and deferred outflows exceeded liabilities and deferred inflows by \$43,747,676 as compared to net position for the prior year of \$39,923,979.

A large portion of the City of Seagoville's net position, \$28,323,394 (64.7%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets still outstanding. The City of Seagoville uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Seagoville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table presents a comparative summary of the City's assets, liabilities, and net position as of September 30, 2021 and September 30, 2020.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

City of Seagoville's Net Position

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 16,602,509	\$ 9,847,967	\$ 9,113,233	\$ 9,987,593	\$ 25,715,742	\$ 19,835,560
Capital assets	23,945,731	22,745,609	17,361,061	17,105,072	41,306,792	39,850,681
Total assets	<u>40,548,240</u>	<u>32,593,576</u>	<u>26,474,294</u>	<u>27,092,665</u>	<u>67,022,534</u>	<u>59,686,241</u>
Deferred outflows of resources	1,284,574	1,427,825	172,301	196,077	1,456,875	1,623,902
Long-term liabilities	15,185,605	10,752,127	5,136,426	7,087,721	20,322,031	17,839,848
Other liabilities	1,394,219	1,175,461	1,767,698	721,901	3,161,917	1,897,362
Total liabilities	<u>16,579,824</u>	<u>11,927,588</u>	<u>6,904,124</u>	<u>7,809,622</u>	<u>23,483,948</u>	<u>19,737,210</u>
Deferred inflows of resources	1,088,896	1,445,625	158,889	203,329	1,247,785	1,648,954
Net position						
Net investment in capital assets	16,756,602	17,371,025	11,566,788	11,791,104	28,323,390	29,162,129
Restricted for capital assets	6,678,192	3,431,725	-	-	6,678,192	3,431,725
Restricted for debt service	145,170	89,419	42,850	42,850	188,020	132,269
Restricted of community services	-	45,838	-	-	-	45,838
Restricted for community development	422,830	-	-	-	422,830	-
Restricted for public safety	10,620	27,764	-	-	10,620	27,764
Unrestricted	<u>150,680</u>	<u>(317,583)</u>	<u>7,973,944</u>	<u>7,441,837</u>	<u>8,124,624</u>	<u>7,124,254</u>
Total net position	<u>\$ 24,164,094</u>	<u>\$ 20,648,188</u>	<u>\$ 19,583,582</u>	<u>\$ 19,275,791</u>	<u>\$ 43,747,676</u>	<u>\$ 39,923,979</u>

An additional portion of the City's net position (21.0%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position (\$6,124,620) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Seagoville is able to report positive balances in all three categories of net position for the government as a whole.

Governmental activities. Governmental activities increased the City of Seagoville's net position by \$3,515,906. The following table presents a comparative summary of the City's operations for the years ended September 30, 2021 and September 30, 2020.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

City of Seagoville Changes in Net Position

Revenues:	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Program revenues:						
Charges for services	\$ 2,752,875	\$ 2,744,043	\$ 7,759,609	\$ 7,442,498	\$ 10,512,484	\$ 10,186,541
Operating grants and contributions	344,621	372,228	-	-	344,621	372,228
Capital grants and contributions	-	250,803	-	-	-	250,803
General revenues:						
Property taxes	6,547,068	6,043,377	-	-	6,547,068	6,043,377
Sales taxes	3,388,394	2,960,190	-	-	3,388,394	2,960,190
Other	649,870	752,604	11,266	32,016	661,136	784,620
Total Revenues	<u>13,682,828</u>	<u>13,123,245</u>	<u>7,770,875</u>	<u>7,474,514</u>	<u>21,453,703</u>	<u>20,597,759</u>
Expenses:						
General government	1,350,158	1,714,327	-	-	1,350,158	1,714,327
Public Safety	6,436,005	6,008,960	-	-	6,436,005	6,008,960
Community services	1,682,464	1,625,838	-	-	1,682,464	1,625,838
Community development	814,622	2,441,669	-	-	814,622	2,441,669
Interest on long-term debt	240,887	274,699	-	-	240,887	274,699
Water and Sewer	-	-	7,105,870	5,662,116	7,105,870	5,662,116
Total Expenses	<u>10,524,136</u>	<u>12,065,493</u>	<u>7,105,870</u>	<u>5,662,116</u>	<u>17,630,006</u>	<u>17,727,609</u>
Increase (decrease) in net position before transfers	3,158,692	1,057,752	665,005	1,812,398	3,823,697	2,870,150
Transfers	357,214	352,304	(357,214)	(352,304)	-	-
Increase (decrease) in net position	<u>3,515,906</u>	<u>1,410,056</u>	<u>307,791</u>	<u>1,460,094</u>	<u>3,823,697</u>	<u>2,870,150</u>
Net position - Beginning	<u>20,648,188</u>	<u>19,238,132</u>	<u>19,275,791</u>	<u>17,815,697</u>	<u>39,923,979</u>	<u>37,053,829</u>
Net position - Ending	<u>\$ 24,164,094</u>	<u>\$ 20,648,188</u>	<u>\$ 19,583,582</u>	<u>\$ 19,275,791</u>	<u>\$ 43,747,676</u>	<u>\$ 39,923,979</u>

Total key elements in Governmental Activities revenues for 2021 are as follows:

- Property taxes of \$6,547,068 recognized on a tax base of \$789,698,830 in gross taxable valuations at a rate of 78.88 cents per each \$100 of property value.
- Other tax revenues were \$3,388,394 representing 24.1 percent of governmental program revenues and other governmental revenues.
- Franchise taxes were \$641,184, or 4.6 percent of governmental program revenues and other governmental revenues.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Total key elements in expenses for 2021 are as follows:

- Public safety expenses totaled \$6,436,005, of which \$5,079,294 (79 percent) was for personnel services. The increase in expenses attributed to 5% pay increase for first responders and dispatch operations, the addition of positions for Police and Fire, increased fringe benefit expenditures for medical and dental insurance and retirement contributions, increase in building maintenance due to aging facilities, increase in uniforms, software support for expanded emergency communications services, vehicle maintenance and police vehicle acquisitions.
- The City of Seagoville contracts with Republic Services for its sanitation services, which accounts for all of the \$960,555 of expenses in Sanitation Department.
- General Government expenses of \$1,350,158 include costs for City Council, City Manager/Human Resources, City Secretary, Finance, and non-departmental activities. The increase in expenses can be attributed to the Citywide 3% pay increase, increase in information technology maintenance and security, attorney consultation fees, and property and casualty insurance.
- Community Services expenses of \$1,682,464 include costs for Municipal Court, Library, Senior Center and Sanitation. The increase in expenses is due to third party contractor payments for sanitation services, 3% pay increase and hiring and equipping a health inspector.
- Community Development expenses of \$814,622 include costs for Building Inspection, Streets, Parks and Planning. The increase in expenses is due to a 3% employee pay increase, increase in pension contributions and health insurance. Mitigating the increase was a decrease in spending in general government funded street projects.
- Interest on long term debt of \$240,887 reflects debt service on the FY 2016 notes payable for City Hall roof repair, debt service on the multiyear financing of a fire quint apparatus during 2017 and the issuance of FY 2019 bonds.

Business-type activities. Business-type activities net position increased by \$307,791. Including a \$3,515,906 net position increase for governmental activities, the total increase in net position for the City was \$3,826,697. Key elements of the business-type activities are as follows:

- Charges for services for business-type activities account for a significant portion of the revenue sources. The water and sewer utilities total charges for service, \$7,740,442, represent 99.8 percent of the total business-type revenue. The revenue sources for this fund represent increased rates recommended by a revenue rate study approved by City Council in FY 2015 budget.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

- Likewise, the expenses for the water and sewer utilities total, \$7,105,870, which is 100 percent of the overall business-type expenditures. The increase in expenses is primarily due to increase cost of sewer treatment service from North Texas Municipal Water District and a 3% salary increase and increased fringe benefits for staff.
- Revenues exceeded expenses, before net transfers and capital contributions, by \$634,572.

As noted earlier, the City of Seagoville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Seagoville's governmental funds is to provide information of near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Seagoville's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Seagoville's governmental funds reported combined ending fund balances of \$15,475,293, increasing \$7,463,214 in comparison with the prior year. This increase is primarily due to proceeds of long-term debt. Approximately 39 percent of the total combined fund balance (\$6,011,394) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form (\$12,838), 2) restricted for particular purposes (\$8,838,481), 3) committed for particular purposes (\$422,830), or 4) assigned for particular purposes (\$189,750).

The general fund is the chief operating fund of the City of Seagoville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$6,005,561. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 53 percent of total general fund expenditures.

The general fund balance of the City of Seagoville increased by \$2,161,856 during the current fiscal year, because of revenues exceeding prior year by \$4,617,083, expenditures decreasing from the prior year by \$1,070,850. The overall increase in fund balance reflects street repair and reconstruction project spending, offset by an increase in revenue from sales and property taxes.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Proprietary funds. The City of Seagoville's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. The unrestricted net position of the City of Seagoville's Enterprise Fund at the end of the year is \$7,973,943, an increase of \$532,106 to the unrestricted net position at September 30, 2020. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Actual revenues exceeded budgeted revenues by \$5,261,472, due to increased sales taxes generated by increased consumer spending, new residential development activity in the Highland Meadows and the Seagoville Farms subdivisions (licenses, permits and fees and sanitation) and enhanced local law enforcement initiatives (fines). The increase in ad valorem tax revenue was due to an increase in the assessed values of property within the city while the property tax rate remained stable at \$0.7888. Actual expenditures were below budgeted appropriations by \$788,630, from increased spending on street reconstruction projects.

Capital Asset and Debt Administration

Capital assets. The City of Seagoville's investment in capital assets for its governmental and business-type activities, net of accumulated depreciation, as of September 30, 2021 amounts to \$41,306,792. This investment in capital assets includes land, buildings, system expansion, improvements, machinery and equipment, park facilities, streets and drainage. The capital assets, net of depreciation, for governmental activities totaled \$23,945,731 and for the business-type activities totaled \$17,361,061.

There were a few capital assets and projects acquired during the year. For governmental activities there was **Building:** Completion of the New Fire Station (\$802,229), **Improvements:** Bryan Sidewalks, (\$13,910), E. Farmers Rd Repair (\$8,857), Combine Rd Emergency Repair (\$110,187), Cubley/Ferrell and Potter Rehabilitation (\$282,945), Kleberg/Seagoville Road (\$21,140), Environmental Way (\$47,094), Haven Hills Drainage (\$32,000), Travers (\$42,069), Crestview & Malloy Bridge Road (\$1,322,999), Cain St. Repair (\$171,992), Pearl Street (\$34,592), Highland Meadows Sidewalk (\$13,613), Guardrail Repair Lasater & Stark (\$18,300), Johnnie Row/Ross (\$378,190), and Simonds Rd patching (\$88,546). **Machinery and Equipment:** 2 Police Patrol Chevy Tahoes with toughbooks (\$112,354), Firefighting Equipment (\$62,669), Transportation Shelter Concrete (\$6,900),

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

For the business type activities **Machinery and Equipment**: sewer trailer camera setup (\$174,292), Dean Kubota Skid-steer (\$70,724), Installation of Smart Meters (\$476,297), **Infrastructure**: Northern Basin Interceptor Engineering (\$790,095), Ard Road Pump Station Upgrades (\$29,048).

The following table presents a comparative summary of the City’s capital assets as of September 30, 2021 and September 30, 2020.

	City of Seagoville's Capital Assets, net of depreciation					
	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land (not depreciated)	\$ 2,617,405	\$ 2,617,405	\$ 97,912	\$ 97,912	\$ 2,715,317	\$ 2,715,317
Construction in progress (not depreciated)	2,444,743	3,680,185	2,510,121	1,851,242	4,954,864	5,531,427
Buildings	2,560,195	1,207,953	79,592	83,062	2,639,787	1,291,015
Improvements other than buildings	732,225	790,608	963	2,829	733,188	793,437
Machinery and Equipment	3,414,450	3,031,427	650,363	518,129	4,064,813	3,549,556
Infrastructure	<u>12,176,713</u>	<u>11,418,031</u>	<u>14,022,110</u>	<u>14,551,898</u>	<u>26,198,823</u>	<u>25,969,929</u>
	<u>\$ 23,945,731</u>	<u>\$ 22,745,609</u>	<u>\$ 17,361,061</u>	<u>\$ 17,105,072</u>	<u>\$ 41,306,792</u>	<u>\$ 39,850,681</u>

Additional information on the City of Seagoville’s capital assets can be found in note 3 on pages 63-64 of this report.

Noncurrent Liabilities/Long-term debt. At the end of the current fiscal year, the City of Seagoville had total noncurrent liabilities of \$21,973,753. Of this amount, \$11,865,000 comprises general certificates of obligation and \$4,425,000 is for proprietary fund debt. The following table presents a comparative summary of the city noncurrent liabilities for September 30, 2021 and September 30, 2020

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

City of Seagoville Non Current Liabilities

	Governmental Activities		Business Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Certificates of obligation	\$ 11,865,000	\$ 7,161,500	\$ -	\$ -	\$ 11,865,000	\$ 7,161,500
Combination tax and revenue refunding bonds	-	-	4,425,000	4,793,500	4,425,000	4,793,500
Premium on bonds	532,566	255,396	140,807	151,638	673,373	407,034
Compensated absences	500,152	426,711	34,641	31,116	534,793	457,827
Notes payable	1,082,757	1,157,382	1,228,466	1,822,500	2,311,223	2,979,882
OPEB liability	280,806	219,207	37,613	29,953	318,419	249,160
Pension liability	1,580,851	1,531,931	265,095	259,014	1,845,946	1,790,945
	<u>\$ 15,842,132</u>	<u>\$ 10,752,127</u>	<u>\$ 6,131,622</u>	<u>\$ 7,087,721</u>	<u>\$ 21,973,754</u>	<u>\$ 17,839,848</u>

The City of Seagoville’s general government non-current liabilities increased by \$5,090,005 during the current fiscal year due to the issuance of FY 2021 certificates of obligations amounting to \$5,305,913 including premiums on bonds for general government (fire truck) offset by scheduled payments and amortization of \$325,243 during the fiscal year. Business-type activities non-current liabilities decreased by \$956,099 due to \$379,331 in scheduled payments and amortization during the fiscal year. Total pension liability increased \$48,920 (governmental activities) and \$6,081 (business-type activities) due to information provided by the Texas Municipal Retirement System. The OPEB liability represents the impact of GASB 75, increasing \$61,599 for governmental activities and \$7,660 for business-type activities. Total compensated absences increased \$76,966 due to staff replacement and salary upgrades.

Additional information on the City of Seagoville’s long-term debt can be found in note 4 on pages 65-67 of this report.

Economic Factors and Next Year’s Budgets and Rates

These and other factors were considered in preparing the City of Seagoville’s budget for the 2021-2022 fiscal year.

Charges for services are the City's largest revenue source, representing 49% of total budgeted revenues. They consist of revenue earned by the City in exchange for specific types of services provided. Examples of services include water sales, sewer service charges, sanitation fees, and delinquent payment penalty fees. Drainage fees in the Storm Water fund are unchanged from the previous fiscal year (2021). Water and sewer rates remain the same.

CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Property Taxes represent 31% of total budgeted revenues. Property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the City. Assessed values represent the appraised value less applicable exemptions. Appraised values are established by the Dallas Central Appraisal District and the Kaufman County Appraisal District at 100% of market value and certified by the Chief Appraisers of each district. The 2021 certified taxable value of \$920,157,331 is an 18% increase from the 2020 certified taxable value of \$778,298,234. Staff is proposing a property tax rate of \$0.788800 per \$100 of valuation. **This tax rate is unchanged from the prior fiscal year tax rate** of \$0.788800 per \$100 of valuation. There are two components of the tax rate. The first component is for maintenance and operations (M&O) while the second component relates to debt service interest and sinking fund requirements. Staff is proposing a tax rate of \$0.70005 for operations and maintenance, which is a change from the previous fiscal year of \$0.720498. The operations and maintenance portion of the property tax is collected through the General Fund. Staff is proposing a tax rate of \$0.08875 for debt service interest and sinking fund requirements, which is collected through the Debt Service Fund. This is a change from last year's rate of \$0.068302. The increase in the I&S rate is due to the increase in debt. (\$5.5 million Bond acquired in order to fund the new Police Station. Taxes for the current year are due and payable in full on October 1, and are delinquent if not paid on or before January 31. State law requires that a penalty be charged on taxes paid after January 31. Delinquent taxes are subject to a 6% penalty and 1% interest. Delinquent taxes not paid before July 1 become subject to an additional 15% penalty.

Sales Taxes continued to grow even with the expected slow-down in growth due to the pandemic. Sales taxes represented 21% of the total budget. Sales Tax Revenue increased by 14% from the prior year.

Franchise Fees are charged to specific businesses that conduct business in the City of Seagoville. Utilities (electric, water, sanitation, telephone, gas and cable) that operate in the City pay this fee for their use of the City's right of way to conduct their business. Franchise fees are based on a percentage of gross receipts. Projections are conservatively based on historical trends. Franchise fees for the 2022 fiscal year estimate to be approximately \$619,150, a decrease of \$31,000 from the FY 2021 budget of \$650,150. This is due to the diversity of communication options available in the City, and a change in state law contributing to the decline in revenues.

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CITY EXPENDITURES - BY CATEGORY

Description	2020 Actual	2021 Budget	2021 Projected	2022 Budget	\$ Increase (Decrease)	% Change
Personnel	7,969,686	8,338,498	8,047,015	9,811,127	1,472,629	18%
Supplies	943,767	888,331	912,890	912,119	23,578	3%
Contractual Services	7,809,048	7,712,519	9,006,208	8,027,404	314,885	4%
Capital Outlay	5,770,226	6,568,638	4,336,237	6,709,006	140,368	2%
Debt Service	1,106,750	2,131,781	2,271,014	2,095,574	(36,207)	-2%
Total Expenditures	23,599,478	25,639,767	24,573,364	27,555,230	1,915,463	7%

Total fiscal year 2022 expenditures are budgeted to increase \$1,915,463 ,a 7% increase from the budget of fiscal year 2021. Personnel increased \$1,472,629 (18%) and Supplies slightly increased \$23,7880. Capital Outlay increased \$140,368 (2%), Debt Service decreased \$36,207 (2%) and Contractual Services increased \$314,885 (4%).

A summary of City-wide expenditure highlights appears below:

The increase in **Personnel** reflects a 3% increase provided to civilian employees, and implementation of a Step Pay Plan for the Police and Fire Departments. Additionally, there is no rate increase in budgeted expenditures for employer contribution to health insurance. There were two positions added for Police Officers. A position was also added for a Construction Inspector, a Street Maintenance Supervisor, a Senior Accountant, a Sewer Maintenance worker and a Customer Service UB Technician.

Supplies include increases in vehicle operations and maintenance.

Contractual Services include increases primarily due to consulting fees, third party sanitation contract, third party sewer treatment services, consulting fees and software support.

Capital Outlay budget remains constant due to ongoing street maintenance and repair projects.

Debt Service also remains constant with a 2% decrease in the budget.

Request for Information

This financial report is designed to provide a general overview of the City of Seagoville’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Seagoville, Finance Department, 702 N. Hwy. 175, Seagoville, Texas, 75159.

Seagoville ★

BASIC FINANCIAL STATEMENTS

Seagoville ★

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and cash equivalents	\$ 15,506,240	\$ 7,424,057	\$ 22,930,297	\$ 1,588,925
Restricted assets:				
Cash and Cash Equivalents	-	583,337	583,337	-
Receivables (Net of Allowance for Uncollectibles):				
Taxes	1,037,677	-	1,037,677	205,818
Grants and Other Governments	1,706	-	1,706	-
Accounts and Other	44,048	1,105,839	1,149,887	580,000
Prepaid items	12,838	-	12,838	-
Due from Component Unit	-	-	-	-
Capital assets, net of accumulated depreciation:				
Non-depreciable	5,062,148	2,608,032	7,670,180	163,579
Depreciable (net)	18,883,583	14,753,029	33,636,612	491,970
Total Assets	\$ 40,548,240	\$ 26,474,294	\$ 67,022,534	\$ 3,030,292
Deferred Outflows of Resources				
Change in Actuarial Assumptions - OPEB	63,598	8,450	72,048	-
OPEB Contributions after FYE (Current)	3,900	485	4,385	-
Difference in Investment Experience - OPEB	744	-	744	-
Difference in expected & actual pension exp	177,587	23,096	200,683	-
Change in Assumptions - Pensions	44,557	6,478	51,035	-
Pension investment return difference	561,302	79,978	641,280	-
Pension Contributions after FYE (Current)	432,886	53,814	486,700	-
Total Deferred Outflows of Resources	1,284,574	172,301	1,456,875	-
Liabilities				
Accounts and Contracts Payable	\$ 302,742	\$ 291,710	\$ 594,452	\$ 8,969
Accrued Expenses	434,950	100,384	535,334	700
Due to Primary Government	-	-	-	-
Customer Deposits	-	380,409	380,409	-
Long-Term Liabilities:				
Due Within One Year	656,527	995,195	1,651,722	-
Due In More Than One Year	15,185,605	5,136,426	20,322,031	-
Total Liabilities	16,579,824	6,904,124	23,483,948	9,669
Deferred Inflows of Resources				
Difference in Investment Experience - OPEB	16,724	2,262	18,986	-
Change in Actuarial Assumption - OPEB	7,011	981	7,992	-
Investment Return Difference - Pensions	1,029,643	150,453	1,180,096	-
Difference between Expected and Actual Pension Experience	35,518	5,193	40,711	-
Total Deferred Inflows of Resources	1,088,896	158,889	1,247,785	-
Net Position				
Net Investment in Capital Assets	16,756,602	11,566,788	28,323,390	655,549
Restricted for:				
Capital Asset Acquisition/Construction	6,678,192	-	6,678,192	-
Debt Service	145,170	42,850	188,020	-
Community Services	-	-	-	-
Community Development	422,830	-	422,830	-
Public Safety	10,620	-	10,620	-
Unrestricted	150,680	7,973,944	8,124,624	2,365,074
Total Net Position	\$ 24,164,094	\$ 19,583,582	\$ 43,747,676	\$ 3,020,623

The notes to the financial statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

Function/Program Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government:								
Governmental activities:								
General Government	\$ 1,350,158	-	-	-	(1,350,158)	-	(1,350,158)	-
Public Safety	6,436,005	419,319	14,833	-	(6,001,853)	-	(6,001,853)	-
Community Services	1,682,464	1,172,952	236,451	-	(273,061)	-	(273,061)	-
Community Development	814,622	1,160,604	93,337	-	439,319	-	439,319	-
Interest on long term debt	240,887	-	-	-	(240,887)	-	(240,887)	-
Total governmental activities	<u>10,524,136</u>	<u>2,752,875</u>	<u>344,621</u>	<u>-</u>	<u>(7,426,640)</u>	<u>-</u>	<u>(7,426,640)</u>	<u>-</u>
Business-type activities:								
Water and sewer	7,105,870	7,759,609	-	-	-	653,739	653,739	-
Total business-type activities	<u>7,105,870</u>	<u>7,759,609</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>653,739</u>	<u>653,739</u>	<u>-</u>
Total primary government	<u>17,630,006</u>	<u>10,512,484</u>	<u>344,621</u>	<u>-</u>	<u>(7,426,640)</u>	<u>653,739</u>	<u>(6,772,901)</u>	<u>-</u>
Component units:								
Economic Development Corporation:	786,220	38,154	-	-	-	-	-	(748,066)
Total component units	<u>\$ 786,220</u>	<u>\$ 38,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (748,066)</u>
General revenues:								
Taxes:								
General Property Taxes					6,547,068	-	6,547,068	-
Other Local Taxes					3,388,394	-	3,388,394	1,120,256
Franchise Fees					641,184	-	641,184	-
Interest Income					8,686	11,266	19,952	860
Transfers					357,214	(357,214)	-	-
Total general revenues and transfers					<u>10,942,546</u>	<u>(345,948)</u>	<u>10,596,598</u>	<u>1,121,116</u>
Change in net position					3,515,906	307,791	3,823,697	373,050
Net position - beginning					20,648,188	19,275,791	39,923,979	2,647,573
Net position - ending					<u>\$ 24,164,094</u>	<u>\$ 19,583,582</u>	<u>\$ 43,747,676</u>	<u>\$ 3,020,623</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Seagoville ★

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
BALANCE SHEET -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021**

EXHIBIT 3

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,184,367	\$ 6,576,253	\$ 2,745,620	\$ 15,506,240
Investments	-	-	-	-
Receivables:				
Ad Valorem Taxes	373,286	-	30,026	403,312
Sales Taxes	617,455	-	-	617,455
Franchise	16,910	-	-	16,910
Grants	1,706	-	-	1,706
Other	25,111	-	18,937	44,048
Notes from Component Units	-	-	-	-
Due From Other Funds	-	-	-	-
Prepays	12,838	-	-	12,838
Due From Component Unit	-	-	-	-
TOTAL ASSETS	<u>\$ 7,231,673</u>	<u>\$ 6,576,253</u>	<u>\$ 2,794,583</u>	<u>\$ 16,602,509</u>

	<u>General</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 127,188	\$ 88,546	\$ 87,008	\$ 302,742
Accrued Liabilities	434,950	-	-	434,950
Due to Other Funds	-	-	-	-
Due to Component Unit	-	-	-	-
Total Liabilities	<u>562,138</u>	<u>88,546</u>	<u>87,008</u>	<u>737,692</u>

DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	360,235	-	2,029,289	2,389,524
Total Deferred Inflows of Resources	<u>360,235</u>	<u>-</u>	<u>2,029,289</u>	<u>2,389,524</u>

FUND BALANCES

Nonspendable:

Prepaid Items	12,838	-	-	12,838
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Restricted:

Restricted for Debt Service	-	-	145,170	145,170
Restricted for Court Improvements	-	-	57,006	57,006
Restricted for Police Operations	-	-	10,620	10,620
Restricted for Capital Expenditures	133,479	6,487,707	-	6,621,186
Restricted for Tourism	-	-	-	-
Restricted for Animal Shelter	-	-	4,499	4,499

Committed:

Community Development	-	-	422,830	422,830
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Assigned:

Workforce Development	-	-	2,824	2,824
Street initiatives	63,149	-	-	63,149
Vehicle Replacement	83,838	-	-	83,838
Technology Replacement	10,435	-	-	10,435
Police Operations	-	-	17,331	17,331
Fire operations	-	-	-	-
Community Services	-	-	12,173	12,173
Tourism	-	-	5,833	5,833

Unassigned

	6,005,561	-	-	6,005,561
Total Fund Balances	<u>6,309,300</u>	<u>6,487,707</u>	<u>678,286</u>	<u>13,475,293</u>

TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 7,231,673</u>	<u>\$ 6,576,253</u>	<u>\$ 2,794,583</u>	<u>\$ 16,602,509</u>
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The notes to the financial statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2021**

EXHIBIT 4

Total fund balances--governmental funds \$ 13,475,293

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Land	\$	2,617,405	
Construction in Progress		2,444,743	
Buildings		4,078,405	
Improvements other than buildings		1,716,868	
Machinery & equipment		6,296,768	
Infrastructure		27,478,071	
Accumulated depreciation		<u>(20,686,529)</u>	
Total capital assets	\$	<u>23,945,730</u>	23,945,727

Deferred Outflows of Resources are not considered available funds and are not recorded in governmental funds 1,284,574

Some revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. On the accrual basis, however, those revenues would be recognized, regardless of when they are collected. 2,389,524

Deferred Inflows of Resources are not considered available funds and are not recorded in governmental funds (1,088,896)

Some long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:

Compensated absences	\$	500,152	
Pension liability		1,580,851	
OPEB liability		280,806	
Bond premium		532,566	
Notes payable		1,082,757	
Long-term debt		<u>11,865,000</u>	
Total long-term liabilities	\$	<u>15,842,132</u>	(15,842,132)

Net position of governmental activities \$ 24,164,091

The notes to the financial statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 5

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General Property Taxes	\$ 5,981,876	\$ -	\$ 565,192	\$ 6,547,068
Sales and Use	3,362,024	-	-	3,362,024
Franchise	641,184	-	-	641,184
Hotel/Motel			26,370	26,370
Sanitation	1,172,952	-	-	1,172,952
Licenses, Permits And Fees	920,037	-	240,567	1,160,604
Municipal Court Fines	400,266	-	19,053	419,319
Intergovernmental	1,393,747	-	-	1,393,747
Interest	6,844	1,827	15	8,686
Other	67,093	-	18,190	85,283
Total Revenue	<u>13,946,023</u>	<u>1,827</u>	<u>869,387</u>	<u>14,817,237</u>
Expenditures:				
Current:				
General Government	1,221,512	-	21,000	1,242,512
Public Safety	5,778,289	-	281,309	6,059,598
Community Services	1,679,619	-	1,535	1,681,154
Community Development	1,300,084	-	71,378	1,371,462
Nondepartmental	62,669	-	-	62,669
Debt Service:				
Principal Retirement	74,625	-	311,500	386,125
Interest and Service Charges	31,243	-	209,644	240,887
Capital Outlay:	1,160,463	2,582,236	75,515	3,818,214
Total Expenditures	<u>11,308,504</u>	<u>2,582,236</u>	<u>971,881</u>	<u>14,862,621</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,637,519</u>	<u>(2,580,409)</u>	<u>(102,494)</u>	<u>(45,384)</u>
Other Financing Sources (Uses):				
Bonds Issued	-	4,860,471	-	4,860,471
Premium on Bonds Issued	-	290,913	-	290,913
Transfers In	974,255	692,651	718,652	2,385,558
Transfers Out	(1,449,918)	(74,166)	(504,260)	(2,028,344)
Total Other Financing Sources (Uses)	<u>(475,663)</u>	<u>5,769,869</u>	<u>214,392</u>	<u>5,508,598</u>
Net Change in Fund Balances	2,161,856	3,189,460	111,898	5,463,214
Fund Balances, Beginning of Year	4,147,444	3,298,247	566,389	8,012,080
Fund Balances, End of Year	<u>\$ 6,309,300</u>	<u>\$ 6,487,707</u>	<u>\$ 678,287</u>	<u>\$ 13,475,294</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT 6

Net change in fund balances--total governmental funds \$ 5,463,214

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures	2,655,679	
Depreciation expense	<u>(1,455,557)</u>	
Net adjustment	<u>1,200,121</u>	1,200,121

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred revenue	1,718,119
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The issuance of long-term debt (e.g., bonds, tax anticipation notes) provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the the treatment of long-term debt and related items.

Debt issued:		
CO bonds	(5,015,000)	
Bond premium	(290,913)	
Bond payments	311,500	
Note payments	<u>74,625</u>	(4,919,788)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

54,237

Change in net position of governmental activities	\$ <u>3,515,903</u>
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The notes to the financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

EXHIBIT 7

	Water and Sewer
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 7,424,057
Accounts receivable (net of allowance for uncollectibles)	1,105,839
Total current assets	8,529,896
Noncurrent assets:	
Restricted cash and cash equivalents	583,337
Capital assets:	
Land	97,912
Construction in Progress	2,510,120
Buildings	147,763
Improvements other than buildings	220,590
Machinery and equipment	1,522,541
Infrastructure	27,229,321
Less: accumulated depreciation	(14,367,186)
Total capital assets (net of accumulated depreciation)	17,361,061
Total noncurrent assets	17,944,398
Total assets	\$ 26,474,294
DEFERRED OUTFLOWS OF RESOURCES	
Changes in assumptions to determine OPEB liability	8,450
OPEB Contributions after FYE	485
Difference in expected & actual pension exp	23,096
Change in Assumptions - Pensions	6,478
Pension investment return difference	79,978
Pension contribution after FYE	53,814
Total Deferred Outflows Of Resources	172,301
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 291,710
Accrued expenses	100,384
Customer deposits	380,409
Compensated absences	3,464
Note payable-current	607,400
Bonds payable-current	384,331
Total current liabilities	1,767,698
Noncurrent liabilities:	
Compensated absences	31,174
Pension liability	265,096
OPEB liability	37,613
Note payable	621,066
Bonds payable	4,181,477
Total noncurrent liabilities	5,136,426
Total liabilities	\$ 6,904,124
DEFERRED INFLOWS OF RESOURCES	
Difference in Investment Experience - OPEB	2,262
Change in Actuarial Assumption - OPEB	981
Pension Experience	5,193
Pension investment return difference	150,453
Total Deferred Inflows Of Resources	158,889
NET POSITION	
Net investment in capital assets	\$ 11,566,788
Restricted for debt service	42,850
Unrestricted	7,973,944
Total Net Position	\$ 19,583,582

The notes to the financial statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

EXHIBIT 8

	Water and Sewer
OPERATING REVENUES	
Water	\$ 3,839,475
Sewer	3,520,430
Tap fees	51,550
Penalties and interest	243,767
Reconnect fees	28,160
Miscellaneous	76,227
Total operating revenues	7,759,609
OPERATING EXPENSES	
Water operations	2,222,908
Sewer operations	2,487,619
Water and sewer administration	208,227
Customer service operations	271,078
Other expenses	1,081,667
Depreciation	647,905
Total operating expenses	6,919,404
Operating income (loss)	840,205
NONOPERATING REVENUES (EXPENSES)	
Investment income	11,266
Interest and service charges	(186,466)
Total nonoperating revenues (expenses)	(175,200)
Income before transfers	665,005
Transfers in	2,437,619
Transfers out	(2,794,833)
Change in net position	307,791
Total net assets - beginning	19,275,791
Total net assets - ending	\$ 19,583,582

The notes to the financial statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021**

EXHIBIT 9

	<u>Water and Sewer Fund</u>
Cash Flows from Operating Activities:	
Receipts from customers	\$ 7,674,011
Payments to suppliers	(5,534,575)
Payments to employees	<u>(702,671)</u>
Net Cash Provided by (Used for) Operating Activities	<u>1,436,765</u>
Cash Flows from Noncapital Financing Activities:	
Operating transfers in from other funds	2,437,619
Operating transfers out to other funds	<u>(2,794,833)</u>
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(357,214)</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition and construction of capital assets	(903,894)
Principal paid -bonds	(973,365)
Interest paid	<u>(163,413)</u>
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(2,040,672)</u>
Cash Flows from Investing Activities:	
Interest income received	<u>11,266</u>
Net Cash Provided by Investing Activities	<u>11,266</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(949,855)
Cash and cash equivalents, beginning	<u>8,957,249</u>
Cash and cash equivalents, ending	<u>\$ 8,007,394</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Operating Income (Loss)	<u>\$ 840,205</u>
Adjustments Not Affecting Cash:	
Depreciation	647,905
Change in Assets and Liabilities:	
(Increase) Decrease in accounts receivables	(75,495)
Increase (Decrease) in accounts payable	(10,103)
Increase (Decrease) in accrued liabilities	17,523
Increase (Decrease) in pension liability	(14,582)
Increase (Decrease) in OPEB Liability	7,657
Increase (Decrease) in Customer Deposits	20,129
Increase (Decrease) in compensated absences	3,526
Total Adjustments	<u>596,560</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,436,765</u>
Reconciliation of total cash and cash equivalents:	
Cash and cash equivalents	\$ 7,424,057
Restricted assets - cash and cash equivalents	<u>583,337</u>
Total cash and cash equivalents	<u>\$ 8,007,394</u>

Seagoville ★

NOTES TO FINANCIAL STATEMENTS

Seagville ★

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City of Seagoville, Texas (City) is incorporated as a municipal corporation under the laws of the State of Texas. The City operates under a home rule charter with a City Manager-City Council form of government. The accompanying financial statements present the City's primary government and its discretely presented component unit, for which the City is considered to be financially accountable. The component unit is reported in a separate column in the government-wide financial statement to emphasize that it is legally separate from the City.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). The more significant accounting policies of the City are described below.

Financial Reporting Entity

The City is governed by an elected mayor and a five-member council and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the City is a financial reporting entity as defined by the GASB in its Statement No. 14, "The Financial Reporting Entity", as amended by GASB 39 "Determining Whether Certain Organizations Are Component Units".

Under GASB 14 component units are organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity-Continued

Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statements of the component unit may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

GASB 39 added clarification to GASB 14 by including entities which meet all three of the following requirements:

1. The economic resources received or held by the separate organization are entirely for the direct benefit of the primary government, its component units, or its constituents.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
3. The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on these criteria, the financial information of the following entity has been presented discretely in a separate column from the primary government in the government-wide financial statements:

The Seagoville Economic Development Corporation (Corporation) promotes and develops industrial and manufacturing enterprises to promote and encourage employment and the public welfare within the City and the State of Texas.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity-Continued

There are seven directors, all of whom are appointed by the City Council. The Corporation provides financial benefits to the City in the form of an annual cash payment. The Corporation is authorized to sell bonds or other forms of indebtedness for any purpose authorized by Section 4B of the Development Corporation Act of 1979, Article 5190.6, Vernon's Revised Civil Statutes of Texas as amended. In the event of the dissolution of the Corporation, the assets of the Corporation shall be distributed to the City. Copies of the Corporation's financial statement may be obtained from the Corporation's office at 702 N. Highway 175, Seagoville, Texas, 75159.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of inter fund activity has been removed from these statements. The interfund services provided and used are not eliminated in this process of consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific program. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity-Continued

proprietary funds. These statements present each major fund as a separate column in the fund financial statement; all non-major funds are aggregated and presented in a single column.

Governmental Funds

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources.

The government reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Capital Projects Fund** is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds.

In addition, the City reports the following non-major governmental funds:

Special Revenue Funds:

The **Hotel/Motel Occupancy Tax Fund** was established to account for local hotel and motel occupancy tax receipts.

The **Special Police Fund** was established to account for resources required to be utilized by the police department.

The **Miscellaneous Grants Fund** is used to account for contributions from corporations and others.

The **Municipal Court Technology Fund** was established to account for a portion of municipal court fees earmarked to help fund technology and security purchases.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation-Continued

The ***Park Development Fund*** accounts for resources acquired from residential development firms to be used for construction of neighborhood parks.

The ***Revenue Recycling Fund*** was established to account for disposal fees and expenditures from the sale of recyclable materials.

The ***Animal Shelter Fund*** accounts for the resource inflows and outflows associated with the operation of the City animal shelter and the accumulation of resources for the construction of a new animal shelter.

The ***Storm Water Fund*** was established to account for city activities mandated by the City's storm sewer permit.

The ***Debt Service Fund*** is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund signifies the amounts that are restricted exclusively for debt service expenditures.

Proprietary Funds

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included in the Statement of Net Position.

The City reports the following major proprietary fund:

Water and Sewer Enterprise Fund

Water and Sewer Enterprise Fund is used to account for the operation of the water distribution system, wastewater treatment plant, and wastewater pumping and collection systems which are supported primarily by user charges to the public.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Water and Sewer Enterprise Fund-Continued

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Group Insurance Trust

In August 2008, the City passed a resolution establishing a Single Non-Profit Trust which enables the City to receive a discount on premiums it pays to its insurance carrier. The Group Insurance Trust is used for the payment of insurance premiums and is funded by the governmental funds and the enterprise fund.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting-Continued

accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

The City considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, sales taxes, franchise taxes, and interest are all considered to be susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents and Investments

City funds are deposited in an authorized depository bank. All deposits are fully collateralized (100%) with depository insurance; direct obligations of the United States of America backed by its full faith and credit; obligations guaranteed by the United States of America; evidence of indebtedness guaranteed by Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperative, Federal Farm Credit System, Federal Home Loan Banks, Federal National Mortgage Association; or any general or special obligation (approved by the Attorney General of Texas) issued by a State of Texas public agency payable from taxes, revenues, either or both, provided all of such obligations are rated A or better by a generally recognized national Bank rating agency. The collateral is held in a bank other than the one in which the deposit was made.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash, Cash Equivalents and Investments-Continued

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity date within three months of the date of acquisition for classification in the statement of cash flows for proprietary fund types.

Property Taxes

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the tax year 2020 levy was based was \$778,298,234. Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2021 was \$0.7888 per \$100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district on the basis of 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes-Continued

whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

Inter fund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Transactions Between Funds

Inter fund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other Inter fund transfers are recorded as transfers.

Restricted Assets

Certain proceeds of the Water and Sewer Enterprise Fund’s revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as required.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life is not capitalized.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Improvements other than buildings	20
Machinery and equipment	5-10
Infrastructure	75

Deferred Outflows of Resources

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has four items of deferred outflows of resources related to the implementation of the GASB statements on pension accounting.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Outflows of Resources-Continued

One is for pension contributions after the measurement date and the other is for pension investment experience (difference in projected and actual earnings on pension assets). The amount deferred for pension contributions is recognized in the following fiscal year. The amounts deferred for change in actuarial assumptions and pension experience will be recognized over the estimated average remaining lives of all members determined as of the measurement date. The difference in projected and actual earnings will be amortized over a closed five-year period. These items appear on the Statement of Net Position in the government wide financial statements.

The City has two items of deferred outflows of resources related to the implementation of GASB statement on OPEB. One is for OPEB contributions after the measurement date and the other is for a change in assumptions (annual change in the municipal bond index rate). The amount deferred for OPEB contributions is recognized in the following year. The amount deferred for change in assumptions will be amortized over a closed five-year period.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items appearing on the Statement of Position in the government wide financial statements reflecting the implementation of the GASB statements on pension accounting. This amount deferred for the difference in expected and actual pension experience will be recognized over the estimated average remaining lives of all members determined as of the measurement date. The difference in projected and actual earnings will be amortized over a closed five-year period. The City has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds if material in amount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred. Prepaid insurance costs are reported as an asset and recognized as an expense in a systematic and rational manner over the duration of the related debt.

Other Post Employment Benefits (OPEB)

In June 2015, GASB made major changes to its OPEB accounting standards with the issuance of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage, and is effective for fiscal years beginning after June 2017. The new requirements called for these major changes:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Other Post Employment Benefits (OPEB) (continued)

- A “Total OPEB Liability” is calculated by TMRS’ actuary and is put on the face of the City’s Statement of Net Position in the government-wide financial statements.
- OPEB expense is calculated by the actuary, and is no longer tied to the amount of contributions submitted to TMRS each year; rather, it is tied to the change in total OPEB liability from year to year. OPEB expense is put in the City’s Statement of Activities in the government-wide financial statements.
- Some of each year’s OPEB costs may be deferred (deferred inflows and deferred outflows of resources, recorded in the Statement of Net Position) and amortized over a number of years.

The City’s participation in the TMRS Supplemental Death Benefits Plan – with retiree coverage – is making disclosures as a participant in a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB 75.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City’s Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, GRS Retirement Consulting, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution authorized the Finance Director to assign fund balance. The City Council may also assign fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 2. CASH AND INVESTMENTS

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank places approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

At September 30, 2021 the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included as cash and cash equivalents) was \$17,786,628 and the bank balance was \$16,991,414. The City's cash deposits at September 30, 2021 and during the year ended September 30, 2021 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Legal and contractual provisions governing deposits and investments:

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes and the City's investment policy authorized the City to invest in the following investments as summarized in the table below:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations	1 year	None	None
U.S. Agencies Securities	1 year	None	None
Certificates of Deposits	1 year	None	None
TexPool		None	None

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 2. CASH AND INVESTMENTS - CONTINUED

The Act also requires the City to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2021 are classified in the accompanying financial statements as follows:

Statement of net position

Primary Government

Cash and cash equivalents	\$ 22,930,297
Restricted cash and cash equivalents	<u>583,337</u>
Total Primary Government	23,513,634

Component Unit

Cash and cash equivalents	1,588,925
Restricted cash and cash equivalents	<u>-</u>
Total Component Unit	<u>1,588,925</u>

Total cash and investments \$ 25,102,559

Cash and cash equivalents as of September 30, 2021 consist of the following:

Cash on hand	\$ 1,900
Deposits with financial institutions	13,472,907
Investments	<u>11,627,752</u>
Total cash and investments	\$ <u><u>25,102,559</u></u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 2. CASH AND INVESTMENTS - CONTINUED

combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2021, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Texstar	\$ 8,286,235	37 days
Texpool	<u>3,341,517</u>	22 days
Total	<u>\$ 11,627,752</u>	

As of September 30, 2021 the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City's investment policy, or debt agreements, and the actual rating as of yearend for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
Texstar	\$ 8,286,235	N/A	AAAM
Texpool	<u>3,341,517</u>	N/A	AAAM
Total	<u>\$ 11,627,752</u>		

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2021 other than external investment pools the City did not have 5% or more of its investment with one issuer.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times. As of September 30, 2021 the City deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Investment in State Investment Pools

During the year, the City invested in multiple public fund investment pools, including Texstar and Texpool. The fair value of the position of Texstar is measured at net asset value and is designed to approximate the share value. Texstar is overseen by a Governing Board consisting of individuals from participating governmental entities in the pool. Texpool is overseen by the Texas State Comptroller of Public Accounts.

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Investment in State Investment Pools-Continued

Texpool uses amortized costs rather than fair value to report net assets to compute share prices. Each pool's governing body is comprised of individuals who are employees, officers, or elected officials of participants in the funds or who do not have a business relationship with the fund and are qualified to advise. Investment objectives and strategies of the pools are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. Pools offer same day access to investment funds.

Fair Value of Assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

As of September 30, 2021, the City's investment in Texpool and Texstar are measured at amortized cost and net asset value, both of which approximate fair value. The City has no other investments requiring measurement by the hierarchy levels indicated above.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital assets not being depreciated					
Land	\$ 2,617,405	\$	\$	\$	\$ 2,617,405
Construction in progress	<u>3,680,185</u>	<u> </u>	<u> </u>	<u>(1,235,442)</u>	<u>2,444,743</u>
	6,297,590	-	-	(1,235,442)	5,062,148
Capital assets being depreciated					
Buildings	2,647,755	805,228		625,422	4,078,405
Improvements other than buildings	1,716,868				1,716,868
Machinery & equipment	5,468,497	218,251		610,020	6,296,768
Infrastructure	<u>25,845,871</u>	<u>1,632,200</u>	<u> </u>	<u> </u>	<u>27,478,071</u>
	35,678,991	2,655,679	-	1,235,442	39,570,112
Accumulated depreciation:					
Buildings	1,439,802	78,408			1,518,210
Improvements other than buildings	926,260	58,383			984,643
Machinery & equipment	2,437,070	445,248			2,882,318
Infrastructure	<u>14,427,840</u>	<u>873,518</u>	<u> </u>	<u> </u>	<u>15,301,358</u>
	19,230,972	1,455,557	-	-	20,686,529
Capital assets being depreciated - net	<u>16,448,019</u>	<u>1,200,122</u>	<u> </u>	<u>1,235,442</u>	<u>18,883,583</u>
Governmental activities capital assets, net	<u>\$ 22,745,609</u>	<u>\$ 1,200,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,945,731</u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business type Activities:					
Capital assets not being depreciated					
Land	\$ 97,912	\$	\$	\$	\$ 97,912
Construction in progress (CIP)	<u>1,851,242</u>	<u>658,879</u>	<u>-</u>	<u>-</u>	<u>2,510,121</u>
	<u>1,949,154</u>	<u>658,879</u>	<u>-</u>	<u>-</u>	<u>2,608,033</u>
Capital assets being depreciated					
Buildings	147,763				147,763
Improvements other than buildings	220,590				220,590
Machinery & equipment	1,277,523	245,015			1,522,538
Infrastructure	<u>27,229,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,229,321</u>
	<u>28,875,197</u>	<u>245,015</u>	<u>-</u>	<u>-</u>	<u>29,120,212</u>
Capital assets including land and CIP	<u>30,824,351</u>	<u>903,894</u>	<u>-</u>	<u>-</u>	<u>31,728,245</u>
Accumulated depreciation:					
Buildings	64,701	3,470			68,171
Improvements other than buildings	217,761	1,866			219,627
Machinery & equipment	759,394	112,781			872,175
Infrastructure	<u>12,677,423</u>	<u>529,788</u>	<u>-</u>	<u>-</u>	<u>13,207,211</u>
	<u>13,719,279</u>	<u>647,905</u>	<u>-</u>	<u>-</u>	<u>14,367,184</u>
Capital assets being depreciated - net	<u>15,155,918</u>	<u>(402,890)</u>	<u>-</u>	<u>-</u>	<u>14,753,028</u>
Governmental activities capital assets, net	<u>\$ 17,105,072</u>	<u>\$ 255,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,361,061</u>

Depreciation expense appears as a direct expense to functions of the primary government as follows:

Governmental Activities:	
General Government	\$ 44,977
Public Safety	376,407
Community Services	1,310
Community Development	<u>1,032,863</u>
Total depreciation expense - governmental activities	<u>\$ 1,455,557</u>
Business type Activities:	
Water and Sewer	<u>\$ 647,905</u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 4. LONG-TERM DEBT

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. Details of long-term debt outstanding as of September 30, 2021 are as follows:

Primary Government:

Description	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 2021
Governmental activities:					
Certificates of Obligation					
Refunding	1,741,500	2018	2028	1.93%	1,170,000
Improvements	5,885,000	2019	2039	3.00% - 4.00%	5,680,000
Improvements	5,015,000	2021	2041	1.50% - 4.00%	<u>5,015,000</u>
Total governmental activities				\$	<u><u>11,865,000</u></u>
Business-type activities:					
Combination tax and revenue refunding bonds					
Improvements	3,915,000	2018	2028	1.93%	2,995,000
Improvements	2,128,500	2015	2035	2.00% - 4.00%	<u>1,430,000</u>
				\$	<u><u>4,425,000</u></u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

Governmental activities:

Description	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 2021
Note payable					
Quint fire engine	460,020	2017	2031	2.67%	435,466
2020 fire engine	891,933	2020	2035	3.10%	<u>647,291</u>
Total Governmental activities Notes payable					\$ <u><u>1,082,757</u></u>

Business-type activities:

Description	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 2021
Note payable					
Smart meters	1,822,500	2020	2022	2.25%	<u>1,228,466</u>
Total Business-type activities Notes payable					\$ <u><u>1,228,466</u></u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 4. LONG-TERM DEBT – CONTINUED

The following is a summary of long-term transactions for the year ended September 30, 2021:

Primary Government:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amount due Within One Year</u>
Governmental activities:					
Certificates of Obligation	\$ 7,161,500	\$ 5,015,000	\$ (311,500)	\$ 11,865,000	\$ 501,500
Premium on bonds	<u>255,396</u>	<u>290,913</u>	<u>(13,743)</u>	<u>532,566</u>	<u>28,289</u>
Total bonds payable	7,416,896	5,305,913	(325,243)	12,397,566	529,789
Other general government long term liabilities					
Notes payable	1,157,382		(74,625)	1,082,757	76,723
Pension liability	1,531,931	48,920		1,580,851	
OPEB liability	219,207	61,599		280,806	
Compensated absences	<u>426,711</u>	<u>73,441</u>		<u>500,152</u>	<u>50,015</u>
Total governmental activities	<u>\$ 10,752,127</u>	<u>\$ 5,489,873</u>	<u>\$ (399,868)</u>	<u>\$ 15,842,132</u>	<u>\$ 656,527</u>
Business-type activities:					
Combination tax and revenue refunding bonds	\$ 4,793,500	\$	\$ (368,500)	\$ 4,425,000	\$ 373,500
Premium on bonds	<u>151,638</u>	<u>-</u>	<u>(10,831)</u>	<u>140,807</u>	<u>10,831</u>
Total bonds payable	4,945,138	-	(379,331)	4,565,807	384,331
Notes payable	1,822,500		(594,034)	1,228,466	607,400
Pension liability	259,014	6,081		265,095	
OPEB liability	29,953	7,660		37,613	
Compensated absences	<u>31,116</u>	<u>3,525</u>		<u>34,641</u>	<u>3,464</u>
	<u>\$ 7,087,721</u>	<u>\$ 17,266</u>	<u>\$ (973,365)</u>	<u>\$ 6,131,622</u>	<u>\$ 995,195</u>

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.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 4. LONG-TERM DEBT – CONTINUED

Annual debt service requirements as of September 30, 2021 are as follows:

Primary Government:

Year Ending September 30,	Governmental Activities Bonds Payable		Business-type Activities Bonds Payable	
	Principal	Interest	Principal	Interest
2022	\$ 501,500	\$ 354,934	\$ 373,500	\$ 120,612
2023	571,000	302,162	384,000	109,884
2024	600,500	282,361	399,500	98,851
2025	625,000	263,993	410,000	87,311
2026	645,000	248,406	420,000	75,455
2027 - 2031	3,037,000	971,148	1,453,000	253,187
2032 - 2036	3,165,000	536,654	985,000	79,950
2037 - 2041	2,720,000	131,825		
	<u>\$ 11,865,000</u>	<u>\$ 3,091,483</u>	<u>\$ 4,425,000</u>	<u>\$ 825,250</u>

Year Ending September 30,	Governmental Activities Notes Payable		Business-type Activities Notes Payable	
	Principal	Interest	Principal	Interest
2022	\$ 76,723	\$ 29,145	\$ 607,400	\$ 27,640
2023	78,880	26,988	621,066	13,974
2024	81,098	24,770	-	-
2025	83,379	22,488	-	-
2026	85,725	20,142	-	-
2027 - 2031	466,196	63,142	-	-
2032 - 2036	210,756	11,472	-	-
2037 - 2041	-	-	-	-
	<u>\$ 1,082,757</u>	<u>\$ 198,147</u>	<u>\$ 1,228,466</u>	<u>\$ 41,614</u>

In prior years, the City defeased certain certificates of obligation bonds by using the proceeds of the new bonds to purchase U.S. government securities that were placed in separate irrevocable trusts for the purpose of generating resources for all future debt payments of the debt being refunded. As a result, the refunded bonds are considered to be defeased and the trust assets and the liability for the defeased bonds are not included in the City's financial statements. The principal balance of the refunded bonds still outstanding at September 30, 2021 is \$2,600,000.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 5. INTERFUND TRANSFERS

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2021 were as follows:

<u>Transfer in</u>	<u>Transfer out</u>	<u>Amount</u>	<u>Purpose</u>
Genral	Water & Sewer	\$ 74,826	In lieu of franchise fees - water
Genral	Water & Sewer	79,034	In lieu of franchise fees - water
Genral	Water & Sewer	<u>203,354</u>	General & Admin - indirect costs
		<u>\$ 357,214</u>	

NOTE 6. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of Seagoville, Texas participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated service credit	100% Repeating
Annuity increase (to retirees)	0% of CPI

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 6. DEFINED BENEFIT PENSION PLAN – CONTINUED

Employees covered by benefit terms –

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	70
Active employees	<u>104</u>
Total	<u>234</u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the actuary annually determines the City contribution rate, using the Entry Age Normal (EAN) cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Seagoville were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Seagoville were 11.06% and 11.16% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the fiscal year ended September 30, 2021 were \$689,030.36, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions –

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 6. DEFINED BENEFIT PENSION PLAN – CONTINUED

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50 – 11.50% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 6. DEFINED BENEFIT PENSION PLAN - CONTINUED

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic

mean (aggressive) without and adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions and employer contributions will be made at the rates specified in statute.

Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 6. DEFINED BENEFIT PENSION PLAN - CONTINUED

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 12/31/19	20,526,537	18,735,592	1,790,945
Changes for the year:			
Service Cost	910,252	-	910,252
Interest	1,389,855	-	1,389,855
Change in benefit terms	-	-	
Difference between expected and actual experience	255,107	-	255,107
Changes of assumptions	-	-	-
Contribution - employer	-	662,747	(662,747)
Contribution - employee	-	424,061	(424,061)
Net investment income	-	1,422,967	(1,422,967)
Benefit payments, including refunds of employee contributions	(782,436)	(782,436)	-
Administrative expense	-	(9,202)	9,202
Other changes	-	(359)	359
Net changes	1,772,778	1,717,778	55,000
Balance at 12/31/20	22,299,315	20,453,370	1,845,945

Sensitivity of the net pension liability to changes in the discount rate –

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1- percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Discount Rate Assumption 6.75%	1% Increase 7.75%
\$ 504,978	\$ 1,845,946	\$ (784,829)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 6. DEFINED BENEFIT PENSION PLAN - CONTINUED

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense of \$528,880. This amount is included as part of personnel service expenses within the functional activities.

At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actuarial assumptions and actual experience	\$ 200,683	\$ 40,711
Changes in actuarial assumptions used	51,035	-
Difference between projected and actual investment earnings	641,280	1,180,096
Contributions subsequent to the measurement date	<u>486,700</u>	<u>-</u>
Total	<u>\$ 1,379,698</u>	<u>\$ 1,220,807</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$486,700 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2020 (i.e. recognized in the city's financial statements September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

		<u>Net deferred outflows (inflows) of resources</u>
2021	\$	(131,871)
2022		86,472
2023		(252,018)
2024		(30,392)
2025		-
Thereafter		<u>-</u>
Total	\$	<u>(327,809)</u>

NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS(OPEB)

Benefit Plan Description

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB Statement 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB Statement 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single-employer, defined benefit OPEB plan with benefit payments treated as being equal to the employer's yearly contribution for retirees.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's actual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	9
Active employees	<u>104</u>
Total	<u>147</u>

**NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
- CONTINUED**

Total OPEB Liability

The City's total OPEB liability of \$318,419 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions –

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
Salary increases	3.50% to 11.5%, including inflation
Discount rate	2.75%
Retirees' share of benefit related costs	\$0

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Mortality rates – service retirees

2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.

Mortality rates – disabled retirees

2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

**NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)
– CONTINUED**

Changes in the Total OPEB Liability

Total OPEB Liability - beginning of year		\$	249,160
Changes for the year			
Service Cost			21,759
Interest on Total OPEB Liability			7,118
Changes of benefit terms			-
Differences between expected and actual experience			990
Changes in assumptions or other inputs			41,806
Benefit payments *			<u>(2,414)</u>
Total OPEB Liability - end of year		\$	<u>318,419</u>

* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Changes in assumptions reflect a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

Sensitivity of the total OPEB liability to changes in the discount rate –

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1- percentage-point higher (3.00%) than the current rate:

	1% Decrease 1.00%		Current Rate Assumption 2.00%		1% Increase 3.00%
City's total OPEB liability	\$ 387,437	\$	318,419	\$	264,334

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

**NOTE 7. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) –
CONTINUED**

Changes in the Total OPEB Liability (continued)

Deferred Outflows of Resources and Deferred Inflows of Resources, by year, to be Recognized in Future OPEB Expense (excluding City-provided contributions made subsequent to the measurement date)

For the year ended September 30, 2021, the City recognized OPEB expense of \$38,057. At September 30, 2021, the City reported deferred inflows and outflows

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actuarial assumptions and actual experience	\$ 19,079	\$ 837
Changes in actuarial assumptions used	7,992	72,048
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	<u>-</u>	<u>4,385</u>
Total	<u>\$ 27,071</u>	<u>\$ 77,270</u>

Deferred inflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$4,385 will be recognized as an increase in the net OPEB liability for the measurement year ending December 31, 2021 (i.e. recognized in the city's financial statements September 30, 2022). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

		<u>Net deferred outflows (inflows) of resources</u>
2021	\$	9,180
2022		9,180
2023		7,862
2024		8,679
2025		7,927
Thereafter		<u>2,986</u>
Total	\$	<u>45,814</u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 8. COMMITMENTS AND CONTINGENCIES

In 2005, the City entered into a contract with the North Texas Municipal Water District (the “District”) for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District’s sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed of. The cost includes the City’s proportionate share of the District’s operating and maintenance expenses and related debt service costs. During 2021, the City’s share of these costs was \$1,878,682.

NOTE 9. RISK FINANCING AND INSURANCE

The City places all of its property, liability, and workers’ compensation coverage with Texas Municipal League, a public entity risk pool currently operating as a common risk management and insurance program for over 2,800 members. The City pays an annual premium to Texas Municipal League for its general insurance coverage. The risk pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$1,000,000 for workers’ compensation, \$250,000 for property, and \$1,000,000 for liability damages. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

The limits of liability and deductible are:

	Limit		Deductible
General Liability	\$ 1,000,000	Each Occurrence	\$ 1,000
	\$ 2,000,000	Annual	
Auto Liability	\$ 1,000,000	Each Occurrence	\$ -
Law Enforcement Liability	\$ 1,000,000	Annual	\$ 1,000
	\$ 2,000,000		
Errors and Omissions Liability	\$ 2,000,000	Each Occurrence	\$ 1,000
	\$ 4,000,000	Annual	
Auto Physical Damage	A. C. V.	Per Vehicle	\$ 500
		Each Occurrence	\$ 10,000
Real and Personal Property	\$17,796,702		\$ 500
Mobile Equipment	\$ 1,100,549		\$ 500
Workers ' Compensation	Statutory		

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2021

NOTE 10. TAX ABATEMENTS

The City of Seagoville enters into property tax abatement agreements with local businesses as authorized by the Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code and the Tax Abatement Guidelines of the City of Seagoville. Recipients may be eligible based on their impact to the City's economy. Agreements may also contain recapture or "clawback" provisions in the event of non-performance of the agreement standards. As of the 2020 certified roll (used for the 2021 fiscal year) the City's abatement agreements resulted in \$ - 0 - in appraised values, totaling \$ - 0 - in taxes abated on the 2020 certified tax roll (used for the 2021 fiscal year).

NOTE 11. SUBSEQUENT EVENTS

Management has reviewed all material subsequent events and transactions which occurred after the balance sheet date through August 29, 2022 (the date that financial statements became available for release). The City entered into a Pre-Development and Professional Service Reimbursement Agreement (the agreement) with TCCI Taylor Farms 2021 LLC (the Developer) under which the Developer commits to reimbursing the City for City expenses under the agreement.

Seagoville ★

REQUIRED SUPPLEMENTARY INFORMATION

Seagoville ★

BUDGETARY COMPARISON GENERAL FUND

Seagoville ★

City of Seagoville
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget vs Actual--General Fund
For the Fiscal Year Ended September 30, 2021

EXHIBIT A-1

	Budgeted Amounts (GAAP Basis)		Actual Amounts	Variance with Final Budget-- Positive (Negative)
	Original	Final		
Revenues:				
General Property Taxes	\$ 5,282,560	5,282,560	5,981,876	699,316
Sales and Use	2,858,320	2,858,320	3,362,024	503,704
Franchise	650,150	650,150	641,184	(8,966)
Sanitation	1,104,000	1,104,000	1,172,952	68,952
Fines and Forfeitures	230,625	230,625	400,266	169,641
Licenses, Permits And Fees	349,045	349,045	920,037	570,992
Intergovernmental	181,849	181,849	1,393,747	1,211,898
Other	28,000	28,000	73,937	45,937
Total Revenue	<u>10,684,549</u>	<u>10,684,549</u>	<u>13,946,021</u>	<u>3,261,472</u>
Expenditures:				
Current:				
General Government	1,400,046	1,424,940	1,284,181	140,759
Public Safety	5,886,268	5,895,222	5,778,289	116,933
Community Services	1,639,248	1,639,248	1,679,619	(40,371)
Community Development	1,330,687	1,422,600	1,300,084	122,516
Debt Service:				
Principal Retirement	-	-	74,625	(74,625)
Interest and Service Charges	-	-	31,243	(31,243)
Capital Outlay	1,057,297	1,715,124	1,160,463	554,661
Housing				
Total Expenditures	<u>11,313,546</u>	<u>12,097,134</u>	<u>11,308,504</u>	<u>788,630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(628,997)</u>	<u>(1,412,585)</u>	<u>2,637,517</u>	<u>4,050,102</u>
Other Financing Sources (Uses):				
Transfers In - Other Funds	379,904	379,904	974,255	594,351
Transfers Out - Other Funds	<u>(809,500)</u>	<u>(809,500)</u>	<u>(1,449,918)</u>	<u>(640,418)</u>
Total Other Financing Sources (Uses)	<u>(429,596)</u>	<u>(429,596)</u>	<u>(475,663)</u>	<u>(46,067)</u>
Deficiency of Revenues and Other Financing Sources Under Expenditures and Other Sources Under Expenditures and Other Uses				
	<u>(1,058,593)</u>	<u>(1,842,181)</u>	<u>2,161,854</u>	<u>4,004,035</u>
Fund Balances (Deficit), Beginning of Year	<u>4,147,444</u>	<u>4,147,444</u>	<u>4,147,444</u>	<u>-</u>
Fund Balances (Deficit), End of Year	<u>\$ 3,088,851</u>	<u>2,305,263</u>	<u>6,309,298</u>	<u>4,004,035</u>

CITY OF SEAGOVILLE, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2021

Budgetary Data

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of each fiscal year, a proposed budget for the General and Debt Service Fund for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance.
4. During the fiscal year, the City Council may transfer funds allocated to a department to another department or re-estimate revenues or expenditures. The City Manager may transfer budgeted funds within a fund. Expenditures should not exceed appropriations at the fund level. Supplemental appropriations to amend the budget during the year were not material to total appropriations.

Annually appropriated budgets are consistent with U.S. generally accepted accounting principles.

City of Seagoville, Texas
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST SEVEN FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016	Measurement Year 2017	Measurement Year 2018	Measurement Year 2019	Measurement Year 2020
Total Pension Liability							
Service cost	\$ 552,231	634,753	\$ 659,583	\$ 691,900	\$ 717,159	\$ 792,997	\$ 910,252
Interest (on the Total Pension Liability)	901,226	959,710	1,035,498	1,127,119	1,225,262	1,298,790	1,389,855
Difference between expected and actual experience	(98,674)	164,824	134,744	159,603	(121,194)	(18,720)	255,107
Change of assumptions	-	311,847	-	-	-	105,329	-
Benefits payments, including refunds of employee contributions	(664,148)	(456,956)	(449,012)	(528,256)	(546,303)	(993,391)	(782,436)
Net Change in Total Pension Liability	690,635	1,614,178	1,380,813	1,450,366	1,274,924	1,185,005	1,772,778
Total Pension Liability - Beginning	12,930,616	13,621,251	15,235,429	16,616,242	18,066,608	19,341,532	20,526,537
Total Pension Liability - Ending	\$ 13,621,251	15,235,429	\$ 16,616,242	\$ 18,066,608	\$ 19,341,532	\$ 20,526,537	\$ 22,299,315
Plan Fiduciary Net Position							
Contributions - employer	\$ 383,407	429,211	\$ 421,866	\$ 492,954	\$ 532,212	\$ 579,541	\$ 662,747
Contributions - employee	277,832	309,420	309,871	324,618	341,272	373,552	424,061
Net investment income	691,059	18,826	881,813	1,968,593	(492,910)	2,517,507	1,422,967
Benefit payments, including refunds of employee contributions	(664,148)	(456,956)	(449,012)	(528,256)	(546,303)	(993,391)	(782,436)
Administrative expense	(7,214)	(11,467)	(9,959)	(10,201)	(9,523)	(14,215)	(9,202)
Other	(593)	(568)	(537)	(517)	(498)	(427)	(359)
Net Change in Plan Fiduciary Net Position	680,343	288,466	1,154,042	2,247,191	(175,750)	2,462,567	1,717,778
Plan Fiduciary Net Position - Beginning	12,078,731	12,759,074	13,047,540	14,201,582	16,448,774	16,273,024	18,735,591
Plan Fiduciary Net Position - Ending	\$ 12,759,074	13,047,540	\$ 14,201,582	\$ 16,448,773	\$ 16,273,024	\$ 18,735,591	\$ 20,453,369
Net Pension Liability - Ending	\$ 862,177	2,187,889	\$ 2,414,660	\$ 1,617,835	\$ 3,068,508	\$ 1,790,946	\$ 1,845,946
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	93.67%	85.64%	85.47%	91.05%	84.14%	91.27%	91.72%
Covered Employee Payroll	\$ 3,969,024	4,420,284	\$ 4,426,729	\$ 4,637,399	\$ 4,875,313	\$ 5,336,455	\$ 6,044,170
Net Pension Liability as a Percentage of Covered Payroll	21.72%	49.50%	54.55%	34.89%	62.94%	33.56%	30.54%

Until a full 10-year trend is completed, we will present information for those years for which information is available.

City of Seagoville, Texas
REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CONTRIBUTIONS
LAST EIGHT FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered Payroll	(5) Actuarially determined contributions as a percentage of covered payroll (1)/(4)	(6) Contributions as a percentage of covered employee payroll (2)/(4)
2014	383,407	383,407	-	3,969,024	9.66%	9.66%
2015	429,211	429,211	-	4,420,284	9.71%	9.71%
2016	421,866	421,866	-	4,426,729	9.53%	9.53%
2017	492,954	492,954	-	4,637,288	10.63%	10.63%
2018	532,212	532,212	-	4,828,808	11.02%	11.02%
2019	546,056	546,056	-	5,028,140	10.86%	10.86%
2020	579,541	579,541	-	5,432,024	10.67%	10.67%
2021	662,747	662,747	-	6,044,170	10.97%	10.97%

City of Seagoville, Texas
REQUIRED SUPPLEMENTARY INFORMATION OPEB
TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)
SCHEDULE OF CHANGES IN OPEB LIABILITY (ASSET) AND RELATED RATIOS
LAST FOUR FISCAL YEARS (PREVIOUS YEARS ARE NOT AVAILABLE)

Measurement Year	2017	2018	2019	2020
Total OPEB Liability - beginning of year	\$ 176,821	\$ 210,285	\$ 205,298	\$ 249,160
Changes for the year				
Service Cost	12,057	14,626	13,341	21,759
Interest on Total OPEB Liability	6,877	7,178	7,824	7,118
Differences between expected and actual experience	-	(10,448)	(19,687)	990
Changes in assumptions or other inputs	16,385	(14,880)	44,523	41,806
Benefit payments **	<u>(1,855)</u>	<u>(1,463)</u>	<u>(2,139)</u>	<u>(2,418)</u>
Net Changes	<u>33,464</u>	<u>(4,987)</u>	<u>43,862</u>	<u>69,255</u>
Total OPEB Liability - end of year	<u>\$ 210,285</u>	<u>\$ 205,298</u>	<u>\$ 249,160</u>	<u>\$ 318,415</u>
Covered Payroll	\$ 4,637,399	\$ 4,875,313	\$ 5,336,455	\$ 6,044,170
Total OPEB Liability as a percentage of covered payroll	4.53%	4.21%	4.67%	5.27%

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan know as the Supplemental Death Benefits Fund (SDBF). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB Statement 75 (i.e., no assets are accumulated for OPEB to pay retirement benefits) and as usch the SC+DBF is considered an unfunded OPEB plan.

Changes in assumptions and other inputs reflect the effect of changes in the discount rate each period. The following are the discount rates used each period.

2017	3.78
2018	3.31
2019	2.75
2020	2.00

** Due to the SDBF being considered and unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

Until a full 10-year trend is completed, we will present information for those years for which information is available.

COMBINING SCHEDULES AND STATEMENTS

Seagoville ★

CITY OF SEAGOVILLE, TEXAS
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for revenue sources that are legally restricted to expenditures for specified purposes.

Hotel/Motel Occupancy Tax Fund – Established to account for local hotel and motel occupancy tax receipts.

Special Police Fund – Established to account for resources required to be utilized by the police department.

Miscellaneous Grants Fund – Established to account for contributions from corporations and others.

Municipal Court Technology Fund – Established to account for a portion of municipal court fees earmarked to help fund technology and security purchases.

Park Development Fund – Established to account for resources acquired from residential development firms to be used for construction of neighborhood parks.

Revenue Recycling Fund – Established to account for disposal fees and expenditures from the sale of recyclable materials.

Animal Shelter – Established to account for the resource inflows and outflows associated with the operation of the City animal shelter and the accumulation of resources for the construction of a new animal shelter.

Storm Water Fund – Established to account for city activities mandated by the City's storm sewer permit.

COVID Funds – Established to account for resources acquired from other governments to mitigate the impact of the COVID 19 virus.

DEBT SERVICE FUND

The Debt Service Fund is utilized to account for the accumulation of financial resources for the payment of principal, interest, and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund signifies the amounts that are restricted exclusively for debt service expenditures.

COMBINING BALANCE SHEET -
NON MAJOR GOVERNMENT FUNDS
September 30, 2021

	Special Revenue Funds												
	Hotel/Motel Occupancy Tax	Special Police	Miscellaneous Grants	Municipal Court Technology	Park Development	Revenue Recycling	Animal Shelter	COVID Response	Storm Water Revenue	2021 Coronavirus Local Fiscal Recovery	Total Special Revenue Funds	Debt Service	Total Non Major Governmental Funds
ASSETS													
Cash and cash equivalents	\$ 5,833	\$ 10,861	\$ 12,234	\$ 57,006	\$ 219,408	\$ 2,824	\$ 26,830	\$ 304	\$ 265,879	\$ 2,000,008	\$ 2,601,187	\$ 144,433	\$ 2,745,620
Accounts receivable:													
Customers	-	-	-	-	-	-	-	-	18,937	-	18,937	-	18,937
Ad valorem taxes	-	-	-	-	-	-	-	-	-	-	-	30,026	30,026
TOTAL ASSETS	\$ 5,833	\$ 10,861	\$ 12,234	\$ 57,006	\$ 219,408	\$ 2,824	\$ 26,830	\$ 304	\$ 284,816	\$ 2,000,008	\$ 2,620,124	\$ 174,459	\$ 2,794,583
LIABILITIES, DEFERRED INFOWS OF RESOURCES AND FUND BALANCES													
LIABILITIES													
Accounts payable	\$ -	\$ 249	\$ 61	\$ -	\$ -	\$ -	\$ 5,000	\$ 304	\$ 81,394	\$ -	\$ 87,008	\$ -	\$ 87,008
TOTAL LIABILITIES	-	249	61	-	-	-	5,000	304	81,394	-	87,008	-	87,008
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenue	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000	29,289	2,029,289
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	-	-	-	-	2,000,000	29,289	2,029,289
FUND BALANCES													
Restricted													
Debt service	-	-	-	-	-	-	-	-	-	-	-	145,170	145,170
Court improvements	-	-	-	57,006	-	-	-	-	-	-	57,006	-	57,006
Public safety	-	10,612	-	-	-	-	-	-	-	8	10,620	-	10,620
Animal shelter	-	-	-	-	-	-	4,499	-	-	-	4,499	-	4,499
Committed													
Community development	-	-	-	-	219,408	-	-	-	203,422	-	422,830	-	422,830
Assigned													
Workforce development	-	-	-	-	-	2,824	-	-	-	-	2,824	-	2,824
Public safety	-	-	-	-	-	-	17,331	-	-	-	17,331	-	17,331
Community services	-	-	12,173	-	-	-	-	-	-	-	12,173	-	12,173
Tourism	5,833	-	-	-	-	-	-	-	-	-	5,833	-	5,833
Unassigned													
	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	5,833	10,612	12,173	57,006	219,408	2,824	21,830	-	203,422	8	533,116	145,170	678,286
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,833	\$ 10,861	\$ 12,234	\$ 57,006	\$ 219,408	\$ 2,824	\$ 26,830	\$ 304	\$ 284,816	\$ 8	\$ 2,620,124	\$ 174,459	\$ 2,794,583

CITY OF SEAGOVILLE
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NON MAJOR
GOVERNMENTAL FUNDS

EXHIBIT B-2

For the Fiscal Year Ended September 30, 2021

	Special Revenue Funds												
	Hotel/Motel Occupancy Tax	Special Police	Miscellaneous Grants	Municipal Court Technology	Park Development	Revenue Recycling	Animal Shelter	COVID Response	Storm Water Revenue	2021 Coronavirus Local Fiscal Recovery	Total Special Revenue Funds	Debt Service	Total Non Major Governmental Funds
REVENUES													
Taxes:													
Hotel/ motel taxes	\$ 26,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,370	\$ -	\$ 26,370
Ad valorem	-	-	-	-	-	-	-	-	-	-	-	565,192	565,192
Municipal court fines	-	-	-	19,053	-	-	-	-	-	-	19,053	-	19,053
Investment income	-	-	-	-	-	-	2	-	-	8	10	5	15
Donations	-	-	-	-	-	-	3,357	-	-	-	3,357	-	3,357
Grant revenue	-	-	1,709	-	-	-	-	13,124	-	-	14,833	-	14,833
Fees	-	1,875	-	-	1,550	-	-	-	237,142	-	240,567	-	240,567
TOTAL REVENUES	<u>26,370</u>	<u>1,875</u>	<u>1,709</u>	<u>19,053</u>	<u>1,550</u>	<u>-</u>	<u>3,359</u>	<u>13,124</u>	<u>237,142</u>	<u>8</u>	<u>304,190</u>	<u>565,197</u>	<u>869,387</u>
EXPENDITURES													
CURRENT:													
General government	21,000	-	-	-	-	-	-	-	-	-	21,000	-	21,000
Public safety	-	4,439	-	7,885	-	-	-	268,985	-	-	281,309	-	281,309
Community services	-	-	1,535	-	-	-	-	-	-	-	1,535	-	1,535
Community development	-	-	-	-	2,000	-	-	-	69,378	-	71,378	-	71,378
CAPITAL OUTLAY	-	-	-	-	-	-	-	-	75,515	-	75,515	-	75,515
DEBT SERVICE													
Principal Retirement	-	-	-	-	-	-	-	-	-	-	-	311,500	311,500
Interest and Service Charges	-	-	-	-	-	-	-	-	-	-	-	209,644	209,644
TOTAL EXPENDITURES	<u>21,000</u>	<u>4,439</u>	<u>1,535</u>	<u>7,885</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>268,985</u>	<u>144,893</u>	<u>-</u>	<u>450,737</u>	<u>521,144</u>	<u>971,881</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>5,370</u>	<u>(2,564)</u>	<u>174</u>	<u>11,168</u>	<u>(450)</u>	<u>-</u>	<u>3,359</u>	<u>(255,861)</u>	<u>92,249</u>	<u>8</u>	<u>(146,547)</u>	<u>44,053</u>	<u>(102,494)</u>
OTHER FINANCING SOURCES (USES)													
Transfers In	-	-	-	-	-	-	-	369,933	-	-	369,933	348,719	718,652
Transfers Out	-	-	-	-	-	-	-	(128,660)	(27,600)	-	(156,260)	(348,000)	(504,260)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>241,273</u>	<u>(27,600)</u>	<u>-</u>	<u>213,673</u>	<u>719</u>	<u>214,392</u>
NET CHANGE IN FUND BALANCES	<u>5,370</u>	<u>(2,564)</u>	<u>174</u>	<u>11,168</u>	<u>(450)</u>	<u>-</u>	<u>3,359</u>	<u>(14,588)</u>	<u>64,649</u>	<u>8</u>	<u>67,126</u>	<u>44,772</u>	<u>111,898</u>
FUND BALANCES - BEGINNING	<u>463</u>	<u>13,176</u>	<u>11,999</u>	<u>45,838</u>	<u>219,858</u>	<u>2,824</u>	<u>18,471</u>	<u>14,588</u>	<u>138,773</u>	<u>-</u>	<u>465,990</u>	<u>100,398</u>	<u>566,388</u>
FUND BALANCES - ENDING	<u>\$ 5,833</u>	<u>\$ 10,612</u>	<u>\$ 12,173</u>	<u>\$ 57,006</u>	<u>\$ 219,408</u>	<u>\$ 2,824</u>	<u>\$ 21,830</u>	<u>\$ (0)</u>	<u>\$ 203,422</u>	<u>\$ 8</u>	<u>\$ 533,116</u>	<u>\$ 145,170</u>	<u>\$ 678,286</u>

CITY OF SEAGOVILLE
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUE				
Property taxes	\$ 490,000	\$ 490,000	\$ 565,192	\$ 75,192
Investment Income	40	40	5	(35)
Total Revenues	<u>490,040</u>	<u>490,040</u>	<u>565,197</u>	<u>75,157</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Debt Service				
Principal	311,500	311,500	311,500	-
Interest	207,394	207,394	209,644	(2,250)
Issuance cost of tax note	0	1,750		1,750
Total Current Expenditures	<u>518,894</u>	<u>520,644</u>	<u>521,144</u>	<u>(500)</u>
Total Expenditures	<u>518,894</u>	<u>520,644</u>	<u>521,144</u>	<u>(500)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,854)</u>	<u>(30,604)</u>	<u>44,053</u>	<u>75,657</u>
Other Revenues and Financing sources (uses)				
Transfers	348,719	719	719	-
Total Other Financing Sources (uses)	<u>348,719</u>	<u>719</u>	<u>719</u>	<u>-</u>
Net Change in Fund Balances	319,865	(29,885)	44,772	75,657
Fund Balances/Equity, Beginning of year	100,398	448,398	100,398	348,000
Fund Balances/Equity, End of year	<u>\$ 420,263</u>	<u>\$ 418,513</u>	<u>\$ 145,170</u>	<u>\$ 423,657</u>

STATISTICAL SECTION

This part of the City of Seagoville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

<u>Contents</u>	<u>Table #s</u>
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	1, 2, 3 & 4
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	5, 6, 7 & 8
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	9, 10, 11 & 12
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	13 & 14
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	15, 16 & 17

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year.

CITY OF SEAGOVILLE, TEXAS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

(Unaudited)

	Table 1									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net Investment in Capital Assets	\$ 13,131,435	\$ 12,263,442	\$ 12,952,871	\$ 14,812,747	\$ 15,422,815	\$ 15,662,438	\$ 17,007,443	\$ 10,257,309	\$ 17,371,025	\$ 16,756,605
Restricted for debt service	\$ 600,366	\$ 236,378	\$ 4,135	\$ 8,671	\$ 125,548	\$ 13,581	\$ 46,491	\$ 96,367	\$ 89,419	\$ 145,170
Unrestricted	\$ 1,880,895	\$ 2,609,561	\$ 2,793,280	\$ 2,496,008	\$ 2,932,761	\$ 3,156,302	\$ 2,210,368	\$ 2,645,982	\$ (317,583)	\$ (1,849,323)
Restricted for other	-	\$ 537,138	\$ 87,062	\$ 186,933	\$ 6,974	\$ 1,507,631	\$ 1,120,351	\$ 6,238,474	\$ 3,505,327	\$ 9,111,642
Total governmental activities net position	\$ 15,612,696	\$ 15,646,519	\$ 15,837,348	\$ 17,504,359	\$ 18,488,098	\$ 20,339,952	\$ 20,384,653	\$ 19,238,132	\$ 20,648,188	\$ 24,164,094
Business-type activities										
Net Investment in Capital Assets	\$ 10,296,997	\$ 10,488,488	\$ 11,066,442	\$ 10,929,761	\$ 9,840,057	\$ 9,991,422	\$ 9,312,409	\$ 10,445,729	\$ 11,791,104	\$ 11,566,789
Restricted for debt service	\$ 87,972	\$ 40,126	\$ 40,297	\$ 30,262	\$ 31,263	\$ 32,501	\$ 39,468	\$ 41,512	\$ 42,850	\$ 42,850
Unrestricted	\$ 3,531,320	\$ 3,407,933	\$ 3,271,565	\$ 755,535	\$ 2,301,078	\$ 3,925,047	\$ 6,233,537	\$ 7,328,456	\$ 7,441,837	\$ 7,973,943
Restricted for other	\$ -	\$ -	\$ -	\$ 2,587,737	\$ 1,718,468	\$ -	\$ -	\$ -	\$ -	\$ -
Total business-type activities net position	\$ 13,916,289	\$ 13,936,547	\$ 14,378,304	\$ 14,303,295	\$ 13,890,866	\$ 13,948,970	\$ 15,585,414	\$ 17,815,697	\$ 19,275,791	\$ 19,583,582
Primary government										
Net Investment in Capital Assets	\$ 23,428,432	\$ 22,751,930	\$ 24,019,313	\$ 25,742,508	\$ 25,262,872	\$ 25,653,860	\$ 26,319,852	\$ 20,703,038	\$ 29,162,129	\$ 28,323,394
Restricted for debt service	\$ 688,338	\$ 276,504	\$ 44,432	\$ 38,933	\$ 156,811	\$ 46,082	\$ 85,959	\$ 137,879	\$ 132,269	\$ 188,020
Unrestricted	\$ 5,412,215	\$ 6,017,494	\$ 6,064,845	\$ 3,251,543	\$ 5,233,839	\$ 7,081,349	\$ 8,443,905	\$ 9,974,438	\$ 7,124,254	\$ 6,124,620
Restricted for other	-	\$ 537,138	\$ 87,062	\$ 2,774,670	\$ 1,725,442	\$ 1,507,631	\$ 1,120,351	\$ 6,238,474	\$ 3,505,327	\$ 9,111,642
Total primary governmental net position	\$ 29,528,985	\$ 29,583,066	\$ 30,215,652	\$ 31,807,654	\$ 32,378,964	\$ 34,288,922	\$ 35,970,067	\$ 37,053,829	\$ 39,923,979	\$ 43,747,676

Source: Comprehensive Annual Financial Report

Table 2

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Revenues										
and Other Changes in Net Position Governmental activities:										
Taxes:										
Property taxes	\$ 3,219,875	\$ 3,142,526	\$ 3,222,817	\$ 3,350,955	\$ 3,572,962	\$ 3,899,725	\$ 4,742,501	\$ 4,660,501	\$ 6,043,377	\$ 6,547,068
Sales taxes	\$ 1,945,982	\$ 2,030,123	\$ 2,093,769	\$ 2,098,855	\$ 2,222,971	\$ 2,385,475	\$ 2,544,156	\$ 2,909,241	\$ 2,960,190	\$ 3,388,394
Other taxes	\$ 624,731	\$ 615,497	\$ 660,718	\$ 711,433	\$ 736,978	\$ 665,720	\$ 684,983	\$ 709,834	\$ 685,034	\$ 641,184
Investment income	\$ 4,191	\$ 2,259	\$ 2,099	\$ 2,128	\$ 5,305	\$ 15,418	\$ 48,329	\$ 116,887	\$ 67,570	\$ 8,686
Miscellaneous revenues	\$ 220,118	\$ 220,118	\$ 220,118	\$ 1,859,470						
Transfers					\$ (1,272,701)	\$ 2,113,094	\$ 352,304	\$ 352,304	\$ 352,304	\$ 357,214
Total governmental activities	\$ 6,014,897	\$ 6,010,523	\$ 6,199,521	\$ 8,022,841	\$ 7,810,917	\$ 9,079,433	\$ 8,372,273	\$ 8,748,767	\$ 10,108,475	\$ 10,942,546
Business-type activities:										
Other	\$ 2,973	\$ 2,260	\$ 609	\$ 2,372	\$ 11,407	\$ 20,430	\$ 25,523	\$ 39,196	\$ 32,016	\$ 11,266
Special Items										
Transfers	\$ (220,118)	\$ (220,118)	\$ (220,118)	\$ (1,857,098)	\$ (1,272,701)	\$ (2,113,094)	\$ (352,304)	\$ (352,304)	\$ (352,304)	\$ (338,047)
Total business-type activities	\$ (217,145)	\$ (217,858)	\$ (219,509)	\$ (1,854,726)	\$ (1,261,294)	\$ (2,092,664)	\$ (326,781)	\$ (313,108)	\$ (320,288)	\$ (326,781)
Total primary government	\$ 5,797,752	\$ 5,792,665	\$ 5,980,012	\$ 6,168,115	\$ 6,549,623	\$ 6,986,769	\$ 8,045,492	\$ 8,435,659	\$ 9,788,187	\$ 10,615,765
Change in Net Position:										
Governmental activities	\$ 955,407	\$ 33,823	\$ 197,974	\$ 2,142,717	\$ 977,044	\$ 1,851,854	\$ 199,131	\$ (1,146,521)	\$ 1,410,056	\$ 3,515,906
Business-type activities	\$ 349,209	\$ 20,258	\$ 441,757	\$ 11,311	\$ (412,429)	\$ 58,104	\$ 1,657,502	\$ 2,230,283	\$ 1,460,094	\$ 307,791
Total primary government	\$ 1,304,616	\$ 54,081	\$ 639,731	\$ 2,154,028	\$ 564,615	\$ 1,909,958	\$ 1,856,633	\$ 1,083,762	\$ 2,870,150	\$ 3,823,697

Source: Comprehensive Annual Financial Report
Special Items

CITY OF SEAGOVILLE, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting) (Unaudited)

Table 3

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	-	-	46,417	5,082	-	-	3,852	10,078	6,745	12,838
Restricted	28,339	35,466	46,850	63,204	80,341	1,455,465	1,073,924	125,385	133,479	133,479
Committed									6,500	-
Assigned	-	-	-	2,312	82,755	124,755	164,623	487,285	338,408	157,422
Unreserved/Unassigned	2,342,501	2,301,538	2,415,417	2,702,694	3,172,548	3,654,589	3,679,056	3,484,383	3,662,312	6,005,561
Total General Fund	2,370,840	2,337,004	2,508,684	2,773,292	3,335,644	5,234,809	4,921,455	4,107,131	4,147,444	6,309,300
All Other Governmental Funds										
Reserved for:										
Tourism & Promotion	-	-	-	-	-	-	917	-	-	-
Construction	-	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Restricted for:										
Debt Service	184,033	189,033	11,760	15,518	18,775	19,376	49,154	98,204	100,398	145,170
Other	16,593	72,295	2,335	4,489	-	-	-	-	-	-
Court improvements	47,898	45,008	26,642	28,092	31,370	32,980	36,302	40,943	45,838	57,006
Police operations	4,679	2,753	6,746	4,283	3,774	7,854	5,633	11,438	27,764	2,010,620
Animal shelter	9,203	10,651	-	-	-	4,491	4,492	4,494	-	-
Capital Expenditures	-	-	4,489	-	-	-	-	-	-	-
Restricted for Capital Projects	255,171	421,047	-	-	-	-	-	6,060,707	3,298,246	6,487,707
Committed:										
Community Development	-	-	62,660	133,764	160,897	207,395	255,047	203,787	358,632	422,830
Public Safety	-	-	66,392	-	4,489	-	-	-	4,497	4,499
Assigned:										
Workforce Development	-	-	1,436	971	2,231	1,716	1,941	2,311	2,824	2,824
Police Operations	-	-	6,221	10,860	8,782	6,841	7,290	9,972	13,974	17,331
Community Services	-	-	11,374	10,439	11,093	10,141	10,186	10,293	11,998	12,173
Unassigned:										
Special Revenue Funds	-	1,809	-	-	-	-	-	(5,006)	463	5,833
Total All other Governmental Funds	517,577	742,596	200,055	208,416	241,411	290,794	370,962	6,437,143	3,864,634	9,165,993

CAFR Exhibit 3

Source: Comprehensive Annual Financial Report

Notes: The City implemented GASB statement No. 54 fund Balance Reporting and Governmental Fund Type Definitions in fiscal year 2011.

CITY OF SEAGOVILLE, TEXAS
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting) (Unaudited)

Table 4

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2020
REVENUES										
Ad valorem taxes	\$ 3,247,285	\$ 3,141,923	\$ 3,288,831	\$ 3,367,504	\$ 3,612,803	\$ 3,965,362	\$ 4,514,818	\$ 4,868,479	\$ 5,723,915	\$ 6,547,068
Sales taxes	\$ 1,929,721	\$ 2,014,198	\$ 2,073,358	\$ 2,073,505	\$ 2,189,064	\$ 2,344,995	\$ 2,521,508	\$ 2,857,273	\$ 2,939,337	\$ 3,362,024
Franchise taxes	\$ 624,731	\$ 615,497	\$ 660,718	\$ 711,433	\$ 736,978	\$ 665,720	\$ 684,983	\$ 709,834	\$ 685,034	\$ 641,184
Hotel/motel	\$ 16,261	\$ 15,925	\$ 20,411	\$ 25,350	\$ 33,907	\$ 40,480	\$ 22,648	\$ 51,968	\$ 20,853	\$ 26,370
Sanitation collection charges	\$ 817,194	\$ 836,400	\$ 841,261	\$ 857,513	\$ 912,035	\$ 975,394	\$ 1,044,430	\$ 1,062,684	\$ 1,109,135	\$ 1,172,952
Licenses, permits & fees	\$ 169,028	\$ 218,047	\$ 233,639	\$ 459,242	\$ 549,315	\$ 659,196	\$ 658,335	\$ 1,362,474	\$ 1,300,035	\$ 1,160,604
Municipal Court Fines	\$ 297,957	\$ 293,758	\$ 238,956	\$ 188,778	\$ 206,922	\$ 243,402	\$ 254,021	\$ 282,441	\$ 284,254	\$ 419,319
Inter-governmental ^a	\$ 229,084	\$ 88,935	\$ 86,579	\$ 62,179	\$ 63,792	\$ 56,383	\$ 128,605	\$ 148,111	\$ 372,228	\$ 3,393,747
Investment Income	\$ 4,191	\$ 2,259	\$ 2,099	\$ 2,128	\$ 5,305	\$ 15,418	\$ 48,329	\$ 116,890	\$ 67,570	\$ 8,686
Grant revenue	-	-	-	-	-	-	-	-	-	-
Miscellaneous	\$ 27,430	\$ 66,279	\$ 155,519	\$ 33,274	\$ 72,905	\$ 15,349	\$ 43,476	\$ 37,520	\$ 50,616	\$ 85,283
Total revenues	\$ 7,362,882	\$ 7,293,221	\$ 7,601,371	\$ 7,780,906	\$ 8,383,026	\$ 8,981,698	\$ 9,921,154	\$ 11,497,674	\$ 12,552,977	\$ 16,817,237
EXPENDITURES										
Current:										
General government	\$ 988,491	\$ 992,729	\$ 1,071,953	\$ 1,146,467	\$ 1,331,435	\$ 1,322,120	\$ 1,298,398	\$ 1,413,640	\$ 1,657,283	\$ 1,242,512
Public safety	\$ 3,663,497	\$ 3,689,545	\$ 3,838,787	\$ 4,034,038	\$ 4,090,511	\$ 4,236,031	\$ 4,753,697	\$ 5,107,457	\$ 5,567,663	\$ 6,059,598
Community services	\$ 1,134,884	\$ 1,170,068	\$ 1,210,435	\$ 1,237,813	\$ 1,239,476	\$ 1,276,136	\$ 1,345,164	\$ 1,423,949	\$ 1,613,152	\$ 1,681,154
Community development	\$ 939,343	\$ 1,031,207	\$ 983,620	\$ 1,016,667	\$ 1,009,669	\$ 1,175,822	\$ 1,504,129	\$ 1,245,643	\$ 1,496,516	\$ 1,371,462
Non-Departmental	\$ 17,717	\$ 49,961	-	-	-	-	-	-	-	\$ 62,669
Debt Service:										
Principal	\$ 292,222	\$ 165,000	\$ 177,778	\$ 185,556	\$ 191,043	\$ 210,656	\$ 236,267	\$ 251,395	\$ 274,654	\$ 386,125
Interest	\$ 126,369	\$ 110,901	\$ 102,323	\$ 93,214	\$ 91,044	\$ 104,376	\$ 95,033	\$ 208,541	\$ 289,242	\$ 240,887
Capital Outlay	\$ 353,677	\$ 112,745	\$ 800,309	\$ 1,653,652	\$ 1,288,897	\$ 1,713,037	\$ 1,297,153	\$ 3,249,785	\$ 5,249,789	\$ 3,818,214
Total expenditures	\$ 7,516,200	\$ 7,322,156	\$ 8,185,205	\$ 9,367,407	\$ 9,242,075	\$ 10,038,178	\$ 10,529,841	\$ 12,900,410	\$ 16,148,299	\$ 14,862,621
Excess (deficiency) of revenues over expenditures	\$ (153,318)	\$ (28,935)	\$ (583,834)	\$ (1,586,501)	\$ (859,049)	\$ (1,056,480)	\$ (608,687)	\$ (1,402,736)	\$ (3,595,322)	\$ 1,954,616
OTHER FINANCING SOURCES (USES)										
Proceeds from capital lease obligation	-	-	-	-	-	-	-	-	\$ 460,020	\$ -
Proceeds from certificates of obligations	-	-	-	-	-	-	-	-	-	\$ 4,860,471
Proceeds from refunding bonds	-	-	-	-	-	-	\$ 1,741,500	\$ 5,885,000	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-	-	-	\$ (1,718,303)	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	\$ 274,865	-	\$ 290,913
Proceeds from notes payable	-	-	\$ (175,000)	-	-	\$ 891,933	-	-	-	-
Transfer from Component Unit	-	-	-	-	-	-	-	-	\$ 250,803	\$ -
Transfer from other funds	\$ 737,716	\$ 932,638	\$ 220,118	\$ 1,929,014	\$ 1,345,301	\$ 2,142,035	\$ 379,904	\$ 1,879,571	\$ 379,904	\$ 4,385,558
Transfer to other funds	\$ (517,598)	\$ (712,520)	-	\$ (69,544)	\$ (72,600)	\$ (28,941)	\$ (27,600)	\$ (1,384,842)	\$ (27,600)	\$ (4,028,344)
Total other financing sources (uses)	\$ 220,118	\$ 220,118	\$ 45,118	\$ 1,859,470	\$ 1,272,701	\$ 3,005,027	\$ 375,501	\$ 6,654,594	\$ 1,063,127	\$ 5,508,598
NET CHANGE IN FUND BALANCES	\$ 66,800	\$ 191,183	\$ (538,716)	\$ 272,969	\$ 413,652	\$ 1,948,547	\$ (233,186)	\$ 5,251,858	\$ (2,532,195)	\$ 7,463,214
Debt service as a percentage of non-capital expenditures	5.84%	3.83%	3.79%	3.61%	3.55%	3.78%	3.59%	4.77%	5.17%	6.02%

Table 5

CITY OF SEAGOVILLE, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax- Exempt Property		
2012	486,260,080	88,750,660	102,291,317	472,719,423	0.69085
2013	464,610,530	55,928,240	92,236,415	428,302,305	0.69086
2014	470,430,770	90,998,950	101,703,420	459,726,300	0.71380
2015	492,104,240	88,189,240	111,974,100	468,319,380	0.71381
2016	516,995,730	96,780,990	119,154,800	494,621,920	0.71300
2017	566,207,930	93,112,010	130,470,292	528,849,648	0.74380
2018	604,146,080	129,726,330	129,123,650	604,748,760	0.74380
2019	804,383,720	111,267,290	201,806,263	713,844,747	0.78880
2020	884,254,428	116,407,530	217,721,191	782,940,767	0.78880
2021	681,140,562	108,558,268	-	789,698,830	0.78880

Source: City of Seagoville Budget Document
 Dallas County Central Appraisal District Certified Roll (excludes protested values)

CITY OF SEAGOVILLE, TEXAS

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)

Last Ten Fiscal Years

(Unaudited)

Table 6

Fiscal Year	City Direct Rates			Overlapping Rates					Total
	Operating/General Rate	General Obligation Debt Service	Total Direct	Dallas Independent School District	Dallas County School	Dallas County Community	Dallas County	Dallas County Hospital District	
2011	0.580650	0.084350	0.665000	1.237811	0.010000	0.099230	0.243100	0.271000	\$2.526141
2012	0.648722	0.042131	0.690853	1.290347	0.010000	0.099670	0.243100	0.271000	\$2.604970
2013	0.671790	0.019070	0.690860	1.290347	0.009937	0.119375	0.243100	0.271000	\$2.624619
2014	0.692960	0.020840	0.713800	1.282085	0.010000	0.124700	0.243100	0.276000	\$2.649685
2015	0.693100	0.020710	0.713810	1.282085	0.010000	0.124775	0.243100	0.286000	\$2.659770
2016	0.675000	0.038000	0.713000	1.282085	0.010000	0.123650	0.243100	0.286000	\$2.657835
2017	0.707498	0.036302	0.743800	1.282085	0.010000	0.124238	0.243100	0.279400	\$2.682623
2018	0.707498	0.036302	0.743800	1.412035	0.010000	0.124238	0.243100	0.412909	\$2.946082
2019	0.707500	0.036300	0.743800	1.310385	0.010000	0.012400	0.243100	0.269500	\$2.589185
2020	0.720500	0.068300	0.788800	1.296735	0.010000	0.124000	0.239740	0.266100	\$2.725375
2021	0.720500	0.068300	0.788800	1.248235	0.010000	0.123510	0.227947	0.255000	\$2.653491

Source: Dallas County Appraisal District Ad Valorem Rates

CITY OF SEAGOVILLE, TEXAS
 PRINCIPAL PROPERTY TAX PAYERS
 Current Fiscal Year and Ten Years Ago
 (Unaudited)

TABLE 7

2021			2011		
TAXPAYER	ASSESSED VALUE	PERCENTAGE OF TOTAL CITY ASSESSED VALUE*	TAXPAYER	ASSESSED VALUE	PERCENTAGE OF TOTAL CITY ASSESSED VALUE*
OREILLY AUTO ENTERPRISES LLC	\$ 47,597,940	6.12%	OREILLY AUTO ENTERPRISES LLC	\$ 32,678,920	6.91%
ONCOR ELECTRIC DELIVERY CO	18,163,343	2.33%	ONCOR ELECTRIC DELIVERY CO	11,210,390	2.37%
WALMARY STORES INC	16,632,470	2.14%	WALMART REAL ESTATE	9,901,090	2.09%
YES COMMUNITIES	9,002,410	1.16%	EQUITY DEVELOPMENT CORP	7,634,090	1.61%
HEARTLAND EXPRESS INC OF IOWA	8,189,550	1.05%	ARC SPEII LLC	7,163,210	1.52%
SEAGOVILLE CP LLC	7,170,120	0.92%	HI LO AUTO SUPPLY LP	7,450,410	1.58%
EQUITY DEVELOPMENT CORP	6,700,000	0.86%	WALMART REAL ESTATE	6,640,380	1.40%
TSCA 202 LTD PARTNERSHIP	5,100,000	0.66%	TSCA 50 LTD PARTNERSHIP	5,000,000	1.06%
VILLAS OF SEAGOVILLE LP	5,000,000	0.64%	AT&T COMMUNICATIONS	3,766,130	0.80%
SEAGOVILLE SELF STORAGE LP	4,547,720	0.58%	FGG RETAIL PORTFOLIO	2,930,990	0.62%
TOTAL	\$ 128,103,553	16.46%	TOTAL	\$ 94,375,610	19.96%
TOTAL ASSESSED VALUATION	778,298,234	100.00%	TOTAL ASSESSED VALUATION	472,719,423	100.00%

Source: Tax Office

Notes: *Taxpayers are assessed, 2020 tax year, for the 2021 fiscal year.

CITY OF SEAGOVILLE, TEXAS
AD VALOREM TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years (Unaudited)
Fiscal

Table 8

Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections		
	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of levy
2012	3,154,404	\$ 2,918,728	92.53%	\$ 83,045	\$ 3,001,773	95.16%
2013	3,157,042	\$ 3,056,696	96.82%	\$ 48,243	\$ 3,104,940	98.35%
2014	3,284,856	\$ 3,179,355	96.79%	\$ 57,684	\$ 3,237,040	98.54%
2015	3,346,296	\$ 3,253,787	97.24%	\$ 67,193	\$ 3,320,977	99.24%
2016	3,534,651	\$ 3,430,664	97.06%	\$ 109,609	\$ 3,540,273	100.16%
2017	3,938,165	\$ 3,838,731	97.48%	\$ 68,480	\$ 3,907,211	99.21%
2018	4,522,247	\$ 4,249,532	93.97%	\$ 225,583	\$ 4,475,115	98.96%
2019	5,093,161	\$ 4,723,670	92.75%	\$ 19,818	\$ 4,743,488	93.13%
2020	5,601,837	\$ 5,588,667	99.76%	\$ 106,135	\$ 5,694,802	101.66%
2021	6,183,092	\$ 6,408,179	103.64%	\$ 69,582	\$ 6,477,761	104.77%

Source: Tax Office

CITY OF SEAGOVILLE, TEXAS
RATIO OF OUTSTANDING BONDED DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Table 9

Fiscal Year	Governmental Activities	Notes Payable	Business-Type Combination	Total Primary Government	Percentage of Personal Income*	Per Capita*
	Certificates of Obligation		Water and Sewer Tax and Revenue Bonds			
2012	2,379,035		3,780,826	6,159,861	2.27	\$ 413
2013	2,211,700		3,444,767	5,656,467	2.74	\$ 377
2014	2,031,587		3,089,887	5,121,474	1.98	\$ 338
2015	1,843,696		6,836,040	8,679,736	3.91	\$ 564
2016	1,825,319		6,519,807	8,345,126	3.37	\$ 536
2017	2,504,262		6,196,350	8,700,612	4.05	\$ 547
2018	1,656,000	843,913	5,672,302	8,172,215	3.53	\$ 505
2019	7,652,640	750,018	5,313,969	13,716,627	5.82	\$ 807
2020	7,161,500	1,157,382	4,793,500	13,112,382	5.26	\$ 768
2021	11,865,000	1,082,757	442,500	13,390,257	5.07	\$ 777

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

*See Table 13 for personal income and population data.

CITY OF SEAGOVILLE, TEXAS
 RATIO OF GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years (Unaudited)

Table 10

Fiscal Year	Certificates of Obligation	Percentage of Actual Taxable Value of Property*	Per Capita**
2012	2,341,667	0.50%	\$ 157
2013	2,211,700	0.52%	\$ 147
2014	2,031,587	0.44%	\$ 134
2015	1,843,696	0.39%	\$ 120
2016	1,825,319	0.37%	\$ 117
2017	1,543,888	0.29%	\$ 97
2018	1,656,000	0.27%	\$ 102
2019	8,402,658	1.18%	\$ 494
2020	7,161,500	0.91%	\$ 419
2021	11,865,000	1.50%	\$ 689

Note:

* Property values are from table 5.

** Populations are from table 13.

CITY OF SEAGOVILLE, TEXAS
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
 As of September 30, 2021 (Unaudited)

Table 11

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Seagoville Share of Overlapping Debt
Debt repaid with property taxes			
Crandall ISD	\$ 130,229,482	0.42%	\$ 546,963.82
Dallas County	116,665,000	0.27%	\$ 314,995.50
Dallas County Community College District	115,750,000	0.27%	\$ 312,525.00
Dallas County Hospital District	575,530,000	0.27%	\$ 1,553,931.00
Dallas County Schools	16,679,652	0.27%	\$ 45,035.06
Dallas ISD	3,259,600,000	0.49%	\$ 15,972,040.00
Kaufman County	149,957,667	0.05%	\$ 74,978.83
Mesquite ISD	724,608,219	1.33%	\$ 9,637,289.31
Subtotal, overlapping debt			28,457,759
City of Seagoville (direct debt)	11,865,000	100.00%	11,865,000
Total direct and overlapping debt			\$ 40,322,759

Source: Municipal Advisory Council of Texas

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Seagoville. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying debt, of each overlapping government.

CITY OF SEAGOVILLE, TEXAS
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years (Unaudited)

Table 12

Water and Sewer System Revenue Bonds

Fiscal Year	Total Revenues	Less: Operating Expenses	Net Available Revenue	Annual Requirement*	Times Coverage	
2012	4,100,458	3,724,124	376,334	349,003	1.08	%
2013	4,196,388	3,764,199	432,189	270,977	1.59	%
2014	4,829,101	3,964,149	864,952	250,880	3.45	%
2015	5,385,478	3,972,890	1,412,588	451,667	3.13	%
2016	5,546,058	4,465,109	1,080,949	450,891	2.40	%
2017	6,971,145	4,628,369	2,342,776	450,269	5.20	%
2018	7,511,258	5,505,685	2,005,573	406,563	4.93	%
2019	7,435,465	5,487,978	1,947,487	387,402	5.03	%
2020	7,442,498	5,507,839	1,934,659	368,150	5.26	%
2021	7,740,442	6,919,404	821,038	373,500	2.20	%

Note: *Average Principal and Interest requirements for next ten years.

CITY OF SEAGOVILLE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years (Unaudited)

Table 13

Year	Estimated Population*	Total Households*	Per Household Personal Income**	Total Personal Income
2012	14,920	4,513	60,074	271,113,962
2013	15,020	4,759	43,345	206,278,855
2014	15,130	5,612	46,049	258,426,988
2015	15,390	4,192	52,909	221,794,528
2016	15,580	4,445	55,751	247,813,195
2017	15,900	4,918	43,641	214,626,438
2018	16,180	5,020	46,064	231,241,280
2019	17,001	4,735	49,796	235,784,060
2020	17,084	4,770	52,266	249,308,820
2021	17,232	4,766	55,409	264,079,294

Sources:

*Total Households provided by The Retail Coach

**Per Household Income provided by The Retail Coach

CITY OF SEAGOVILLE, TEXAS
 PRINCIPAL EMPLOYERS
 Current year and Ten years Ago (Unaudited)

Table 14

2021		
Employer	Employees	Percentage of Total City Employment
O'REILLY AUTO PARTS	603	13.33%
WALMART	321	7.09%
FEDERAL CORRECTIONAL INSTITUTE	274	6.06%
HEARTLAND EXPRESS	101	2.23%
CITY OF SEAGOVILLE	114	2.52%
PRECISION HAYES INTERNATIONAL	110	2.43%
BEACON INDUSTRIES	66	1.46%
SUPER ONE	61	1.35%
SEAGOVILLE NORTH ELEM.	78	1.72%
SEAGOVILLE ELEM.	60	1.33%
Total	1,788	39.52%

2011		
Employer	Employees	Percentage of Total City Employment
HI LO AUTO. / O'REILLY	450	8.05%
WALMART	450	8.05%
FEDERAL CORRECTIONAL INSTITUTE	350	6.26%
OAK GROVE CARE CENTER	100	1.79%
CITY OF SEAGOVILLE	92	1.64%
GREEN FOREST	80	1.43%
BROOKSHIRES FOOD STORES	75	1.34%
SEAGO MANOR NURSING CENTER	60	1.07%
SHAR TRUCKING	60	1.07%
ROCKWELL AMERICAN MFG. CO.	5	0.98%
Total	1,764	31.68%

Source: Top ten employers and employee count provided by Seagoville Economic Development Corporation.

CITY OF SEAGOVILLE, TEXAS
 FULL-TIME CITY GOVT. EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years (Unaudited)

Table 15

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government and Administration	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Public Safety	51.00	54.00	53.00	56.00	56.75	53.00	59.55	66.25	66.65	71.65
Community Services	8.00	8.00	8.00	8.00	7.58	5.00	7.58	7.58	7.89	7.89
Community Development	10.00	11.00	4.00	5.00	9.00	11.00	12.00	14.00	14.00	16.00
Water and Sewer	16.00	13.00	16.00	16.00	14.00	14.00	14.00	14.00	14.00	14.00
Total	91.00	92.00	87.00	91.00	93.33	89.00	99.13	107.83	108.54	115.54

Source: Operating Budget

CITY OF SEAGOVILLE, TEXAS
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 (Unaudited)

Table 16

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police										
Number of stations	1	1	1	1	1	1	1	1	1	2
Number of police personnel	24	23	24	24	24	23	24.8	27.9	27.9	29.5
Number of arrests	668	600	675	725	529	443	452	550	324	400
Number of traffic violations	1201	1,419	1,900	1,700	1,536	2,047	1863	2200	70	1840
Fire										
Number of stations	1	1	1	1	1	1	1	1	1	2
Number of fire personnel	19	19	20	20	20	19	21	26	25	25
Number of calls answered	2435	2,527	2,600	2,600	2,698	1,356	1491	2700	2,557	3,000
Developmental										
Street lane miles	NA	NA	NA	85	85	85	85	85	85	85
Cultural/Recreational Changes										
Number of Park acres maintained	NA	NA	NA	106	106	106	106	106	106	106
Senior center meals served	NA	NA	NA	11,200	11,050	9,724	10,008	10,100	28,341	11,000
Water										
Number of water connections	3850	3,831	3,982	3,998	4,620	4,223	4371	4537	4,822	5,354
Average daily water consumption (gallons)	1769000	1,666,900	2,144,484	1,359,690	2,074,537	1,522,276	1,466,064	1,422,032	1,730,000	1,609,750
Sewer										
Number of sewer connections	3,575	3,554	3,689	3,707	4,299	4,033	4,076	4,237	4,509	4,996

Source: Operating Budget

City of Seagoville, Texas
 Capital Asset Statistics By Function/Program
 Last Ten Fiscal Years
 (Unaudited)

Table 17

<u>Function/Program</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	2
Total Marked Units	18	11	11	11	11	11	10	10	11	14
Fire Stations	1	1	1	1	1	1	1	1	1	2
Development Services										
Streets-Paved (miles)*	116	116	116	116	116	116	116	116	116	116
Recreational Services										
Parks	7	7	7	7	7	7	7	7	7	8
Park acreage	93	93	93	93	93	93	106	106	106	106
Baseball/softball field	1	1	1	1	1	1	1	1	1	1
Tennis Court	1	2	2	2	2	2	2	2	2	2
Basketball Court	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Items Circulated	28,500	29,003	29,487	31,912	30,090	27,476	32,595	33,365	22,589	14,018