

*ANNUAL COMPREHENSIVE
FINANCIAL REPORT*

of the

City of Seagoville, Texas

**For the Year Ended
September 30, 2022**

Prepared by

Gail French
Finance Director

Seagoville ★

City of Seagoville, Texas

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INTRODUCTORY SECTION

Seagoville ★



June 19, 2023

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

The annual comprehensive financial report (“ACFR”) of the City of Seagoville, Texas, for the fiscal year ending September 30, 2022, 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. BrooksWatson & Co. PLLC, 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, 2022. The independent auditors’ report is located at the front of the financial section of this report.

The 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 2022 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 19,580 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 wildlife 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 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). 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 2021 \$5,015,000 bond issue.

An increase in the industrial development area of the city has experienced a road expansion of nearly one-half mile. Although the character of the 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 directive 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 three public safety vehicles, acquired a vehicle for the Parks department and a vehicle for the Street department, various street projects, and continued the construction of a new police station, completion anticipated next fiscal year.

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 2022 budget provided resources to complete street improvements in various areas of the city.

Long-Term Financial Planning

Unassigned fund balance in the general fund (31% of total general fund expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes (approximately 15% 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

Patrick Stallings
City Manager

Gail French

Gail French
Finance Director

City of Seagoville, Texas

Principal City Officials

2021-2022

City Council

Dennis Childress	Mayor	Term Expires May, 2023
Rick Howard	Council Member, Place 1	Term Expires May, 2024
Jose Hernandez	Council Member, Place 2	Term Expires May, 2023
Harold Magill	Council Member, Place 3	Term Expires May, 2024
Mike Fruin	Mayor Pro-Tem Place 4	Term Expires May, 2023
Jon Epps	Council Member Place 5	Term Expires May, 2024

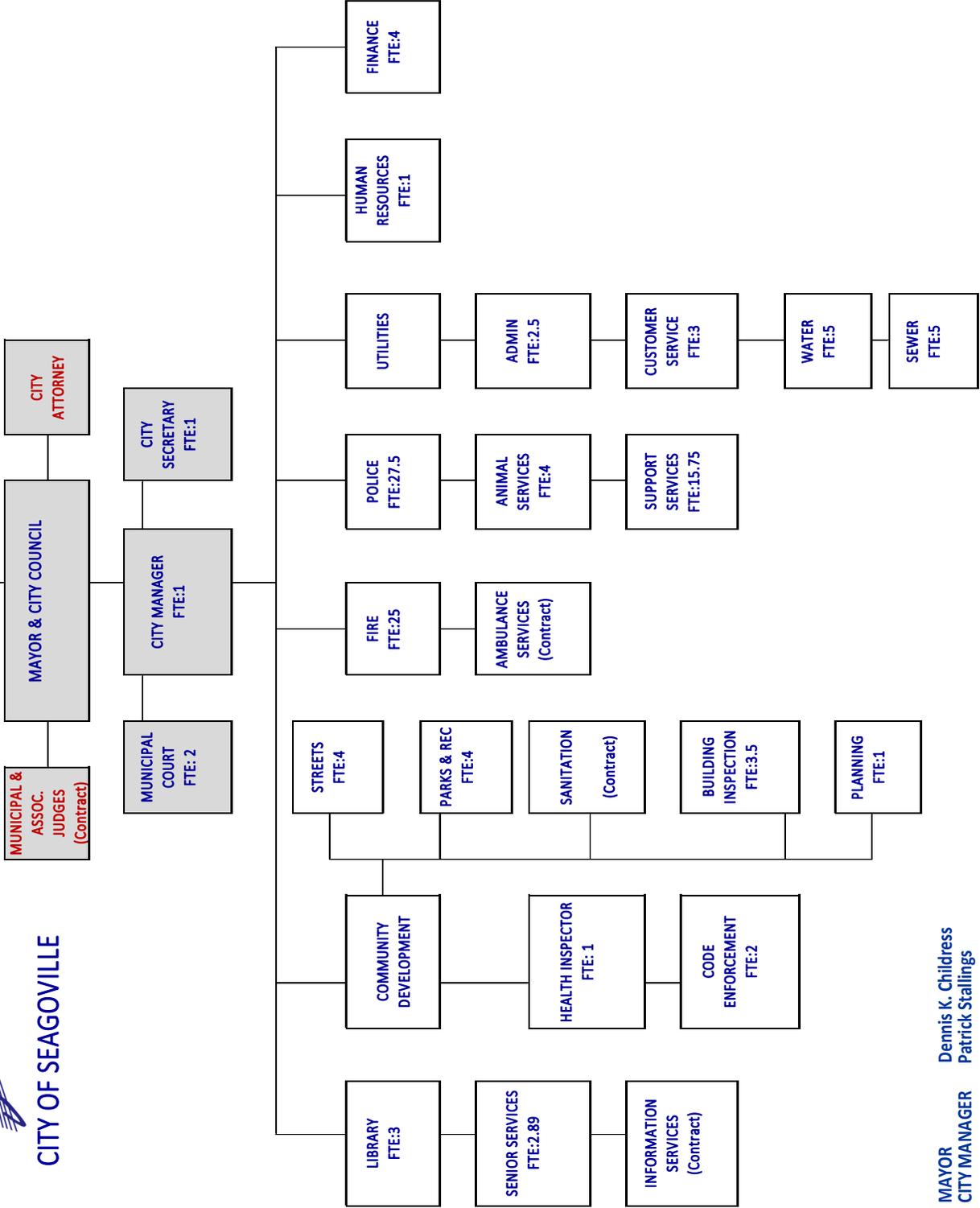
City Executive Staff

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



CITY OF SEAGOVILLE

CITIZENS OF SEAGOVILLE



MAYOR
CITY MANAGER
Dennis K. Childress
Patrick Stallings

FINANCIAL SECTION

Seagoville ★



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seagoville, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Seagoville, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note V.G. to the financial statements, due to accounting errors, the City restated beginning net position/fund balance of governmental activities, business-type activities, the general fund, the water and sewer, and the Seagoville EDC. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedules of changes in other postemployment benefits liability and related ratios, and budgetary comparison information for the general fund 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.

Other 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 combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying 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. Such 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 it.



Brooks Watson & Co.
Certified Public Accountants
Houston, Texas
June 19, 2023

Seagoville ★

City of Seagoville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2022

As management of the City of Seagoville, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. 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 on pages i-iv of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2022 by \$44,891,952. Of this amount, \$14,934,789 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,275,956. The majority of the City's net position are invested in capital assets and restricted for specific purposes.
- The City's governmental funds reported combined ending fund balances of \$14,823,570 at September 30, 2022, an increase of \$1,355,866 from the prior fiscal year; this includes an increase of \$2,192,030 in the general fund, a decrease of \$872,876 in the capital projects fund, an increase of \$17,692 in the COVID recovery fund, and an increase of \$19,020 in the nonmajor governmental funds.
- At the end of the fiscal year, unassigned fund balance for the general fund was \$8,254,744 or 63% of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Statements

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

The *statement of net position* presents information on all of the City's assets and liabilities. The difference between the two is 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 is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

City of Seagoville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

The *statement of activities* presents information showing how the City'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 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 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 include general government, public safety, community services, and community development. The business-type activities of the City include water and sewer utilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate component unit, the Seagoville Economic Development Corporation, which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 18-23 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, 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 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 assessing a government's near-term financing requirements.

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 fund 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*.

City of Seagoville, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2022

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, capital projects funds, and COVID local recovery fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in a separate section of the report.

The City adopts an annual appropriated budget for its general, debt service, capital projects, and various special revenue funds. The City did not adopt a budget for the COVID local recovery, Seagoville toy drive donations, park development, or developer funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with their respective budget.

The basic governmental fund financial statements can be found on pages 24-31 of this report.

Proprietary Funds

The City's proprietary funds are all enterprise funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility operations. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise.

Proprietary financial statements 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 and sewer fund, which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages 32-36 of this report.

Component Units

The City maintains the accounting and financial statements for one component unit. The Seagoville Economic Development Corporation is a discretely presented component unit, which is displayed on the government-wide financial statements.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 37-75 of this report.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2022

Other Information

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The required RSI includes a budgetary comparison schedule for the general fund, schedule of changes in the net pension liability and related ratios and schedule of employer contributions for the Texas Municipal Retirement System and schedule of changes in the OPEB liabilities. RSI can be found after the basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Seagoville, Texas, assets and deferred outflows exceeded liabilities and deferred inflows by \$44,891,952 as of September 30, 2022, in the primary government.

The largest portion of the City's net position, \$28,584,945 reflects its investments in capital assets (e.g., land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City'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 assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Seagoville, Texas's net position of \$1,372,218 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$14,768,262 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City of Seagoville, Texas is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	\$ 19,819,107	\$ 8,583,394	\$ 28,402,501	\$ 16,594,920	\$ 9,113,233	\$ 25,708,153
Long-term assets	24,473,767	17,298,070	41,771,837	23,821,641	17,361,061	41,182,702
Total Assets	44,292,874	25,881,464	70,174,338	40,416,561	26,474,294	66,890,855
Deferred Outflows of Resources	870,344	122,974	993,318	1,284,574	172,301	1,456,875
Current liabilities	5,805,430	1,879,791	7,685,221	3,794,342	1,767,698	5,562,040
Long-term liabilities	13,271,276	3,940,292	17,211,568	14,785,483	5,136,426	19,921,909
Total Liabilities	19,076,706	5,820,083	24,896,789	18,579,825	6,904,124	25,483,949
Deferred Inflows of Resources	1,208,205	170,710	1,378,915	1,088,896	158,889	1,247,785
Net Position:						
Net investment in capital assets	16,357,948	12,226,997	28,584,945	16,632,512	11,566,788	28,199,300
Restricted	1,168,239	203,979	1,372,218	769,105	42,850	811,955
Unrestricted	7,352,120	7,582,669	14,934,789	4,630,797	7,973,944	12,604,741
Total Net Position	\$ 24,878,307	\$ 20,013,645	\$ 44,891,952	\$ 22,032,414	\$ 19,583,582	\$ 41,615,996

Current and other assets in governmental activities increased by \$3,224,187 or 19% primarily due to greater cash on hand, resulting from operating surpluses during the year. Current liabilities for governmental activities increased primarily due to nonrecurring grant funds that remain unspent as of yearend. Long-term liabilities for the primary government decreased by \$2,710,341 or 14% primarily as a result of debt payments and a decrease in the City's net pension liability due to a stronger stock market and increase in investment earnings.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Statement of Activities:

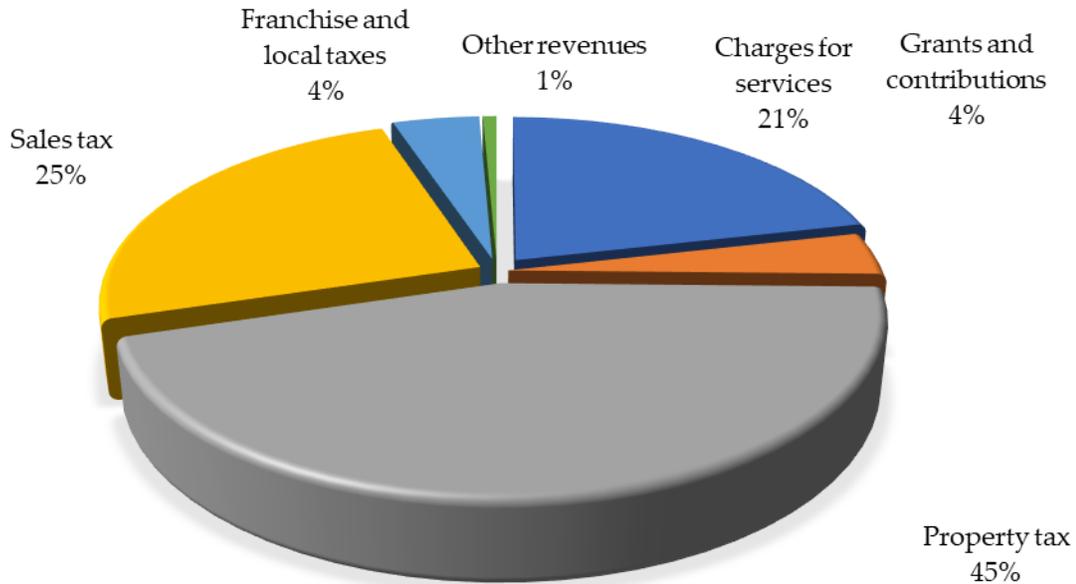
The following table provides a summary of the City's changes in net position:

	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	\$ 3,528,961	\$ 7,959,675	\$ 11,488,636	\$ 2,748,962	\$ 7,759,609	\$ 10,508,571
Operating grants	640,760	-	640,760	255,662	-	255,662
General revenues:						
Property tax	7,408,831	-	7,408,831	6,547,068	-	6,547,068
Sales tax	4,050,595	-	4,050,595	3,388,394	-	3,388,394
Franchise & local taxes	728,738	-	728,738	641,184	-	641,184
Investment income	63,050	16,604	79,654	8,686	11,266	19,952
Other revenues	51,558	64,526	116,084	85,283	-	85,283
Total Revenues	16,472,493	8,040,805	24,513,298	13,675,239	7,770,875	21,446,114
Expenses						
General government	1,765,363	-	1,765,363	1,474,249	-	1,474,249
Public safety	7,070,451	-	7,070,451	6,436,005	-	6,436,005
Community services	1,977,435	-	1,977,435	1,682,464	-	1,682,464
Community development	2,617,439	-	2,617,439	814,622	-	814,622
Interest and fiscal charges	401,922	139,038	540,960	240,887	189,466	430,353
Water and sewer	-	7,265,694	7,265,694	-	6,916,404	6,916,404
Total Expenses	13,832,610	7,404,732	21,237,342	10,648,227	7,105,870	17,754,097
Change in Net Position						
Before Transfers	2,639,883	636,073	3,275,956	3,027,012	665,005	3,692,017
Transfers	206,010	(206,010)	-	357,214	(357,214)	-
Total	206,010	(206,010)	-	357,214	(357,214)	-
Change in Net Position	2,845,893	430,063	3,275,956	3,384,226	307,791	3,692,017
Beginning Net Position	22,032,414	19,583,582	41,615,996	18,648,188	19,275,791	37,923,979
Ending Net Position	\$ 24,878,307	\$ 20,013,645	\$ 44,891,952	\$ 22,032,414	\$ 19,583,582	\$ 41,615,996

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.

Governmental Activities - Revenues

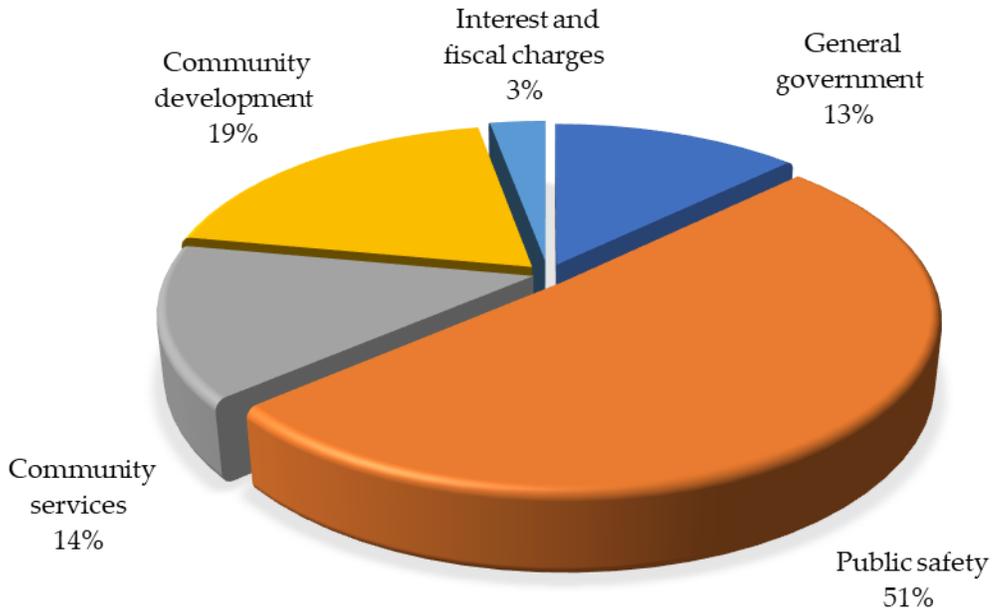


For the year ended September 30, 2022, revenues from governmental activities totaled \$16,472,493. Property tax, charges for services, and sales tax are the City's largest general revenue sources. Overall revenue increased \$2,797,254 or 20% from the prior year. Sales taxes increased by \$662,201 or 20% and property tax increased by \$861,763 or 13%. Franchise and local taxes increased by \$87,554 or 14%. These increases are primarily due to growth within the City and greater appraised property tax values. Charges for services increased by \$779,999 or 28% primarily due to nonrecurring inspection fees earned on the Stonehaven and Casa Grande developments. Investment income increased by \$54,364 or over 100% due to the realization of higher interest rates and greater interest-bearing accounts. Other revenues decreased \$33,725 or 40% due to nonrecurring contributions received for the Laguna Azure project in the prior year. All other revenues remained relatively stable when compared to the previous year.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

This graph shows the governmental function expenses of the City:

Governmental Activities - Expenses



For the year ended September 30, 2022, expenses for governmental activities totaled \$13,832,610. This represents an increase of \$3,184,383 or 30% from the prior year. The City's largest functional expense is public safety totaling \$7,070,451, which increased by \$634,446 or 10%. This increase is primarily a result of greater personnel costs and vehicle expenses. During the current year, the City implemented a step-pay plan that sets pay rates based on years of service. General government expenses increased by \$291,114 or 20% due to greater salaries/benefits and nonrecurring IT consultant and software maintenance expenses in the current year. Community service expenses increased by \$294,971 or 18% due to greater sanitation service contract expenses and nonrecurring engineering fees in the current year. Community development increased by \$1,802,817 or over 100% primarily due to greater capital asset depreciation, electricity costs, and maintenance expenses in the current year. Interest and fiscal charges increased by \$161,035 or 67% primarily due to interest payments commencing on the 2021 certificates of obligation in the current year. All other expenses remained relatively consistent with the prior year.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

Business-type activities are shown comparing operating costs to revenues generated by related services.

Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2022, charges for services by business-type activities totaled \$7,959,675. This represents an increase of \$200,066 or 3% from the previous year, which is considered minimal.

Total business-type activity expenses increased \$298,862 or 4% a total of \$7,404,732. The increase was primarily due to greater asset depreciation and operating costs to service the increased demand in utility consumption in the current year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental Funds - The focus of the City'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

At September 30, 2022, the City's governmental funds reported combined fund balances of \$14,823,570, an increase of \$1,355,866 in comparison with the prior year. Approximately 56% of this amount, \$8,254,744, constitutes *unassigned fund balance*, which is available for spending at the government's

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

discretion. The remainder of the fund balance is either *nonspendable or restricted* to indicate that it is 1) not in spendable form \$67,054 or 2) restricted for particular purposes \$5,980,068.

As of the end of the year the general fund reflected a total fund balance of \$8,493,741. Of this, \$67,054 is considered not in spendable form or restricted and \$8,254,744 is unassigned. General fund balance increased by \$2,192,030 during the current year, as compared to a final budgeted decrease of \$1,870,822. The increase was a direct result of greater than anticipated revenues and other financing sources in the current year.

As a measure of the general fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of \$8,254,744 is 63% of total general fund expenditures. Overall revenue in the general fund decreased by \$960,128 when compared to the prior year. Property tax and sales tax showed the largest increase due to City growth and better local economic conditions. Tax revenue increases were offset by a large decrease in intergovernmental revenues of \$1,102,429. This is due to the fund receiving multiple nonrecurring grants in the previous year. General fund expenditures increased \$1,785,521 when compared to the prior year. The largest increase was in the public safety department for \$928,289, which was primarily due to personal and supply expenses in the current year.

The capital projects fund had an ending fund balance of \$5,614,831. There was a decrease of \$872,876 from the previous year. The decrease is due to capital outlay expenditures exceeding investment income.

The COVID local recovery fund had an ending fund balance of \$17,700. There was an increase of \$17,692 from the previous year. The slight increase was due to grant revenue exceeding current year expenditures and other financing uses.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the close of the fiscal year for the proprietary fund amounted to \$7,582,669, a decrease of \$660,209 from the previous year. Total investment in capital assets, net of related debt was \$12,226,997 and capital assets, net of depreciation totaled \$17,298,070.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted revenues of \$11,897,146 were less than actual revenues of \$14,906,151, resulting in a total positive revenue variance of \$3,009,005. All actual revenues were greater than the budgeted amounts. Total budgeted expenditures of \$13,348,139, were more than actual expenditures of \$13,094,025, resulting in a total positive expenditure variance of \$254,114. Significant changes between the original and final budget included an increase of \$300,000 for capital outlay expenditures. Expenditures did not exceed appropriations at the legal level of control.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*
September 30, 2022

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$24,473,767 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested \$17,298,070 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure.

Major capital asset events during the current year include the following:

- Additional investment in streets CIP totaling \$346,276 for governmental activities.
- Purchase of new machinery and equipment for governmental activities totaling \$579,505.
- Improvements to roadways and sidewalks totaling \$1,473,019.
- Additional investment in pump station CIP totaling \$459,464.
- Purchase of new machinery and equipment for enterprise funds totaling \$243,776.
- Improvements to the Highway 175 manhole for \$57,874.

More detailed information about the City's capital assets is presented in note IV. C to the financial statements.

LONG-TERM DEBT

The City's outstanding bonds, notes payable, and certificates of obligation payable, net of all premiums/discounts, decreased by \$1,598,755 from the prior year. The total bonds, notes and certificates of obligation payable at the close of the fiscal year was \$17,675,842, net of all premiums and discounts.

More detailed information about the City's long-term liabilities is presented in note IV.E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City of Seagoville has seen a steady growth in tax revenue over the last five years. Sales tax revenue has increased by 41% since 2017 and property tax revenue has increased by 47%. The total sales tax payments received in 2022 fiscal year equaled \$4,050,595. The City anticipates continued increase for 2023.

Property valuations have increased due to new additions and property on the tax roll, along with the appraisal district valuations in 2022. The City is planning on future growth and budgeting accordingly for City services.

City of Seagoville, Texas
MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued
September 30, 2022

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City'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, Texas, Finance Department, 702 North Highway 175, Seagoville, Texas 75159. This information can also be accessed on the City's website at www.cityofseagoville.org.

BASIC FINANCIAL STATEMENTS

City of Seagoville, Texas
STATEMENT OF NET POSITION (Page 1 of 2)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 18,295,064	\$ 7,310,968	\$ 25,606,032
Receivables, net	1,317,282	1,294,644	2,611,926
Notes receivable, current	-	-	-
Lease receivables, current	-	-	-
Internal balances	22,218	(22,218)	-
Prepaid and other assets	67,054	-	67,054
Restricted assets - cash	117,489	-	117,489
Total Current Assets	19,819,107	8,583,394	28,402,501
Noncurrent assets:			
Notes receivable, noncurrent	-	-	-
Lease receivables, noncurrent	-	-	-
Capital assets:			
Non-depreciable	2,923,497	801,409	3,724,906
Net depreciable capital assets	21,550,270	16,496,661	38,046,931
Total Noncurrent Assets	24,473,767	17,298,070	41,771,837
Total Assets	44,292,874	25,881,464	70,174,338
Deferred Outflows of Resources			
Pension outflows-TMRS	813,045	114,877	927,922
OPEB outflows-TMRS	57,299	8,097	65,396
Total Deferred Outflows of Resources	870,344	122,974	993,318

Component
Unit
Seagoville
EDC

\$ 2,280,271
239,323
40,000
25,148
-
-
-

2,584,742

500,000
16,215
89,627
491,758

1,097,600

3,682,342

-
-

-

City of Seagoville, Texas
STATEMENT OF NET POSITION (Page 2 of 2)
September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Liabilities</u>			
Accounts payable	511,123	374,834	885,957
Accrued liabilities	25,155	36,004	61,159
Deferred grant revenue	4,006,274	-	4,006,274
Customer deposits	-	396,509	396,509
Compensated absences, current	569,586	33,879	603,465
Accrued interest payable	43,412	33,981	77,393
Long-term debt due in one year	649,880	1,004,584	1,654,464
Total Current Liabilities	5,805,430	1,879,791	7,685,221
Noncurrent liabilities:			
Net pension liability	667,101	94,255	761,356
OPEB liability	316,986	44,797	361,783
Compensated absences	63,287	3,764	67,051
Long-term debt due in more than one year	12,223,902	3,797,476	16,021,378
Total Noncurrent Liabilities	13,271,276	3,940,292	17,211,568
Total Liabilities	19,076,706	5,820,083	24,896,789
<u>Deferred Inflows of Resources</u>			
Pension inflows-TMRS	1,202,474	169,900	1,372,374
OPEB inflows-TMRS	5,731	810	6,541
Lease related	-	-	-
Total Deferred Inflows of Resources	1,208,205	170,710	1,378,915
<u>Net Position</u>			
Net investment in capital assets	16,357,948	12,226,997	28,584,945
Restricted for:			
Debt service	111,004	203,979	314,983
Court improvements	70,418	-	70,418
Public safety	28,616	-	28,616
Capital projects	920,491	-	920,491
Tourism	32,914	-	32,914
Animal shelter	4,796	-	4,796
Economic development	-	-	-
Unrestricted	7,352,120	7,582,669	14,934,789
Total Net Position	\$ 24,878,307	\$ 20,013,645	\$ 44,891,952

See Notes to Financial Statements.

Component
Unit
Seagoville EDC

1,454
700
-
-
-
-
-
-
2,154

-
-
-
-
-
-
2,154

-
-
41,363
41,363

581,385
-
-
-
-
-
-
-
3,057,440
-
\$ 3,638,825

City of Seagoville, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 1,765,363	\$ -	\$ 27,000	\$ -
Public safety	7,070,451	429,774	111,504	-
Community services	1,977,435	1,485,450	152,814	-
Community development	2,617,439	1,613,737	349,442	-
Interest and fiscal charges	401,922	-	-	-
Total Governmental Activities	13,832,610	3,528,961	640,760	-
Business-Type Activities				
Water and sewer	7,404,732	7,959,675	-	-
Total Business-Type Activities	7,404,732	7,959,675	-	-
Total Primary Government	\$ 21,237,342	\$ 11,488,636	\$ 640,760	\$ -
 Component Units				
Seagoville EDC	679,863	-	-	-
Total Component Units	\$ 679,863	\$ -	\$ -	\$ -

General Revenues:

- Taxes
 - Property taxes
 - Sales taxes
 - Franchise and local taxes
 - Investment income
 - Other revenues
- Transfers

Total General Revenues and Transfers

Change in Net Position

Beginning Net Position

Ending Net Position

See Notes to Financial Statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			
Governmental Activities	Business-Type Activities	Total	Seagoville EDC
\$ (1,738,363)	\$ -	\$ (1,738,363)	\$ -
(6,529,173)	-	(6,529,173)	-
(339,171)	-	(339,171)	-
(654,260)	-	(654,260)	-
(401,922)	-	(401,922)	-
<u>(9,662,889)</u>	<u>-</u>	<u>(9,662,889)</u>	<u>-</u>
-	554,943	554,943	-
-	554,943	554,943	-
<u>(9,662,889)</u>	<u>554,943</u>	<u>(9,107,946)</u>	<u>-</u>
			<u>(679,863)</u>
			<u>(679,863)</u>
7,408,831	-	7,408,831	-
4,050,595	-	4,050,595	1,349,728
728,738	-	728,738	-
63,050	16,604	79,654	399
51,558	64,526	116,084	33,150
206,010	(206,010)	-	-
<u>12,508,782</u>	<u>(124,880)</u>	<u>12,383,902</u>	<u>1,383,277</u>
2,845,893	430,063	3,275,956	703,414
22,032,414	19,583,582	41,615,996	2,935,411
<u>\$ 24,878,307</u>	<u>\$ 20,013,645</u>	<u>\$ 44,891,952</u>	<u>\$ 3,638,825</u>

City of Seagoville, Texas

BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2022

	General	Capital Projects	COVID Local Recovery	Nonmajor Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 7,931,676	\$ 5,624,136	\$ 4,023,974	\$ 715,278
Accounts receivable, net	1,241,132	-	-	76,150
Due from other funds	22,218	-	-	-
Prepays	67,054	-	-	-
Restricted assets - cash	117,489	-	-	-
Total Assets	\$ 9,379,569	\$ 5,624,136	\$ 4,023,974	\$ 791,428
<u>Liabilities</u>				
Accounts payable	\$ 454,064	\$ 9,305	\$ -	\$ 47,754
Accrued liabilities	15,798	-	-	9,357
Deferred grant revenue	-	-	4,006,274	-
Total Liabilities	469,862	9,305	4,006,274	57,111
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - property taxes	415,966	-	-	37,019
Total Deferred Inflows of Resources	415,966	-	-	37,019
<u>Fund Balances</u>				
Nonspendable:				
Prepaid items	67,054	-	-	-
Assigned for:				
Street initiatives	5,756	-	-	-
Vehicle/tech. replacement	48,698	-	-	-
Special revenue funds	-	-	-	36,573
Restricted for:				
Debt service	-	-	-	111,004
Court improvements	-	-	-	70,418
Public safety	-	-	17,700	10,916
Capital projects	117,489	5,614,831	-	-
Tourism	-	-	-	32,914
Animal shelter	-	-	-	4,796
Committed	-	-	-	430,677
Unassigned	8,254,744	-	-	-
Total Fund Balances	8,493,741	5,614,831	17,700	697,298
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,379,569	\$ 5,624,136	\$ 4,023,974	\$ 791,428

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$ 18,295,064
1,317,282
22,218
67,054
117,489
\$ 19,819,107

\$ 511,123
25,155
4,006,274
4,542,552

452,985
452,985

67,054

5,756
48,698
36,573

111,004
70,418
28,616
5,732,320
32,914
4,796
430,677
8,254,744

14,823,570

\$ 19,819,107

City of Seagoville, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2022

Fund Balances - Total Governmental Funds

Adjustments for the Statement of Net Position:

Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.

Capital assets - non-depreciable

Capital assets - net depreciable

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.

Property tax

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 (revenues) until that time

Pension inflows

OPEB inflows

Deferred outflows of resources, represent a consumption of net position that applies to a future period(s) and is not recognized as an outflow of resources (expense/ expenditures) until then

Pension outflows

OPEB outflows

Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.

Accrued interest

Deferred charges:

Bond premium

Net pension liability

OPEB liability - TMRS

Compensated absences

Non-current liabilities due in one year

Non-current liabilities due in more than one year

Net Position of Governmental Activities

See Notes to Financial Statements.

\$ 14,823,570

2,923,497
21,550,270

452,985

(1,202,474)
(5,731)

813,045
57,299

(43,412)

(504,277)
(667,101)
(316,986)
(632,873)
(649,880)
(11,719,625)

\$ 24,878,307

City of Seagoville, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	General	Capital Projects	COVID Local Recovery	Nonmajor Governmental Funds
Revenues				
Property tax	\$ 6,520,433	\$ -	\$ -	\$ 824,937
Sales tax	4,050,595	-	-	-
Franchise and local taxes	674,657	-	-	54,081
Fines and forfeitures	406,962	-	-	22,812
License and permits	1,564,957	-	-	46,000
Charges for services	1,225,483	-	-	262,747
Intergovernmental	291,318	-	-	60,000
Investment income	16,582	32,823	13,564	81
Other revenue	155,164	-	179,901	5,935
Total Revenues	14,906,151	32,823	193,465	1,276,593
Expenditures				
Current:				
General government	1,524,821	-	-	27,100
Public safety	6,707,069	-	29,479	9,096
Community services	1,969,933	-	-	35,986
Community development	1,518,446	-	-	298,607
Nondepartmental	131,832	-	-	-
Debt Service:				
Principal	76,752	-	-	501,500
Interest and fiscal charges	29,115	-	-	357,684
Capital outlay	1,136,057	905,699	-	-
Total Expenditures	13,094,025	905,699	29,479	1,229,973
Revenues Over (Under) Expenditures	1,812,126	(872,876)	163,986	46,620
Other Financing Sources (Uses)				
Transfers in	379,904	-	-	-
Transfers (out)	-	-	(146,294)	(27,600)
Total Other Financing Sources (Uses)	379,904	-	(146,294)	(27,600)
Net Change in Fund Balances	2,192,030	(872,876)	17,692	19,020
Beginning fund balances	6,301,711	6,487,707	8	678,278
Ending Fund Balances	\$ 8,493,741	\$ 5,614,831	\$ 17,700	\$ 697,298

See Notes to Financial Statements.

**Total
Governmental
Funds**

\$	7,345,370
	4,050,595
	728,738
	429,774
	1,610,957
	1,488,230
	351,318
	63,050
	341,000
	<hr/>
	16,409,032
	<hr/>

1,551,921
6,745,644
2,005,919
1,817,053
131,832

578,252
386,799
2,041,756
<hr/>
15,259,176
<hr/>

1,149,856

379,904
(173,894)
<hr/>

206,010

1,355,866
13,467,704
<hr/>

\$	14,823,570
	<hr/>
	<hr/>

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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 Year Ended September 30, 2022

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

Net changes in fund balances - total governmental funds	\$	1,355,866
<p>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 and reported as depreciation expense.</p>		
Capital outlay		2,455,282
Depreciation expense		(1,803,155)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property tax		63,461
<p>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.</p>		
Compensated absences		(132,721)
Accrued interest		(43,412)
Pension expense		373,150
OPEB expense-TMRS		(29,119)
<p>The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when they are 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 treatment of long-term debt and related items.</p>		
Amortization of premium		28,289
Principal payments		578,252
Change in Net Position of Governmental Activities	\$	<u>2,845,893</u>

See Notes to Financial Statements.

City of Seagoville, Texas

STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 1 of 2) September 30, 2022

	Business-Type Activities
	Water & Sewer
	<hr/>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 7,310,968
Accounts receivable, net	1,294,644
Total Current Assets	<hr/> 8,605,612 <hr/>
 <u>Noncurrent Assets</u>	
Capital assets:	
Non-depreciable	801,409
Net depreciable capital assets	16,496,661
Total Noncurrent Assets	<hr/> 17,298,070 <hr/>
Total Assets	<hr/> 25,903,682 <hr/>
 <u>Deferred Outflows of Resources</u>	
Pension outflows - TMRS	114,877
OPEB outflows - TMRS	8,097
Total Deferred Outflows of Resources	<hr/> 122,974 <hr/>

See Notes to Financial Statements.

City of Seagoville, Texas

STATEMENT OF NET POSITION PROPRIETARY FUNDS (Page 2 of 2) September 30, 2022

	Water & Sewer
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts payable	\$ 374,834
Accrued liabilities	36,004
Customer deposits	396,509
Compensated absences, current	33,879
Long-term debt obligations, current	1,004,584
Due to other funds	22,218
Accrued interest	33,981
Total Current Liabilities	1,902,009
 <u>Noncurrent Liabilities</u>	
Compensated absences, noncurrent	3,764
Long-term debt obligations, noncurrent	3,797,476
Net pension liability	94,255
OPEB liability - TMRS	44,797
Total Noncurrent Liabilities	3,940,292
Total Liabilities	5,842,301
 <u>Deferred Inflows of Resources</u>	
Pension inflows - TMRS	169,900
OPEB inflows - TMRS	810
Total Deferred Inflows of Resources	170,710
 <u>Net Position</u>	
Net investment in capital assets	12,226,997
Restricted for:	
Debt service	203,979
Unrestricted	7,582,669
Total Net Position	\$ 20,013,645

See Notes to Financial Statements.

City of Seagoville, Texas

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS

For the Year Ended September 30, 2022

	<u>Business-Type Activities</u>
	<u>Water & Sewer</u>
<u>Operating Revenues</u>	
Water services	\$ 4,013,861
Sewer services	3,599,659
Penalties and interest	268,235
Tap and reconnection fees	77,920
Other revenue	64,526
Total Operating Revenues	8,024,201
<u>Operating Expenses</u>	
Water operations	2,494,736
Sewer operations	2,682,466
Water and sewer administration	227,239
Customer service operations	317,032
Other expenses	361,282
Miscellaneous	230,539
Depreciation	824,106
Repairs and maintenance	128,294
Total Operating Expenses	7,265,694
	Operating Income (Loss)
	758,507
<u>Nonoperating Revenues (Expenses)</u>	
Investment earnings	16,604
Interest expense	(139,038)
Total Nonoperating Revenues (Expenses)	(122,434)
	Income (Loss) Before Transfers
	636,073
<u>Transfers</u>	
Transfers (out)	(206,010)
	Total Transfers
	(206,010)
	Change in Net Position
	430,063
Beginning net position	19,583,582
	Ending Net Position
	\$ 20,013,645

See Notes to Financial Statements.

City of Seagoville, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended September 30, 2022

	Water and Sewer
<u>Cash Flows from Operating Activities</u>	
Payments to employees	\$ (993,768)
Payments to suppliers and contractors	(5,506,362)
Receipts from customers	7,851,496
Net Cash Provided (Used) by Operating Activities	1,351,366
<u>Cash Flows from Noncapital Financing Activities</u>	
Transfers (out)	(206,010)
Net Cash Provided (Used) by Noncapital Financing Activities	(206,010)
<u>Cash Flows from Capital and Related Financing Activities</u>	
Acquisition and construction of capital assets	(761,115)
Principal paid on capital debt	(981,383)
Interest paid on capital debt	(115,888)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,858,386)
<u>Cash Flows from Investing Activities</u>	
Interest on investments	16,604
Net Cash Provided by Investing Activities	16,604
Net Increase (Decrease) in Cash and Cash Equivalents	(696,426)
Beginning cash and cash equivalents	8,007,394
Ending Cash and Cash Equivalents	\$ 7,310,968

See Notes to Financial Statements.

City of Seagoville, Texas

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended September 30, 2022

	Water and Sewer
<u>Reconciliation of Operating Income (Loss)</u>	
<u>to Net Cash Provided (Used) by Operating Activities</u>	
Operating Income (Loss)	\$ 758,507
Adjustments to reconcile operating income (loss) to net cash provided (used):	
Depreciation	824,106
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in:	
Accounts receivable	(188,805)
Deferred outflows:	
Pension	48,489
OPEB	838
Increase (Decrease) in:	
Accounts payable and accrued liabilities	18,744
Due to other funds	22,218
Customer deposits	16,100
Compensated absences	3,005
Deferred inflows:	
Pension	14,254
OPEB	(2,433)
Net pension liability	(170,841)
OPEB Liability	7,184
Net Cash Provided (Used) by Operating Activities	\$ 1,351,366

See Notes to Financial Statements.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS

September 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Seagoville, Texas (the “City”) is a municipal corporation operating under a home rule charter as authorized in Article XI, Section 5 of the Constitution of the State of Texas. The City operates under a Council-Manager form of government in which all powers of the City are vested in an elective council. The City Council consists of the mayor and five council members. The mayor and two council members are elected at large with the remaining council members elected by district. The City provides services related to the following: public safety, public works, sanitation, health and welfare, culture and recreation, community development, planning and zoning, and general administrative services.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) applicable to government units. The following is a summary of the more significant accounting policies.

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. Reporting Entity

For financial reporting purposes, management has considered all potential component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The criteria used are as follows:

Financial Accountability – The primary government is deemed to be financially accountable if it appoints a voting majority of the organization’s governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government. Additionally, the primary government may be financially accountable if an organization is fiscally dependent on the primary government and there

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

is a potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government or a jointly appointed board.

Discretely Presented Component Unit

Seagoville Economic Development Corporation ("EDC")

The EDC is a nonprofit corporation that was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6 Section (a), to receive and account for the proceeds of a designated sales tax levied to benefit the economic development of Seagoville. The EDC is authorized to sell bonds or other forms of indebtedness for any purpose authorized by Section 4B of the Development Corporation Act of 1979. Under the Act, the Board of Directors consists of seven members appointed by and who serve at the pleasure of the City Council of the City for two-year terms. The EDC provides financial benefits to the City in the form of an annual cash payment.

EDC may enter into any project authorized by the Act including, but not limited to, such projects as promotion and development of new and expanded business enterprises, job training centers, infrastructure improvements, public safety, municipal buildings, civic centers, recreation facilities, and other related facilities.

The EDC meets the criteria of a discretely presented component unit. Complete financial statements for the Seagoville Economic Development Corporation may be obtained from the EDC's office at 702 N. Highway 175, Seagoville, Texas, 75159. No other organizations met the necessary criteria for inclusion as component units for the year ended September 30, 2022.

This component unit is discretely presented in the financial statements. Complete financial statements of the individual component unit can be obtained.

C. Basis of Presentation - Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

As discussed earlier, the government has one discretely presented component unit which is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

General Fund

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, community services, and community development.

Capital Projects Fund

The capital projects fund is used to account for resources obtained for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds.

COVID Local Recovery Fund

The COVID recovery fund is used to account for resources acquired from other governments to mitigate the impact of the COVID 19 virus.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

The government reports the following major enterprise funds:

Water and Sewer Fund

Water and Sewer 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.

Additionally, the government reports the following fund types:

Debt Service Funds

The City accounts for the accumulation of financial resources for the payments of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance is restricted exclusively for debt service expenditures.

Special Revenue Funds

The City accounts for resources restricted to, or designated for, specific purposes in a special revenue fund. As of September 30, 2022, the City is maintaining eleven special revenue funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

Proprietary, pension and other postemployment benefit trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Fiduciary funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows, and Fund Equity or Net Position

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. Government
- Fully collateralized certificates of deposit and money market accounts
- Statewide investment pools
- SEC registered, no load money market mutual funds

2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either “interfund receivables/payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds” in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as “due to/from component unit/primary government.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

Inventory of the general fund and the electric fund consists of supplies held for the City's use and are carried at cost. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

5. Restricted Assets

Certain proceeds of re classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants or other restrictions.

6. Capital Assets

Capital assets are tangible and intangible assets which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and rights to water access are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art, and capital items received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Asset Description	Estimated Useful Life
Building and improvements	50 years
Improvements other than buildings	20 years
Infrastructure	75 years
Machinery and equipment	5 to 10 years

7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only 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. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

8. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable, pension and OPEB liabilities and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed when incurred.

The net pension liability is included within long term debt. This liability is valued using an actuarial model and represents the difference between the plan fiduciary net position and the net pension liability consistent with GASB statement no. 68. The portion of this liability presented as a current liability is based on actuarial calculations for estimated future payments of benefits and refunds over the twelve months following yearend.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

9. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS'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.

10. Other Postemployment Benefits ("OPEB")

The City has implemented 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. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 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 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. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

11. Leases

Lessor: The EDC is a lessor for noncancellable leases for use of office space. The EDC recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the EDC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the EDC determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The EDC uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The EDC monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

12. Net Position Flow Assumption

Sometimes the government 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

13. Fund Balance Flow Assumptions

Sometimes the government 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 fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

14. 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 government itself 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 government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government 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 governing body (Council) has by resolution authorized the finance director to assign fund balance. The council may also assign fund balance as it does when appropriating 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.

15. Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments)

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

3. 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.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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. The principal operating revenues of the utility fund, golf course fund, and storm water utility funds are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the general, debt service, capital projects, and various special revenue funds. The City did not adopt a budget for the COVID local recovery, Seagoville toy drive donations, park development, or developer funds. Each year the City Manager is required to submit to the City Council, between sixty and ninety days prior to the beginning of the year, a proposed budget for each fund aforementioned. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added which affect the total fund expenditures without City Council approval. Appropriations lapse at the end of the year. Several supplemental budget amendments were made during the year. All governmental funds with a legally adopted budget have

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

been presented. The following funds exceeded appropriations at the level of control as follows:

Debt Service Fund	\$ 1,000
Special Police Fund	321
Park Dedication Fund	78,201
Storm Water Revenue Fund	202,218

A. Restricted Net Position

The City records restricted net position on amounts with externally imposed restrictions (e.g., through debt covenants or by grantors) or restrictions imposed by law through constitutional provisions or enabling legislation. Total restricted fund balance for governmental funds was \$6,069,027, of which, \$187,993 is restricted by enabling legislation.

B. Public Funds Investment & Collateral Acts

State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2022, the market values of pledged securities and FDIC exceeded bank balances. In addition, the City is required to adopt certain standards as it relates to the investment and maintenance of public funds. The City was in compliance with the requirement Public Funds Investment Act and the Public Funds Collateral Act.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Deposits - The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas Public Funds Investment Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the City's and the depository bank's agent bank. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of FDIC insurance. The City's deposits, as well as those of the City's component unit were fully insured or collateralized as required by the state statutes at September 30, 2022.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

As of September 30, 2022, the primary government and component unit had the following investments:

Investment Type	Value	Weighted Average Maturity (Years)
External investment pools	\$ 12,345,922	0.04
Total value	\$ 12,345,922	
Portfolio weighted average maturity		0.04

Following the criteria for GASB Statement No. 79, Certain External Investment Pools and Pool Participants, TexPool and TexStar use amortized cost and Texas CLASS uses the fair value method to value portfolio assets. The pools operate in a manner consistent with the Securities and Exchange Commission's (SEC) Rule 2(a)(7) of the Investment Company Act of 1940 but is not registered with the SEC as an investment company. Instead, the regulatory oversight for the pool is the State of Texas. Investments in the pools are classified as cash and cash equivalents for reporting purposes.

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. The weighted average maturities of the investment pools did not exceed 60 days. As of yearend, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Credit risk: The City's investment policy contains no limitation on the amount that can be invested in any one issuer. At year-end, the City was not exposed to concentration of credit risk. It is SEDC policy to limit its investment to those that are authorized under the Texas Public Funds Investment Act. As of September 30, 2022, the investment pools were rated AAAM by Standard and Poor's.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's and SEDC'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 stated requirements of the Public Funds Investment Act. During the fiscal year and at year-end, all deposits held in the depository bank were fully collateralized. The City's deposits are therefore not subject to custodial credit risk at September 30, 2022.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAM. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2022, the fair value of the portion in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

TexSTAR has been established for governmental entities pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code and operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexSTAR's governing body is a five-member Board consisting of three representatives of participants and one member designated by each of the co-administrators. The Board holds legal title to all money, investments, and assets and has the authority to employ personnel, contract for services, and engage in other administrative activities necessary or convenient to accomplish the objectives of TexSTAR. Board oversight of TexSTAR is maintained through daily, weekly, and monthly reporting requirements. TexSTAR is rated AAAM by Standard & Poor's. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

B. Receivables

1. The following comprise receivable balances of the primary government at year end:

	Governmental Activities		
	Nonmajor		Total
	General	Governmental	
Property taxes	\$ 392,674	\$ 37,978	\$ 430,652
Sales tax	717,967	-	717,967
Accounts	83,505	58,187	141,692
Other	46,986	-	46,986
Allowance	-	(20,015)	(20,015)
Total	\$ 1,241,132	\$ 76,150	\$ 1,317,282

	Business- Type	
	Water & Sewer	
	Total	
Accounts	\$ 1,553,271	\$ 1,553,271
Allowance	(258,627)	(258,627)
Total	\$ 1,294,644	\$ 1,294,644

2. The component unit receivable balances consisted of the following:

	EDC
Sales tax	\$ 239,322
Lease receivables	41,363
	\$ 280,686

3. Notes Receivable – EDC

On March 15, 2021, the EDC entered into a note receivable with Starwood Café, a local restaurant, for \$600,000. The stated interest rate is 0%. Principal payments are due monthly for \$3,333 through March 15, 2036.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

The future payment amortization schedule is as follows:

Note Receivable

Year ending September 30,	Component Unit Activities		
	Principal	Interest	Total
2023	\$ 40,000	\$ -	\$ 40,000
2024	40,000	-	40,000
2025	40,000	-	40,000
2026	40,000	-	40,000
2027	40,000	-	40,000
2028-2032	200,000	-	200,000
2033-2036	140,000	-	140,000
Total	\$ 540,000	\$ -	\$ 540,000

4. The EDC is the lessor of four contracts in which the EDC receives lease payments for the use of office space. The leases commenced between May 2018 and August 2021. Monthly lease payments range from \$1,200 to \$12,100 will be paid through June 4, 2025. As of September 30, 2022, the lease receivable and offsetting deferred inflows amounted to \$41,363 and \$41,363, respectively.

The annual principal and interest payments to be received are as follows:

Year ending September 30,	Component Unit Activities	
	Principal	Interest (1.26%- 3.61%)
2023	\$ 25,148	\$ 752
2024	16,215	185
	\$ 41,363	\$ 937

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Beginning Balances	Additions	Retirements/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 2,617,405	\$ -	\$ -	\$ 2,617,405
Construction in progress	2,444,743	346,277	(2,484,928)	306,092
Total capital assets not being depreciated	<u>5,062,148</u>	<u>346,277</u>	<u>(2,484,928)</u>	<u>2,923,497</u>
Capital assets, being depreciated:				
Machinery and equipment	6,217,629	579,504	125,710	6,922,843
Buildings	4,078,405	-	-	4,078,405
Improvements other than buildings	1,723,767	56,481	154,582	1,934,830
Infrastructure	27,439,987	1,473,020	2,204,636	31,117,643
Total capital assets being depreciated	<u>39,459,788</u>	<u>2,109,005</u>	<u>2,484,928</u>	<u>44,053,721</u>
Less accumulated depreciation				
Machinery and equipment	2,915,354	585,711	-	3,501,065
Buildings	1,518,210	101,651	-	1,619,861
Improvements other than buildings	984,643	69,190	-	1,053,833
Infrastructure	15,282,089	1,046,603	-	16,328,692
Total accumulated depreciation	<u>20,700,296</u>	<u>1,803,155</u>	<u>-</u>	<u>22,503,451</u>
Net capital assets being depreciated	<u>18,759,492</u>	<u>305,850</u>	<u>2,484,928</u>	<u>21,550,270</u>
Total Capital Assets	<u>\$ 23,821,640</u>	<u>\$ 652,127</u>	<u>\$ -</u>	<u>\$ 24,473,767</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 47,565
Public safety	512,843
Community development	1,242,747
Total Governmental Activities Depreciation Expense	<u>\$ 1,803,155</u>

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

A summary of changes in business-type activities capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 97,912	\$ -	\$ -	\$ 97,912
Construction in progress	2,510,121	459,464	(2,266,088)	703,497
Total capital assets not being depreciated	<u>2,608,033</u>	<u>459,464</u>	<u>(2,266,088)</u>	<u>801,409</u>
Capital assets, being depreciated:				
Furniture and equipment	1,522,538	243,776	1,726,984	3,493,298
Buildings	147,763	-	-	147,763
Improvements other than buildings	220,590	-	-	220,590
Infrastructure	27,229,321	57,875	539,104	27,826,300
Total capital assets being depreciated	<u>29,120,212</u>	<u>301,651</u>	<u>2,266,088</u>	<u>31,687,951</u>
Less accumulated depreciation				
Furniture and equipment	872,175	286,671	-	1,158,846
Buildings	68,171	3,470	-	71,641
Improvements other than buildings	219,627	961	-	220,588
Infrastructure	13,207,211	533,004	-	13,740,215
Total accumulated depreciation	<u>14,367,184</u>	<u>824,106</u>	<u>-</u>	<u>15,191,290</u>
Net capital assets being depreciated	<u>14,753,028</u>	<u>(522,455)</u>	<u>2,266,088</u>	<u>16,496,661</u>
Total Capital Assets	<u><u>\$ 17,361,061</u></u>	<u><u>\$ (62,991)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 17,298,070</u></u>

Depreciation was charged to business-type activities as follows:

Water and sewer	<u>\$ 824,106</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 824,106</u></u>

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

A summary of changes in component unit (SEDC) capital assets for the year end was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balances</u>
Capital assets, not being depreciated:				
Land	\$ 89,627	\$ -	\$ -	\$ 89,627
Total capital assets not being depreciated	<u>89,627</u>	<u>-</u>	<u>-</u>	<u>89,627</u>
Capital assets, being depreciated:				
Buildings	563,048	22,688	-	585,736
Total capital assets being depreciated	<u>563,048</u>	<u>22,688</u>	<u>-</u>	<u>585,736</u>
Less accumulated depreciation				
Buildings	82,339	11,639	-	93,978
Total accumulated depreciation	<u>82,339</u>	<u>11,639</u>	<u>-</u>	<u>93,978</u>
Net capital assets being depreciated	480,709	11,049	-	491,758
Total Capital Assets	<u><u>\$ 570,336</u></u>	<u><u>\$ 11,049</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 581,385</u></u>

Depreciation was charged to the following activities as follows:

Seagoville EDC	\$ 11,639
Total Depreciation Expense	<u><u>\$ 11,639</u></u>

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, Continued

September 30, 2022

D. Long-term Debt

The following is a summary of changes in the City's total long-term liabilities for the year ended September 30, 2022. In general, the City uses the debt service fund and water and sewer to liquidate long-term liabilities.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retired</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	\$ 11,865,000	\$ -	\$ (501,500)	\$ 11,363,500	\$ 571,000
Less deferred amounts:					
For premiums	532,566	-	(28,289)	504,277	-
Total Bonds Payable	<u>12,397,566</u>	<u>-</u>	<u>(529,789)</u>	<u>11,867,777</u>	<u>571,000</u>
Notes payable	1,082,757	-	(76,752)	1,006,005	78,880
Total Governmental Activities	<u>\$ 13,480,323</u>	<u>\$ -</u>	<u>\$ (606,541)</u>	<u>\$ 12,873,782</u>	<u>\$ 649,880</u>
				<u>\$ 12,223,902</u>	
Business-Type Activities:					
Combination Tax & Revenue Bonds	\$ 4,425,000	\$ -	\$ (373,500)	\$ 4,051,500	\$ 384,000
Less deferred amounts:					
For premiums	140,808	-	(10,831)	129,977	-
Total Bonds Payable	<u>4,565,808</u>	<u>-</u>	<u>(384,331)</u>	<u>4,181,477</u>	<u>384,000</u>
Notes payable	1,228,466	-	(607,883)	620,583	620,584
Total Business-Type Activities	<u>\$ 5,794,274</u>	<u>\$ -</u>	<u>\$ (992,214)</u>	<u>\$ 4,802,060</u>	<u>\$ 1,004,584</u>
				<u>\$ 3,797,476</u>	

Long-term debt applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The proprietary fund type long-term debt will be repaid, plus accrued interest, from operating revenues of the respective fund. Leases are secured by the underlying asset. In the event of default, the lender may demand immediate payment or take possession of the asset.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

Primary government long-term debt at year end was comprised of the following debt issues:

	Governmental Activities	Business - Type Activities	Total
Combination Tax and Revenue Refunding Bonds:			
\$3,915,000 Comb. Tax and Revenue Refunding Bonds, Series 2018, due in installments through 2028, interest at 1.93%	\$ -	\$ 2,825,000	\$ 2,825,000
\$2,128,500 Comb. Tax and Revenue Refunding Bonds, Series 2015, due in annual installments through 2035, interest at 2.0% to 4.0%	-	1,226,500	1,226,500
Total Combination Tax & Revenue Refunding Bonds	\$ -	\$ 4,051,500	\$ 4,051,500
Certificates of Obligation:			
\$1,741,500 Certificates of Obligation, Series 2018, due in annual installments through 2028, interest at 1.93%	\$ 1,003,500	\$ -	\$ 1,003,500
\$5,885,000 Certificates of Obligation, Series 2019, due in annual installments through 2039, interest at 3.0% to 4.0%	5,500,000	-	5,500,000
\$5,101,500 Certificates of Obligation, Series 2021, due in annual installments through 2041, interest at 1.50% to 4.0%	4,860,000	-	4,860,000
Total Certificates of Obligation	\$ 11,363,500	\$ -	\$ 11,363,500
Notes Payable:			
\$460,020 Note Payable for Quint Fire Engine in 2017, due in installments through 2031, interest at 2.67%	\$ 410,152	\$ -	\$ 410,152
\$891,933 Note Payable for 2020 Fire Engine, due in installments through 2035, interest at 3.10%	595,853	-	595,853
\$1,822,500 Note Payable for Smart Meters in 2020, due in installments through 2022, interest at 2.25%	-	620,583	620,583
Total Notes Payable	\$ 1,006,005	\$ 620,583	\$ 1,626,588
Premiums	504,277	129,977	634,254
Total Debt	\$ 12,873,782	\$ 4,802,060	\$ 17,675,842

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

The annual requirements to amortize the City's long-term activities debt issues outstanding at year end were as follows:

Governmental Activities:

Year ending September 30,	Certificates of Obligation		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 571,000	\$ 302,162	\$ 78,880	\$ 26,988
2024	600,500	282,361	81,098	24,769
2025	625,000	263,993	83,379	22,488
2026	645,000	248,406	85,725	20,143
2027	661,250	233,088	88,137	17,731
2028 - 2032	2,975,750	875,803	479,318	50,020
2033 - 2037	3,245,000	456,784	109,468	6,863
2038 - 2041	2,040,000	131,825	-	-
	<u>\$ 11,363,500</u>	<u>\$ 2,794,422</u>	<u>\$ 1,006,005</u>	<u>\$ 169,002</u>

Business-Type Activities:

Year ending September 30,	Comb. Tax & Rev. Refunding Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2023	\$ 384,000	\$ 109,884	\$ 620,584	\$ 13,974
2024	399,500	98,851	-	-
2025	410,000	87,311	-	-
2026	420,000	75,455	-	-
2027	383,750	66,218	-	-
2028-2032	1,304,250	217,794	-	-
2033-2036	750,000	49,125	-	-
	<u>\$ 4,051,500</u>	<u>\$ 704,638</u>	<u>\$ 620,584</u>	<u>13,974</u>

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

G. Other Long-term Liabilities

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and water and sewer fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Compensated absences	\$ 500,152	\$ 142,959	\$ (10,238)	\$ 632,873	\$ 569,586
Total Governmental Activities	\$ 500,152	\$ 142,959	\$ (10,238)	\$ 632,873	\$ 569,586
Other long-term liabilities due in more than one year				\$ 63,287	
Business-Type Activities:					
Compensated absences	\$ 34,641	\$ 6,463	\$ (3,461)	\$ 37,643	\$ 33,879
Total Business-Type Activities	\$ 34,641	\$ 6,463	\$ (3,461)	\$ 37,643	\$ 33,879
Other long-term liabilities due in more than one year				\$ 3,764	

H. Interfund Transactions

The compositions of interfund advances to/from balances as of the year ended September 30, 2022 were as follows:

	Due to: (payable fund)	Total
Due from: (receivable fund)	Water & Sewer	
General	\$ 22,218	\$ 22,218
Total	\$ 22,218	\$ 22,218

Interfund receivables and payables relate to various amounts used to cover operational and capital expenditures. All balances are expected to be resolved in the subsequent year.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

Transfers between the primary government during the 2022 year were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>			<u>Total</u>
	<u>COVID Recovery</u>	<u>Water & Sewer</u>	<u>Nonmajor Govt.</u>	
General	\$ 146,294	\$ 206,010	\$ 27,600	\$ 379,904
Total	<u>\$ 146,294</u>	<u>\$ 206,010</u>	<u>\$ 27,600</u>	<u>\$ 379,904</u>

Transfers between funds were primarily to support debt service requirements and general operation of funds.

V. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various natures. The City participates in the Texas Municipal League Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool that retains the risk of loss beyond the City's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities

The City is involved in lawsuits with other parties from time to time. While the ultimate result of these matters cannot be predicted with certainty, the City does not expect them to have a materially adverse effect on the basic financial statements.

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

C. Commitments

North Texas Municipal Water District

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 2022, the City's share of these costs was \$1,891,712.

D. Pension Plans

Texas Municipal Retirement Systems

Plan Description

The City of Seagoville, Texas participates as one of 920 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 annual comprehensive financial report (ACFR) 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.

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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 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.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

Plan provisions for the City were as follows:

	<u>Plan Year 2021</u>	<u>Plan Year 2020</u>
Employee deposit rate	7%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI repeating	0% of CPI repeating

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to but not yet receiving benefits	79
Active employees	104
Total	251

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 contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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, Texas were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Seagoville, Texas were 11.10% and 11.23% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were \$807,022, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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:

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% 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 16 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, 2019 actuarial

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

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. 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 an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

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 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, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Total Net Pension Liability (Asset) (a) – (b)
Balance at 12/31/20	\$ 22,299,315	\$ 20,453,369	\$ 1,845,946
Changes for the year:			
Service cost	947,052	-	947,052
Interest	1,514,304	-	1,514,304
Change in benefit terms	-	-	-
Difference between expected and actual experience	241,115	-	241,115
Changes of assumptions	-	-	-
Contributions – employer	-	693,422	(693,422)
Contributions – employee	-	437,293	(437,293)
Net investment income	-	2,668,598	(2,668,598)
Benefit payments, including refunds of emp. contributions	(677,404)	(677,404)	-
Administrative expense	-	(12,337)	12,337
Other changes	-	85	(85)
Net changes	2,025,067	3,109,657	(1,084,590)
Balance at 12/31/21	\$ 24,324,382	\$ 23,563,026	\$ 761,356

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 Rate Assumption 6.75%	1% Increase 7.75%
\$ 4,240,345	\$ 761,356	\$ (2,106,423)

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.tmr.com.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

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

For the year ended September 30, 2022, the City recognized pension expense of \$325,777.

At September 30, 2022, 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>
Difference between projected and actual investment earnings	\$ -	\$ (1,372,374)
Change in assumptions	23,889	-
Differences between expected and actual economic experience	303,732	-
Contributions subsequent to the measurement date	600,301	-
Total	<u>\$ 927,922</u>	<u>\$ (1,372,374)</u>

The City reported \$600,301 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2023.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	<u>Net Deferred Outflows/(Inflows)</u>
2022	\$ (111,593)
2023	(450,083)
2024	(228,457)
2025	(254,620)
2026	-
Thereafter	-
	<u>\$ (1,044,753)</u>

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

E. Other Postemployment Benefits

Supplemental Death Benefits Fund

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. 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 death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. 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 No. 75, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to but not yet receiving benefits	10
Active employees	104
Total	154

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

The City's contributions to the TMRS SDBF for the years ended 2022 and 2021 were \$7,742 and \$4,385, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2020	0.04%	0.04%	100.0%
2021	0.10%	0.10%	100.0%
2022	0.11%	0.11%	100.0%

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, and the Total OPEB Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%
Discount rate	1.84%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109%

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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 1.84%, as well as what the City's total OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

1% Decrease (0.84%)	Current Single Rate Assumption 1.84%	1% Increase (2.84%)
\$ 440,966	\$ 361,783	\$ 300,052

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/20	\$ 318,415
Changes for the year:	
Service Cost	23,739
Interest	6,543
Difference between expected and actual experience	8,440
Changes of assumptions	10,893
Benefit payments	(6,247)
Net changes	43,368
Balance at 12/31/21	\$ 361,783

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2022, the City recognized OPEB expense of \$42,460.

At September 30, 2022, the City reported deferred outflows and inflows of resources related to the OPEB liability from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	\$ -	\$ (6,541)
Changes in assumptions and other inputs	59,515	-
Contributions subsequent to measurement date	5,881	-
Total	\$ 65,396	\$ (6,541)

The City reported \$5,881 as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2023.

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	
2022	\$ 12,178
2023	10,860
2024	11,677
2025	10,925
2026	5,984
Thereafter	1,350
	\$ 52,974

City of Seagoville, Texas

NOTES TO THE FINANCIAL STATEMENTS, *Continued*

September 30, 2022

F. Tax Abatement Disclosures

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.

The City of Seagoville enters into tax abatement and rebate agreements with local businesses under the state local government code, title 12, subtitle A, chapter 380. Under the code, the governing body of a municipality may establish and provide for the administration of one or more programs, including programs for making loans or grants of public money and providing personnel and services of the municipality, to promote state or local economic development and to stimulate business and commercial activity in the municipality. The City has tax abatement/rebate agreements with one entity as of September 30, 2022:

\$134,687 of real property and personal property taxes was rebated to a food processing company to promote local economic development and stimulate business commercial activity in the City.

In regards to the aforementioned tax abatement agreement, the City has also committed to a fee grant in the amount of \$84,313 and a water/sewer utility service grant of \$31,000. The City is not subject to any tax abatement agreements entered into by other governmental entities. The City has chosen to disclose information about its tax abatement agreements individually. It established a quantitative threshold of 100% percent of the total dollar amount of taxes abated during the year.

G. Restatement

Due to accounting errors, the City restated beginning net position/fund balance of governmental activities, business-type activities, the general fund, the water and sewer, and the Seagoville EDC.

City of Seagoville, Texas
NOTES TO THE FINANCIAL STATEMENTS, Continued
September 30, 2022

The restatement of beginning net position/fund balance is as follows:

	Governmental Activities	General Fund
Prior year ending net position/ fund balance, as reported	\$ 24,164,093	\$ 6,309,300
Correction to unbilled garbage receivables	81,312	81,312
Reclassification of Insurance Trust to general fund	58	58
Correction to depreciation expense	(124,090)	-
Recognize deferred grant revenue	(2,000,000)	-
Revenue recognized that should have been deferred	(88,959)	(88,959)
Restated beginning net position/fund balance	\$ 22,032,414	\$ 6,301,711
	Component Unit Seagoville EDC	
Prior year ending net position, as reported	\$ 3,020,623	
Correction to depreciation expense	(11,260)	
Correction to nondepreciable assets	(73,952)	
Restated beginning net position	\$ 2,935,411	

H. Subsequent Events

There were no subsequent events through June 19, 2023, the date the financial statements were issued.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	\$ 6,119,484	\$ 6,119,484	\$ 6,520,433	\$ 400,949
Sales tax	3,125,108	3,125,108	4,050,595	925,487
Franchise and local taxes	619,150	619,150	674,657	55,507
License and permits	451,655	451,655	1,564,957	1,113,302
Charges for services	1,104,000	1,104,000	1,225,483	121,483
Intergovernmental	185,749	185,749	291,318	105,569
Fines and forfeitures	275,000	275,000	406,962	131,962
Investment income	10,000	10,000	16,582	6,582
Other revenue	7,000	7,000	155,164	148,164
Total Revenues	11,897,146	11,897,146	14,906,151	3,009,005
Expenditures				
Current:				
General government	1,444,386	1,444,386	1,524,821	(80,435)
Public safety	7,191,024	7,191,024	6,707,069	483,955
Community services	1,688,613	1,688,613	1,969,933	(281,320)
Community development	1,676,186	1,676,186	1,518,446	157,740
Nondepartmental	167,293	167,293	131,832	35,461
Debt Service:				
Principal	92,814	92,814	76,752	16,062
Interest and fiscal charges	13,499	13,499	29,115	(15,616)
Capital outlay	774,324	1,074,324	1,136,057	(61,733)
Total Expenditures	13,048,139	13,348,139	13,094,025	254,114
Revenues Over (Under) Expenditures	(1,150,993)	(1,450,993)	1,812,126	3,263,119
Other Financing Sources (Uses)				
Proceeds from sale of assets	2,500	2,500	-	(2,500)
Transfers in	506,904	506,904	379,904	(127,000)
Transfers (out)	(629,233)	(929,233)	-	929,233
Total Other Financing Sources (Uses)	(119,829)	(419,829)	379,904	799,733
Net Change in Fund Balance	\$ (1,270,822)	\$ (1,870,822)	2,192,030	\$ 4,062,852
Beginning fund balance			6,301,711	
Ending Fund Balance			\$ 8,493,741	

Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

City of Seagoville, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years Ended:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total pension liability			
Service cost	\$ 947,052	\$ 910,252	\$ 792,997
Interest	1,514,304	1,389,855	1,298,790
Differences between expected and actual experience	241,115	255,107	(18,720)
Changes of assumptions	-	-	105,329
Benefit payments, including refunds of participant contributions	(677,404)	(782,436)	(993,391)
Net change in total pension liability	<u>2,025,067</u>	<u>1,772,778</u>	<u>1,185,005</u>
Total pension liability - beginning	<u>22,299,315</u>	<u>20,526,537</u>	<u>19,341,532</u>
Total pension liability - ending (a)	<u>24,324,382</u>	<u>22,299,315</u>	<u>20,526,537</u>
Plan fiduciary net position			
Contributions - employer	\$ 693,422	\$ 662,747	\$ 579,541
Contributions - members	437,293	424,061	373,552
Net investment income	2,668,598	1,422,967	2,517,507
Benefit payments, including refunds of participant contributions	(677,404)	(782,436)	(993,391)
Administrative expenses	(12,337)	(9,202)	(14,215)
Other	85	(360)	(426)
Net change in plan fiduciary net position	<u>3,109,657</u>	<u>1,717,777</u>	<u>2,462,568</u>
Plan fiduciary net position - beginning	<u>20,453,369</u>	<u>18,735,592</u>	<u>16,273,024</u>
Plan fiduciary net position - ending (b)	<u>\$ 23,563,026</u>	<u>\$ 20,453,369</u>	<u>\$ 18,735,592</u>
Fund's net pension liability - ending (a) - (b)	<u>\$ 761,356</u>	<u>\$ 1,845,946</u>	<u>\$ 1,790,945</u>
Plan fiduciary net position as a percentage of the total pension liability	96.87%	91.72%	91.27%
Covered payroll	\$ 6,247,045	\$ 6,044,170	\$ 5,336,455
Fund's pension liability as a percentage of covered payroll	12.19%	30.54%	33.56%

Notes to schedule:

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

	<u>12/31/2018</u>	<u>12/31/2017</u>
	\$ 717,159	\$ 691,900
	1,225,262	1,127,119
	(121,194)	159,603
	-	-
	(546,303)	(528,256)
	<u>1,274,924</u>	<u>1,450,366</u>
	<u>18,066,608</u>	<u>16,616,242</u>
	<u>19,341,532</u>	<u>18,066,608</u>
	\$ 532,212	\$ 492,954
	341,272	324,618
	(492,910)	1,968,593
	(546,303)	(528,256)
	(9,523)	(10,201)
	(498)	(516)
	<u>(175,750)</u>	<u>2,247,192</u>
	<u>16,448,774</u>	<u>14,201,582</u>
	<u>\$ 16,273,024</u>	<u>\$ 16,448,774</u>
	<u>\$ 3,068,508</u>	<u>\$ 1,617,834</u>

	84.14%	91.05%
\$	4,875,313	\$ 4,637,399
	62.94%	34.89%

City of Seagoville, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2022	9/30/2021	9/30/2020
Actuarially determined employer contributions	\$ 807,022	\$ 662,747	\$ 579,541
Contributions in relation to the actuarially determined contribution	\$ 807,022	\$ 662,747	\$ 579,541
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Annual covered payroll	\$ 7,207,868	\$ 6,044,170	\$ 5,432,024
Employer contributions as a percentage of covered payroll	11.20%	10.97%	10.67%

1) This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.5%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>	<u>9/30/2015</u> ¹
\$ 546,056	\$ 532,212	\$ 492,954	\$ 421,866	\$ 429,211
<u>\$ 546,056</u>	<u>\$ 532,212</u>	<u>\$ 492,954</u>	<u>\$ 421,866</u>	<u>\$ 429,211</u>
<u>\$ -</u>				
\$ 5,028,140	\$ 4,828,808	\$ 4,637,288	\$ 4,426,729	\$ 4,420,284
10.86%	11.02%	10.63%	9.53%	9.71%

City of Seagoville, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN

Years Ended:

	¹	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>
Total OPEB liability				
Service cost	\$	23,739	\$ 21,759	\$ 13,341
Interest		6,543	7,118	7,824
Differences between expected and actual experience		8,440	990	(19,687)
Changes of assumptions		10,893	41,806	44,523
Benefit payments		<u>(6,247)</u>	<u>(2,418)</u>	<u>(2,139)</u>
Net changes		<u>43,368</u>	<u>69,255</u>	<u>43,862</u>
Total OPEB liability - beginning		<u>318,415</u>	<u>249,160</u>	<u>205,298</u>
Total OPEB liability - ending	² \$	<u><u>361,783</u></u>	<u><u>318,415</u></u>	<u><u>249,160</u></u>
 Covered employee payroll	 \$	 6,247,045	 \$ 6,044,170	 \$ 5,336,455
Fund's net position as a percentage of covered employee payroll		5.79%	5.27%	4.67%

Notes to schedule:

¹ This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

² No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

	<u>12/31/2018</u>		<u>12/31/2017</u>
\$	14,626	\$	12,057
	7,178		6,877
	(10,448)		-
	(14,880)		16,385
	(1,463)		(1,855)
	<u>(4,987)</u>		<u>33,464</u>
	<u>210,285</u>		<u>176,821</u>
\$	<u>205,298</u>	\$	<u>210,285</u>
\$	4,875,313	\$	4,637,399
	4.21%		4.53%

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***COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES***

City of Seagoville, Texas
COMBINING BALANCE SHEET (Page 1 of 2)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	Special Revenue Funds			
	Hotel/Motel Occupancy Tax	Special Police	Miscellaneous Grants	Court Technology
<u>Assets</u>				
Cash and cash equivalents	\$ 32,914	\$ 10,916	\$ 12,720	\$ 70,418
Accounts receivable, net	-	-	-	-
Total Assets	\$ 32,914	\$ 10,916	\$ 12,720	\$ 70,418
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Total Liabilities	-	-	-	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - prop. tax	-	-	-	-
Total Deferred Inflows	-	-	-	-
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	-	-	-
Court improvements	-	-	-	70,418
Tourism	32,914	-	-	-
Public safety	-	10,916	-	-
Animal shelter	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	12,720	-
Total Fund Balances	32,914	10,916	12,720	70,418
Total Liabilities, Deferred Inflows and Fund Balances	\$ 32,914	\$ 10,916	\$ 12,720	\$ 70,418

See Notes to Financial Statements.

Special Revenue Funds

<u>Park Development</u>	<u>Revenue Recycling</u>	<u>Animal Shelter</u>	<u>Storm Water Revenue</u>	<u>Seagoville Toy Drive Donations</u>
\$ 149,491	\$ 3,261	\$ 25,388	\$ 208,522	\$ 1,190
-	-	-	38,171	-
<u>\$ 149,491</u>	<u>\$ 3,261</u>	<u>\$ 25,388</u>	<u>\$ 246,693</u>	<u>\$ 1,190</u>
\$ 5,504	\$ -	\$ -	\$ 42,250	\$ -
-	-	-	9,357	-
<u>5,504</u>	<u>-</u>	<u>-</u>	<u>51,607</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	4,796	-	-
143,987	-	-	195,086	1,190
-	3,261	20,592	-	-
<u>143,987</u>	<u>3,261</u>	<u>25,388</u>	<u>195,086</u>	<u>1,190</u>
<u>\$ 149,491</u>	<u>\$ 3,261</u>	<u>\$ 25,388</u>	<u>\$ 246,693</u>	<u>\$ 1,190</u>

City of Seagoville, Texas
COMBINING BALANCE SHEET (Page 2 of 2)
NONMAJOR GOVERNMENTAL FUNDS
September 30, 2022

	<u>Special Revenue Funds</u>			
	<u>Park Development</u>	<u>Developer Funds</u>	<u>Special Revenue Funds</u>	<u>Debt Service</u>
<u>Assets</u>				
Cash and cash equivalents	\$ 33,662	\$ 56,752	\$ 605,234	\$ 110,044
Accounts receivable	-	-	38,171	37,979
Total Assets	\$ 33,662	\$ 56,752	\$ 643,405	\$ 148,023
<u>Liabilities</u>				
Accounts payable	\$ -	\$ -	\$ 47,754	\$ -
Accrued liabilities	-	-	9,357	-
Total Liabilities	-	-	57,111	-
<u>Deferred Inflows of Resources</u>				
Unavailable revenue - prop. tax	-	-	-	37,019
Total Deferred Inflows	-	-	-	37,019
<u>Fund Balances</u>				
Restricted for:				
Debt service	-	-	-	111,004
Court improvements	-	-	70,418	-
Tourism	-	-	32,914	-
Public safety	-	-	10,916	-
Animal shelter	-	-	4,796	-
Committed	33,662	56,752	430,677	-
Assigned	-	-	36,573	-
Total Fund Balances	33,662	56,752	586,294	111,004
Total Liabilities, Deferred Inflows and Fund Balances	\$ 33,662	\$ 56,752	\$ 643,405	\$ 111,004

See Notes to Financial Statements.

**Total
Nonmajor
Govt Funds**

\$	715,278
	76,150
\$	<u>791,428</u>

\$	47,754
	9,357
	<u>57,111</u>

	37,019
	<u>37,019</u>

	111,004
	70,418
	32,914
	10,916
	4,796
	430,677
	36,573
	<u>697,298</u>

\$	<u>791,428</u>
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City of Seagoville, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 1 of 2) NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	Special Revenue Funds			
	Hotel/Motel Occupancy Tax	Special Police	Miscellaneous Grants	Court Technology
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ -
Hotel occupancy tax	54,081	-	-	-
Fines and forfeitures	-	1,625	-	21,187
License and permits	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Donations	-	-	1,187	-
Investment income	-	-	-	-
Total Revenues	54,081	1,625	1,187	21,187
Expenditures				
General government	27,000	-	-	-
Public safety	-	1,321	-	7,775
Community development	-	-	-	-
Community services	-	-	640	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	27,000	1,321	640	7,775
Revenues Over (Under) Expenditures	27,081	304	547	13,412
Other Financing Sources (Uses)				
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	27,081	304	547	13,412
Beginning fund balances	5,833	10,612	12,173	57,006
Ending Fund Balances	\$ 32,914	\$ 10,916	\$ 12,720	\$ 70,418

See Notes to Financial Statements.

Special Revenue Funds

Park Development	Revenue Recycling	Animal Shelter	Storm Water Revenue	Seagoville Toy Drive Donations
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
2,780	825	-	259,142	-
-	-	-	-	-
-	-	3,558	-	1,190
-	-	-	-	-
<u>2,780</u>	<u>825</u>	<u>3,558</u>	<u>259,142</u>	<u>1,190</u>
-	-	-	100	-
-	-	-	-	-
55,193	388	-	239,778	-
23,008	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>78,201</u>	<u>388</u>	<u>-</u>	<u>239,878</u>	<u>-</u>
<u>(75,421)</u>	<u>437</u>	<u>3,558</u>	<u>19,264</u>	<u>1,190</u>
-	-	-	(27,600)	-
-	-	-	(27,600)	-
<u>(75,421)</u>	<u>437</u>	<u>3,558</u>	<u>(8,336)</u>	<u>1,190</u>
219,408	2,824	21,830	203,422	-
<u>\$ 143,987</u>	<u>\$ 3,261</u>	<u>\$ 25,388</u>	<u>\$ 195,086</u>	<u>\$ 1,190</u>

City of Seagoville, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (Page 2 of 2)

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2022

	Special Revenue Funds		Special Revenue Funds	Debt Service
	Park Development	Developer Funds		
Revenues				
Property tax	\$ -	\$ -	\$ -	\$ 824,937
Hotel occupancy tax	-	-	54,081	-
Fines and forfeitures	-	-	22,812	-
License and permits	46,000	-	46,000	-
Charges for services	-	-	262,747	-
Intergovernmental	-	60,000	60,000	-
Donations	-	-	5,935	-
Investment income	-	-	-	81
Total Revenues	46,000	60,000	451,575	825,018
Expenditures				
General government	-	-	27,100	-
Public safety	-	-	9,096	-
Community development	-	3,248	298,607	-
Community services	12,338	-	35,986	-
Debt service:				
Principal	-	-	-	501,500
Interest and fiscal charges	-	-	-	357,684
Total Expenditures	12,338	3,248	370,789	859,184
Revenues Over (Under) Expenditures	33,662	56,752	80,786	(34,166)
Other Financing Sources (Uses)				
Transfers (out)	-	-	(27,600)	-
Total Other Financing Sources (Uses)	-	-	(27,600)	-
Net Change in Fund Balances	33,662	56,752	53,186	(34,166)
Beginning fund balances	-	-	533,108	145,170
Ending Fund Balances	\$ 33,662	\$ 56,752	\$ 586,294	\$ 111,004

See Notes to Financial Statements.

**Total
Nonmajor
Govt Funds**

\$ 824,937
54,081
22,812
46,000
262,747
60,000
5,935
81

1,276,593

27,100
9,096
298,607
35,986

501,500
357,684

1,229,973

46,620

(27,600)

(27,600)

19,020
678,278

\$ 697,298

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City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Property taxes	\$ 775,808	\$ 824,937	\$ 49,129
Investment income	10	81	71
Total Revenues	775,818	825,018	49,200
<u>Expenditures</u>			
Debt service:			
Principal	501,500	501,500	-
Interest and fiscal charges	356,684	357,684	(1,000)
Total Expenditures	858,184	859,184	(1,000) *
Revenues Over (Under) Expenditures	(82,366)	(34,166)	48,200
Net Change in Fund Balances	\$ (82,366)	(34,166)	\$ 48,200
Beginning fund balances		145,170	
Ending Fund Balances		\$ 111,004	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL POLICE
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Fines and forfeitures	\$ 2,000	\$ 1,625	\$ (375)
Total Revenues	2,000	1,625	(375)
 <u>Expenditures</u>			
Public safety	1,000	1,321	(321)
Total Expenditures	1,000	1,321	(321) *
Revenues Over (Under) Expenditures	1,000	304	(696)
Net Change in Fund Balances	\$ 1,000	304	\$ (696)
Beginning fund balances		10,612	
Ending Fund Balances		\$ 10,916	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Hotel occupancy tax	\$ 27,500	\$ 54,081	\$ 26,581
Total Revenues	<u>27,500</u>	<u>54,081</u>	<u>26,581</u>
<u>Expenditures</u>			
General government	27,000	27,000	-
Total Expenditures	<u>27,000</u>	<u>27,000</u>	<u>-</u>
 Revenues Over (Under) Expenditures	 <u>500</u>	 <u>27,081</u>	 <u>26,581</u>
 Net Change in Fund Balances	 <u>\$ 500</u>	 <u>27,081</u>	 <u>\$ 26,581</u>
Beginning fund balances		<u>5,833</u>	
Ending Fund Balances		<u>\$ 32,914</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Investment income	\$ 950	\$ 32,823	\$ 31,873
Total Revenues	<u>950</u>	<u>32,823</u>	<u>31,873</u>
<u>Expenditures</u>			
Capital outlay	5,500,000	905,699	4,594,301
Total Expenditures	<u>5,500,000</u>	<u>905,699</u>	<u>4,594,301</u>
Revenues Over (Under) Expenditures	<u>(5,499,050)</u>	<u>(872,876)</u>	<u>4,626,174</u>
Net Change in Fund Balances	<u>\$ (5,499,050)</u>	<u>(872,876)</u>	<u>\$ 4,626,174</u>
Beginning fund balances		<u>6,487,707</u>	
Ending Fund Balances		<u>\$ 5,614,831</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
MISCELLANEOUS GRANTS
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Donations	\$ 1,500	\$ 1,187	\$ (313)
Total Revenues	<u>1,500</u>	<u>1,187</u>	<u>(313)</u>
<u>Expenditures</u>			
Community services	1,500	640	860
Total Expenditures	<u>1,500</u>	<u>640</u>	<u>860</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>547</u>	<u>547</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>547</u>	<u>\$ 547</u>
Beginning fund balances		12,173	
Ending Fund Balances		<u>\$ 12,720</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
COURT TECHNOLOGY
For the Year Ended September 30, 2022

	<u>Original & Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<u>Revenues</u>			
Fines and forfeitures	\$ 14,350	\$ 21,187	\$ 6,837
Total Revenues	<u>14,350</u>	<u>21,187</u>	<u>6,837</u>
<u>Expenditures</u>			
Public safety	8,145	7,775	370
Total Expenditures	<u>8,145</u>	<u>7,775</u>	<u>370</u>
Revenues Over (Under) Expenditures	<u>6,205</u>	<u>13,412</u>	<u>7,207</u>
Net Change in Fund Balances	<u>\$ 6,205</u>	<u>13,412</u>	<u>\$ 7,207</u>
Beginning fund balances		<u>57,006</u>	
Ending Fund Balances		<u>\$ 70,418</u>	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
PARK DEDICATION
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 2,000	\$ 2,780	\$ 780
Total Revenues	2,000	2,780	780
 <u>Expenditures</u>			
Community development	-	55,193	(55,193)
Community services	-	23,008	(23,008)
Total Expenditures	-	78,201	(78,201) *
Revenues Over (Under) Expenditures	2,000	(75,421)	(77,421)
Net Change in Fund Balances	\$ 2,000	(75,421)	\$ (77,421)
Beginning fund balances		219,408	
Ending Fund Balances		\$ 143,987	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.
- * Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
REVENUE RECYCLING
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 500	\$ 825	\$ 325
Total Revenues	500	825	325
 <u>Expenditures</u>			
Community development	500	388	112
Total Expenditures	500	388	112
Revenues Over (Under) Expenditures	-	437	437
Net Change in Fund Balances	\$ -	437	\$ 437
Beginning fund balances		2,824	
Ending Fund Balances		\$ 3,261	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
ANIMAL SHELTER
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Donations	\$ 3,000	\$ 3,558	\$ 558
Investment income	2	-	(2)
Total Revenues	3,002	3,558	556
 <u>Expenditures</u>			
General government	3,000	-	3,000
Total Expenditures	3,000	-	3,000
Revenues Over (Under) Expenditures	2	3,558	3,556
Net Change in Fund Balances	\$ 2	3,558	\$ 3,556
Beginning fund balances		21,830	
Ending Fund Balances		\$ 25,388	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

See Notes to Financial Statements.

City of Seagoville, Texas
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
STORM WATER REVENUE
For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
<u>Revenues</u>			
Charges for services	\$ 238,665	\$ 259,142	\$ 20,477
Total Revenues	238,665	259,142	20,477
 <u>Expenditures</u>			
General government	1,200	100	1,100
Community development	36,460	239,778	(203,318)
Total Expenditures	37,660	239,878	(202,218) *
Revenues Over (Under) Expenditures	201,005	19,264	(181,741)
 <u>Other Financing Sources (Uses)</u>			
Transfers (out)	(27,600)	(27,600)	-
Total Other Financing Sources (Uses)	(27,600)	(27,600)	-
Net Change in Fund Balances	\$ 173,405	(8,336)	\$ (181,741)
Beginning fund balances		203,422	
Ending Fund Balances		\$ 195,086	

Notes to Other Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles.

* Expenditures exceeded appropriations at the legal level of control.

See Notes to Financial Statements.

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	108
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	119
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	124
<i>These schedules 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.</i>	
Demographic and Economic Information	129
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	132
<i>These schedules 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 and the activities it performs.</i>	

City of Seagoville, Texas

NET POSITION BY COMPONENT

Last Ten Fiscal Years (Unaudited)

(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 12,263,442	\$ 12,952,871	\$ 14,812,747	\$ 15,422,815
Restricted for debt service	236,378	4,135	8,671	125,548
Unrestricted	2,609,561	2,793,280	2,496,008	2,932,761
Restricted for other	537,138	87,062	186,933	6,974
Total governmental activities net position	<u><u>\$ 15,646,519</u></u>	<u><u>\$ 15,837,348</u></u>	<u><u>\$ 17,504,359</u></u>	<u><u>\$ 18,488,098</u></u>
Business-type activities				
Net investment in capital assets	\$ 10,488,488	\$ 11,066,442	\$ 10,929,761	\$ 9,840,057
Restricted for debt service	40,126	40,297	30,262	31,263
Unrestricted	3,407,933	3,271,565	755,535	2,301,078
Restricted for other	-	-	2,587,737	1,718,468
Total business-type activities net position	<u><u>\$ 13,936,547</u></u>	<u><u>\$ 14,378,304</u></u>	<u><u>\$ 14,303,295</u></u>	<u><u>\$ 13,890,866</u></u>
Primary government				
Net investment in capital assets	\$ 22,751,930	\$ 24,019,313	\$ 25,742,508	\$ 25,262,872
Restricted for debt service	276,504	44,432	38,933	156,811
Unrestricted	6,017,494	6,064,845	3,251,543	5,233,839
Restricted for other	537,138	87,062	2,774,670	1,725,442
	<u><u>\$ 29,583,066</u></u>	<u><u>\$ 30,215,652</u></u>	<u><u>\$ 31,807,654</u></u>	<u><u>\$ 32,378,964</u></u>

(1) Accrual basis of accounting

NOTES:

The City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

The City implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" in fiscal year 2018. The amounts for all prior fiscal years have not been restated for the effects of this new standard.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 15,662,438	\$ 17,007,443	\$ 10,257,309	\$ 17,371,025	\$ 16,632,512	\$ 16,357,948
13,581	46,491	96,367	89,419	145,170	111,004
3,156,302	2,210,368	2,645,982	(317,583)	4,630,797	7,352,120
<u>1,507,631</u>	<u>1,120,351</u>	<u>6,238,474</u>	<u>3,505,327</u>	<u>623,935</u>	<u>1,057,235</u>
<u>\$ 20,339,952</u>	<u>\$ 20,384,653</u>	<u>\$ 19,238,132</u>	<u>\$ 20,648,188</u>	<u>\$ 22,032,414</u>	<u>\$ 24,878,307</u>
\$ 9,991,422	\$ 9,312,409	\$ 10,445,729	\$ 11,791,104	\$ 11,566,788	\$ 12,393,524
32,501	39,468	41,512	42,850	42,850	203,979
3,925,047	6,233,537	7,328,456	7,441,837	7,973,944	7,416,142
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 13,948,970</u>	<u>\$ 15,585,414</u>	<u>\$ 17,815,697</u>	<u>\$ 19,275,791</u>	<u>\$ 19,583,582</u>	<u>\$ 20,013,645</u>
\$ 25,653,860	\$ 26,319,852	\$ 20,703,038	\$ 29,162,129	\$ 28,199,300	\$ 28,751,472
46,082	85,959	137,879	132,269	188,020	314,983
7,081,349	8,443,905	9,974,438	7,124,254	12,604,741	14,768,262
<u>1,507,631</u>	<u>1,120,351</u>	<u>6,238,474</u>	<u>3,505,327</u>	<u>623,935</u>	<u>1,057,235</u>
<u>\$ 34,288,922</u>	<u>\$ 35,970,067</u>	<u>\$ 37,053,829</u>	<u>\$ 39,923,979</u>	<u>\$ 41,615,996</u>	<u>\$ 44,891,952</u>

City of Seagoville, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses				
Governmental activities:				
General government	\$ 1,079,154	\$ 1,105,185	\$ 1,158,100	\$ 1,407,576
Public safety	3,894,917	4,082,494	4,246,256	4,448,824
Community services	1,164,392	1,212,182	1,235,828	1,256,382
Community development	1,326,012	1,287,368	1,375,088	1,449,306
Interest on long-term debt	111,743	154,957	90,101	88,089
Total governmental activities expenses	<u>7,576,218</u>	<u>7,842,186</u>	<u>8,105,373</u>	<u>8,650,177</u>
Business-type activities:				
Water and sewer	3,958,272	4,209,035	4,329,104	4,697,193
Total business-type activities expenses	<u>3,958,272</u>	<u>4,209,035</u>	<u>4,329,104</u>	<u>4,697,193</u>
Total primary government expenses	<u>\$ 11,534,490</u>	<u>\$ 12,051,221</u>	<u>\$ 12,434,477</u>	<u>\$ 13,347,370</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 34,849	\$ 44,723	\$ 19,199	\$ 62,795
Public safety	343,961	318,775	239,417	262,729
Community services	849,191	850,564	865,990	919,912
Community development	186,482	255,313	414,202	495,741
Total gov. activities program revenues	<u>1,414,483</u>	<u>1,469,375</u>	<u>1,538,808</u>	<u>1,741,177</u>
Business-type activities:				
Charges for services:				
Water and sewer	4,196,388	4,829,101	5,385,478	5,546,058
Total bus.-type activities program rev.	<u>4,196,388</u>	<u>4,829,101</u>	<u>5,385,478</u>	<u>5,546,058</u>
Total primary gov. program revenues	<u>\$ 5,610,871</u>	<u>\$ 6,298,476</u>	<u>\$ 6,924,286</u>	<u>\$ 7,287,235</u>
Net (Expense)/Revenue				
Governmental activities	\$ (6,161,735)	\$ (6,372,811)	\$ (6,566,565)	\$ (6,909,000)
Business-type activities	238,116	620,066	1,056,374	848,865
Total primary government net expense	<u>\$ (5,923,619)</u>	<u>\$ (5,752,745)</u>	<u>\$ (5,510,191)</u>	<u>\$ (6,060,135)</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 1,385,837	\$ 1,366,745	\$ 1,504,144	\$ 1,714,327	\$ 1,474,249	\$ 1,765,363
4,678,197	5,115,392	5,619,528	6,008,960	6,436,005	7,070,451
1,299,031	1,357,762	1,512,315	1,625,838	1,682,464	1,977,435
1,712,626	2,161,485	4,083,023	2,441,669	814,622	2,617,439
101,608	300,624	211,932	274,699	240,887	401,922
<u>9,177,299</u>	<u>10,302,008</u>	<u>12,930,942</u>	<u>12,065,493</u>	<u>10,648,227</u>	<u>13,832,610</u>
4,820,377	5,526,975	5,625,456	5,662,116	7,105,870	7,404,732
<u>4,820,377</u>	<u>5,526,975</u>	<u>5,625,456</u>	<u>5,662,116</u>	<u>7,105,870</u>	<u>7,404,732</u>
<u>\$ 13,997,676</u>	<u>\$ 15,828,983</u>	<u>\$ 18,556,398</u>	<u>\$ 17,727,609</u>	<u>\$ 17,754,097</u>	<u>\$ 21,237,342</u>
\$ 5,331	\$ 7,152	\$ 21,993	\$ 41,284	\$ -	\$ -
303,857	320,195	358,185	343,947	419,319	429,774
986,948	1,054,863	1,088,370	1,134,966	1,169,039	1,485,450
597,205	618,052	1,276,570	1,223,846	1,160,604	1,613,737
<u>1,893,341</u>	<u>2,000,262</u>	<u>2,745,118</u>	<u>2,744,043</u>	<u>2,748,962</u>	<u>3,528,961</u>
6,971,145	7,511,258	7,435,465	7,442,498	7,759,609	7,959,675
<u>6,971,145</u>	<u>7,511,258</u>	<u>7,435,465</u>	<u>7,442,498</u>	<u>7,759,609</u>	<u>7,959,675</u>
<u>\$ 8,864,486</u>	<u>\$ 9,511,520</u>	<u>\$ 10,180,583</u>	<u>\$ 10,186,541</u>	<u>\$ 10,508,571</u>	<u>\$ 11,488,636</u>
\$ (7,283,958)	\$ (8,301,746)	\$ (10,185,824)	\$ (9,321,450)	\$ (7,899,265)	\$ (10,303,649)
2,150,768	1,984,283	1,810,009	1,780,382	653,739	554,943
<u>\$ (5,133,190)</u>	<u>\$ (6,317,463)</u>	<u>\$ (8,375,815)</u>	<u>\$ (7,541,068)</u>	<u>\$ (7,245,526)</u>	<u>\$ (9,748,706)</u>

City of Seagoville, Texas
CHANGES IN NET POSITION (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes	\$ 3,142,526	\$ 3,222,817	\$ 3,350,955	\$ 3,572,962
Sales taxes	2,030,123	2,093,769	2,098,855	2,222,971
Franchise and local taxes	615,497	660,718	711,433	736,978
Investment earnings	2,259	2,099	2,128	5,305
Miscellaneous	220,118	220,118	1,859,470	-
Operat. & capital grants & donations	185,035	371,264	686,441	75,127
Transfers, net	-	-	-	1,272,701
Total governmental activities	<u>6,195,558</u>	<u>6,570,785</u>	<u>8,709,282</u>	<u>7,886,044</u>
Business-type activities:				
Investment earnings	-	-	-	-
Miscellaneous	2,260	609	2,372	11,407
Operating & capital grants & donations	-	41,200	809,663	-
Transfers, net	(220,118)	(220,118)	(1,857,098)	(1,272,701)
Total business-type activities	<u>(217,858)</u>	<u>(178,309)</u>	<u>(1,045,063)</u>	<u>(1,261,294)</u>
Total primary government	<u>\$ 5,977,700</u>	<u>\$ 6,392,476</u>	<u>\$ 7,664,219</u>	<u>\$ 6,624,750</u>
Change in Net Position				
Governmental activities	\$ 33,823	\$ 197,974	\$ 2,142,717	\$ 977,044
Business-type activities	20,258	441,757	11,311	(412,429)
Total primary government	<u>\$ 54,081</u>	<u>\$ 639,731</u>	<u>\$ 2,154,028</u>	<u>\$ 564,615</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,899,725	\$ 4,742,501	\$ 4,660,501	\$ 6,043,377	\$ 6,547,068	\$ 7,408,831
2,385,475	2,544,156	2,909,241	2,960,190	3,388,394	4,050,595
665,720	684,983	709,834	685,034	641,184	728,738
15,418	48,329	116,887	67,570	8,686	63,050
-	-	-	-	85,283	51,558
56,383	128,605	290,536	623,031	255,662	640,760
2,113,094	352,304	352,304	352,304	357,214	206,010
<u>9,135,815</u>	<u>8,500,878</u>	<u>9,039,303</u>	<u>10,731,506</u>	<u>11,283,491</u>	<u>13,149,542</u>
-	-	-	-	11,266	16,604
20,430	25,523	39,196	32,016	-	64,526
-	-	733,382	-	-	-
<u>(2,113,094)</u>	<u>(352,304)</u>	<u>(352,304)</u>	<u>(352,304)</u>	<u>(357,214)</u>	<u>(206,010)</u>
<u>(2,092,664)</u>	<u>(326,781)</u>	<u>420,274</u>	<u>(320,288)</u>	<u>(345,948)</u>	<u>(124,880)</u>
<u>\$ 7,043,151</u>	<u>\$ 8,174,097</u>	<u>\$ 9,459,577</u>	<u>\$ 10,411,218</u>	<u>\$ 10,937,543</u>	<u>\$ 13,024,662</u>
\$ 1,851,857	\$ 199,132	\$ (1,146,521)	\$ 1,410,056	\$ 3,384,226	\$ 2,845,893
58,104	1,657,502	2,230,283	1,460,094	307,791	430,063
<u>\$ 1,909,961</u>	<u>\$ 1,856,634</u>	<u>\$ 1,083,762</u>	<u>\$ 2,870,150</u>	<u>\$ 3,692,017</u>	<u>\$ 3,275,956</u>

City of Seagoville, Texas
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (Unaudited)
(modified accrual basis of accounting)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable				
Prepaid items	\$ -	\$ 46,417	\$ 5,082	\$ -
Restricted	35,466	46,850	63,204	80,341
Committed	-	-	2,312	-
Assigned	-	-	2,702,694	82,755
Unassigned	2,301,538	2,415,417	3,196,967	3,172,548
Total general fund	<u>\$ 2,337,004</u>	<u>\$ 2,508,684</u>	<u>\$ 5,970,259</u>	<u>\$ 3,335,644</u>
All Other Governmental Funds				
Restricted				
Debt service	\$ 189,033	\$ 11,760	\$ 15,518	\$ 18,775
Other	72,295	2,335	4,489	-
Court improvments	45,008	26,642	28,092	31,370
Public Safety	2,753	6,746	4,283	3,774
Animal Shelter	10,651	-	-	-
Capital projects	421,047	4,489	-	-
Tourism	-	-	-	-
Committed	-	129,052	133,764	165,386
Assigned				
Workforce development	-	1,436	971	2,231
Police operations	-	6,221	10,860	8,782
Community services	-	11,374	10,439	11,093
Special revenue fund	-	-	-	-
Unassigned	1,809	-	-	-
Total all other governmental funds	<u>\$ 742,596</u>	<u>\$ 200,055</u>	<u>\$ 208,416</u>	<u>\$ 241,411</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ -	\$ 37,870	\$ 30,627	\$ 27,327	\$ 610,955	\$ 67,054
1,455,465	-	-	-	234,613	117,489
-	553,877	574,446	308,539	309,050	-
124,755	-	-	-	-	54,454
3,654,589	4,451,131	5,103,853	6,673,086	5,147,093	8,254,744
<u>\$ 5,234,809</u>	<u>\$ 5,042,878</u>	<u>\$ 5,708,926</u>	<u>\$ 7,008,952</u>	<u>\$ 6,301,711</u>	<u>\$ 8,493,741</u>
\$ 19,376	\$ 49,154	\$ 98,204	\$ 100,398	\$ 145,170	\$ 111,004
-	-	-	-	-	-
32,980	36,302	40,943	45,838	57,006	70,418
7,854	5,633	11,438	27,764	10,620	28,616
4,491	4,492	4,494	-	4,499	4,796
-	-	6,060,707	3,298,246	6,487,707	-
-	-	-	-	-	5,647,745
207,395	255,047	203,787	363,129	422,830	430,677
1,716	1,941	2,311	2,824	2,824	-
6,841	7,290	9,972	13,974	17,331	-
10,141	10,186	10,293	11,998	12,173	-
-	-	-	-	-	36,573
-	-	(5,006)	463	5,833	-
<u>\$ 290,794</u>	<u>\$ 370,045</u>	<u>\$ 6,437,143</u>	<u>\$ 3,864,634</u>	<u>\$ 7,165,993</u>	<u>\$ 6,329,829</u>

City of Seagoville, Texas

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years (Unaudited)

(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Property taxes	\$ 3,141,923	\$ 3,288,831	\$ 3,367,504	\$ 3,612,803
Sales and other taxes	2,014,098	2,073,358	2,073,505	2,189,064
Franchise and local taxes	615,497	660,718	711,433	736,978
Hotel/motel	15,925	20,411	25,350	33,907
Sanitation collection charges	836,400	841,261	857,513	912,035
Licenses, permits & fees	218,047	233,639	459,242	549,315
Municipal court fine	293,758	238,956	188,778	206,922
Intergovernmental	88,935	86,579	62,179	63,792
Investment	2,259	2,099	2,128	5,305
Miscellaneous	66,279	155,519	33,274	72,905
Total revenues	7,293,121	7,601,371	7,780,906	8,383,026
Expenditures				
Current				
General government	992,729	1,071,953	1,146,467	1,331,435
Public safety	3,689,545	3,838,787	4,034,038	4,090,511
Community services	1,170,068	1,210,435	1,237,813	1,239,476
Community development	1,031,207	983,620	1,016,667	1,009,669
Nondepartmental	49,961	-	-	-
Debt service				
Principal retirement	165,000	177,778	185,556	191,043
Interest and fiscal charges	110,901	102,323	93,214	91,044
Capital outlay	112,745	800,309	1,653,652	1,288,897
Total expenditures	7,322,156	8,185,205	9,367,407	9,242,075
Excess (deficiency) of revenues over expenditures	(29,035)	(583,834)	(1,586,501)	(859,049)
Other financing sources (uses)				
Proceeds from capital lease	-	-	-	-
Proceeds from certificates of obligation	-	-	-	-
Proceeds from refunding bonds	-	-	-	-
Payment to escrow agent	-	-	-	-
Premium on bonds issued	-	-	-	-
Proceeds from notes payable	-	(175,000)	-	-
Transfer from Component unit	-	-	-	-
Transfers in	932,638	220,118	1,929,014	1,345,301
Transfers out	(712,520)	-	(69,544)	(72,600)
Total other financing sources (uses)	220,118	45,118	1,859,470	1,272,701
Change in fund balances	\$ 191,083	\$ (538,716)	\$ 272,969	\$ 413,652
Debt service as a percentage of noncapital expenditures	4.78%	4.46%	3.20%	3.86%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,965,362	\$ 4,514,818	\$ 4,868,479	\$ 5,723,915	\$ 6,547,068	\$ 7,345,370
2,344,995	2,521,508	2,857,273	2,939,337	3,362,024	4,050,595
665,720	684,983	709,834	685,034	641,184	674,657
40,480	22,648	51,968	20,853	26,370	54,081
975,394	1,044,430	1,062,684	1,109,135	1,172,952	1,488,230
659,196	658,335	1,362,474	1,300,035	1,160,604	1,610,957
243,402	254,021	282,441	284,254	419,319	429,774
56,383	128,605	148,111	372,228	3,393,747	351,318
15,418	48,329	116,890	67,570	8,686	63,050
15,349	43,476	37,520	50,616	85,283	341,000
<u>8,981,699</u>	<u>9,921,153</u>	<u>11,497,674</u>	<u>12,552,977</u>	<u>16,817,237</u>	<u>16,409,032</u>
1,322,120	1,298,398	1,413,640	1,657,283	1,242,512	1,551,888
4,236,031	4,753,697	5,107,457	5,567,663	6,059,598	6,745,644
1,276,136	1,345,164	1,423,949	1,613,152	1,681,154	2,005,919
1,175,822	1,504,129	1,245,643	1,496,516	1,371,462	1,403,560
-	-	-	-	62,669	131,832
210,656	236,267	251,395	274,654	386,125	578,252
104,376	95,033	208,541	289,242	240,887	386,799
1,713,037	1,297,153	3,249,785	5,249,789	3,818,214	2,455,282
<u>10,038,178</u>	<u>10,529,841</u>	<u>12,900,410</u>	<u>16,148,299</u>	<u>14,862,621</u>	<u>15,259,176</u>
<u>(1,056,479)</u>	<u>(608,688)</u>	<u>(1,402,736)</u>	<u>(3,595,322)</u>	<u>1,954,616</u>	<u>1,149,856</u>
-	-	-	460,020	-	-
-	-	-	-	4,860,471	-
-	1,741,500	5,885,000	-	-	-
-	(1,718,303)	-	-	-	-
-	-	274,865	-	290,913	-
891,933	-	-	-	-	-
-	-	-	250,803	-	-
2,142,035	379,904	1,879,571	379,904	4,385,558	290,945
(28,941)	(27,600)	(1,384,842)	(27,600)	(4,028,344)	(84,935)
<u>3,005,027</u>	<u>375,501</u>	<u>6,654,594</u>	<u>1,063,127</u>	<u>5,508,598</u>	<u>206,010</u>
<u>\$ 1,948,548</u>	<u>\$ (233,187)</u>	<u>\$ 5,251,858</u>	<u>\$ (2,532,195)</u>	<u>\$ 7,463,214</u>	<u>\$ 1,355,866</u>

4.04%

3.61%

4.01%

3.83%

4.67%

6.98%

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City of Seagoville, Texas
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal years

Fiscal Year	Estimated Market Value		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property			
2013	\$ 464,610,530	\$ 55,928,240	\$ 92,236,415	\$ 428,302,355	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	891,047,380	116,775,690	223,925,895	\$ 783,897,175	0.78880
2022	1,026,733,283	126,596,072	232,545,727	\$ 920,783,628	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

Fiscal Year	City Direct Rates			Overlapping Rates			
	General Fund	Debt Service	Total	Dallas ISD	Dallas County School Equalization	Dallas County Community College	Dallas County
2013	0.671790	0.019070	0.6909	1.290347	0.009937	0.119375	0.243100
2014	0.692960	0.020840	0.7138	1.282085	0.010000	0.124700	0.243100
2015	0.693100	0.020710	0.7138	1.282085	0.010000	0.124775	0.243100
2016	0.675000	0.038000	0.7130	1.282085	0.010000	0.123650	0.243100
2017	0.707498	0.036302	0.7438	1.282085	0.010000	0.124238	0.243100
2018	0.707498	0.036302	0.7438	1.412035	0.010000	0.124238	0.243100
2019	0.707500	0.036300	0.7438	1.310385	0.010000	0.012400	0.243100
2020	0.720500	0.068300	0.7888	1.296735	0.010000	0.124000	0.239740
2021	0.720500	0.068300	0.7888	1.248235	0.010000	0.123510	0.227946
2022	0.678272	0.074415	0.7527	1.184935	0.010000	0.115899	0.217946

Source: Dallas County Appraisal District Ad Valorem Rates

Overlapping Rates

Dallas County	
Hospital	
District	Total
0.271000	1.9338
0.276000	1.9359
0.286000	1.9460
0.286000	1.9448
0.279400	1.9388
0.412909	2.2023
0.269500	1.8454
0.266100	1.9366
0.255000	1.8647
0.235800	1.7646

City of Seagoville, Texas
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Ten Years Ago (Unaudited)

2022		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Oreilly Auto Enterprises LLC	\$ 45,214,120	3.53%
Yes Communities	28,837,990	2.25%
Oncor Electric Delivery Co	18,668,946	1.46%
Walmart Stores Inc	16,861,930	1.32%
Seagoville Cp LLC	8,900,000	0.69%
Equity Development Corp	7,300,000	0.57%
Villas Of Seagoville Lp	6,000,000	0.47%
General Technologies Inc	5,264,580	0.41%
TSCA 202 Ltd Partnership	5,100,000	0.40%
Seagoville Self Storage LP	4,547,720	0.35%
	\$ 146,695,286	11.45%

2013		
Taxpayer	Taxable Assessed Valuation	Percentage of Total City Taxable Assessed Valuation
Oreilly Auto Enterprises Inc	\$ 37,330,200	8.18%
Walmart	16,538,480	3.62%
Oncor Electric Delivery Co	10,591,350	2.32%
Hi Lo Auto Supply LP	7,459,690	1.63%
Yes Companies Exp2 LLC	6,388,880	1.40%
Equity Development Corp	5,346,000	1.17%
TSCA - 240 LP	4,600,000	1.01%
Arc Dealership LLC	3,343,650	0.73%
Seagoville Partners	2,850,000	0.62%
Villas Of Seagoville Lp	2,800,000	0.61%
	\$ 97,248,250	21.30%

SOURCE: Municipal Advisory Council (MAC)

City of Seagoville, Texas
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year (Original Levy)		Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
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	3,320,980	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%
2022	7,264,253		7,202,143	99.14%	75,938	7,278,081	100.19%

Source: Tax Office

City of Seagoville, Texas
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government
	Certificates of Obligation	Notes Payable	Water and Sewer Tax and Revenue Bonds	Notes Payable	
2013	\$ 2,211,700	\$ -	\$ 3,444,767	\$ -	\$ 5,656,467
2014	2,031,587	-	3,089,887	-	5,121,474
2015	1,843,696	-	6,836,040	-	8,679,736
2016	1,825,319	-	6,519,807	-	8,345,126
2017	2,504,262	-	6,196,350	-	8,700,612
2018	1,656,000	843,913	5,672,302	-	8,172,215
2019	7,652,640	750,018	5,313,969	-	13,716,627
2020	7,161,500	1,157,382	4,793,500	-	13,112,382
2021	12,397,566	1,082,757	4,565,808	1,228,466	19,274,597
2022	11,867,777	1,006,005	4,181,477	620,583	17,675,842

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

Percentage of Personal Income	Per Capita
2.7%	377
2.0%	338
3.9%	564
3.4%	536
4.1%	547
3.5%	505
5.8%	807
5.3%	768
7.3%	1,119
5.9%	903

City of Seagoville, Texas
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	Certificates of Obligation	a Percentage of Actual Taxable Value of Property	b Per Capita
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	1.51%	689
2022	11,363,500	1.23%	580

Note: ^a Property values are from table 5.

^b Populations are from table 13.

City of Seagoville, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022 (Unaudited)

	Gross Bonded Debt	Percentage Applicable to City	Amount Applicable to City
Direct Debt:			
City of Seagoville	\$ 11,363,500	100.00%	\$ 11,363,500
Overlapping Debt:			
Crandall ISD	\$ 214,229,840	0.42%	\$ 899,765
Dallas County	236,605,000	0.27%	638,834
Dallas County Community College Distric	110,835,000	0.27%	299,255
Dallas County Hospital District	559,905,000	0.27%	1,511,744
Dallas ISD	3,467,730,000	0.49%	16,991,877
Kaufman County	183,213,357	0.05%	91,607
Mesquite ISD	704,827,801	1.33%	9,374,210
Total Overlapping Debt	5,477,345,998		29,807,290
 Total	 \$ 5,488,709,498		 \$ 41,170,790

NOTES: 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.

SOURCE: Municipal Advisory Council of Texas

City of Seagoville, Texas

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Gross Revenue</u>	<u>Less: Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Annual Debt Service Requirements</u>	<u>Times Debt Coverage</u>
2013	\$ 4,196,388	\$ 3,764,199	\$ 432,189	\$ 270,977	1.59
2014	4,829,101	3,964,199	\$ 864,902	250,800	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	368,500	2.23
2022	8,040,805	6,441,588	\$ 1,599,217	373,500	4.28

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

"Gross Revenue" as used herein refers to all operating revenues and all interest income of the Water and Wastewater Funds. "Direct Operating Expenses" is defined as all operating expenses of the Water and Wastewater Funds (which does not include capital outlay or interest expense) less depreciation.

City of Seagoville, Texas
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years (Unaudited)

Fiscal Year	(1) Population	(1) Total Households	(2) Per Household Personal Income	Total Personal Income
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
2022	19,580	4,967	59,950	297,771,650

SOURCES: (1) Total Households provided by Census

(2) U.S. Per Household Income provided by Census

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City of Seagoville, Texas

PRINCIPAL EMPLOYERS

Current Year and Ten Years Ago

2022

Employer	Employees	Percentage of Total City Employment
O'Reilly Auto Parts	603	13.74%
Walmart	321	7.32%
Federal Correctional Institute	274	6.24%
Heartland Express	101	2.30%
City Of Seagoville	114	2.60%
Precision Hayes International	110	2.51%
Beacon Industries	66	1.50%
Super One	61	1.39%
Seagoville North Elem.	78	1.78%
Seagoville Elem.	60	1.37%
	<u>1,788</u>	<u>40.76%</u>

2021*

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%
City Of Seagoville	91	1.63%
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.	55	98.00%
Beacon Industries	48	86.00%
	<u>1,719</u>	<u>212.90%</u>

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

*Information from 10 years prior was not available. Prior year used as an alternative.

City of Seagoville, Texas
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY
FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General government	6.00	6.00	6.00	6.00	6.00
Public safety	54.00	53.00	56.00	56.75	53.00
Community services	8.00	8.00	8.00	7.58	5.00
Community Development	11.00	4.00	5.00	9.00	11.00
Water and Sewer	13.00	16.00	16.00	14.00	14.00
Total	<u>92.00</u>	<u>87.00</u>	<u>91.00</u>	<u>93.33</u>	<u>89.00</u>

Source: City records.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
6.00	6.00	6.00	6.00	7.00
59.55	66.25	66.65	71.65	75.90
7.58	7.58	7.89	7.89	7.39
12.00	14.00	14.00	16.00	16.50
14.00	14.00	14.00	14.00	17.50
<u>99.13</u>	<u>107.83</u>	<u>108.54</u>	<u>115.54</u>	<u>124.29</u>

City of Seagoville, Texas
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Public safety				
Police				
Stations	1	1	1	1
Police personnel	23	24	24	24
Arrests	600	675	725	529
Traffice violations	1,419	1,900	1,700	1,536
Fire				
Stations	1	1	1	1
Fire personnel	19	20	20	20
Calls answered	2,527	2,600	2,600	2,698
Developmental				
Streets (miles)	NA	NA	85	85
Culture and recreation				
Park acres maintained	NA	NA	106	106
Sneior center meals served	NA	NA	11,200	11,050
Water				
Water connections	3,831	3,982	3,998	4,620
Average daily consumption (gallons)	1,666,900	2,144,484	1,359,690	2,074,537
Sewer				
Sewer connections	3,554	3,689	3,707	4,299

Source: City records.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
1	1	1	1	2	2
23	25	28	28	30	28
443	452	550	324	400	320
2,047	1,863	2,200	70	1,840	1,500
1	1	1	1	2	2
19	21	26	25	25	25
1,356	1,491	2,700	2,557	3,000	3,000
85	85	85	85	85	85
106	106	106	106	106	106
9,724	10,008	10,100	28,341	11,000	11,000
4,223	4371	4537	4,822	5,354	5,532
1,522,276	1,466,064	1,422,032	1,730,000	1,609,750	1,799,703
4,033	4,076	4237	4,509	4,996	5,165

City of Seagoville, Texas
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Public safety				
Police				
Stations	1	1	1	1
Patrol units	11	11	11	11
Fire stations	1	1	1	1
Development services				
Streets (miles)	116	116	116	116
Culture and recreation				
Parks	7	7	7	7
Acreage	93	93	93	93
Baseball/softball diamonds	1	1	1	1
Tennis courts	2	2	2	2
Basketball courts	1	1	1	1
Senior center	1	1	1	1
Library	1	1	1	1
Items circulated	29,003	29,487	31,912	30,090

Source: City records.

2017	2018	2019	2020	2021	2022
1	1	1	1	2	2
11	10	10	11	14	12
1	1	1	1	2	2
116	116	116	116	116	116
7	7	7	7	8	8
93	106	106	106	106	106
1	1	1	1	1	1
2	2	2	2	2	2
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
27,476	32,595	33,365	22,589	14,018	13,752