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CITY OF SEGUIN, TEXAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2025

Prepared by: Finance Department
Susan Caddell
Director of Finance



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CITY OF SEGUIN, TEXAS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

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March 16, 2026

The Honorable Mayor and City Council and Citizens of
The City of Seguin, Texas

We are pleased to present the Annual Comprehensive Financial Report of the City of Seguin, Texas (the City), for the fiscal year ended September 30, 2025. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the presented 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.

The City of Seguin's financial statements have been audited by Armstrong, Vaughan & Associates, PC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Seguin for the fiscal year ended September 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

The Annual Comprehensive Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis letter, the government-wide financial statements, the fund financial statements, notes to the financial statements, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the City. The City provides a full range of services including: police and fire protection, health services, maintenance of streets, planning and zoning, parks and recreation, convention and visitors' bureau and general administrative services. The City also provides electric, water, and wastewater services; therefore, these activities are included in the reporting entity.

City of Seguin profile. The City of Seguin is the county seat and principal commercial center of Guadalupe County. Seguin is located thirty-five minutes east of San Antonio, fifty-five minutes south of Austin and about two and a half hours west of Houston. Seguin offers immediate access not only to Interstate 10, but to State Highway 130, the safe, fast and reliable alternative to congested Interstate 35 in Central Texas. Founded in 1838 and incorporated in 1853, the City operates under a Home Rule Charter, which was adopted on December 7, 1971. The City has a council-manager type of government composed of the manager,

mayor and eight councilpersons elected for four-year terms. The City Manager is the chief administrator and executive officer for the City and has full responsibility for carrying out Council policies and administering City operations, including hiring department Directors and all other City employees. City service departments provide a full range of services including police and fire protection, EMS services, building inspections, animal control services, parks and recreation services, golf, library services, public works services and general administrative services. In addition, the City of Seguin also provides electric, water and wastewater services.

Local economy. The City of Seguin has grown substantially since 1838, and today, Seguin’s economy is a vital component to the San Antonio Metropolitan Area. Seguin’s diverse economy is made up of primary industries such as advanced manufacturing, distribution and warehousing, healthcare, agriculture, and education. Numerous businesses and Fortune ranked companies have major operations located within the City of Seguin. This includes Schaeffler Group, Commercial Metals Corporation (CMC), Tyson Foods, Inc., Caterpillar, Inc., Minigrip, Alamo Group, Niagara Bottling and Hexcel.

Manufacturing is the heart of the Seguin economy. Nearly 30% of Seguin’s workforce is employed within the manufacturing industry. In fact, the Seguin area has over 8,000 manufacturing jobs; this is more than three times the national average. The City of Seguin’s proximity to San Antonio and Austin enables our manufacturers to tap into a large, diverse, and skilled labor pool. Seguin is located three hours away from the U.S. and Mexico Border via Interstate 35 and two and a half hours away from the Port of Houston, one of the world’s largest seaports. This provides Seguin manufacturers with great access to get materials in and then ship products out to their customers around the world.

It’s not all about manufacturing in Seguin, the City is also home to growing education and healthcare industries. In 2025, the U.S. News & World Report ranked Seguin’s Texas Lutheran University the #4 “Best Value” School for Western Regional Colleges, and the #8 “Regional College” for the Western Region. Seguin’s Guadalupe Regional Medical Center (GRMC) was the proud recipient of Modern Healthcare’s 2025 Best Places to Work in Healthcare, a national award program that recognizes organizations with outstanding workplace cultures and high employee engagement. This is the seventh consecutive year GRMC has received this honor. Each year, GRMC admits approximately 5,000 patients, treats 32,000 Emergency Department visits, delivers 700 babies, and performs 3,200 surgeries. GRMC contributes nearly \$40 million per year to the local economy in salaries and benefits and is one of the largest employers in Guadalupe County. Jointly owned by the City of Seguin and Guadalupe County, GRMC is a not-for-profit community hospital committed to its values of compassion, teamwork, excellence, enthusiasm, and dedication.

2025 data from the Bureau of Labor Statistics indicates that labor force conditions within Texas, the San Antonio-New Braunfels Metropolitan Statistical Area (MSA), Guadalupe County, and the City of Seguin remain steady compared to 2024. Data from the U.S. Bureau of Labor Statistics indicates that in 2025 the City of Seguin recorded an average annual unemployment rate of 4.0 percent with an average civilian labor force of 18,418 individuals. Comparable 2024 unemployment rates averaged 3.8 percent for Guadalupe County, 3.9 percent for the San Antonio–New Braunfels Metropolitan Statistical Area, and 4.1 percent for the State of Texas.

2024 and 2025 were more successful years for the City of Seguin and the Seguin Economic Development Corporation, with several major economic development projects announced and others beginning operations. On August 20, 2024, the SEDC, along with officials from the City of Seguin, announced that Chick-fil-A would begin construction on a new restaurant in 2025. This highly sought after, nationally branded QSR restaurant hosted a grand opening to kick off operations on October 23, 2025. Spanning nearly 5,000 square feet, the project represented a capital investment of at least \$2.5 million. The entrance of Chick-fil-A into the Seguin market has contributed substantially to an increase in interest from other nationally branded retailers, as well.

On September 18, 2024, the SEDC, along with officials from the City of Seguin and Guadalupe County, announced a major new retail development led by a joint venture between Collett & Associates and the Alexander Family. Known as Seguin Crossing, this project has added over 130,000 square feet of new retail

space to the community and represents a capital investment of more than \$25 million. Tenants at Seguin Crossing included Hobby Lobby, which opened in September of 2025, Academy Sports + Outdoors, which opened in November of 2025, James Avery and Aspen Dental, which both opened in December of 2025, and Five Below, which held a grand opening in early February 2026.

In August 2025, the SEDC also made a major investment in promoting the region’s long-term workforce health by purchasing a 133-acre tract at the southeast corner of SH-46 and Cordova Road. This property, having served as a long-time family home and farm, has since been evaluated by civil and environmental engineering firms, annexed into the City limits, rezoned for Public use, and will be soon donated to Texas State Technical College (TSTC) to become home to their second-largest campus in the State. TSTC currently serves the Guadalupe and Comal County region at a temporary location on the campus of the New Braunfels National Airport, where they offer skilled workforce training programs such as welding, construction trades, Industrial Systems Technology, and the Texas FAME Lone Star Chapter’s Advanced Manufacturing Technician (AMT) program. At full build out, this new campus is anticipated to serve between 4,000 and 6,000 students.

FINANCIAL INFORMATION

Internal control. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB), the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants (AICPA). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the valuation of costs and benefits requires estimates and judgments by management.

The City utilizes a computerized financial accounting system, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurances.

Budgeting Controls. The City also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of all funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. However, budgetary accounting is maintained on a line-item basis. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end; however, encumbrances generally are re-appropriated as part of the following year’s budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Financial rating. The City’s bond rating for Fitch Ratings and Standard & Poor’s is as follows:

	<u>Fitch Ratings</u>	<u>Standard & Poor’s</u>
General Obligation Bonds	AA/stable outlook	AA/stable outlook
Utility Revenue Bonds	A-/stable outlook	A-/stable outlook

Retirement Plan. The City provides pension benefits for all of its full-time employees through the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

Deferred Compensation Plan. The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Health Benefits Trust Fund. During fiscal year 2009, the City established a Health Benefits Trust Fund and Retiree Insurance Trust Fund. These funds were established for the receipt of health insurance premiums from the benefits paid by the City, premiums paid by retirees and dependent premiums paid by employees and retirees. The disbursements of these premiums are also paid out of these funds.

OTHER INFORMATION

Independent Audit. The City Charter requires an annual audit of the books, accounts, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the independent auditors' report by Armstrong, Vaughan & Associates, P.C., Certified Public Accountants, has been included in this report.

Acknowledgements. The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We would also like to thank the members of the City Council and the citizens of the City of Seguin for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Steve Parker
City Manager



Susan Caddell
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
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**City of Seguin
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

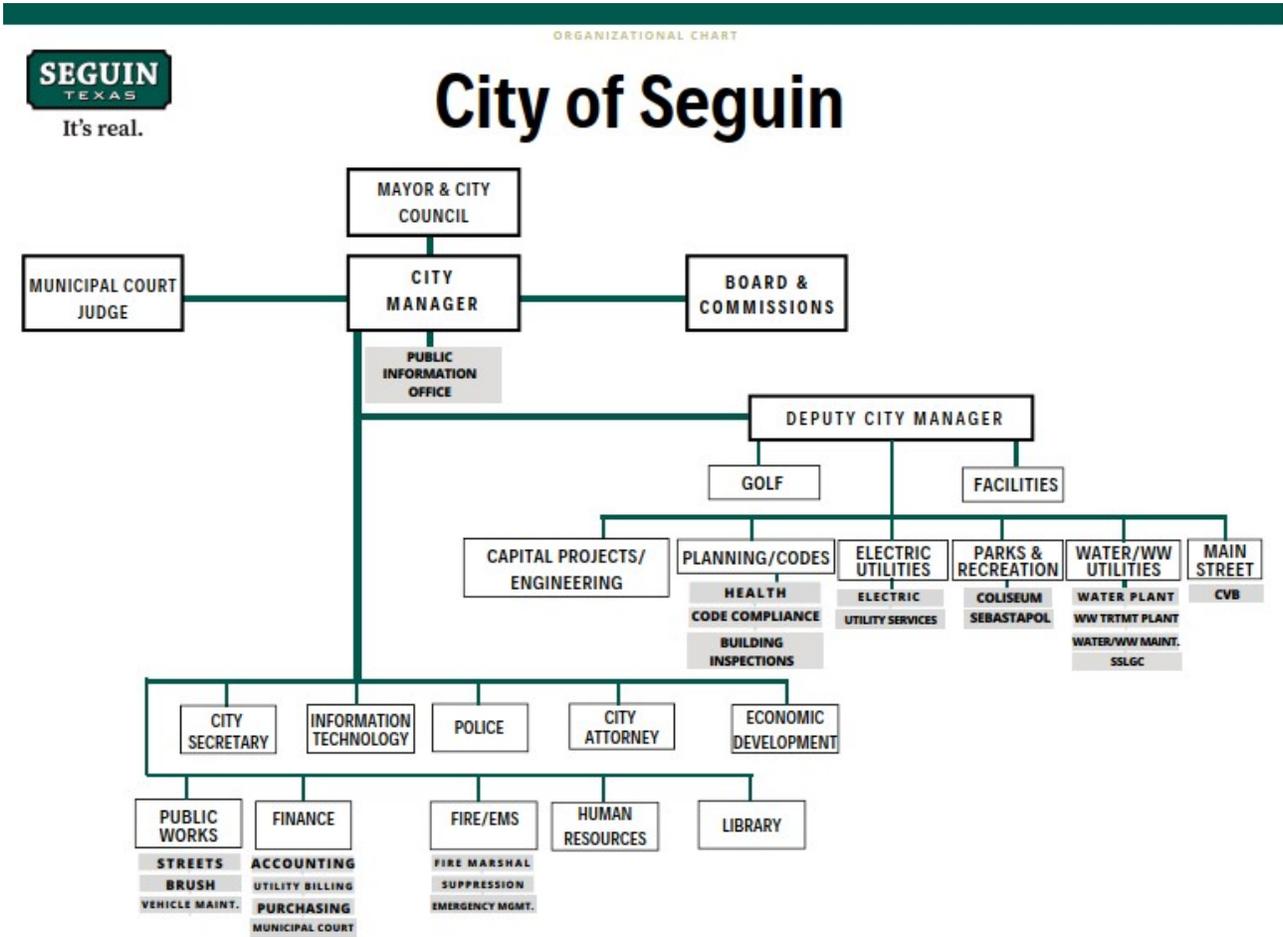
CITY OF SEGUIN, TEXAS

PRINCIPAL OFFICERS

DONNA DODGEN Mayor
JOE REA Councilman
JASON BIESENBACH Councilman
JOHN CARLSSON Councilman
MONICA CARTER Mayor Pro-Tem
PAUL GAYTAN Councilman
DAVID EVELD Councilman
BILL KELLER Councilman
JIM LIEVENS Councilman

STEVE PARKER City Manager
KRISTIN MUELLER City Secretary
SUSAN CADDELL Director of Finance
MARK KENNEDY City Attorney

CITY OF SEGUIN, TEXAS
 ORGANIZATIONAL CHART





Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Seguin, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seguin, Texas, as of and for the year ended September 30, 2025, 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 Seguin, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the City of Seguin 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.

Change in Accounting Principle

As discussed in note Q to the financial statements, the City implemented GASB Statement 101 as of October 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The City of Seguin, Texas' management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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 of Seguin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 City of Seguin, Texas'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 City of Seguin, Texas'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, schedules of changes and city contributions – defined benefit plan, and other postemployment benefits, as listed in the table of contents, 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 management’s discussion and analysis, budgetary comparison information and schedules of funding progress because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Seguin, Texas’ basic financial statements as a whole. The comparative statements, combining and individual nonmajor fund financial statements, introductory section, statistical section, and schedule of expenditures of federal awards (SEFA) as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The comparative financial statements, combining and individual nonmajor fund financial statements, and SEFA are the responsibility of management and were derived from and relate 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 combining, individual nonmajor fund financial statements, and SEFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor’s report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026 on our consideration of the City of Seguin, Texas’ internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Seguin, Texas’ internal control over financial reporting and compliance.



Armstrong, Vaughan & Associates, P.C.
March 16, 2026



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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Seguin, we offer readers of the City of Seguin's financial statements this narrative overview and analysis of the financial activities for the City of Seguin for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and the City's financial statements immediately following this analysis.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Seguin exceeded its liabilities at the close of the fiscal year ending September 30, 2025, by \$277.6 million, (net position). Of this amount, \$78.6 million (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 \$55.5 million or 25% compared to the prior fiscal year.
- As of September 30, 2025, the City of Seguin's governmental funds reported combined ending fund balances of \$133.3 million, an increase of \$29.1 million.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30.6 million, or 86.6% of total General Fund expenses.
- The City's total debt increased by \$138.2 million during the current fiscal year. The City issued 2025 Certificates of Obligation in the amount of \$144.6 million to fund building infrastructure and infrastructure improvements in the City. In addition, police vehicles were financed with notes payable.
- During the year, the City's expenses were \$41.1 million less than the \$95.1 million generated in taxes and other revenues for governmental activities before transfers.
- The total cost of the City's governmental activity programs increased by \$4.9 million from last year, and no new programs were added this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serve as an introduction to the City of Seguin's basic financial statements. The City of Seguin's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The Annual Comprehensive Financial Report (AFCR) also contains other supplementary information in addition to the basic statements themselves.

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

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

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 in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not used vacation leave).

In the *statement of net position* and the *statement of activities*, the City's operations are divided into two kinds of activities:

- 1 Governmental Activities – Most of the City's basic services are reported here, such as public safety, public works and general administration. Property taxes, franchise fees and charges for services finance most of these activities.
- 2 Business-Type Activities – The City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City's Utility Fund, which include electric, water and wastewater services, is reported here.

In addition, the *government-wide financial statements* include not only the City of Seguin itself, but also the Seguin Economic Development Corporation, a legally separate component unit for which the City is financially accountable. Financial information for this component unit is reported separately from the primary government and business-type activities.

The *government-wide financial statements* can be found on pages 15 - 18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Seguin, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by state law and by bond covenants. However, the City establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary 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 balances of spendable resources available at the end of the fiscal year. Governmental funds statements are reported using current financial resources measurement focus and the modified accrual basis of accounting.

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. The relationships or differences between governmental activities (reported in the *statement of net position* and the *statement of activities*) and governmental funds are detailed in a reconciliation following the fund financial statements.

Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated nonmajor fund presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the ACFR.

The basic governmental fund financial statements can be found on pages 19 - 24.

Proprietary funds. The City charges customers for certain services it provides. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* and the *statement of activities*.

The City maintains two different types of proprietary funds. The Utility Fund is a business-type activity and consists of revenues from charges for electric, water, storm water drainage and wastewater sales. The Internal Service Funds account for revenues and expenditures for the employee health insurance, retiree health insurance and workers' compensation insurance. The fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary funds financial statements can be found on pages 25 - 29 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Seguin's own programs. The method of accounting utilized for these funds is similar in nature to that of the proprietary funds.

The basic fiduciary fund financial statements can be found on pages 30 - 31 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 32 - 69 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's general fund budgetary schedule. The City of Seguin adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. Required supplementary information can be found on pages 70 - 76 of this report.

In addition, this report also contains certain required supplementary information concerning the City of Seguin's progress in funding its obligation to provide pension benefits to City staff and members of the City's firemen's pension fund, as well as funding progress for other postemployment benefits (health insurance) provided to retirees.

The combining statements referred to earlier in connection with nonmajor governmental and enterprise funds and individual internal service funds are presented immediately following the required supplementary information described in the preceding paragraph. Combining and individual fund statements can be found on pages 83 - 132 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2025, the City of Seguin's assets and deferred outflows of resources exceeded liabilities by \$277.6 million. Table A-1 is a condensed version of the City's statement of net position for the years ended September 30, 2025 and 2024, respectively.

The largest portion of the City's total net position (58.6%) is its net investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Seguin 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 capital assets themselves cannot be used to liquidate these liabilities. The next largest portion of the City's total net position (28.3%) is its unrestricted net position.

Table A-1
City of Seguin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	\$ 120,348,958	\$ 64,400,019	\$ 173,281,247	\$ 59,112,143	\$ 293,630,205	\$ 123,512,162
Capital assets	190,003,037	136,137,463	264,047,284	157,904,818	454,050,321	294,042,281
Other non current assets	35,258,756	53,785,582	289,529,466	369,135,426	324,788,222	422,921,008
Total assets	<u>345,610,751</u>	<u>254,323,064</u>	<u>726,857,997</u>	<u>586,152,387</u>	<u>1,072,468,748</u>	<u>840,475,451</u>
Deferred Outflows of Resources	<u>7,007,570</u>	<u>8,603,653</u>	<u>2,599,061</u>	<u>3,369,380</u>	<u>9,606,631</u>	<u>11,973,033</u>
Liabilities						
Current liabilities	19,167,383	11,105,406	38,975,317	21,377,665	58,142,700	32,483,071
Noncurrent liabilities	209,541,890	170,520,383	534,168,214	425,997,741	743,710,104	596,518,124
Total liabilities	<u>228,709,273</u>	<u>181,625,789</u>	<u>573,143,531</u>	<u>447,375,406</u>	<u>801,852,804</u>	<u>629,001,195</u>
Deferred Inflows of Resources	<u>1,787,228</u>	<u>945,510</u>	<u>845,548</u>	<u>441,369</u>	<u>2,632,776</u>	<u>1,386,879</u>
Net Position						
Invested in Capital Assets	85,288,409	49,392,199	77,384,669	71,792,521	162,673,078	121,184,720
Restricted	4,362,923	4,281,154	31,927,165	25,780,576	36,290,088	30,061,730
Unrestricted(Deficit)	32,470,488	26,682,065	46,156,145	44,131,895	78,626,633	70,813,960
Total Net Position	<u>\$ 122,121,820</u>	<u>\$ 80,355,418</u>	<u>\$ 155,467,979</u>	<u>\$ 141,704,992</u>	<u>\$ 277,589,799</u>	<u>\$ 222,060,410</u>

An additional portion of the City of Seguin's net position (13.1%) is subject to external restrictions, including bond covenants, on how they must be used. The remaining balance of unrestricted net position of \$78.6 million may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net position. The City's total government-wide revenues increased by \$35.5 million or 21.5%. This was largely due to an increase in grants. The City began receiving grant reimbursements for a street and drainage improvements project. It was also due to an increase in electric, water and sewer revenue. The City's total government-wide expenses increased by \$15.5 million or 12%. An increase in salaries and benefits was a major factor in the increase, as well as an increase in wholesale power costs and ROW user fees.

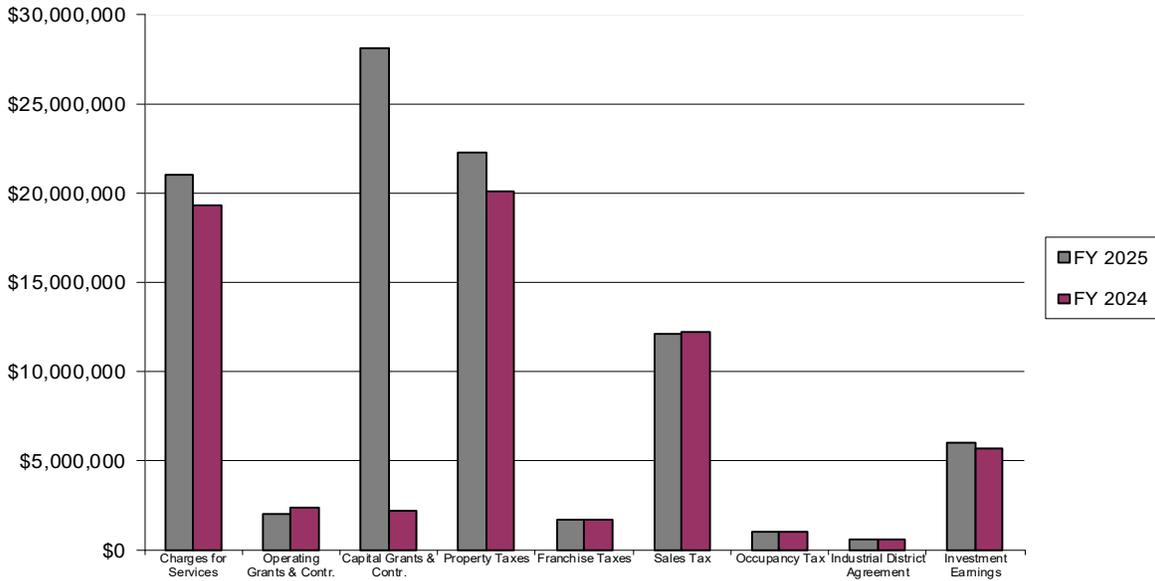
Table A-2
Changes in City of Seguin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for Services	\$ 21,053,995	\$ 19,300,211	\$ 84,317,924	\$ 79,073,982	\$ 105,371,919	\$ 98,374,193
Operating Grants and Contributions	2,010,645	2,428,239	-	-	2,010,645	2,428,239
Capital Grants and Contributions	28,127,819	2,227,874	497,714	72,724	28,625,533	2,300,598
General Revenues						
Property Taxes	22,263,645	20,081,767	-	-	22,263,645	20,081,767
Franchise Taxes	1,687,004	1,670,726	-	-	1,687,004	1,670,726
Sales Tax	12,101,893	12,203,445	-	-	12,101,893	12,203,445
Occupancy Tax	997,305	1,031,508	-	-	997,305	1,031,508
Industrial District Agreement	572,804	616,727	-	-	572,804	616,727
Investment Earnings	5,994,102	5,697,685	20,487,738	20,252,886	26,481,840	25,950,571
Gain (Loss) on Sale of Assets	247,278	52,477	52,043	171,198	299,321	223,675
Total Revenues:	95,056,490	65,310,659	105,355,419	99,570,790	200,411,909	164,881,449
Expenses:						
General Government	3,962,119	1,353,764	-	-	3,962,119	1,353,764
Public Safety	26,540,721	22,760,293	-	-	26,540,721	22,760,293
Public Service	18,247,768	20,718,706	-	-	18,247,768	20,718,706
Interest on Long-Term Debt	5,221,280	4,208,686	-	-	5,221,280	4,208,686
Utility	-	-	90,910,632	80,323,494	90,910,632	80,323,494
Total Expenses	53,971,888	49,041,449	90,910,632	80,323,494	144,882,520	129,364,943
Excess (Deficiency) Before Transfers In (Out)	41,084,602 681,800	16,269,210 -	14,444,787 (681,800)	19,247,296 -	55,529,389 -	35,516,506 -
Increase (Decrease) in Net Position	\$ 41,766,402	\$ 16,269,210	\$ 13,762,987	\$ 19,247,296	\$ 55,529,389	\$ 35,516,506
Beginning Net Position	80,355,418	64,086,208	141,704,992	122,457,696	222,060,410	186,543,904
Ending Net Position	\$ 122,121,820	\$ 80,355,418	\$ 155,467,979	\$ 141,704,992	\$ 277,589,799	\$ 222,060,410

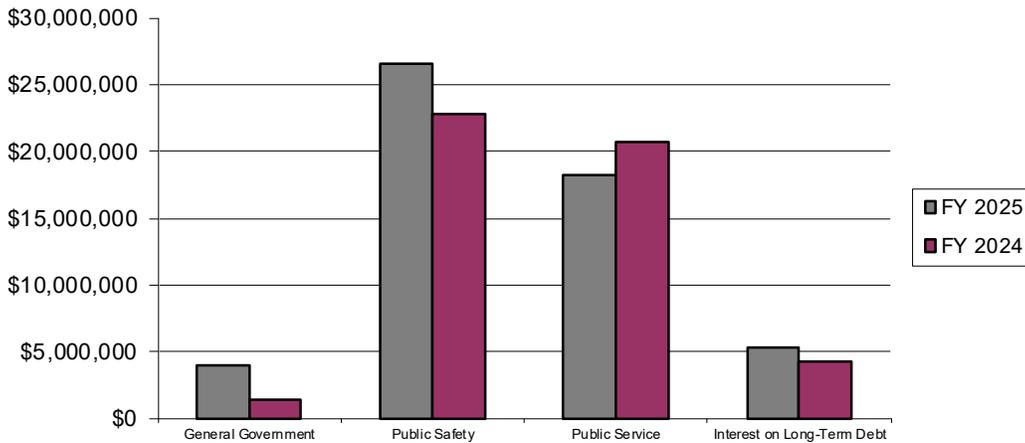
Governmental activities. The City's total governmental revenues increased by \$29.7 million or 45.5% over the prior year. The City's total governmental expenses increased by \$4.9 million or 10% above last year.

- Property Taxes increased by \$2.2 million or 10.9% Property values increased from the previous fiscal year by \$466 million or 11.3%. In addition, City Council approved a tax rate 3.8% above the no new revenue rate.
- Sales Tax decreased by \$.1 million or 1%.
- Capital grants and contributions increased by \$25.9 million. The City began receiving grant reimbursements for a street and drainage improvements project.
- Interest earnings increased by \$297 thousand or 5%. The investment portfolio increased by \$61 million from the prior year largely due to the issuance of the 2025 Certificates of Obligation Bonds.
- The most significant governmental expense for the City was in providing public safety, which incurred expenses of \$26.5 million. These expenses are offset by revenues collected from a variety of sources, including fines and penalties, EMS revenue and Fire and EMS interlocal agreements with Guadalupe County, the total being \$3.4 million. The major components of public safety are police and fire. Police accounted for \$12.1million in public safety while Fire accounted for \$11.5 million in public safety expenses.

Revenues - Governmental Activities



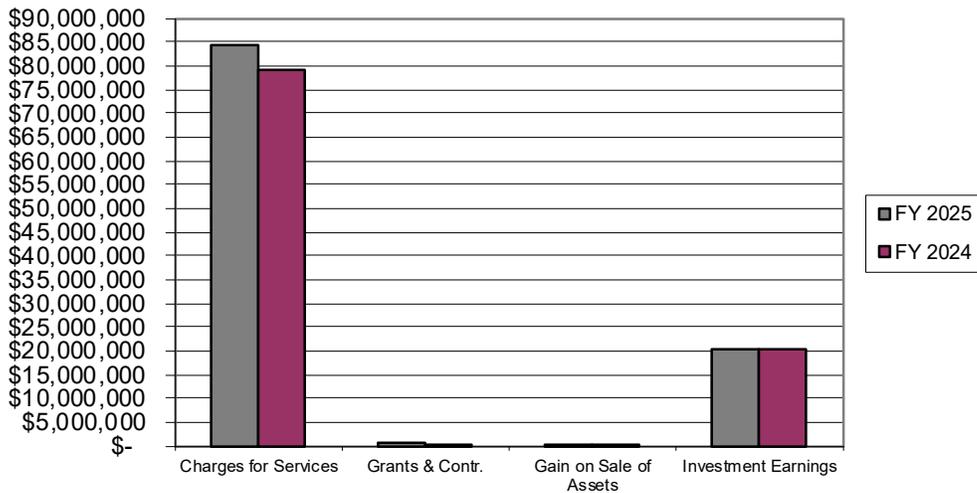
Expenses - Governmental Activities



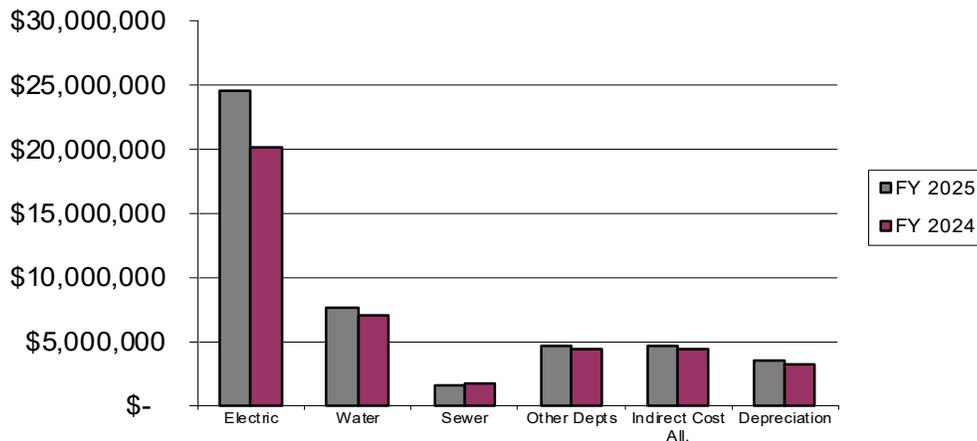
Business-type activities. The City’s total business-type revenues increased by \$5.8 million or 6%. The City’s total business-type expenses increased by \$10.6 million or 13.2%.

- Electric revenues make up \$35.2 million of the charges for services. This year electric revenues increased by \$1.5 million or a 4.6% increase. The number of customers increased by 2.2%.
- Water revenues make up \$22.2 million of the charges for services. This year water revenues increased by \$2.1 million or a 10.4% increase. The number of customers increased by 4%.
- Sewer revenues make up \$23.7 million of the charges for services. This year sewer revenues increased by \$1.9 million or a 8.6% increase. The number of customers increased by 10.1%.
- Interest income makes up \$20.5 million of the total revenues.

Business-Type Activities-Revenues



Business-Type Activities-Expenses



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$133.3 million. This is an increase of \$29.1 million. In 2025 the City issued \$144.6 million in Certificates of Obligation Bonds of which \$38.8 million was issued for governmental uses and \$105.8

Million for the proprietary funds. Of this total amount of fund balance, \$30.6 million constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balances is as follows: 1) non-spendable fund balance in the amount of \$423 thousand which are prepaids and inventory, 2) restricted fund balance in the amount of \$95.2 million, which are restricted to tourism and economic development, public safety, public service, capital projects or debt service, 3) committed fund balance in the amount of \$3.6 million, which is committed to stabilization agreement and aquatic and golf fees, and 4) assigned fund balance in the amount of \$3.4 million, which is assigned to capital projects, and \$280 thousand assigned to recycling and street maintenance.

The General Fund is the main operating fund of the City of Seguin. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$30.1 million, while total fund balance reached \$34 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 86.6% of general fund expenditures, while total fund balance represents 96% of that same amount.

The General Fund Capital Projects Fund had a total fund balance of \$5.2 million, which was an increase of \$1 million. An increase in transfers from General Fund of \$1.7 million along with increased reimbursements from grants from the previous fiscal year resulted in this increase in fund balance

At the end of FY2025, Seven bond funds had a total fund balance of \$73.1 million. This was an increase of \$21.6 million.

Other factors concerning the finances of governmental funds have already been addressed in the discussion of the City's governmental activities in the government-wide financial statements.

Proprietary funds. The City of Seguin's proprietary funds are utilized to account for operations of the City that are commercial in nature and accounted for in a manner more similar to private enterprise. The statements for proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Utility Fund at the end of the year amounted to \$46.2 million. The restricted net position for debt services is \$13.6 million, while restricted net position for impact fees is \$18.3 million. Net position invested in capital assets amounted to \$77.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY 2025, actual revenues on a budgetary basis were \$45.6 million compared to the final budget of \$43.8 million, which is \$1.8 million above budget. Sales tax exceeded budget by \$550 thousand. Retail growth continues in Seguin with the addition of Specs and the continued construction of a shopping center along with the opening of Seguin's first Chick-fil-a. Interest earnings exceeded budget by \$492 thousand as interest rates were higher than anticipated. Property tax exceeded budget by \$239 thousand. The collection rate was higher than anticipated.

For FY 2025, actual expenditures on a budgetary basis were \$35.3 million compared to the final budget of \$41.8 million, which was \$6.5 million below final budget amounts. Personnel services for all departments were under budget by \$2.1. Some departments had employee turnover or positions not being filled as originally planned. The indigent health care payment was \$1.7 million less than budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2025, the City had invested \$454 million, net of depreciation, in a broad range of capital assets, including land, equipment, buildings, and vehicles. (See Table A-3.) This amount represents a net increase (including additions and deductions) of \$60.3 million or 54.4%. The increase was

due in part to large bond projects being completed or underway begun during fiscal year 2025. More detailed information about the City’s capital assets can be found in Note G, page 47-48.

Table A-3
City of Seguin's Capital Assets

	Governmental		Business-Type		Total		Total
	Activities		Activities				Percentage
	2025	2024	2025	2024	2025	2024	Change
							2025-2024
Land	\$ 5,511,346	\$ 5,494,955	\$ 1,200,302	\$ 1,200,302	\$ 6,711,648	\$ 6,695,257	0.2%
Buildings and Improvements	45,039,841	43,407,449	42,542,506	42,310,784	87,582,347	85,718,233	2.2%
Improvements Other than Buildings	110,036,618	104,935,247	147,106,855	142,163,276	257,143,473	247,098,523	4.1%
Transportation and Equipment	34,334,483	29,111,263	14,810,860	13,515,396	49,145,343	42,626,659	15.3%
Construction in Progress	90,492,885	41,504,436	166,346,740	59,998,299	256,839,625	101,502,735	153.0%
Totals at Historical Cost	285,415,173	224,453,350	372,007,263	259,188,057	657,422,436	483,641,407	35.9%
Total Accumulated Depreciation	(95,412,136)	(88,315,887)	(107,959,978)	(101,283,239)	(203,372,114)	(189,599,126)	7.3%
Net Capital Assets	\$ 190,003,037	\$ 136,137,463	\$ 264,047,285	\$ 157,904,818	\$ 454,050,322	\$ 294,042,281	54.4%

Long-term debt. At year-end, the City had \$672.5 million in bonds, loans, and notes payable outstanding as shown in Table A-4. This was an increase of \$138.2 million or 26% from 2024. This fiscal year, the City issued \$144.6 million 2025 Certificates of Obligation Bonds. More detailed information about the City’s long-term debt can be found in Notes H and I, pages 48-52.

The City’s tax-supported debt rating by Fitch is AA with a stable outlook while Standard and Poor rating is AA with a stable outlook. The City’s utility system revenue bonds’ rating by Fitch is A- with a stable outlook while Standard and Poor rating is A with a stable outlook. The current ratio of net tax supported debt to assessed value of all taxable property is 9.9%. The pledged revenue coverage for the utility revenue bonds is 0.82%.

Table A-4
City of Seguin's Long-Term Debt

	Governmental		Business-Type		Total		Total
	Activities		Activities				Percentage
	2025	2024	2025	2024	2025	2024	Change
							2025-2024
Bonds Payable	\$ 28,975,000	\$ 31,425,000	\$ 504,310,000	\$ 403,585,000	\$ 533,285,000	\$ 435,010,000	22.6%
Certificates of Obligation	132,880,000	95,720,000	-	-	132,880,000	95,720,000	38.8%
Tax Anticipation Notes	140,000	275,000	-	-	140,000	275,000	-49.1%
Notes Payable	5,659,395	2,505,394	539,278	840,129	6,198,673	3,345,523	85.3%
Total Bonds & Notes Payable	\$ 167,654,395	\$ 129,925,394	\$ 504,849,278	\$ 404,425,129	\$ 672,503,673	\$ 534,350,523	25.9%

Net Pension Liability. The City’s net pension liability is determined annually by an actuarial valuation. The City’s net pension liability decreased \$3.4 million, from \$38.4 million to \$35 million.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES

During the budget process for fiscal year 2025-26, City staff and City Council considered many factors when setting the budget. Staff reviewed all of the fees charged to citizens and customers when using City services. Along with fees, staff also considered the tax rate. They also reviewed expenditures and how the increases may be held to a minimum. The City set a goal to maintain financial stability, a lean organization, competitively paid staff and investment in capital outlay. This helped to maintain the City’s services with the least effect possible on our citizens through taxes, fees, and utility rates.

The projected revenues and expenditures for the General Fund are budgeted to increase by \$3.1 million or 5.7% above the FY25 budget.

- Property tax revenue is budgeted to increase by \$1.2 million. This is based on an increase in values, an increased debt service contribution and the increase above the no new revenue rate.
- Sales tax revenue is budgeted to increase by \$939 thousand. This is based on tax on residential utilities and historical increases.
- Right of way user fees are budgeted to increase by \$507 thousand. This is based on increased electric, water and sewer revenues.
- Refuse Collection is budgeted to increase by \$315 thousand. This is based on an increased number of customers.
- Salaries and benefits are budgeted to increase by \$2.7million. This includes a 3% cost of living increase effective in January 2026. It also includes the addition of key positions.
- Indigent health care is budgeted to increase by \$156 thousand. This is the City's portion shared with Guadalupe County and is based upon the county's property tax and sales tax levy as of 07/31/25.

The projected revenues and expenditure for the Utility Fund are budgeted to increase by \$6.5 million, or 9.5% above the FY25 budget.

- The projected electric revenues are expected to increase by \$3.3 million, which is due rate adjustments from the updated electric rate study and increased demand.
- The projected water revenues are expected to increase by \$1.4 million, which is due to the approved rate adjustments from the updated water rate study and the increase in consumption with the new developments.
- Sewer revenues are projected to increase by \$1.7 million based upon the approved rate adjustments from the updated sewer rate study for FY26 and an increase in the number of customers and increase in water consumption.
- Salaries and benefits are budgeted to increase by \$1.1 million. This includes a 3% cost of living increase effective in January 2026. It also includes the addition of key positions.
- Wholesale power costs are budgeted to increase by \$5.2 million, which is due to increased consumption as well as the number of costumers.
- Right of way user fees are budgeted to increase by \$507 thousand. These fees are based on electric, water and sewer revenues. The increase in revenues results in an increase of user fees.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at the City of Seguin, 205 North River Street, Seguin, Texas 78155.

BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government – wide financial statements
- Fund financial statements:
 - Governmental funds
 - Proprietary funds
 - Fiduciary funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Seguin Economic Development Corporation
ASSETS				
Cash and Cash Equivalents	\$ 2,295,700	\$ 364,177	\$ 2,659,877	\$ 7,364
Investments	101,440,274	156,398,044	257,838,318	7,414,509
Receivables (net of allowances for uncollectibles)				
Taxes	3,664,375	-	3,664,375	-
Accounts	2,366,751	9,167,192	11,533,943	5,833
Grants	10,115,226	-	10,115,226	-
Miscellaneous	43,795	1,130,398	1,174,193	-
Interfund Receivables/Payables	-	-	-	-
Due From Component Unit/ Primary Government	-	39,106	39,106	391,057
Inventories	42,039	5,848,840	5,890,879	-
Prepays	380,798	333,490	714,288	-
Restricted Assets:				
Cash and Cash Equivalents	398,056	469,262	867,318	-
Investments	34,860,700	289,034,542	323,895,242	-
Notes Receivable	-	25,662	25,662	134,065
Capital Assets, not depreciated	96,004,231	167,547,042	263,551,273	-
Capital Assets (Net)	93,998,806	96,500,242	190,499,048	7,779,394
Total Assets	345,610,751	726,857,997	1,072,468,748	15,732,222
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension/OPEB Related Outflows	6,844,440	2,550,298	9,394,738	-
Deferred Charge on Refunding	163,130	48,763	211,893	-
Total Deferred Outflows of Resources	\$ 7,007,570	\$ 2,599,061	\$ 9,606,631	\$ -

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2025

	Primary Government			Unit
	Governmental Activities	Business-Type Activities	Total	Seguin Economic Development Corporation
LIABILITIES				
Accounts Payable and Other Current Liabilities	\$ 17,103,151	\$ 35,770,060	\$ 52,873,211	\$ 80,113
Unearned Revenue	943,941	371,471	1,315,412	-
Accrued Interest Payable	671,224	-	671,224	-
Due to Component Unit/ Primary Government	391,057	-	391,057	39,106
Customer Deposits	-	735,245	735,245	-
Current Portion of Total OPEB Liabilities	58,010	24,861	82,871	-
<i>Payable from Restricted Assets:</i>				
Accrued Interest Payable	-	2,073,680	2,073,680	-
Current Portion of Long-Term Debt	-	5,050,000	5,050,000	-
<i>Noncurrent Liabilities:</i>				
Due within One Year	8,813,222	1,007,726	9,820,948	237,051
Due in more than One Year:				
Long-term Debt	173,274,063	518,860,339	692,134,402	7,132,896
Net Pension Liability	26,248,092	8,782,115	35,030,207	-
Total OPEB Liabilities	1,206,513	468,034	1,674,547	-
Total Liabilities	<u>228,709,273</u>	<u>573,143,531</u>	<u>801,852,804</u>	<u>7,489,166</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension/OPEB Related Inflows	1,787,228	845,548	2,632,776	-
Total Deferred Inflows of Resources	<u>1,787,228</u>	<u>845,548</u>	<u>2,632,776</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	85,288,409	77,384,669	162,673,078	409,447
Restricted for:				
Tourism & Economic Development	2,063,613	-	2,063,613	-
Public Safety	743,994	-	743,994	-
Public Service	568,761	-	568,761	-
Debt Service	986,555	13,626,966	14,613,521	-
Impact Fees	-	18,300,199	18,300,199	-
Unrestricted (Deficit)	32,470,488	46,156,145	78,626,633	7,833,609
Total Net Position	<u>\$ 122,121,820</u>	<u>\$ 155,467,979</u>	<u>\$ 277,589,799</u>	<u>\$ 8,243,056</u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Functions and Programs	Expenses		Program Revenues		
	Direct	Indirect Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:					
Governmental Activities:					
General Government	\$ 12,552,779	\$ (8,590,660)	\$ 9,755,052	\$ 1,369,584	\$ 37,022
Public Safety	26,540,721	-	3,872,528	146,463	1,174,070
Public Service	18,247,768	-	7,426,415	494,598	26,916,727
Interest on Long-term Debt	5,221,280	-	-	-	-
Total Governmental Activities	62,562,548	(8,590,660)	21,053,995	2,010,645	28,127,819
Business-Type Activities					
Utility	82,319,972	8,590,660	84,317,924	-	497,714
Total Business-Type Activities	82,319,972	8,590,660	84,317,924	-	497,714
Total Primary Government	\$ 144,882,520	\$ -	\$ 105,371,919	\$ 2,010,645	\$ 28,625,533
Component Unit:					
Seguin Economic Development Corporation					
	\$ 3,810,242	\$ -	\$ -	\$ 3,925	\$ -
Total Component Unit	\$ 3,810,242	\$ -	\$ -	\$ 3,925	\$ -
General Revenues:					
Taxes					
Property Taxes					
Franchise Taxes					
Sales Taxes					
Occupancy Taxes					
Miscellaneous Revenues					
Gain on Sale of Capital Assets					
Interest and Investment Earnings					
Total General Revenues					
Transfers In (Out)					
Change in Net Position					
Net Position at Beginning of Year					
Net Position at End of Year					

See accompanying notes to basic financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Seguin Economic Development Corporation
\$ 7,199,539	\$ -	\$ 7,199,539	\$ -
(21,347,660)	-	(21,347,660)	-
16,589,972	-	16,589,972	-
(5,221,280)	-	(5,221,280)	-
(2,779,429)	-	(2,779,429)	-
-	(6,094,994)	(6,094,994)	-
-	(6,094,994)	(6,094,994)	-
(2,779,429)	(6,094,994)	(8,874,423)	-
-	-	-	(3,806,317)
-	-	-	(3,806,317)
22,263,645	-	22,263,645	-
1,687,004	-	1,687,004	-
12,101,893	-	12,101,893	2,393,400
997,305	-	997,305	-
572,804	-	572,804	-
247,278	52,043	299,321	-
5,994,102	20,487,738	26,481,840	480,708
43,864,031	20,539,781	64,403,812	2,874,108
681,800	(681,800)	-	-
41,766,402	13,762,987	55,529,389	(932,209)
80,355,418	141,704,992	222,060,410	9,175,265
<u>\$ 122,121,820</u>	<u>\$ 155,467,979</u>	<u>\$ 277,589,799</u>	<u>\$ 8,243,056</u>

CITY OF SEGUIN, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	General Fund	2024 Certificates of Obligation	2025 Certificates of Obligation
ASSETS			
Cash and Cash Equivalents	\$ 756,473	\$ -	\$ -
Investments	33,933,658	-	-
Receivables (net of allowances for uncollectibles):			
Taxes	3,165,538	-	-
Accounts	1,934,504	-	-
Grants	49,735	-	-
Miscellaneous	38,340	-	-
Inventories	42,039	-	-
Prepaid Items	380,799	-	-
Restricted Assets:			
Cash and Cash Equivalents	-	202,737	120,983
Investments	-	14,925,824	40,506,508
Total Assets	<u>\$ 40,301,086</u>	<u>\$ 15,128,561</u>	<u>\$ 40,627,491</u>
LIABILITIES			
Accounts Payable	\$ 1,556,297	\$ 595,769	\$ 446,628
Accrued Expenditures	1,249,205	-	-
Contract Retention Payable	-	370,340	151,765
Due to Component Unit	391,057	-	-
Unearned Revenues	531,635	-	-
Due to Others	780,857	-	-
Total Liabilities	<u>4,509,051</u>	<u>966,109</u>	<u>598,393</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	1,831,623	-	-
Total Deferred Inflows of Resources	<u>1,831,623</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
<i>Nonspendable:</i>			
Prepays and Inventory	422,838	-	-
<i>Restricted:</i>			
Tourism & Economic Development	-	-	-
Public Safety	52,102	-	-
Public Service	5,300	-	-
Capital Projects	-	14,162,452	40,029,098
Debt Service	-	-	-
<i>Committed:</i>			
Stabilization Arrangement	2,642,199	-	-
Aquatic/ Golf Fees	-	-	-
<i>Assigned</i>			
	280,363	-	-
<i>Unassigned</i>			
	30,557,610	-	-
Total Fund Balances	<u>33,960,412</u>	<u>14,162,452</u>	<u>40,029,098</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES	<u>\$ 40,301,086</u>	<u>\$ 15,128,561</u>	<u>\$ 40,627,491</u>

See accompanying notes to basic financial statements.

General Fund Capital Projects	Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ 12,189	\$ 2,600	\$ 975,865	\$ 1,747,127
5,286,647	1,328,045	19,067,529	59,615,879
-	327,887	170,950	3,664,375
-	-	(1,283,774)	650,730
10,398,257	-	1,379,896	11,827,888
-	-	-	38,340
-	-	-	42,039
-	-	-	380,799
-	-	195,320	519,040
-	-	19,934,876	75,367,208
<u>\$ 15,697,093</u>	<u>\$ 1,658,532</u>	<u>\$ 40,440,662</u>	<u>\$ 153,853,425</u>
9,255,838	\$ 753	\$ 965,682	\$ 12,820,967
-	-	40,059	1,289,264
1,157,727	-	497,310	2,177,142
-	-	-	391,057
51,052	-	361,254	943,941
-	-	31,920	812,777
<u>10,464,617</u>	<u>753</u>	<u>1,896,225</u>	<u>18,435,148</u>
-	327,887	-	2,159,510
-	327,887	-	2,159,510
-	-	-	422,838
-	-	2,063,613	2,063,613
-	-	691,892	743,994
-	-	563,461	568,761
-	-	31,116,138	85,307,688
-	1,329,892	-	1,329,892
-	-	-	2,642,199
-	-	955,194	955,194
5,232,476	-	3,154,139	8,666,978
-	-	-	30,557,610
<u>5,232,476</u>	<u>1,329,892</u>	<u>38,544,437</u>	<u>133,258,767</u>
<u>\$ 15,697,093</u>	<u>\$ 1,658,532</u>	<u>\$ 40,440,662</u>	<u>\$ 153,853,425</u>



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CITY OF SEGUIN, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 133,258,767
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		190,003,037
Internal service funds are used by management to charge costs related to employee insurance. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		1,751,292
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		2,159,510
Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and, therefore, not reported in the funds:		
General Bonded Debt	161,995,000	
Unamortized Premiums and Deferred Charges	10,145,960	
Notes Payable	5,659,395	
Total Other Post Employment Benefit Obligations (Net of Deferred Outflows & Inflows)	1,560,281	
Net Pension Liability (Net of Deferred Outflows & Inflows)	20,895,123	
Compensated Absences	4,123,800	(204,379,559)
Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds.		(671,224)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ 122,121,823

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	2024 Certificates of Obligation	2025 Certificates of Obligation
REVENUES			
Taxes	\$ 26,562,187	\$ -	\$ -
Licenses and Permits	3,660,749	-	-
Intergovernmental	1,621,183	-	-
Charges for Services	10,503,511	-	-
Fines and Forfeits	717,151	-	-
Interest	1,452,772	900,178	1,070,691
Miscellaneous	1,049,496	-	-
Total Revenues	<u>45,567,049</u>	<u>900,178</u>	<u>1,070,691</u>
EXPENDITURES			
Current:			
General Government	6,464,354	-	-
Public Safety	23,179,225	-	-
Public Service	9,372,754	-	-
Nondepartmental	4,860,074	-	-
Indirect Cost Allocation (Recovery)	(8,590,660)	-	-
Capital Projects/Outlay	-	9,747,741	2,141,593
Debt Service:			
Principal	-	-	-
Interest and Fiscal Charges	-	-	-
Bond Issue Costs	-	-	325,085
Total Expenditures	<u>35,285,747</u>	<u>9,747,741</u>	<u>2,466,678</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,281,302</u>	<u>(8,847,563)</u>	<u>(1,395,987)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	19,829	-	-
Transfers Out	(6,736,311)	-	-
Issuance of Debt	-	-	38,815,000
Premiums on Issuance of Debt	-	-	2,610,085
Total Other Financing Sources (Uses)	<u>(6,716,482)</u>	<u>-</u>	<u>41,425,085</u>
Net Change in Fund Balance	3,564,820	(8,847,563)	40,029,098
Fund Balances at Beginning of Year	30,395,592	23,010,015	-
Fund Balances at End of Year	<u>\$ 33,960,412</u>	<u>\$ 14,162,452</u>	<u>\$ 40,029,098</u>

See accompanying notes to basic financial statements.

General Fund Capital Projects	Debt Service Fund	Other Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 9,366,756	\$ 1,005,715	\$ 36,934,658
-	-	3,414,382	7,075,131
27,419,762	-	931,259	29,972,204
-	-	330,914	10,834,425
-	-	194,521	911,672
193,985	279,848	2,056,036	5,953,510
2,157,409	-	95,956	3,302,861
<u>29,771,156</u>	<u>9,646,604</u>	<u>8,028,783</u>	<u>94,984,461</u>
-	-	1,938,600	8,402,954
-	-	-	23,179,225
856,879	-	405,517	10,635,150
-	-	442,023	5,302,097
-	-	-	(8,590,660)
37,776,251	-	12,392,822	62,058,407
1,222,189	4,068,760	159,771	5,450,720
208,645	5,289,086	50,777	5,548,508
-	-	-	325,085
<u>40,063,964</u>	<u>9,357,846</u>	<u>15,389,510</u>	<u>112,311,486</u>
<u>(10,292,808)</u>	<u>288,758</u>	<u>(7,360,727)</u>	<u>(17,327,025)</u>
6,947,897	23,391	591,975	7,583,092
-	-	(164,981)	(6,901,292)
4,364,730	-	-	43,179,730
-	-	-	2,610,085
<u>11,312,627</u>	<u>23,391</u>	<u>426,994</u>	<u>46,471,615</u>
1,019,819	312,149	(6,933,733)	29,144,590
4,212,657	1,017,743	45,478,170	104,114,177
<u>\$ 5,232,476</u>	<u>\$ 1,329,892</u>	<u>\$ 38,544,437</u>	<u>\$ 133,258,767</u>



It's real.

CITY OF SEGUIN, 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, 2025

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 29,144,590

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Current Year Additions	61,330,714	
Current Period Depreciation	<u>(7,424,237)</u>	53,906,477

In the Statement of Activities, only the gain or loss on the disposal of a capital asset is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of disposed assets. (40,903)

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

Increase in Unavailable Revenues	115,786
----------------------------------	---------

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. Neither transaction, however, has any effect on net position. Also, governmental funds report the net effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Proceeds of New Debt	(43,179,730)	
Premiums on Debt Issues	(2,610,085)	
Principal Payments	5,450,720	
Amortization of Deferred Charges & Premiums	<u>861,050</u>	(39,478,045)

The governmental funds report pension and other postemployment benefit contributions as expenditures when paid. However, in the statement of activities, differences between pension plan and other postemployment benefit contributions and costs for the year are reported as an asset or obligation. (101,852)

Some expenses reported in the Statement of Activities (including compensated absences and accrued interest expense) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (2,146,173)

Internal service funds are used by management to charge the costs of employee insurance to individual funds. The net revenue/(loss) is reported with governmental activities. 366,522

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 41,766,402

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2025

	Business-Type Activities Utility Fund	Governmental Activities Internal Service Funds
ASSETS		
<i>Current Assets</i>		
<i>Cash and Cash Equivalents:</i>		
Restricted Cash	\$ 469,262	\$ -
Unrestricted Cash	364,177	427,595
<i>Investments:</i>		
Restricted Investments	289,034,542	-
Unrestricted Investments	156,398,044	1,317,886
Accounts Receivable (Net)	9,167,192	-
Miscellaneous Receivables	1,130,398	11,114
Due from Component Unit	39,106	-
Current Portion of Notes Receivable	25,662	-
Inventories	5,848,840	-
Prepaid Items	333,490	-
<i>Total Current Assets</i>	462,810,713	1,756,595
<i>Capital Assets (Net)</i>	264,047,285	-
<i>Total Noncurrent Assets</i>	264,047,285	-
Total Assets	726,857,998	1,756,595
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension and OPEB Related Outflows	2,550,298	-
Deferred Charge on Refundings	48,763	-
Total Deferred Outflows of Resources	\$ 2,599,061	\$ -

Continued

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2025

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
LIABILITIES		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 25,393,608	\$ 5,303
Accrued Expenses	5,617,023	-
Contract Retention Payable	5,697,685	-
Unearned Revenue	371,471	-
Customer Deposits	735,245	-
Current Maturities of Notes Payable	69,469	-
Current Portion of Total OPEB Liabilities	24,861	-
<i>Current Liabilities</i>	37,909,362	5,303
 <i>Current Liabilities Payable from Restricted Assets:</i>		
Accrued Interest Payable	2,073,680	-
Current Portion of Long-term Bonds	5,050,000	-
<i>Current Liabilities Payable from Restricted Assets</i>	7,123,680	-
<i>Total Current Liabilities</i>	45,033,042	5,303
 <i>Noncurrent Liabilities:</i>		
Compensated Absences	482,390	-
Total Other Post Employment Benefit Liabilities	468,034	-
Net Pension Liability	8,782,115	-
Notes Payable (Net of Current Maturities)	469,809	-
Revenue & Refunding Bonds Payable	517,908,142	-
<i>Total Noncurrent Liabilities</i>	528,110,490	-
Total Liabilities	573,143,532	5,303
 DEFERRED INFLOWS OF RESOURCES		
Deferred Pension and OPEB Related Inflows	845,548	-
Total Deferred Inflows of Resources	845,548	-
 NET POSITION		
Net Investment in Capital Assets	77,384,669	-
Restricted for:		
Debt Service	13,626,966	-
Impact Fees	18,300,199	-
Unrestricted	46,156,145	1,751,292
Total Net Position	\$ 155,467,979	\$ 1,751,292

See accompanying notes to basic financial statements.



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CITY OF SEGUIN, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
OPERATING REVENUES		
Charges for Utility Service	\$ 82,229,649	\$ -
Charges for Premiums	-	5,535,854
Miscellaneous Revenues	2,088,275	1,180
Total Operating Revenues	<u>84,317,924</u>	<u>5,537,034</u>
OPERATING EXPENSES		
Administration	3,771,481	5,211,100
Engineering	1,338,268	-
Operation and Maintenance:		
Electric Distribution	28,773,951	-
Utility Services	1,872,230	-
Water Production	8,210,647	-
Water/Sewer Maintenance	10,003,249	-
Sewer	2,706,587	-
Storm Water Drainage	366,055	-
Economic Development	648,691	-
Facilities Maintenance	1,292,310	-
Information Technology	1,549,310	-
City Attorney	363,648	-
Nondepartmental	3,180,261	-
Indirect Cost Allocation	8,590,660	-
Total Operating Expenses	<u>72,667,348</u>	<u>5,211,100</u>
OPERATING INCOME (LOSS)	<u>11,650,576</u>	<u>325,934</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	20,487,738	40,588
Gain (Loss) on Sale of Assets	52,043	-
Interest and Fiscal Charges	(17,370,024)	-
Bond Issue Costs	(873,260)	-
Total Nonoperating Revenues (Expenses)	<u>2,296,497</u>	<u>40,588</u>
Net Income (Loss) Before Contributions and Transfers	<u>13,947,073</u>	<u>366,522</u>
Contributions from Component Unit in Support of Debt	497,714	-
Transfers In (Out)	(681,800)	-
	<u>(184,086)</u>	<u>-</u>
Change in Net Position	13,762,987	366,522
NET POSITION AT BEGINNING OF YEAR	141,704,992	1,384,770
NET POSITION AT END OF YEAR	<u>\$ 155,467,979</u>	<u>\$ 1,751,292</u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 83,994,677	\$ 5,537,635
Cash Paid for Employee Wages & Benefits	(14,983,991)	-
Cash Paid to Suppliers for Goods & Services	(30,820,237)	(5,213,812)
Cash Paid General Fund for Indirect Costs	(8,590,660)	-
Net Cash Provided (Used) by Operating Activities	<u>29,599,789</u>	<u>323,823</u>
Cash Flows From Noncapital Financing Activities:		
Transfers From Other Funds	(681,800)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(681,800)</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:		
Purchase/Construction of Capital Assets	(107,537,940)	-
Proceeds from Revenue and Refunding Bonds	105,775,000	-
Premiums on Bonds	9,233,423	-
Contributions from Component Unit in Support of Debt	497,714	-
Principal Payments on Long-term Bonds	(5,050,000)	-
Principal Payments on Notes Payable	(300,851)	-
Interest and Fiscal Charges Paid	(17,857,080)	-
Bond Issue Costs	(873,260)	-
Proceeds from Sale of Capital Assets	52,043	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(16,060,951)</u>	<u>-</u>
Cash Flows From Investing Activities:		
(Purchase) of Investment Securities	(33,746,886)	(533,925)
Investment Interest Received	20,487,738	40,588
Principal Received on Notes Receivable	88,546	-
Net Cash Provided (Used) by Investing Activities	<u>(13,170,602)</u>	<u>(493,337)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(313,564)</u>	<u>(169,514)</u>
Cash and Equivalents at Beginning of Year:		
Cash and Cash Equivalents	509,087	597,109
Restricted Cash and Cash Equivalents	637,916	-
	<u>1,147,003</u>	<u>597,109</u>
Cash and Cash Equivalents at End of Year:		
Cash and Cash Equivalents	364,177	427,595
Restricted Cash and Cash Equivalents	469,262	-
	<u>\$ 833,439</u>	<u>\$ 427,595</u>

Continued

CITY OF SEGUIN, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-Type Activities Utility Fund	Governmental Activities Internal Service Funds
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ 11,650,576	\$ 325,934
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation:	7,093,158	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(175,901)	601
Short Term Interfund Advances	-	-
Inventory/Prepaid Items	(1,042,467)	-
Net Deferred Pension/OPEB Related Outflows	748,335	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	10,528,830	(2,712)
Accrued Expenses	1,643,556	-
Unearned Revenue	(216,918)	-
Customer Deposits	69,572	-
Total Other Postemployment Benefit Liability	(18,265)	-
Net Pension Liability	(1,084,866)	-
Net Deferred Pension/OPEB Related Inflows	404,179	-
	\$ 29,599,789	\$ 323,823
 Schedule of Non-Cash Capital Activities		
Increase of Capital Assets as a result of Retainage Payable	\$ 5,697,685	

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2025

ASSETS	<u>Custodial Funds</u>
Cash and Cash Equivalents	\$ 44,074
Investments	264,383
Inventory	<u>359,431</u>
Total Assets	<u>667,888</u>
LIABILITIES	
Accounts Payable/ Due to Others	<u>33,808</u>
Total Liabilities	<u>33,808</u>
NET POSITION	
Restricted for:	
Individuals Organizations and other governments	<u>634,080</u>
Total Net Position	<u><u>\$ 634,080</u></u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

ADDITIONS	<u>Custodial Funds</u>
Interest	\$ 12,080
Total Additions	<u>12,080</u>
DEDUCTIONS	
Distributions to Participants	-
Total Deductions	<u>-</u>
Change in Net Position	12,080
Net Position, Beginning of Year	<u>622,000</u>
Net Position, End of Year	<u><u>\$ 634,080</u></u>

See accompanying notes to basic financial statements.



It's real.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Seguin, Texas (“City”) was incorporated in 1853. The City Charter was adopted on December 7, 1971, under the provisions of the Home Rule Charter Act of the State of Texas. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: police and fire protection, health services, maintenance of streets, planning and zoning, parks and recreation, general administrative services, electric, water, and wastewater services.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below:

1. REPORTING ENTITY

Component Units

As required by generally accepted accounting principles, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government’s operations; thus, data from these units, if any existed, would be combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

The Seguin Economic Development Corporation, a nonprofit corporation, was incorporated under the Development Corporation Act of 1979, Texas Revised Civil Statutes Annotated, Article 5190.6, Section 4A. The Corporation is organized exclusively for public purposes of the City of Seguin, and the City Council appoints directors of the Corporation. It receives all proceeds from the 0.25% sales tax adopted in 1994 for economic development in Seguin. The corporation meets the criteria of a discretely presented component unit, described above, and is presented in the government-wide financial statements. Complete financial statements for the Seguin Economic Development Corporation may be obtained at City Hall.

Joint Ventures

A joint venture is a legally separate entity that results from a contractual arrangement and that is owned, operated, or governed by two or more participating governments. The following entities meet the criteria as joint ventures:

The Guadalupe Regional Medical Center is a joint venture between the City of Seguin and Guadalupe County. Each participating government appoints one-half of the board of directors and approves annual budgets. In addition, the participating governments are financially responsible for indigent health care provided by the hospital and are contingently liable for hospital debts. Separate financial statements of the Guadalupe Regional Medical Center may be obtained by contacting the hospital administrator.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. REPORTING ENTITY (Continued)

Joint Ventures (Continued)

The Schertz/Seguin Local Government Corporation is a public, nonprofit corporation organized to aid, assist, and act on behalf of the cities of Schertz and Seguin in acquiring, constructing, maintaining, and operating a water utility system. The participating governments have an ongoing financial responsibility to fund the operation of the corporation through either purchase of services or by subsidizing the operations. Separate financial statements for the Schertz/Seguin Local Government Corporation may be obtained at City Hall.

Summarized financial data for joint ventures is provided in Note M.

2. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The **government-wide financial statements** include the statement of net position and the statement of activities. Government-wide statements report information on all of the activities of the City and its component unit (except for City fiduciary activity). The effect of interfund transfers has been removed from the government-wide statements but continues to be reflected on the fund statements. Governmental activities are supported mainly by taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services. The primary government is reported separately from the component unit within the government-wide statements.

The statement of activities reflects the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included in program revenues are reported as general revenues.

Separate **fund financial statements** are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. The General Fund, 2024 Certificates of Obligation, and Debt Service Fund meet criteria as **major governmental funds**. Each major fund is reported in separate columns in the fund financial statements. Nonmajor funds include other Special Revenue and Capital Projects Funds. The combined amounts for these funds are reflected in a single column in the fund Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. Detailed statements for nonmajor funds are presented in the Combining Fund Statements and Schedules as “Supplementary Information”.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The **government-wide financial statements** are reported using the economic resources measurement focus and the accrual basis of accounting. This measurement focus is also used for the proprietary and fiduciary fund financial statements. 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. Major revenue types, which have been accrued, are revenue from investments, intergovernmental revenue and charges for services. Grants are recognized as revenue when all applicable eligibility requirements imposed by the provider are met.

Revenues are classified as *program revenues* and *general revenues*. Program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes and grants not restricted to specific programs and investment earnings.

Governmental fund level financial statements are reported using 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Measurable and available revenues include revenues expected to be received within 60 days after the fiscal year ends. Receivables which are measurable but not collectible within 60 days after the end of the fiscal period are reported as deferred revenue.

Expenditures generally are recorded when a fund liability is incurred; however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the liability has matured, and payment is due.

The government reports the following major governmental funds:

The General Fund is the general operating fund of the City and is always classified as a major fund. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include property taxes, charges for services, intergovernmental revenues and investment of idle funds. Primary expenditures are for general administration, public safety, public service and capital acquisition. Non-departmental expenses include insurance costs, professional services and miscellaneous costs that do not benefit any one department, as well as contributions to the Guadalupe Regional Medical Center.

2024 Certificates of Obligation Capital Projects Fund will account for the proceeds of the Certificates of Obligation and the costs of the capital projects to be funded.

2025 Certificates of Obligation Capital Projects Fund will account for the proceeds of the Certificates of Obligation and the costs of the capital projects to be funded.

General Fund Capital Projects Fund will account for the loan proceeds, grants, and transfers from other funds and the costs of the capital projects to be funded from those sources.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (Continued)

Debt Service Fund accounts for ad valorem tax and contributions from the component unit to support city bonded debt.

Nonmajor funds include Special Revenue Funds (other than major projects and grants) and Capital Projects Funds.

Proprietary fund level financial statements are used to account for activities, which are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and cash flows. The City's Proprietary Fund is the Utility Fund (used to account for the provision of electric, water and sewer services to residents) and the Internal Service Funds used to account for the City's group medical insurance program and workers compensation benefits.

Revenues are derived from charges for services for utilities, city contributions, employee and retiree/cobra premiums, and investment of idle funds. Expenses are charges incurred for operating, purchases of electricity and water, premiums and administrative expenses for insurance.

The **Proprietary Funds** are accounted for using the accrual basis of accounting as follows:

Revenues are recognized when earned, and expenses are recognized when the liabilities are incurred. Current-year contributions, administrative expenses and benefit payments, which are not received or paid until the subsequent year, are accrued.

Proprietary funds distinguish operating revenues and expenses from non-operating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Fiduciary fund level financial statements are used to account for resources held for others. The City's custodial funds hold donations intended for scholarships, Riverside Cemetery, and assets seized and held on behalf of other governments and/or plaintiffs.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash deposits and investments with a maturity date within three (3) months of the date acquired by the City.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. INVESTMENTS

State statutes authorize the City to invest in (a) obligations of the United States or its agencies and instrumentalities; (b) direct obligations of the State of Texas or its agencies; (c) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States; (d) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (e) certificates of deposit by state and national banks domiciled in this state that are (i) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (ii) secured by obligations that are described by (a) - (d). Statutes also allow investing in local government investment pools organized and rated in accordance with the Interlocal Cooperation Act, whose assets consist exclusively of the obligations of the United States or its agencies and instrumentalities and repurchase assessments involving those same obligations. Public funds investment pools in Texas (“Pools”) are established under the authority of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the “Act”), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAAM (or equivalent) rating by at least one nationally recognized rating service; and 3) maintain the fair value of its underlying investment portfolio within one-half of one percent of the value of its shares.

The City reports investments at fair value based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments are stated at fair value (plus accrued interest) except for money market investments and participating interest-earning investment contracts (U.S. Treasuries) that have a remaining maturity at time of purchase of one year or less. Those investments are stated at amortized cost. Likewise, certificates of deposit are stated at amortized cost (see Note B).

6. ACCOUNTS RECEIVABLE

Property taxes are levied based on taxable value at January 1 and become due October 1, 2024 and past due after January 31, 2025. Accordingly, receivables and revenues for property taxes are reflected on the government-wide statement based on the full accrual method of accounting. Property tax receivables for prior year’s levy are shown net of an allowance for uncollectible in the amount of \$27,616.

Accounts receivable from other governments include amounts due from grantors for approved grants for specific programs and reimbursements for services performed by the City. Program grants are recorded as receivables and revenues at the time all eligibility requirements established by the provider have been met.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. ACCOUNTS RECEIVABLE (Continued)

Reimbursements for services performed are recorded as receivables and revenues when they are earned in the government-wide statements. Included are fines and costs assessed by the court action and billable services for certain contracts. Revenues received in advance of the costs being incurred are recorded as deferred revenue in the fund statements. Receivables are shown net of an allowance for uncollectibles.

7. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

8. INVENTORIES & PREPAID ITEMS

Inventories of consumable supplies are valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

Inventories of repair and replacement parts for the utility system are valued at cost, which approximates market, using the moving average cost method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and in the fund financial statements are offset by a reservation of fund balance which indicates they do not represent “available spendable resources.” Prepaid items of governmental funds are recorded as expenditures when consumed rather than when purchased.

9. RESTRICTED ASSETS

Certain proceeds of General Obligation Bonds, Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Funds are segregated to report those proceeds of revenue bond issuances that are restricted for use in construction. Funds are also segregated to provide for debt service as provided under bond indenture agreements.

10. CAPITAL ASSETS

Capital assets, which include land, buildings and improvements, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, such as equipment, are defined as assets with a cost of \$5,000 or more. Infrastructure assets include City-owned streets, sidewalks, curbs and bridges.

CITY OF SEGUIN, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. CAPITAL ASSETS (Continued)

Capital assets are recorded at historical costs if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation, with the exception of works of art and capital assets received in a service concession arrangement. Those assets are reported at acquisition value rather than fair value.

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. Interest has not been capitalized during the construction period on property, plant and equipment.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

ASSETS	YEARS
Buildings and improvements	20 to 40 years
Improvements other than buildings	20 to 40 years
Utility system in service	20 to 67 years
Machinery and equipment	5 to 15 years

11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category: deferred pension and other post-employment benefits related costs which will be included in the subsequent actuarial valuation, and deferred charge on refundings reported in the government-wide statement of net position, as well as the Proprietary Fund statement of 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.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resource (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet under a modified accrual basis of accounting. Deferred inflows for pension and other post-employment benefits are deferred and will be recognized in a subsequent actuarial valuation. Unavailable revenues from property tax and EMS receivables are deferred and recognized as an inflow of resource in the period the amounts become available.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. COMPENSATED ABSENCES

The City permits employees to accumulate earned but unused vacation pay benefits up to the amount earned in two years. Upon resignation, an employee may receive pay for any unused accrued vacation provided the employee gives two weeks written notice of the resignation and is not subject to discharge for misconduct. Unused sick leave may be accumulated to certain limits. In the event of termination, no reimbursement is made for accumulated sick leave. No liability is reported for unpaid accumulated sick leave. Liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e. are due for payment). Compensated absences are accrued in the government-wide statements.

13. UNEARNED REVENUE

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grant and reimbursement revenues received in advance of expenses/expenditures are reflected as unearned revenue.

14. LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities under governmental activities or proprietary fund type statement of net position. On new bond issues, bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

15. PENSIONS

The net pension liability, deferred outflows and inflows related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS), and additions to and deductions from TMRS' fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. OTHER POST-EMPLOYMENT BENEFITS

The fiduciary net position of the Texas Municipal Retirement System (TMRS) and the City's Retiree Health Insurance have been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions or deductions from the fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as both OPEBs are pay-as-you-go plans.

17. FUND EQUITY

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The non-spendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – pre-paid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted fund balance. This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance. These amounts can only be used for specific purposes pursuant to constraints imposed by the city council. The City Council is the highest level of decision-making authority for the city that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (by adoption of another ordinance) to remove or revise the limitation.

The City Council adopted an ordinance in March 2012 establishing an *emergency fund stabilization arrangement*. The Ordinance requires additions to the fund in the event the fund balance falls below \$2,000,000. Additions are to come from interest earnings, direct transfers from the General Fund and/or Utility Fund, or reimbursements from insurance or grants for expenditures incurred by the fund. The stabilization fund may be expended on recovery efforts for public infrastructure damage that occurs as a result of a disaster declared by the federal or state governments.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. FUND EQUITY (Continued)

Assigned fund balance. This classification reflects the amounts constrained by the city’s “intent” to be used for specific purposes but are neither restricted nor committed. The City Council has designated the City Manager as the responsible agent for assigning fund balances. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.

As of September 30, 2025, the City Manager had assigned fund balances for the following:

- Excess recycling fees over expenditures were assigned for future expenditures associated with “green” waste disposal (\$1,348), also favorable budget variances for street maintenance were assigned for future street projects (\$279,015).
- Funds set aside in nonmajor capital project funds that are not otherwise restricted by bond covenants are assigned for specific capital projects.

Total assigned funds in the General Fund were \$280,363. Total assigned balances in nonmajor capital project funds were \$3,154,139.

Unassigned fund balance. This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

The City Council has set a General Fund minimum fund balance target of three months of expenditures and recurring transfers. No other fund balance policies exist.

18. NET POSITION

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net positions are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

19. INTERFUND TRANSACTIONS

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

The City allocates to the Utility (Proprietary) Fund an indirect cost percentage of general government administration expenses that are paid through the General Fund. During the year ended September 30, 2025, the City allocated \$8,590,660 as a transfer for such services. The indirect cost allocation is reflected as an operating expense in the Utility Fund, and a reduction of current expenditures in the General Fund, and in a separate column in the Statement of Activities.

20. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise. For the City, those revenues are charges for electric, water, and sewer services and premiums for employee insurances. Operating expenses are the necessary costs incurred to provide the service that is the primary activity. Revenues and expenses not meeting these definitions are reported as nonoperating.

21. USE OF 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 expenses during the reporting period. Actual results could differ from those estimates.

22. COMPARATIVE DATA/RECLASSIFICATIONS

Comparative data for the prior year has been provided for the General Fund and Utility Fund in the fund financial statements in order to provide an understanding of the changes in the financial position and operation of these funds. Certain reclassifications have been made to the 2024 financial statements to conform to the 2025 financial statement presentation. The reclassifications had no effect on the changes in financial position.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE B -- DEPOSITS AND INVESTMENTS

As of September 30, 2025, the City of Seguin had the following investments:

Investment Type	Fair Value	Input Level	Weighted Average Maturity (Days)	Rating	Agency
<i>Primary Government</i>					
Local Government Investment Pools:					
TexPool	\$ 4,670,344	1	41	AAAm	Standard & Poor's
Texas Class	416,667,940	1	17	AAAm	Standard & Poor's
LOGIC	136,781,019	1	44	AAAm	Standard & Poor's
U.S. Treasury Money Market	23,878,639	1	4	AA+	Standard & Poor's
	<u>\$ 581,997,942</u>				
Portfolio Weighted Average Maturity			24		
<i>Component Unit</i>					
Local Government Investment Pools:					
TexPool	\$ 2,495,844	1	41	AAAm	Standard & Poor's
Texas Class	1,147,246	1	17	AAAm	Standard & Poor's
LOGIC	3,771,419	1	44	AAAm	Standard & Poor's
	<u>\$ 7,414,509</u>				
Portfolio Weighted Average Maturity			44		

Investment Rate Risk. The City and component unit manage exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than one year.

Credit Risk. The City's investment policy limits investments to obligations of the United States (up to 95% of total invested funds) or its agencies and instrumentalities (maximum 80% of funds); direct obligations of the State of Texas; obligations of states, agencies, contracts, cities, and other political subdivisions rated as to investment quality of not less than AAA by a nationally recognized investment firm. U.S. Government Securities are not considered to have credit risk and do not require disclosure of credit quality.

The City may also invest funds in government investment pools provided the pool maintains a AAA rating, the pool maintains a stable asset value, and the average dollar weighted maturity does not exceed 90 days. As of September 30, 2025, the investments in TexPool, Texas Class, and LOGIC were rated AAAm by Standard & Poor's. The City may invest in Money Market Mutual funds that are regulated by the SEC and have a dollar weighted average stated maturity of 90 days or less and maintain a net asset value of \$1.00 per share.

The City's and Component Units' investments in pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Texpool, Texas Class, and Logic Pools operate in a manner consistent with Rule 2a7. Therefore, the investments are reported at \$1 per share, which approximates fair value. There was no change in fair value of the investment pools for the year ended September 30, 2025. There are no limitations or restrictions on participant withdrawals.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE B -- DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of September 30, 2025, the government's deposits were fully collateralized or insured by FDIC.

The Component Unit had deposits that were fully insured by FDIC.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of September 30, 2025, the City and the Component Unit were not exposed to custodial credit risk.

Concentration of Credit Risk – Seventy-two percent (72%) of the City's investment is held in Texas Class.

NOTE C -- PROPERTY TAX CALENDAR

The City's property tax is levied and becomes collectible each October 1 based on the assessed values listed as of the prior January 1, which is the date a lien attaches to all taxable property in the City. Assessed values are established by the Guadalupe County Appraisal District at 100% of estimated market value. Assessed values are reduced by lawful exemptions to arrive at taxable values. A revaluation of all property is required to be completed every four (4) years. The total taxable value as of January 1, 2024, upon which the fiscal 2025 levy was based, was \$4,569,392,407 (i.e., market value less exemptions). The estimated market value was \$6,612,812,896 making the taxable value 69.1% of the estimated market value.

The City is permitted by the Constitution of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable assessed valuation for all governmental purposes. Pursuant to a decision of the Attorney General of the State of Texas, up to \$1.50 per \$100 of assessed valuation may be used for the payment of long-term debt. The combined tax rate to finance general governmental services, including the payment of principal and interest on long-term debt, for the year ended September 30, 2025, was \$0.5125 per \$100 of assessed value, which means that the City has a tax margin of \$1.9785 for each \$100 value and could increase its annual tax levy by approximately \$90,405,428 based upon the present assessed valuation of \$4,569,392,407 before the limit is reached. However, the City may not adopt a tax rate that exceeds the tax rate calculated in accordance with the Texas Property Tax Code without holding a public hearing. The Property Tax Code subjects an increase in the no new revenue tax rate to a referendum election, if petitioned by registered voters, when the no new revenue rate increase is more than three and a half percent (3.5%) of the previous year's "no new" revenue rate.

Property taxes are recorded as receivables and unearned revenues at the time the taxes are assessed. In governmental funds, 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. In the government-wide financial statements, the entire levy is recognized as revenue, net of estimated uncollectible amounts (if any), at the levy date.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE D -- INTERFUND RECEIVABLE/PAYABLE AND TRANSFERS BETWEEN FUNDS

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of September 30, 2025, balances of interfund amounts receivable or payable have been recorded as follows:

Due From	Due To	Amount
<i>Primary Government</i>		
Enterprise Fund	General Fund	\$ 39,106
General Fund	Component Unit	391,057
Totals		<u>\$ 430,163</u>
<i>Component Unit</i>		
Component Unit	General Fund	\$ 391,057

Transfers during the fiscal year ending September 30, 2025, consisted of the following:

Transfer From	Transfer To	Amount	Purpose
<i>Primary Government</i>			
Enterprise Fund	General Fund Capital Projects	\$ 681,800	Contribution to Capital
General Fund	General Fund Capital Projects	6,266,097	Contribution to Capital
Non- Major Funds	General Fund	19,829	Supplemental Other Sources
Non- Major Funds	Debt Service Fund	23,391	Supplemental Other Sources
General Fund	Non- Major Funds	470,214	Supplemental Other Sources
Non- Major Funds	Non- Major Funds	121,761	Supplemental Other Sources
		<u>\$ 7,583,092</u>	

N

OTE E -- NOTES RECEIVABLE

Primary Government

The City sold property located at 2460 Crossroads Blvd, consisting of a 49,120 square foot building and improvements, to Pure and Gentle Soap Products, Inc. The original term of the note was for twenty (20) years and carried interest at 5.75%. The balance remaining on the note is \$25,662.

Component Unit

The SEDC (Component Unit) provides incentives in the form of grants and notes receivable to area businesses in conjunction with its function of generating economic development. One note receivable was outstanding at September 30, 2025 and matures in 2026 with a 3% annual interest rate. Balance remaining on the note is \$648.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE E -- NOTES RECEIVABLE (CONTINUED)

Component Unit (Continued)

In addition, SEDC provided an interest-free loan to a local distillery for a period of 10 years. The note calls for forgiveness of partial payments if certain grant conditions are met. The note calls for annual payments in the amount of \$4,500. The balance remaining on the note is \$21,750.

SEDC also provided an interest-free loan to a local business as part of an economic incentive package. The loan calls for monthly payments at zero interest over a five-year period. The loan has provisions to forgive up to 10% of the loan, dependent on certain performance criteria. The balance remaining on the note is \$111,667.

Requirements to amortize notes receivable for the primary government and component unit are as follows:

Fiscal Year	Primary Government			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 25,662	1,002	\$ 26,664	\$ 25,148	\$ 12	\$ 25,160
2027	-	-	-	24,500	-	24,500
2028	-	-	-	24,500	-	24,500
2029	-	-	-	24,500	-	24,500
2029	-	-	-	23,750	-	23,750
Thereafter	-	-	-	11,667	-	11,667
	<u>\$ 25,662</u>	<u>\$ 1,002</u>	<u>\$ 26,664</u>	<u>\$ 134,065</u>	<u>\$ 12</u>	<u>\$ 134,077</u>

NOTE F – SUMMARY OF PENSION AND OPEB LIABILITIES, DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES AND EXPENSES

	Liabilities	Deferred Outflows of Resources	Deferred Inflows of Resources	Expenditures
Pension	\$ 35,030,209	\$ 9,222,291	\$ 2,035,370	\$ 8,394,664
Retiree Health OPEB	481,474	37,778	295,270	22,000
TMRS SDBF OPEB	1,275,944	134,669	302,136	48,331
Subtotal OPEB	<u>1,757,418</u>	<u>172,447</u>	<u>597,406</u>	<u>70,331</u>
Total	<u>\$ 36,787,627</u>	<u>\$ 9,394,738</u>	<u>\$ 2,632,776</u>	<u>\$ 8,464,995</u>

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE G -- CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2024	Additions	Disposals	Transfers/ Adjustments	Balance 9/30/2025
Land	\$ 5,494,955	\$ 16,391	\$ -	\$ -	\$ 5,511,346
Construction in Progress	41,504,436	55,234,034	-	(6,245,585)	90,492,885
Total Assets Not Depreciated	46,999,391	55,250,425	-	(6,245,585)	96,004,231
Buildings and Improvements	43,407,449	-	-	1,632,392	45,039,841
Improvements Other Than Buildings	104,935,247	488,178	-	4,613,193	110,036,618
Transportation and Equipment	29,111,263	5,592,111	(368,891)	-	34,334,483
Totals at Historical Cost	224,453,350	61,330,714	(368,891)	-	285,415,173
Less Accumulated Depreciation:					
Buildings and Improvements	(13,612,609)	(924,525)	-	-	(14,537,134)
Improvement Other Than Buildings	(54,734,101)	(4,027,557)	-	-	(58,761,658)
Transportation and Equipment	(19,969,177)	(2,472,155)	327,988	-	(22,113,344)
	(88,315,887)	(7,424,237)	327,988	-	(95,412,136)
Governmental Capital Assets, Net	<u>\$ 136,137,463</u>	<u>\$ 53,906,477</u>	<u>\$ (40,903)</u>	<u>\$ -</u>	<u>\$ 190,003,037</u>
<i>Business-Type Activities</i>	Balance 10/1/2024	Additions	Disposals	Transfers/ Adjustments	Balance 9/30/2025
Land	\$ 1,200,302	\$ -	\$ -	\$ -	\$ 1,200,302
Construction in Progress	59,998,299	110,558,214	-	(4,209,773)	166,346,740
Total Assets Not Depreciated	61,198,601	110,558,214	-	(4,209,773)	167,547,042
Buildings and Improvements	42,310,784	231,722	-	-	42,542,506
Utility System	142,163,276	733,806	-	4,209,773	147,106,855
Transportation and Equipment	13,515,396	1,711,883	(416,419)	-	14,810,860
Totals at Historical Cost	259,188,057	113,235,625	(416,419)	-	372,007,263
Buildings and Improvements	(22,822,694)	(534,021)	-	-	(23,356,715)
Improvement Other Than Buildings	(68,877,518)	(5,463,877)	-	-	(74,341,395)
Transportation and Equipment	(9,583,027)	(1,095,260)	416,419	-	(10,261,868)
	(101,283,239)	(7,093,158)	416,419	-	(107,959,978)
Business-Type Capital Assets, Net	<u>\$ 157,904,818</u>	<u>\$ 106,142,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,047,285</u>
<i>Discretely Presented Component Unit</i>					
<i>Assets not Dereciated:</i>					
Land	\$ 259,025	\$ 7,455,775	\$ -	\$ -	\$ 7,714,800
<i>Assets Depreciated</i>					
Buildings and Improvements	89,547	-	-	-	89,547
Accumulated Depreciation	(23,233)	(1,720)	-	-	(24,953)
	<u>\$ 325,339</u>	<u>\$ 7,454,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,779,394</u>

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE G -- CAPITAL ASSETS (Continued)

Primary Government

Depreciation Expense was charged to functions as follows:

<i>Governmental Activities:</i>	
General Government	\$ 62,159
Public Safety	1,547,879
Public Service	5,294,074
Nondepartmental	520,125
<i>Total Governmental Activities</i>	<u>\$ 7,424,237</u>
 <i>Business-Type Activities:</i>	
Electric	\$ 1,690,807
Water Production	1,196,737
Water Distribution	3,099,398
Sewer Plant	549,122
Other	557,094
<i>Total Business-Type Activities</i>	<u>\$ 7,093,158</u>

NOTE H – NOTES PAYABLE

The City has entered into notes payable agreement to finance the acquisition of public safety, public works and golf equipment.

Year Ending September 30,	Notes Payable					
	Governmental Activities			Business Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,359,034	\$ 210,124	\$ 1,569,158	\$ 69,469	\$ 18,525	\$ 87,994
2027	1,369,647	161,603	1,531,250	73,697	14,297	87,994
2028	1,343,624	109,899	1,453,523	78,183	9,811	87,994
2029	857,957	56,724	914,681	317,929	21,036	338,965
2030	434,724	36,131	470,855	-	-	-
Thereafter	294,412	14,515	308,927	-	-	-
	<u>\$ 5,659,398</u>	<u>\$ 588,996</u>	<u>\$ 6,248,394</u>	<u>\$ 539,278</u>	<u>\$ 63,669</u>	<u>\$ 602,947</u>

Component Unit:

	Balance Outstanding 10/1/2024	Increases	Decreases	Balance Outstanding 9/30/2025	Current
Notes Payable	<u>\$ -</u>	<u>\$ 7,484,382</u>	<u>\$ (114,435)</u>	<u>\$ 7,369,947</u>	<u>\$ 237,051</u>

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE I -- LONG-TERM DEBT

Bonded debt and obligations payable at September 30, 2025, comprise the following individual issues:

General Obligation Bonds:

\$8,465,000 2014 General Obligation Refunding Bonds due in annual installments of \$100,000 to \$1,170,000 through September 1, 2026; interest at 2.0% - 4%	\$	1,150,000
\$9,370,000 2015 General Obligation Refunding Bonds due in annual installments of \$100,000 to \$1,945,000 through September 1, 2028; interest at 2.0% - 5.0%		4,835,000
\$8,370,000 2019 General Obligation Refunding Bonds due in annual installments of \$45,000 to \$2,585,000 through March 1, 2031; interest at 3.0% - 5.0%		7,985,000
\$2,920,000 2021 General Obligation Bonds due in annual installments of \$50,000 to \$600,000 through September 1, 2031; interest at 1%		995,000
\$14,410,000 2023 General Obligation Refunding Bonds due in annual installments of \$195,000 to \$3,935,000 through September 1, 2034; interest at 5.0%		14,010,000
<i>Total General Obligation Bonds</i>		28,975,000

Certificates of Obligation

\$2,500,000 2013 Certificates of Obligation due in annual installments of \$100,000 to \$200,000 through September 1, 2028; interest at 2.7%		575,000
\$12,445,000 2016 Certificates of Obligation due in annual installments of \$100,000 to \$4,305,000 through September 1, 2036; interest at 3.0% to 5.0%		10,925,000
\$8,800,000 2016A Certificates of Obligation due in annual installments of \$100,000 to \$4,200,000 through September 1, 2037; interest at 3.5% to 5.5%		7,235,000
\$6,450,000 2018 Certificates of Obligation due in annual installments of \$200,000 to \$1,430,000 through September 1, 2038; interest at 3.0% to 5.0%		5,050,000
\$9,170,000 2020 Certificates of Obligation due in annual installments of \$45,000 to \$1,765,000 through September 1, 2040; interest at 3.5% to 5.0%		8,010,000
\$10,970,000 2021 Certificates of Obligation due in annual installments of \$130,000 to \$2,240,000 through September 1, 2040; interest at 2.5% to 5.0%		10,285,000
\$6,500,000 2022 Certificates of Obligation due in annual installments of \$50,000 to \$1,800,000 through September 1, 2042; interest at 3.0% to 4.0%		5,940,000
\$22,210,000 2022A Certificates of Obligation due in annual installments of \$135,000 to \$2,650,000 through September 1, 2046; interest at 4.25% to 5.0%		21,940,000
\$24,235,000 Certificates of Obligation, Series 2024, due in annual installments of \$125,000 to \$2,400,000 through September 30, 2048; interest at 5.0%		24,105,000
\$38,815,000 Certificates of Obligation, Series 2025, due in annual installments of \$50,000 to \$7,195,000 through September 30, 2050; interest at 5% - 5.5%		38,815,000
<i>Total Certificates of Obligation</i>		132,880,000

Tax Anticipation Notes

\$705,000 Tax Notes, Series 2021 due in annual installments of \$135,000 to \$160,000 through February 2026; interest at 0.8% to 1.25%		140,000
<i>Total Tax Anticipation Notes</i>		140,000
Total Governmental Bonded Debt	\$	161,995,000

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE I -- LONG-TERM DEBT (CONTINUED)

<i>Utility Fund Revenue Bonds/Certificates of Obligation:</i>	
\$4,430,000 Utility System Revenue, Series 2016, due in annual installments of \$100,000 to \$345,000 through February 1, 2037; interest at 3.0% to 5.0%.	\$ 3,270,000
\$8,415,000 Utility System Revenue, Series 2017, due in annual installments of \$190,000 to \$620,000 through February 1, 2037; interest at 3.0% to 4.0%.	6,440,000
\$9,900,000 Utility System Revenue, Series 2018, due in annual installments of \$125,000 to \$3,380,000 through February 1, 2038; interest at 3.25% to 5.0%.	8,525,000
\$3,550,000 Utility System Revenue, Series 2020, due in annual installments of \$120,000 to \$245,000 through February 1, 2038; interest at 3.25% to 5.0%.	2,575,000
\$14,240,000 Utility System Revenue, Series 2021, due in annual installments of \$125,000 to \$1,100,000 through February 1, 2051; interest at 0.8% to 2.19%.	12,615,000
\$13,815,000 Certificates of Obligation, Series 2022, due in annual installments of \$100,000 to \$1,000,000 through February 1, 2051; interest at 3.0% to 4.0%.	13,515,000
\$65,345,000 Certificates of Obligation, Series 2022A, due in annual installments of \$270,000 to \$6,970,000 through September 1, 2057; interest at 4.25% to 5.25%.	65,075,000
\$182,760,000 Utility System Revenue, Series 2023, due in annual installments of \$940,000 to \$10,695,000 through February 1, 2053; interest at 1.44% to 2.81%.	180,510,000
\$85,765,000 Certificates of Obligation, Series 2024, due in annual installments of \$470,000 to \$12,835,000 through September 30, 2058; interest at 4.25% to 5.25%.	85,060,000
\$105,775,000 Certificates of Obligation, Series 2025, due in annual installments of \$335,000 to \$20,715,000 through September 30, 2059; interest at 5% to 5.5%.	105,775,000
<i>Total Utility Revenue Bonds</i>	483,360,000
 <i>General Obligation Bonds - Utility Portion</i>	
\$5,385,000 2015 General Obligation Refunding Bonds due in annual installments of \$25,000 to \$1,025,000 through September 1, 2026; interest at 2.0% to 5.0%	345,000
\$6,200,000 2019 General Obligation Refunding Bonds due in annual installments of \$5,000 to \$980,000 through March 1, 2031; interest at 3.0% to 5.0%	5,395,000
\$15,460,000 2023 General Obligation Refunding Bonds due in annual installments of \$20,000 to \$2,250,000 through September 1, 2037; interest at 5.0%	15,210,000
<i>Total GO Refunding Bonds</i>	20,950,000
Total Business-Type Bonded Debt	\$ 504,310,000

The City is required by the revenue bond ordinances to establish certain accounts to maintain and operate the Utility System and to provide for the payment of bond principal and interest. As of year-end 2025, A reserve fund is required in the amount of \$11,381,164 (Required Reserve) which is attributable to the average annual debt service or higher on previously issued bonds annual debt service requirements of all bonds outstanding. The City is required to reach the Required Reserve by the year 2028. Currently the coverage is at \$3.7 million. The City is in compliance with the Covenant and, accordingly, a reserve is being accumulated to reach the Required Reserves of \$11.4 million.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE I -- LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all bonded debt and obligations outstanding as of September 30, 2025, including interest payments, are as follows:

Year Ending September 30,	Public Offerings			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 4,460,000	\$ 7,309,466	\$ 4,125,000	\$ 15,385,844
2027	4,505,000	7,127,431	4,220,000	15,187,081
2028	4,665,000	6,952,719	4,335,000	14,985,181
2029	4,925,000	6,719,869	4,490,000	14,778,493
2030	5,225,000	6,487,106	4,670,000	14,569,344
2031-2035	29,895,000	28,874,694	26,810,000	69,555,037
2036+2040	35,230,000	22,485,294	29,815,000	62,671,954
2041-2045	36,150,000	15,053,400	24,490,000	56,931,975
2046-2050	36,940,000	5,885,125	34,935,000	50,197,751
2051-2055	-	-	76,495,000	39,779,538
2056-2060	-	-	96,800,000	12,401,419
	<u>\$ 161,995,000</u>	<u>\$ 106,895,104</u>	<u>\$ 311,185,000</u>	<u>\$ 366,443,617</u>

Year Ending September 30,	Private Placement			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ -	\$ -	\$ 1,810,000	\$ 4,629,286
2027	-	-	1,965,000	4,603,064
2028	-	-	2,315,000	4,573,528
2029	-	-	2,615,000	4,539,071
2030	-	-	2,915,000	4,499,750
2031-2035	-	-	17,645,000	21,745,853
2036-2040	-	-	32,620,000	19,470,033
2041-2045	-	-	48,480,000	14,199,872
2046-2050	-	-	50,755,000	7,833,744
2051-2053	-	-	32,005,000	1,304,185
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,125,000</u>	<u>\$ 87,398,386</u>

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE I -- LONG-TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities

	Balance 10/1/2024	Additions	Reductions	Balance 9/30/2025	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds	\$ 31,425,000		\$ (2,450,000)	\$ 28,975,000	\$ 2,695,000
Bond Premiums	8,596,786	2,610,085	(897,782)	10,309,089	-
Certificates of Obligation	95,720,000	38,815,000	(1,655,000)	132,880,000	1,625,000
Tax Anticipation Notes	275,000		(135,000)	140,000	140,000
Notes Payable	2,505,394	4,364,730	(1,210,729)	5,659,395	413,563
Net Pension Liability	28,506,265	8,278,109	(10,536,282)	26,248,092	-
Total OPEB Liability -SDBF	937,270	15,604	(36,200)	916,673	36,201
Total OPEB Liability -Retiree Health	368,296	-	(20,445)	347,851	21,809
Compensated Absences	2,186,372	3,495,675	(1,558,247)	4,123,800	2,993,469
<i>Total Governmental Activities</i>	<u>170,520,383</u>	<u>57,579,203</u>	<u>(18,499,685)</u>	<u>209,599,900</u>	<u>7,925,042</u>
<i>Business-Type Activities</i>					
<i>Private Placement</i>					
TWDB Utility System Revenue Bonds	194,635,000	-	(1,510,000)	193,125,000	1,810,000
<i>Public Offering</i>					
Revenue Bonds	186,785,000	105,775,000	(2,325,000)	290,235,000	1,450,000
General Obligation Refunding Bonds	22,165,000	-	(1,215,000)	20,950,000	1,790,000
Bond Premiums	10,427,422	9,233,423	(1,012,704)	18,648,141	-
Notes Payable	840,129	-	(300,851)	539,278	69,469
Net Pension Liability	9,866,981	4,132,849	(5,217,715)	8,782,115	-
Total OPEB Liability -SDBF	369,166	5,620	(15,515)	359,271	15,515
Total OPEB Liability -Retiree Health	141,994	-	(8,371)	133,623	9,347
Compensated Absences	767,049	1,039,591	(385,994)	1,420,646	938,257
<i>Total Business-Type Activities</i>	<u>425,997,741</u>	<u>120,186,483</u>	<u>(11,991,150)</u>	<u>534,193,074</u>	<u>6,082,587</u>
 Total Primary Government	 <u>\$ 596,518,124</u>	 <u>\$177,765,686</u>	 <u>\$ (30,490,835)</u>	 <u>\$ 743,792,974</u>	 <u>\$ 14,007,629</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2025, were issued in the amount of \$144,590,000 to fund \$38,315,000 to the governmental activities and \$105,775,000 to the business type activities. The bonds are to fund a fire engine, improvements to the police department building, improvements to the Seguin Events Center, golf course equipment, public improvements for the water and wastewater utility systems, and construction street and drainage improvements.

CITY OF SEGUIN, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE J – PLEDGED REVENUE

The SEDC has agreed to repay the City of Seguin an amount of \$3,958,790.58 at a 0% interest rate over a period of nine (9) annual installments for the costs associated with the construction of the I-10 and FM 464 Water Line Project. Future commitments on the pledged revenue are as follows:

<u>Fiscal Year</u>	<u>Principal</u>
2026	500,714
2027	497,714
2028	498,964
2029	504,214
2030	503,214
2031	506,214
2032	377,248
	<u>\$ 3,388,282</u>

NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The City participates as one of 938 plans in the defined benefit cash-balance 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 employees of Texas participating cities. The TMRS Act places the general administration and management of the system with a six-member, Governor-appointed Board of Trustee, however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (AFCR) that can be obtained at www.tmr.com. All eligible employees of the City are required to participate in TMRS retirement system

CITY OF SEGUIN, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Texas Municipal Retirement System (Continued)

Benefits Provided

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

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

At the December 31, 2024 valuation and measurement dates, the following employees were covered by the benefit terms:

	Plan Year 2024	Plan Year 2023
Inactive employees or beneficiaries		
currently receiving benefits	294	291
Inactive employees entitled to but not		
yet receiving benefits	247	255
Active employees	467	443
	1,008	989

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 city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

For the year ending September 30, 2025, employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 22.2% and 22.48% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025 were \$8,394,664, and were equal to the required contributions. The General fund is used to liquidate pension liabilities for governmental activities.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE K -- EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Texas Municipal Retirement System (Continued)

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.6% per year
Investment Rate of Return*	6.75%

* Presented net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by the most recent Scale MP2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation study covering 2009 through 2011 and dated December 31 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE K -- EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Texas Municipal Retirement System (Continued)

Actuarial Assumptions (Continued)

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 rates of return by the target asset allocation percentage and by adding the 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 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core fixed Income	6.00%	6.80%
Hedge Funds	5.00%	6.40%
Private Equity	13.00%	8.50%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other Private Markets	4.00%	7.30%
	<u>100.00%</u>	

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 SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE K -- EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Texas Municipal Retirement System (Continued)

Changes in the Net Pension Liability

The below schedule presents the changes in the Net Pension Liability as of December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2023:	\$ 158,025,132	\$ 119,651,885	\$ 38,373,247
Changes for the year:			
Service Cost	6,174,778	-	6,174,778
Interest	10,646,398	-	10,646,398
Change of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	2,365,985	-	2,365,985
Changes of Assumptions	-	-	-
Contributions - Employer	-	7,750,363	(7,750,363)
Contributions - Employee	-	2,413,369	(2,413,369)
Net Investment Income	-	12,448,066	(12,448,066)
Benefit Payments, Including Refunds of Employee Contributions	(6,776,203)	(6,776,203)	-
Administrative Expense	-	(79,734)	79,734
Other Changes	-	(1,865)	1,865
Net Changes	12,410,958	15,753,996	(3,343,038)
Balance at December 31, 2024:	\$ 170,436,090	\$ 135,405,881	\$ 35,030,209

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:

	Discount Rate		
	5.75%	6.75%	7.75%
Net Pension Liability (Asset)	\$ 59,880,668	\$ 35,030,208	\$ 14,728,115

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 SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE K -- EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Texas Municipal Retirement System (Continued)

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

For the year ended September 30, 2025, the City recognized pension expense of \$8,394,663. Also, as of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual		
Economic Experience	\$ 3,134,796	\$ -
Changes in Actuarial Assumptions	-	519,938
Differences between Projected and		
Actual Investment Earnings	-	1,515,432
Contributions subsequent to the		
Measurement Date	6,087,495	-
	\$ 9,222,291	\$ 2,035,370

Deferred outflows of resources in the amount of \$6,087,495 is related to pensions resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability for the plan year ending December 31, 2025 (subsequent fiscal period). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense in future years as follows:

For the Plan Year ended December 31,	
2025	\$ 1,268,285
2026	2,084,289
2027	(1,378,836)
2028	(874,312)
	\$ 1,099,426

NOTE L – OTHER POST-EMPLOYMENT BENEFITS

TMRS Supplemental Death Benefits Other Post-Employment Benefit

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). 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.

CITY OF SEGUIN, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TMRS Supplemental Death Benefits Other Post-Employment Benefit (Continued)

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 post-employment benefit,” or OPEB. Membership in the plan at December 31, 2023, the valuation and measurement date, consisted of:

	2024
Inactive Employees or Beneficiaries Currently Receiving Benefits	216
Inactive Employees Entitled to but Not Yet Receiving Benefits	67
Active Employees	467
	750

The SDBF required contribution rates, based on these assumptions, are as follows:

	Total SDBF Contribution Rate	Retiree SDBF Contribution Rate
For the Plan Year Ended December 31,		
2025	0.30%	0.14%
2024	0.37%	0.15%
2023	0.36%	0.16%

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. The following key assumptions were used in developing the actuarial valuation:

Inflation	2.50%
Salary Increases	3.60% to 11.85% Including Inflation
Discount Rate *	4.08%
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

*The discount rate was based on the Bond Buyer "20-Bond GO Index" rate closest to, but not later than December 31, 2024.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TMRS Supplemental Death Benefits Other Post-Employment Benefit (Continued)

The City’s contributions to TMRS were \$116,228 for the fiscal year ended September 30, 2025, and were equal to the required contributions. The SDBF required contribution rates of .30% and .37% for the plan years 2025 and 2024, respectively. The retiree portion to SDBF was .13% and .14% for the same years.

Total City’s Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2024, the measurement and actuarial valuation date were calculated as follows:

	Total OPEB Liability
Balance at December 31, 2023	\$ 1,306,436
Changes for the year:	
Service Cost	65,506
Interest	49,513
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(27,834)
Changes in Assumptions or Other Inputs	(65,962)
Benefit Payments	(51,715)
Net Changes	(30,492)
Balance at December 31, 2024	\$ 1,275,944

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 4.08% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (3.08%) and 1-percentage point higher (5.08%) than the current rate:

	Discount Rate 3.08%	Discount Rate 4.08%	Discount Rate 5.08%
Total OPEB Liability	\$ 1,507,164	\$ 1,275,944	\$ 1,093,336

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

TMRS Supplemental Death Benefits Other Post-Employment Benefit (Continued)

For the year ended September 30, 2025, the City recognized OPEB expense of \$3,748. Also, as of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the TMRS OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Actuarial Assumptions	\$ -	\$ 243,242
Differences in Expected and Actual Experience	-	52,028
Contributions After the Measurement Date	37,778	-
	\$ 37,778	\$ 295,270

Deferred outflows of resources in the amount of \$37,778 is related to OPEB benefits resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the total TMRS OPEB liability for the plan year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to the TMRS OPEB will be recognized in OPEB expense in future periods as follows:

For the Plan Year Ended December 31,		
2025	\$	(111,571)
2026		(121,100)
2027		(42,951)
2028		(15,357)
2029		(4,291)
Thereafter		-
		\$ (295,270)

City of Seguin Retiree Health Other Post-Employment Benefit Plan

In addition to the TMRS OPEB, The City administers a single-employer defined benefit healthcare plan for retirees, established under legal authority of the City Charter. The City is the only employer participating in the Plan. The Plan does not issue a publicly available financial report. Actuarial valuations are performed for the plan every two years.

The City provides post-employment benefits for eligible participants enrolled in City-sponsored plans. The benefits are provided in the form of an implicit rate subsidy where the City contributes towards the retiree health premiums before achieving Medicare eligibility. While the Plan offers retiree only rates, a very small implicit liability still exists. Membership in the plan as of September 30, 2025, the measurement date, consisted of:

	2023
Inactive Employees or Beneficiaries Currently Receiving Benefits	9
Inactive Employees Entitled to but Not Yet Receiving Benefits	50
Active Employees	366
	425

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

City of Seguin Retiree Health Other Post-Employment Benefit Plan (Continued)

Current active employees must be eligible for service retirement under the Texas Municipal Retirement System. To attain this eligibility active employees must be at least age 60 with 5 years of service or have at least 20 years of employment with the City. Furthermore, there is a subsidy offered only to employees hired prior to January 2008.

Minimum Years of Continuous Service	Minimum Age	City Contributions
15	57	0%
20	57	50% *
25	57	100% *

* The City Contribution toward retiree coverage is based on a percentage of the City Contribution made for active-duty employees. Retiree rates are actuarially established and adopted annually by the City/Employee Benefit Trust. Qualification for 100% contribution entitles the retiree to 100% of the contribution made for an active employee but does not necessarily mean retiree insurance coverage will be at no cost.

Methods and Assumptions Used to Determine Contribution Rates:

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.90% (Bond Buyer 20-Bond GO index)
Mortality Rates	PUB 2010 mortality table with generational scale MP-2021 applied on a gender-specific and job class basis.
Health Care Cost Trend Rates	7.75% for 2022, Decreasing 0.30% each year reaching ultimate rate of 4.0%

The City’s Retiree Health OPEB Liability (TOL), based on the above actuarial factors, as of September 30, 2025, the measurement and actuarial valuation date was calculated as follows:

	Total OPEB Liability
Balance at September 30, 2024	\$ 510,290
Changes for the year:	
Service Cost	11,066
Interest	19,270
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	(27,996)
Benefit Payments	(31,156)
Net Changes	(28,816)
Balance at September 30, 2025	\$ 481,474

CITY OF SEGUIN, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2025

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (Continued)

City of Seguin Retiree Health Other Post-Employment Benefit Plan (Continued)

Methods and Assumptions Used to Determine Contribution Rates (Continued):

There is no separate trust maintained to fund this TOL. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement NO. 75 to pay related benefits.

The following presents the TOL of the City, calculated using the discount rate of 4.9% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (3.90%) and 1-percentage point higher (5.90%) than the current rate:

	Discount Rate 3.90%	Discount Rate 4.90%	Discount Rate 5.90%
Total OPEB Liability	\$ 456,000	\$ 481,474	\$ 509,000

The following presents what the total OPEB liability of the City would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower (8.75% decreasing to 3%) or 1-percentage point higher (8.75% decreasing to 5%) than the current healthcare cost trends:

	1% Decrease	Current Trend	1% Increase
Total OPEB Liability	\$ 448,000	\$ 481,000	\$ 516,000

For the year ended September 30, 2025, the City recognized OPEB expense of \$9,927. Also, as of September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 91,857	\$ 217,254
Changes in assumptions/inputs	42,812	84,882
	\$ 134,669	\$ 302,136

Amounts reported as deferred outflows and inflows of resources related to the City’s Retired Health OPEB will be recognized in OPEB expense as follows:

For the Plan Year ended September 30,	
2026	\$ (8,135)
2027	(8,135)
2028	(7,122)
2029	(8,334)
2030	(12,689)
Thereafter	(123,052)
	\$ (167,467)

The aggregate amount of expense recognized for all OPEB plans for the fiscal year ending September 30, 2025 was \$12,703.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE M – COMMITMENTS AND CONTINGENCIES

Litigation

The City is the subject of various claims and litigation that have arisen in the course of its operations. Management is of the opinion that the City’s liability in these cases, if decided adversely to the City, will not have a material effect on the City’s financial position.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amount, if any, 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.

Construction Commitments

The City has entered into construction and engineering contracts for the improvement of various streets and utility systems, as well as park improvements. Estimated future commitments associated with these contracts as of September 30, 2025 are as follows:

Primary Government	Total	Incurred Thru	Estimated
<u>General Government</u>	<u>Commitments</u>	<u>September 2025</u>	<u>Future</u>
			<u>Commitments</u>
Bldgs, Streets & Drainage	\$ 74,920,626	\$ 41,326,671	\$ 33,593,955
Professional Services	23,287,036	16,737,919	6,549,117
	<u>98,207,662</u>	<u>58,064,590</u>	<u>40,143,072</u>
<u>Utility System</u>			
Utility System Improvements	268,686,317	111,936,032	156,750,285
Professional Services (Engineering)	41,349,316	27,044,573	14,304,743
	<u>310,035,633</u>	<u>138,980,605</u>	<u>171,055,028</u>
 Total Primary Government Commitments	 <u>\$ 408,243,295</u>	 <u>\$ 197,045,195</u>	 <u>\$ 211,198,100</u>
 Component Unit			
Professional Services	\$ 1,038,458	\$ 770,521	\$ 267,937
	<u>\$ 1,038,458</u>	<u>\$ 770,521</u>	<u>\$ 267,937</u>

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE M -- COMMITMENTS AND CONTINGENCIES (CONTINUED)

Economic Development Agreements

Chick-fil-A Agreement

The SEDC entered into a Performance Agreement with Chik-fil-A (CFA) on August 21, 2024, to support the development of a new CFA restaurant in Seguin. Under this agreement, the SEDC will reimburse CFA up to \$100,000 for eligible infrastructure improvements associated with the project through the SEDC Infrastructure Grant. In exchange for the infrastructure grant the CFA must begin construction within six months of submitting a Site Development Permit application or by December 31, 2025 whichever occurs first. CFA must complete construction within twelve months of receiving a Site Development Permit. Completion will be confirmed upon the issuance of a Final Certificate of Occupancy by the City of Seguin. CFA will invest a minimum of \$100,000 in infrastructure improvements related to the project. CFA will commit to at least \$3.5 million in total capital investment or the development. No reimbursements have been made for this project as of September 30, 2025.

Seguin Crossing Retail Development Agreement

The SEDC entered into a Performance Agreement with AJJ Seguin 1, LLC (Developer) on September 19, 2024, to support the development of a new retail center in Seguin. Under the agreement, the SEDC will reimburse the Developer up to \$2.5 million for eligible infrastructure improvements. The developer must begin construction on or before December 31, 2024. At least 100,000 square feet of new retail space and two retail sites. The Developer must invest a minimum of \$2 million in infrastructure improvements related to the project. The Developer must commit at least \$23.5 million in total capital investment for the project. As of September 30, 2025, \$1,000,000 been paid under this agreement.

Power Purchase Agreements

On December 17, 2015, the City entered into a fifteen (15) year agreement with the City of Garland to purchase energy produced by a solar-power facility, along with associated Environmental Attributes. The terms of the agreement began on the Commercial Operation Date (March 17, 2017) and ends on the day preceding the 15th anniversary of the agreement. In addition, the City entered into a separate twenty (20) year agreement with the City of Garland to purchase energy produced by a wind energy facility, along with associated Environmental Attributes. The terms of the agreement began on the Commercial Operation Date (November 13, 2016) and ends on the day preceding the 20th anniversary of the agreement. Both agreements carry performance guarantees for all parties, as well as mutual security provisions.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year. Therefore, there were no outstanding encumbrances as of September 30, 2025.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE M -- COMMITMENTS AND CONTINGENCIES (CONTINUED)

Guadalupe Regional Medical Center

The City of Seguin is contingently liable for 50% of operating deficits produced by Guadalupe Regional Medical Center (GRMC), if any, with Guadalupe County contingently responsible for the remainder. As of September 30, 2025, long-term debt of GRMC consisted of Revenue Bonds in the amount of \$100,345,000, and lease obligations in the amount of \$9,193,090.

Following is a summary of financial data as reported in the Guadalupe Regional Medical Center's most recent audited financial statements for the year ended September 30, 2025:

Assets:	
Current Assets	\$ 130,030,067
Other Assets	8,253,273
Capital Assets (Net)	112,047,166
Other Long Term Assets	5,758,078
Deferred Outflows of Resources	5,279,481
Total Assets and Deferred Outflows	261,368,065
Liabilities & Net Assets:	
Long Term Debt, current and noncurrent	53,682,529
Lease liabilities, current and noncurrent	8,267,564
Other current and noncurrent liabilities	96,805,892
Total Liabilities	158,755,985
Deferred Inflows of Resources	5,154,981
Net Position	\$ 97,457,099
Operating Revenues:	
Net Revenues from Patient Services	\$ 387,467,366
Other Operating Revenues	5,970,113
Total Operating Revenues	393,437,479
Operating Expenses:	
Total Net Operating Income	726,101
Nonoperating Revenues and (Expenses)	597,847
Increase (Decrease) in Net Position	\$ 1,323,948

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE M -- COMMITMENTS AND CONTINGENCIES (CONTINUED)

Schertz/Seguin Local Government Corporation

The City of Seguin is jointly liable, together with the City of Schertz, for operating deficits and long-term debt of the Schertz/Seguin Local Government Corporation (See Note A1). Following is a summary of financial data as reported in the Corporation's most recent audited financial statements dated 2024:

Assets:	
Current Assets	\$ 16,552,342
Restricted Cash and Cash Equivalents	29,398,751
Property, Plant & Equipment	153,372,541
Total Assets & Deferred Charges	199,323,634
Deferred outflows of resources related to Pension	1,977,049
Liabilities & Net Position:	
Current Liabilities	8,646,667
Revenue Bonds (Less Current Maturities and Unamortized Discounts)	145,932,292
Total Liabilities	154,578,959
Lease Inflows	-
Net Position:	
Net Investment in Capital Assets	12,287,707
Restricted	9,429,517
Unrestricted	25,004,500
Total Net Position	\$ 46,721,724

The Corporation had revenue bonds outstanding in the amount of \$158,205,000 (as of September 30, 2025) to provide funds to build, improve, extend, enlarge, and repair the Corporation's utility system, fund a reserve, and pay the costs of bond issuance. The bond resolution pledges intergovernmental contract revenues from the cities of Schertz and Seguin (the participating governments) to bond holders. Under the intergovernmental water supply contract, the participating governments are unconditionally obligated to pay their respective shares of annual contract revenue bond debt service from the operation of their respective utility systems.

NOTE N -- 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 contracts with the Texas Municipal League (TML) to provide insurance coverage for property and casualty, and workers compensation. TML is a multi-employer group that provides for a combination of risk sharing among pool participants and stop loss coverage. Contributions are set annually by the provider. Liability by the City is generally limited to the contributed amounts. Annual contributions for the year ended September 30, 2025 were \$747,399 for property and casualty and \$275,578 for workers' compensation coverage.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE O – TAX ABATEMENT DISCLOSURES

The City of Seguin negotiates property tax abatement agreements on a case-by-case basis. The agreements freeze property tax revenues received from the paying entity at current levels and deprives the City of a percentage of future increases in ad valorem property tax revenues that otherwise would have resulted from increases in assessed valuation in such areas until the tax abatement period terminates. The Texas Property Redevelopment and Tax Abatement Act, Chapter 312 of the Texas Tax Code authorizes taxing jurisdictions to provide property tax abatement for a limited period of time as inducement for the development or redevelopment of property.

The City of Seguin Tax Abatement Guidelines (the “Guidelines”), adopted and effective on January 1, 2017, allow abatements to be granted only for the additional value of real or personal property improvements. No abatement will be approved that exceeds 100% of the new appraised value of capital improvements and/or personal property, or that will reduce current ad valorem revenue, and will be effective for no more than ten years. In the event that a facility that has been granted a tax abatement discontinues producing goods or services, fails to commence or complete the required capital investment, or fails to comply with any other provisions of the tax abatement agreement, the abatement agreement may be terminated by the City and all taxes previously abated will be recaptured and paid within 60 days of the termination. The Guidelines also include three abatement schedules that identify maximum allowable percentages based on the amount of real and personal property investment. These schedules serve as a guide for staff in determining a recommended abatement for a specific project.

As of September 30, 2025, the City has six active tax abatement agreements with four entities. The gross amount of property tax abated during 2025 was \$367,185.

Minigrip Personal Property Tax Abatement Agreement is for a period of five years beginning January 1, 2019, and expiring January 1, 2024, for the installation of manufacturing machinery and equipment with a current appraised value of \$4,543,203. The total tax abatement for 2025 was \$9,313.

CSP of Texas Real and Personal Property Tax Abatement Agreement is for a period of ten years beginning January 1, 2021, and expiring January 1, 2031, for a declining abatement of (80% to 35%) of the taxable value of real and eligible personal property used in its manufacturing process with an estimated investment value of \$48,519,894 and the creation of 200 full time jobs within the city. The current tax abatement was \$153,645.

United Alloy Texas LLC Real and Personal Property Tax Abatement Agreement is for a period of five years beginning January 1, 2021, and expiring January 1, 2026, for declining abatement (60% to 30%) of the taxable value of real and eligible personal property used in its manufacturing process with an estimated investment value of \$26,640,922 and the creation of 100 full time jobs within the city. The current tax abatement was \$41,040.

Tyson Farms, Inc. Real and Personal Property Tax Abatement Agreement for a period of five years beginning January 1, 2023, and expiring January 1, 2027, for 50% of the taxable value of construction and operation of an additional 40,000 square foot facility with an estimated investment value of \$48,519,894. The current tax abatement was \$124,575.

Maruichi Stainless Steel Tube Texas Corporation Real and Personal Property Tax Abatement Agreement is for a period of five years beginning January 1, 2025, and expiring December 31, 2029, for 25% of the taxable value of real and eligible personal property used in its manufacturing process with an estimated investment value of \$30,078,081 The current tax abatement was \$38,612.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2025

NOTE O – TAX ABATEMENT DISCLOSURES (CONTINUED)

Yukon Venture Partners, LLC Real and Personal Property Tax Abatement Agreement for a period of four years beginning January 1, 2026, and expiring December 31, 2029, for a declining abatement (75% to 45%) of taxable value of a 150,000 square foot cold storage warehouse with an estimated investment value of \$30,000,000.

NOTE P – SUBSEQUENT EVENTS

After September 30, 2025, the City issued *The City of Seguin Combined Tax and Limited Pledge Revenue Certificates of Obligation, Series 2026* in the amount of \$39,000,000 to fund General Government improvements including street and drainage improvements as well as a new fire station, as well as \$31,000,000 for Utility System Infrastructure improvements.

NOTE Q – CHANGE IN ACCOUNTING PRINCIPLE

The City implemented GASB Statement 101 related to compensated absences as of October 1, 2024. Previously, accumulated sick time was not considered as part of the liability for compensated absences. After implementation, accumulated sick time is included if it is more likely than not to be taken in the future or paid out on termination. The change did not have a significant impact on the beginning net position of the City and, thus, no restatement required.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of Changes – Defined Benefit Plan - Net Pension Liability and Related Ratios
- Schedule of City Contributions – Defined Benefit Plan
- Schedule of Funding Progress – Other Postemployment Benefits

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive (Negative) 2024 Actual	
	Original	Final		(Negative)	Actual
REVENUES					
Taxes	\$ 25,742,894	\$ 25,659,679	\$ 26,562,187	\$ 902,508	\$ 25,602,138
Licenses and Permits	3,239,000	3,239,000	3,660,749	421,749	2,834,779
Intergovernmental	1,224,812	1,229,322	1,621,183	391,861	1,449,335
Charges for Services	9,972,342	9,972,342	10,503,511	531,169	9,855,960
Fines and Forfeits	586,700	586,700	717,151	130,451	628,337
Interest	888,629	888,629	1,452,772	564,143	1,581,338
Miscellaneous	906,992	946,992	1,049,496	102,504	891,877
Total Revenues	42,561,369	42,522,664	45,567,049	3,044,385	42,843,764
EXPENDITURES					
GENERAL GOVERNMENT:					
<i>Administration:</i>					
Personnel Services	106,594	106,594	104,480	2,114	99,505
Contracted Services	600	600	600	-	600
Supplies	650	756	756	-	369
Other Services and Charges	30,400	30,294	20,372	9,922	26,004
<i>Total Administration</i>	138,244	138,244	126,208	12,036	126,478
<i>Financial Administration:</i>					
Personnel Services	564,103	564,080	549,782	14,298	545,307
Contracted Services	408,988	409,010	408,004	1,006	349,801
Supplies	55,691	78,421	68,930	9,491	9,886
Other Services and Charges	21,890	21,890	10,428	11,462	10,740
<i>Total Financial Administration</i>	1,050,672	1,073,401	1,037,144	36,257	915,734
<i>City Manager:</i>					
Personnel Services	305,425	309,993	309,991	2	268,573
Contracted Services	7,220	15,720	7,556	8,164	4,259
Supplies	2,125	2,125	1,482	643	2,211
Other Services and Charges	25,500	27,433	27,433	-	22,692
<i>Total City Manager</i>	340,270	355,271	346,462	8,809	297,735
<i>Human Resources:</i>					
Personnel Services	362,274	362,274	351,327	10,947	333,292
Contracted Services	64,213	64,286	56,035	8,251	49,046
Supplies	3,100	3,100	1,921	1,179	2,382
Other Services and Charges	57,050	56,977	29,797	27,180	29,642
<i>Total Human Resources</i>	\$ 486,637	\$ 486,637	\$ 439,080	\$ 47,557	\$ 414,362

Continued

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget -	
	Original	Final		Positive (Negative)	2024 Actual
General Government (Cont.):					
<i>Planning and Zoning Office:</i>					
Personnel Services	\$ 2,314,086	\$ 2,314,085	\$ 2,177,924	\$ 136,161	\$ 1,993,592
Contracted Services	372,048	372,048	159,725	212,323	370,618
Supplies	23,960	43,360	34,953	8,407	30,726
Other Services and Charges	45,880	26,480	18,161	8,319	21,772
<i>Total Planning and Zoning Office</i>	<u>2,755,974</u>	<u>2,755,973</u>	<u>2,390,763</u>	<u>365,210</u>	<u>2,416,708</u>
<i>City Secretary's Office:</i>					
Personnel Services	120,968	120,968	118,686	2,282	123,087
Contracted Services	6,450	6,450	4,175	2,275	2,851
Supplies	3,000	3,000	1,887	1,113	1,643
Other Services and Charges	43,345	45,100	39,247	5,853	16,218
<i>Total City Secretary's Office</i>	<u>173,763</u>	<u>175,518</u>	<u>163,995</u>	<u>11,523</u>	<u>143,799</u>
<i>Information Technology</i>					
Personnel Services	706,778	706,424	636,096	70,328	552,651
Contracted Services	833,746	833,817	728,710	105,107	598,812
Supplies	3,100	5,783	4,646	1,137	3,781
Other Services and Charges	17,800	15,400	11,085	4,315	14,487
<i>Total Information Technology</i>	<u>1,561,424</u>	<u>1,561,424</u>	<u>1,380,537</u>	<u>180,887</u>	<u>1,169,731</u>
<i>City Attorney:</i>					
Personal Services	227,917	227,917	225,733	2,184	200,720
Contracted Services	20,570	20,570	17,292	3,278	9,498
Supplies	1,350	1,350	877	473	1,979
Other Services and Charges	4,800	4,800	2,055	2,745	2,212
<i>Total City Attorney:</i>	<u>254,637</u>	<u>254,637</u>	<u>245,957</u>	<u>8,680</u>	<u>214,409</u>
<i>Facilities and Grounds:</i>					
Personnel Services	234,721	234,700	218,064	16,636	204,509
Contracted Services	168,878	179,398	104,235	75,163	128,842
Supplies	13,500	13,500	7,988	5,512	2,911
Other Services and Charges	4,000	4,000	3,921	79	2,886
<i>Total Facilities and Grounds</i>	<u>421,099</u>	<u>431,598</u>	<u>334,208</u>	<u>97,390</u>	<u>339,148</u>
Total General Government	<u>\$ 7,182,720</u>	<u>\$ 7,232,703</u>	<u>\$ 6,464,354</u>	<u>\$ 768,349</u>	<u>\$ 6,038,104</u>

Continued

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Budgeted Amounts		2025 Actual	Variance With	2024 Actual
	Original	Final		Final Budget - Positive (Negative)	
Public Safety:					
<i>Police:</i>					
Personnel Services	\$ 11,476,719	\$ 11,476,717	\$ 10,973,006	\$ 503,711	\$ 10,131,011
Contracted Services	152,690	155,465	145,591	9,874	124,218
Supplies	179,600	184,110	155,804	28,306	165,489
Other Services and Charges	366,500	363,724	298,983	64,741	296,147
<i>Total Police</i>	<u>12,175,509</u>	<u>12,180,016</u>	<u>11,573,384</u>	<u>606,632</u>	<u>10,716,865</u>
<i>Fire/EMS:</i>					
Personnel Services	10,449,763	10,433,455	9,442,690	990,765	8,578,940
Contracted Services	343,480	276,913	262,757	14,156	225,618
Supplies	459,100	551,974	467,607	84,367	359,876
Other Services and Charges	276,900	276,900	200,585	76,315	198,929
<i>Total Fire/EMS</i>	<u>11,529,243</u>	<u>11,539,242</u>	<u>10,373,639</u>	<u>1,165,603</u>	<u>9,363,363</u>
<i>Municipal Court:</i>					
Personnel Services	446,573	446,573	441,289	5,284	413,109
Contracted Services	55,200	55,200	50,415	4,785	35,602
Supplies	7,500	7,500	5,795	1,705	7,436
Other Services and Charges	10,650	10,650	7,312	3,338	6,188
<i>Total Municipal Court</i>	<u>519,923</u>	<u>519,923</u>	<u>504,811</u>	<u>15,112</u>	<u>462,335</u>
<i>Animal Control:</i>					
Personnel Services	635,688	633,529	582,976	50,553	520,462
Contracted Services	94,855	97,013	85,469	11,544	71,434
Supplies	55,000	55,000	51,882	3,118	48,354
Other Services and Charges	12,800	12,800	7,064	5,736	6,674
<i>Total Animal Control</i>	<u>798,343</u>	<u>798,342</u>	<u>727,391</u>	<u>70,951</u>	<u>646,924</u>
Total Public Safety	<u>25,023,018</u>	<u>25,037,523</u>	<u>23,179,225</u>	<u>1,858,298</u>	<u>21,189,487</u>
Public Service:					
<i>Public Works:</i>					
Personnel Services	2,169,007	2,170,803	2,057,363	113,440	1,793,703
Contracted Services	447,360	394,918	355,689	39,229	184,728
Supplies	67,000	67,000	40,113	26,887	34,662
Other Services and Charges	130,800	185,800	167,577	18,223	163,765
<i>Total Public Works</i>	<u>\$ 2,814,167</u>	<u>\$ 2,818,521</u>	<u>\$ 2,620,742</u>	<u>\$ 197,779</u>	<u>\$ 2,176,858</u>

Continued

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Budgeted Amounts		2025 Actual	Variance With Final Budget - Positive (Negative)	2024 Actual
	Original	Final			
Public Service: (Cont.)					
<i>Brush Department</i>					
Personnel Services	\$ 577,729	\$ 579,728	\$ 558,685	\$ 21,043	\$ 524,982
Contracted Services	18,982	19,095	4,034	15,061	3,795
Supplies	42,000	42,000	29,891	12,109	26,793
Other Services and Charges	44,800	44,800	35,306	9,494	42,714
<i>Total Brush Department</i>	<u>683,511</u>	<u>685,623</u>	<u>627,916</u>	<u>57,707</u>	<u>598,284</u>
<i>Vehicle Maintenance:</i>					
Personnel Services	\$ 239,474	\$ 241,752	\$ 240,318	\$ 1,434	\$ 195,931
Contracted Services	496,938	482,958	401,949	81,009	538,596
Supplies	24,800	38,262	38,261	1	21,570
Other Services and Charges	18,600	17,117	6,195	10,922	17,351
<i>Total Vehicle Maintenance</i>	<u>779,812</u>	<u>780,089</u>	<u>686,723</u>	<u>93,366</u>	<u>773,448</u>
<i>Engineering/ Capital Projects</i>					
Personnel Services	473,591	473,591	448,108	25,483	429,636
Contracted Services	60,779	60,779	18,628	42,151	17,327
Supplies	4,200	4,200	1,607	2,593	1,519
Other Services and Charges	18,230	18,230	14,771	3,459	10,631
<i>Total Engineering/ Cap Proj</i>	<u>556,800</u>	<u>556,800</u>	<u>483,114</u>	<u>73,686</u>	<u>459,113</u>
<i>Library:</i>					
Personnel Services	1,574,489	1,604,768	1,561,471	43,297	1,403,708
Contracted Services	134,651	129,623	116,737	12,886	114,069
Supplies	202,250	242,250	241,060	1,190	194,447
Other Services and Charges	12,890	21,122	19,630	1,492	11,466
<i>Total Library</i>	<u>1,924,280</u>	<u>1,997,763</u>	<u>1,938,898</u>	<u>58,865</u>	<u>1,723,690</u>
<i>Parks and Recreation:</i>					
Personnel Services	2,211,249	2,211,249	2,115,320	95,929	1,921,398
Contracted Services	448,253	472,253	450,036	22,217	385,023
Supplies	221,100	221,100	143,824	77,276	132,517
Other Services and Charges	59,800	80,800	65,064	15,736	63,835
<i>Total Parks and Recreation</i>	<u>2,940,402</u>	<u>2,985,402</u>	<u>2,774,244</u>	<u>211,158</u>	<u>2,502,773</u>
<i>Downtown & Main St. Programs:</i>					
Personnel Services	226,799	226,145	200,172	25,973	198,514
Contracted Services	11,550	9,525	4,384	5,141	6,360
Supplies	1,425	4,039	1,377	2,662	3,468
Other Services and Charges	33,255	33,320	35,184	(1,864)	26,716
<i>Total Downtown & Main St. Programs</i>	<u>273,029</u>	<u>273,029</u>	<u>241,117</u>	<u>31,912</u>	<u>235,058</u>
Total Public Service	<u>\$ 9,972,001</u>	<u>\$ 10,097,227</u>	<u>\$ 9,372,754</u>	<u>\$ 724,473</u>	<u>\$ 8,469,224</u>

Continued

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Budgeted Amounts		2025 Actual	Variance With	2024 Actual
	Original	Final		Final Budget - Positive (Negative)	
Nondepartmental:					
Contracted Services	\$ 2,474,000	\$ 2,682,307	\$ 2,670,090	\$ 12,217	\$ 2,538,243
Building and Auto Insurance	250,000	400,000	263,243	136,757	269,134
Unemployment Insurance	10,000	10,000	27,700	(17,700)	3,732
Contributions - Civic Organizations	2,980,369	2,689,747	1,310,777	1,378,970	1,256,483
Other Services and Charges	376,900	876,900	588,264	288,636	366,832
Total Nondepartmental	6,091,269	6,658,954	4,860,074	1,798,880	4,434,424
Capital Outlay	-	-	-	-	-
Indirect Cost					
Recovery - Utility Fund	(6,500,291)	(6,500,291)	(8,590,660)	2,090,369	(7,888,740)
Total Expenditures	41,768,717	42,526,116	35,285,747	7,240,369	32,242,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	792,652	(3,452)	10,281,302	10,284,754	10,601,265
OTHER FINANCING SOURCES (USES)					
Transfers In	14,000	14,000	19,829	5,829	15,553
Transfers (Out)	(3,951,315)	(6,647,887)	(6,736,311)	(88,424)	(6,338,334)
Total Other Financing Sources (Uses)	(3,937,315)	(6,633,887)	(6,716,482)	(82,595)	(6,322,781)
Net Change in Fund Balance	(3,144,663)	(6,637,339)	3,564,820	10,202,159	4,278,484
Fund Balance at Beginning of Year	30,395,592	30,395,592	30,395,592	-	26,117,108
Fund Balance at End of Year	\$ 27,250,929	\$ 23,758,253	\$ 33,960,412	\$ 10,202,159	\$ 30,395,592

CITY OF SEGUIN, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
SEPTEMBER 30, 2025

Budgetary Information – The budget is prepared in accordance with accounting principles generally accepted in the United States of America. The City maintains strict budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and as such is a good management control device. The following are funds which have legally adopted annual budgets: General Fund, Debt Service Fund, Occupancy Tax (Special Revenue) Fund, Coliseum (Special Revenue) Fund, Aquatic Center (Special Revenue) Fund, Municipal Court Security Fund (Special Revenue), Municipal Court Technology Fund (Special Revenue), Forfeiture & Seizure Fund (Special Revenue), Golf Course (Special Revenue) Fund, P.D. Program Fund (Special Revenue), Juvenile Case Manager (Special Revenue), Destination Management (Special Revenue Fund), Convention & Visitor’s Building Fund (Special Revenue), Sebastopol House (Special Revenue) Fund, Police Donations (Special Revenue) Fund, PEG Capital Fees (Special Revenue) Fund, Library Development (Special Revenue) Fund, Seguin Events Complex (Special Revenue) Fund, Seguin Arts Commission (Special Revenue) Fund, and American Rescue Act (Special Revenue) Fund. Project – length financial plans are adopted for the Capital Projects Funds.

Budgetary preparation and control is exercised at the department level. Actual expenditures may not legally exceed appropriations at the fund level.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances lapse at year-end and do not constitute expenditures or liabilities because the commitments must be re-appropriated and honored during the subsequent year.

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN PLAN YEARS

	2015	2016	2017	2018
Service Cost	\$ 3,015,806	\$ 3,288,440	\$ 3,528,748	\$ 3,662,307
Interest (on the Total Pension Liability)	6,178,108	6,345,379	6,745,276	7,168,895
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(179,540)	124,086	422,264	59,508
Change of Assumptions	289,698	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(3,623,283)	(3,763,653)	(4,143,663)	(4,830,794)
Net Change in Total Pension Liability	5,680,789	5,994,252	6,552,625	6,059,916
Total Pension Liability - Beginning	88,562,426	94,243,215	100,237,467	106,790,092
Total Pension Liability - Ending	<u>\$ 94,243,215</u>	<u>\$ 100,237,467</u>	<u>\$ 106,790,092</u>	<u>\$ 112,850,008</u>
Contributions - Employer	\$ 2,722,654	\$ 3,457,964	\$ 4,008,013	\$ 4,344,789
Contributions - Employee	1,228,792	1,315,376	1,415,544	1,469,963
Net Investment Income	90,246	4,157,561	9,238,393	(2,310,563)
Benefit Payments, Including Refunds of Employee Contributions	(3,623,283)	(3,763,653)	(4,143,663)	(4,830,794)
Administrative Expense	(54,973)	(46,960)	(47,868)	(44,642)
Other	(2,716)	(2,530)	(2,426)	(2,332)
Net Change in Plan Fiduciary Net Position	360,720	5,117,758	10,467,993	(1,373,579)
Plan Fiduciary Net Position - Beginning	61,165,370	61,526,090	66,643,848	77,111,841
Plan Fiduciary Net position - Ending	<u>\$ 61,526,090</u>	<u>\$ 66,643,848</u>	<u>\$ 77,111,841</u>	<u>\$ 75,738,262</u>
Net Pension Liability (Asset) - Ending	\$ 32,717,125	\$ 33,593,619	\$ 29,678,251	\$ 37,111,746
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.28%	66.49%	72.21%	67.11%
Covered Payroll	\$ 17,554,166	\$ 18,791,085	\$ 20,222,051	\$ 20,999,466
Net Pension Liability as a Percentage of Covered Payroll	186.38%	178.77%	146.76%	176.73%

	2019	2020	2021	2022	2023	2024
\$	3,740,028	\$ 4,157,033	\$ 4,358,069	\$ 4,753,834	\$ 5,408,586	\$ 6,174,778
	7,580,148	8,068,419	8,598,348	9,294,231	9,942,330	10,646,398
	-	-	-	-	-	-
	384,172	1,421,699	3,417,803	1,471,074	2,299,200	2,365,985
	528,089	-	-	-	(1,121,026)	-
	(4,843,065)	(5,571,519)	(6,222,232)	(6,303,221)	(6,186,876)	(6,776,203)
	7,389,372	8,075,632	10,151,988	9,215,918	10,342,214	12,410,958
	112,850,008	120,239,380	128,315,012	138,467,000	147,682,918	158,025,132
\$	<u>120,239,380</u>	<u>\$ 128,315,012</u>	<u>\$ 138,467,000</u>	<u>\$ 147,682,918</u>	<u>\$ 158,025,132</u>	<u>\$ 170,436,090</u>

\$	4,775,463	\$ 5,459,165	\$ 5,702,964	\$ 6,075,497	\$ 6,952,552	\$ 7,750,363
	1,503,745	1,719,813	1,796,613	1,951,920	2,192,247	2,413,369
	11,715,246	6,745,238	12,671,624	(8,111,484)	12,125,632	12,448,066
	(4,843,065)	(5,571,519)	(6,222,232)	(6,303,221)	(6,186,876)	(6,776,203)
	(66,161)	(43,626)	(58,587)	(70,128)	(77,051)	(79,734)
	(1,987)	(1,705)	402	83,683	(538)	(1,865)
	13,083,241	8,307,366	13,890,784	(6,373,733)	15,005,966	15,753,996
	75,738,262	88,821,503	97,128,869	111,019,653	104,645,920	119,651,886
\$	<u>88,821,503</u>	<u>\$ 97,128,869</u>	<u>\$ 111,019,653</u>	<u>\$ 104,645,920</u>	<u>\$ 119,651,886</u>	<u>\$ 135,405,882</u>

\$	31,417,877	\$ 31,186,143	\$ 27,447,347	\$ 43,036,998	\$ 38,373,246	\$ 35,030,208
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	73.87%	75.70%	80.18%	70.86%	75.72%	79.45%
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\$	21,482,071	\$ 24,568,755	\$ 25,665,898	\$ 27,881,724	\$ 31,317,809	\$ 34,476,707
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	146.25%	126.93%	106.94%	154.36%	122.53%	101.61%
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**CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
LAST NINE FISCAL YEARS**

Schedule of Contributions:	2016	2017	2018	2019	2020
Actuarially Determined Contribution	\$ 2,732,499	\$ 3,151,764	\$ 3,287,335	\$ 3,242,555	\$ 4,774,365
Contributions in Relation to the Actuarially Determined Contribution	3,451,731	3,826,130	4,287,815	4,628,145	5,138,648
Contribution Deficiency (Excess)	<u>\$ (719,232)</u>	<u>\$ (674,366)</u>	<u>\$ (1,000,480)</u>	<u>\$ (1,385,590)</u>	<u>\$ (364,283)</u>
 Covered Payroll	 \$ 18,313,373	 \$ 19,869,160	 \$ 20,926,536	 \$ 21,157,950	 \$ 23,123,902
 Contribution as a Percentage of Covered Payroll	 18.85%	 19.26%	 20.49%	 21.87%	 22.22%
 Schedule of Contributions:	 2021	 2022	 2023	 2024	
Actuarially Determined Contribution	\$ 5,584,460	\$ 5,978,022	\$ 6,702,534	\$ 7,547,291	
Contributions in Relation to the Actuarially Determined Contribution	5,584,460	5,978,022	6,702,534	7,547,291	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
 Covered Payroll	 \$ 25,150,921	 \$ 27,293,185	 \$ 30,334,859	 \$ 33,682,213	
 Contribution as a Percentage of Covered Payroll	 22.20%	 21.90%	 22.10%	 22.41%	

Valuation Date

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen (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	20 Years
Asset Valuation Method	10 Year Smoothed Fair Value, 12% Soft Corridor
Inflation	2.50%
Salary Increases	3.60 to 11.85%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

Notes There were no benefit changes during the year.

GASB 68 Pension Information is being applied prospectively. 10-year historical trend information will be developed beginning with 2015

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – TMRS OTHER POST-EMPLOYMENT BENEFIT LIABILITY
AND RELATED RATIOS
LAST SEVEN CALENDAR YEARS

	Total TMRS OPEB Liability			
	2019	2020	2021	2022
Service Cost	\$ 44,099	\$ 38,668	\$ 68,793	\$ 87,264
Interest	37,359	40,815	38,034	33,151
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	(17,970)	(8,771)	(24,786)	(52,598)
Changes in Assumptions or Other Inputs	(76,558)	210,961	213,682	51,455
Benefit Payments	(12,600)	(12,889)	(14,741)	(46,199)
Net Change in Total OPEB Liability	(25,670)	268,784	280,982	73,073
Total OPEB Liability - Beginning	1,112,919	1,087,249	1,356,033	1,637,015
Total OPEB Liability - Ending	<u>\$ 1,087,249</u>	<u>\$ 1,356,033</u>	<u>\$ 1,637,015</u>	<u>\$ 1,710,088</u>
Covered Employee Payroll	\$ 20,999,466	\$ 21,482,071	\$ 24,568,755	\$ 25,665,898
Total TMRS OPEB Liability as a Percentage of Covered Employee Payroll	5.18%	6.31%	6.66%	6.66%

	Total TMRS OPEB Liability		
	2023	2024	2025
Service Cost	\$ 103,162	\$ 59,504	\$ 65,506
Interest	32,004	47,961	49,513
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(50,227)	11,132	(27,834)
Changes in Assumptions or Other Inputs	(570,896)	58,427	(65,962)
Benefit Payments	(44,611)	(50,108)	(51,715)
Net Change in Total OPEB Liability	(530,568)	126,916	(30,492)
Total OPEB Liability - Beginning	1,710,088	1,179,520	1,306,436
Total OPEB Liability - Ending	<u>\$ 1,179,520</u>	<u>\$ 1,306,436</u>	<u>\$ 1,275,944</u>
Covered Employee Payroll	\$ 27,881,724	\$ 31,317,809	\$ 34,476,707
Total TMRS OPEB Liability as a Percentage of Covered Employee Payroll	4.23%	4.17%	3.70%

Methods and Assumptions

Inflation	2.50%
Salary Increases	3.60% to 11.50% Including Inflation
Discount Rate *	4.08%
Retirees' share of benefit costs	\$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

* The discount rate was based on the Bond Buyer "20-Bond GO index" rate closest to, but not later than December 31, 2024.

Notes to Schedule

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

Trust:

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

Note: Information for this schedule is being accumulated prospectively until a rolling ten-year period is available.

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES – CITY RETIREE HEALTH OTHER POST-EMPLOYMENT BENEFIT
LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS

	Total OPEB Liability			
	2019	2020	2021	2022
Service Cost	\$ 14,232	\$ 20,506	\$ 11,298	\$ 11,450
Interest	33,354	22,364	15,681	14,274
Changes of Benefit Terms	-	-	-	-
Difference between Expected and Actual Experience	-	(61,276)	-	122,451
Changes in Assumptions or Other Inputs	61,514	(29,327)	2,271	(41,852)
Benefit Payments	(103,980)	(69,785)	(78,794)	(71,238)
Net Change in Total OPEB Liability	5,120	(117,518)	(49,544)	35,085
Total OPEB Liability - Beginning	850,024	855,144	737,626	688,082
Total OPEB Liability - Ending	<u>\$ 855,144</u>	<u>\$ 737,626</u>	<u>\$ 688,082</u>	<u>\$ 723,167</u>
Covered Employee Payroll	\$ 19,493,000	\$ 22,041,910	\$ 22,703,000	\$ 23,767,012
Total Retiree Insurance OPEB Liability as a Percentage of Covered Employee Payroll	4.39%	3.35%	3.03%	3.04%

	Total OPEB Liability		
	2023	2024	2025
Service Cost	\$ 9,905	\$ 9,817	\$ 11,066
Interest	27,823	27,479	19,270
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	-	(201,038)	(27,996)
Changes in Assumptions or Other Inputs	(1,518)	17,467	-
Benefit Payments	(81,922)	(20,890)	(31,156)
Net Change in Total OPEB Liability	(45,712)	(167,165)	(28,816)
Total OPEB Liability - Beginning	723,167	677,455	510,290
Total OPEB Liability - Ending	<u>\$ 677,455</u>	<u>\$ 510,290</u>	<u>\$ 481,474</u>
Covered Employee Payroll	\$ 24,480,000	\$ 29,554,460	\$ 29,554,460
Total Retiree Insurance OPEB Liability as a Percentage of Covered Employee Payroll	2.77%	1.73%	1.63%

Methods and Assumptions

Inflation	2.50%
Salary Increases	3.00%
Discount Rate	4.90%
Mortality Rates	Pub-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).
Health Care Cost Trend Rates	7.75% for 2024, Decreasing 0.30% each year for 10 years, and 0.10% thereafter until reaching the ultimate trend rate of 4.0%.

Notes to Schedule

Changes in Benefit Terms: None

Trust:

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

Note: Information for this schedule is being accumulated prospectively until a rolling ten-year period is available.

SUPPLEMENTARY INFORMATION

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedule include:

- Comparative Statements – General Fund
- Statement of Revenues, Expenditures & Changes in Fund Balance – Budget and Actual – Debt Service Fund
- Combining Statements – Nonmajor Governmental Funds
 - *Combining Statements – Nonmajor Special Revenue Funds*
 - *Combining Statements – Nonmajor Capital Projects Funds*
 - *Budgetary Statements*
- Comparative Statements – Enterprise (Utility) Fund
- Combining Statements – Internal Service (Insurance) Funds
- Combining Statements – Fiduciary (Custodial) Funds



It's real.

CITY OF SEGUIN, TEXAS
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND
 SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 756,473	\$ 49,370
Investments	33,933,658	30,877,282
Receivables:		
Taxes	3,165,538	3,067,328
Accounts	1,934,504	1,666,357
Grants	49,735	52,589
Miscellaneous	38,340	69,895
Due from Other Funds	-	-
Inventory of Supplies	42,039	24,422
Prepaid Items	380,799	283,585
Total Assets	\$ 40,301,086	\$ 36,090,828
LIABILITIES		
Accounts Payable	\$ 1,556,297	\$ 1,157,830
Accrued Expenditures	1,249,205	1,130,723
Due to Other Funds	-	-
Due to Component Unit	391,057	389,259
Unearned Revenue	531,635	597,412
Due to Others	780,857	655,165
Total Liabilities	4,509,051	3,930,389
Deferred Inflows of Resources		
Unavailable Revenue	1,831,623	1,764,847
Total Deferred Inflows of Resources	1,831,623	1,764,847
Fund Balance:		
Nonspendable	422,838	308,007
Restricted	57,402	57,402
Committed - Stabilization Arrangement	2,642,199	2,757,780
Assigned	280,363	169,946
Unassigned	30,557,610	27,102,457
Total Fund Balance	33,960,412	30,395,592
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 40,301,086	\$ 36,090,828

CITY OF SEGUIN, TEXAS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 GENERAL FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2025 AND 2024

REVENUES	2025	2024
Taxes	\$ 26,562,187	\$ 25,602,138
Licenses and Permits	3,660,749	2,834,779
Intergovernmental	1,621,183	1,449,335
Charges for Services	10,503,511	9,855,960
Fines and Forfeits	717,151	628,337
Interest	1,452,772	1,581,338
Miscellaneous	1,049,496	891,877
Total Revenues	45,567,049	42,843,764
EXPENDITURES		
<i>Current:</i>		
General Government	6,464,354	6,038,104
Public Safety	23,179,225	21,189,487
Public Service	9,372,754	8,469,224
Nondepartmental	4,860,074	4,434,424
Indirect Cost Allocation (Recovery)	(8,590,660)	(7,888,740)
Total Expenditures	35,285,747	32,242,499
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,281,302	10,601,265
OTHER FINANCING SOURCES (USES)		
Transfers In	19,829	15,553
Transfers (Out)	(6,736,311)	(6,338,334)
Total Other Financing Sources (Uses)	(6,716,482)	(6,322,781)
Net Change in Fund Balance	3,564,820	4,278,484
Fund Balance at Beginning of Year	30,395,592	26,117,108
Fund Balance at End of Year	\$ 33,960,412	\$ 30,395,592

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(with Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Taxes	\$ 9,362,486	\$ 9,366,756	\$ 4,270	\$ 8,197,691
Interest	100,000	279,848	179,848	278,899
Total Revenues	<u>9,462,486</u>	<u>9,646,604</u>	<u>184,118</u>	<u>8,476,590</u>
EXPENDITURES				
Debt Service:				
Principal	4,068,760	4,068,760	-	4,104,800
Interest and Fiscal Charges	6,631,424	5,289,086	1,342,338	4,534,595
Total Expenditures	<u>10,700,184</u>	<u>9,357,846</u>	<u>1,342,338</u>	<u>8,639,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,237,698)</u>	<u>288,758</u>	<u>1,526,456</u>	<u>(162,805)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In(Out)	23,391	23,391	-	-
Total Other Financing Sources (Uses)	<u>23,391</u>	<u>23,391</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,214,307)	312,149	1,526,456	(162,805)
FUND BALANCE, OCTOBER 1	<u>1,017,743</u>	<u>1,017,743</u>	<u>-</u>	<u>1,180,548</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (196,564)</u>	<u>\$ 1,329,892</u>	<u>\$ 1,526,456</u>	<u>\$ 1,017,743</u>

CITY OF SEGUIN, TEXAS
COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Occupancy Tax Fund – To account for the Occupancy Tax revenues paid the City and restricted by State Law. The revenues provide for contributions to various civic organizations. In addition, certain occupancy tax proceeds are designated for specific uses and are reflected in separate special revenue funds.

Coliseum Fund – To account for occupancy tax and revenues earned by the coliseum that provide for the operations and maintenance of the coliseum.

Aquatic Center Fund – To account for the revenues earned by the Aquatic Center committed for the operations and maintenance of the Aquatic Center.

Municipal Court Security – To account for revenues from court fines restricted to improving municipal court security.

Municipal Court Technology – To account for revenues from court fines restricted to improving court technology.

Forfeiture & Seizure Fund – Account for revenues under federal, state and civil cases that allow confiscation of money and property. All forfeited proceeds are to be spent on law enforcement.

Golf Course Fund – To account for the operations of the golf course and related pro shop. Revenues are committed for the operations of the golf course facilities.

P.D. Community Program Fund – Established in fiscal 1995 to account for donations received for the D.A.R.E. program. This fund is now used to account for donations for police community programs.

Juvenile Case Manager Fund – To account for fees assessed and restricted to support a case manager for juvenile offenders.

Destination Management Fund – To account for occupancy tax revenues restricted for specific purposes by state law.

CVB Building Fund – Established to receive a portion of the Occupancy Tax Revenue to support a future building site for the Convention and Visitors Bureau.

Sebastopol House – To account for occupancy tax revenues restricted for specific purposes by state law. The Sebastopol House is a registered historic landmark.

Police Department Donations – To account for contributions restricted to the City Police Department.

PEG Capital Fees – To account for fees collected and remitted to the city with cable franchise fees to support government-access cable broadcasting.

Library Development Fund – To account for contributions restricted to library enhancement.

CITY OF SEGUIN, TEXAS
COMBINING FINANCIAL STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (continued)

Seguin Events Complex – To account for occupancy tax and charges for use of the Complex restricted to supporting the operations of the Complex

Seguin Arts Commission – To track donations received specific to enhancement of downtown Seguin

American Rescue Plan Fund – To receive and track funds disbursed from the federal government to defray costs associated with the Corona Virus

CAPITAL PROJECTS FUNDS

The Capital Projects funds are used to account for proceeds from bond issues and other resources specifically assigned for capital expenditures.

CITY OF SEGUIN, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025

	Combined Special Revenue	Combined Capital Projects	Total
ASSETS			
Cash and Cash Equivalents	\$ 427,043	\$ 548,822	\$ 975,865
Investments	3,850,382	15,217,147	19,067,529
Receivables (net of allowances for uncollectibles):			
Taxes	170,950	-	170,950
Accounts	38,540	57,582	96,122
Restricted Assets:			
Cash and Cash Equivalents	-	195,320	195,320
Investments	-	19,934,876	19,934,876
Total Assets	\$ 4,486,915	\$ 35,953,747	\$ 40,440,662
 LIABILITIES AND FUND BALANCE			
<i>Liabilities:</i>			
Accounts Payable	\$ 115,195	\$ 850,487	\$ 965,682
Accrued Expenditures	40,059	-	40,059
Contract Retention Payable	-	497,310	497,310
Unearned Revenues	25,581	335,673	361,254
Due to Others	31,920	-	31,920
Total Liabilities	212,755	1,683,470	1,896,225
 <i>Fund Balance:</i>			
Restricted			
Tourism & Economic Development	2,063,613	-	2,063,613
Public Safety	691,892	-	691,892
Public Service	563,461	-	563,461
Capital Projects	-	31,116,138	31,116,138
Committed	955,194	-	955,194
Assigned	-	3,154,139	3,154,139
Total Fund Balance	4,274,160	34,270,277	38,544,437
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 4,486,915	 \$ 35,953,747	 \$ 40,440,662

CITY OF SEGUIN, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES	Combined Special Revenue	Combined Capital Projects	Total
Taxes	\$ 1,005,715	\$ -	\$ 1,005,715
Licenses and Permits	-	3,414,382	3,414,382
Intergovernmental	931,259	-	931,259
Charges for Services	329,870	1,044	330,914
Fines and Forfeits	194,521	-	194,521
Interest	214,958	1,841,078	2,056,036
Miscellaneous	79,924	16,032	95,956
Total Revenues	<u>2,756,247</u>	<u>5,272,536</u>	<u>8,028,783</u>
EXPENDITURES			
Current:			
General Government	1,938,600	-	1,938,600
Public Service	-	405,517	405,517
Nondepartmental	442,023	-	442,023
Capital Outlay	1,031,192	11,361,630	12,392,822
Debt Service:			
Principal	-	159,771	159,771
Interest & Fiscal Charges	-	50,777	50,777
Total Expenditures	<u>3,411,815</u>	<u>11,977,695</u>	<u>15,389,510</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(655,568)</u>	<u>(6,705,159)</u>	<u>(7,360,727)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	62,463	529,512	591,975
Transfers Out	(164,981)	-	(164,981)
Total Other Financing Sources (Uses)	<u>(102,518)</u>	<u>529,512</u>	<u>426,994</u>
Net Change in Fund Balances	(758,086)	(6,175,647)	(6,933,733)
FUND BALANCE, OCTOBER 1	<u>5,032,246</u>	<u>40,445,924</u>	<u>45,478,170</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 4,274,160</u>	<u>\$ 34,270,277</u>	<u>\$ 38,544,437</u>

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025

	Occupancy Tax Fund	Coliseum Fund	Acquatic Center Fund	Municipal Court Security Fund
ASSETS				
Cash and Cash Equivalents	\$ 32,947	\$ 5,473	\$ 7,563	\$ 8,570
Investments	711,968	490,628	296	19,568
Receivables (net of allowances for uncollectibles):				
Accounts	-	32,850	-	-
Taxes	163,209	-	-	-
Total Assets	<u>\$ 908,124</u>	<u>\$ 528,951</u>	<u>\$ 7,859</u>	<u>\$ 28,138</u>
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ -	\$ 3,395	\$ -	\$ -
Accrued Expenditures	-	-	-	10
Due to Others	-	31,920	-	-
Unearned Revenue	-	-	-	-
Total Liabilities	<u>-</u>	<u>35,315</u>	<u>-</u>	<u>10</u>
<i>Fund Balance:</i>				
Restricted				
Promoting Tourism & Economic				
Development	908,124	493,636	-	-
Public Safety	-	-	-	28,128
Public Service	-	-	-	-
Committed	-	-	7,859	-
Total Fund Balance	<u>908,124</u>	<u>493,636</u>	<u>7,859</u>	<u>28,128</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 908,124</u>	<u>\$ 528,951</u>	<u>\$ 7,859</u>	<u>\$ 28,138</u>

<u>Municipal Court Technology</u>	<u>Forfeiture & Seizure Fund</u>	<u>Golf Course Fund</u>	<u>P.D. Community Program Fund</u>	<u>Juvenile Case Manager</u>
\$ 22,333	\$ 119,128	\$ 12,833	\$ 4,239	\$ 8
170	403,998	977,025	105,418	-
-	-	10	-	-
-	-	-	-	-
<u>\$ 22,503</u>	<u>\$ 523,126</u>	<u>989,868</u>	<u>\$ 109,657</u>	<u>\$ 8</u>
\$ -	\$ 28,303	\$ 9,870	\$ -	\$ -
-	-	24,335	-	-
-	-	-	-	-
-	-	8,328	-	-
<u>-</u>	<u>28,303</u>	<u>42,533</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
22,503	494,823	-	109,657	8
-	-	-	-	-
-	-	947,335	-	-
<u>22,503</u>	<u>494,823</u>	<u>947,335</u>	<u>109,657</u>	<u>8</u>
<u>\$ 22,503</u>	<u>\$ 523,126</u>	<u>\$ 989,868</u>	<u>\$ 109,657</u>	<u>\$ 8</u>

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2025

	Destination Management Fund	CVB Building Fund	Sebastopol House	Police Department Donations
ASSETS				
Cash and Cash Equivalents	\$ 70,653	\$ 22,036	\$ 64,176	\$ 422
Investments	497,903	12,920	21,999	48,784
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	425	-
Taxes	-	-	-	-
Total Assets	\$ 568,556	\$ 34,956	\$ 86,600	\$ 49,206
LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ 14,215	\$ -	\$ 612	\$ 90
Accrued Expenditures	9,671	-	2,106	-
Due to Others	-	-	-	-
Unearned Revenue	-	-	1,655	12,343
Total Liabilities	23,886	-	4,373	12,433
<i>Fund Balance:</i>				
Restricted				
Promoting Tourism & Economic				
Development	544,670	34,956	82,227	-
Public Safety	-	-	-	36,773
Public Service	-	-	-	-
Committed	-	-	-	-
Total Fund Balance	544,670	34,956	82,227	36,773
TOTAL LIABILITIES AND FUND BALANCE	\$ 568,556	\$ 34,956	\$ 86,600	\$ 49,206

PEG Capital Fees	Library Development Fund	Seguin Events Complex	Seguin Arts Commission	American Rescue Plan Fund	Totals
\$ 28,899	\$ 179	\$ 1,630	\$ 25,552	\$ 402	\$ 427,043
81,736	69,632	106,808	13,801	287,728	3,850,382
-	-	5,255	-	-	38,540
7,741	-	-	-	-	170,950
<u>\$ 118,376</u>	<u>\$ 69,811</u>	<u>\$ 113,693</u>	<u>\$ 39,353</u>	<u>\$ 288,130</u>	<u>\$ 4,486,915</u>
\$ 2,954	\$ 4,056	\$ 3,515	\$ 1,246	\$ 46,939	\$ 115,195
-	-	3,687	250	-	40,059
-	-	-	-	-	31,920
-	-	3,255	-	-	25,581
<u>2,954</u>	<u>4,056</u>	<u>10,457</u>	<u>1,496</u>	<u>46,939</u>	<u>212,755</u>
-	-	-	-	-	2,063,613
-	-	-	-	-	691,892
115,422	65,755	103,236	37,857	241,191	563,461
-	-	-	-	-	955,194
<u>115,422</u>	<u>65,755</u>	<u>103,236</u>	<u>37,857</u>	<u>241,191</u>	<u>4,274,160</u>
<u>\$ 118,376</u>	<u>\$ 69,811</u>	<u>\$ 113,693</u>	<u>\$ 39,353</u>	<u>\$ 288,130</u>	<u>4,486,915</u>

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES	Occupancy Tax Fund	Coliseum Fund	Aquatic Center Fund	Municipal Court Security Fund
Taxes	\$ -	\$ 275,500	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	165,225	94,377	-
Fines and Forfeits	-	-	-	18,276
Interest	34,863	20,429	109	923
Miscellaneous	-	1,093	1,140	-
Total Revenues	<u>34,863</u>	<u>462,247</u>	<u>95,626</u>	<u>19,199</u>
EXPENDITURES				
Current:				
General Government	156,033	232,604	158,089	-
Economic Development	-	-	-	-
Nondepartmental	-	-	-	10,341
Capital Outlay	-	73,866	-	-
Total Expenditures	<u>156,033</u>	<u>306,470</u>	<u>158,089</u>	<u>10,341</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(121,170)</u>	<u>155,777</u>	<u>(62,463)</u>	<u>8,858</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	62,463	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>62,463</u>	<u>-</u>
Net Change in Fund Balances	(121,170)	155,777	-	8,858
FUND BALANCE, OCTOBER 1	<u>1,029,294</u>	<u>337,859</u>	<u>7,859</u>	<u>19,270</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 908,124</u>	<u>\$ 493,636</u>	<u>\$ 7,859</u>	<u>\$ 28,128</u>

Municipal Court Technology	Forfeiture & Seizure Fund	Golf Course Fund	P.D. Community Program Fund	Juvenile Case Manager
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	35,862	-
-	-	4,148	-	-
15,705	140,711	-	-	19,829
99	17,495	61,335	3,515	-
-	279	-	-	-
<u>15,804</u>	<u>158,485</u>	<u>65,483</u>	<u>39,377</u>	<u>19,829</u>
2,766	91,448	752,923	24,634	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>2,766</u>	<u>91,448</u>	<u>752,923</u>	<u>24,634</u>	<u>-</u>
<u>13,038</u>	<u>67,037</u>	<u>(687,440)</u>	<u>14,743</u>	<u>19,829</u>
-	(26,761)	-	-	(19,829)
-	(26,761)	-	-	(19,829)
13,038	40,276	(687,440)	14,743	-
<u>9,465</u>	<u>454,547</u>	<u>1,634,775</u>	<u>94,914</u>	<u>8</u>
<u>\$ 22,503</u>	<u>\$ 494,823</u>	<u>\$ 947,335</u>	<u>\$ 109,657</u>	<u>\$ 8</u>

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2025

REVENUES	Destination Management Fund	CVB Building Fund	Sebastopol House	Police Department Donations
Taxes	\$ 484,500	\$ -	\$ 89,908	\$ -
Intergovernmental	-	-	1,141	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest	23,612	712	1,356	2,343
Miscellaneous	4,880	-	-	-
Total Revenues	<u>512,992</u>	<u>712</u>	<u>92,405</u>	<u>2,343</u>
 EXPENDITURES				
Current:				
General Government	-	-	84,796	85
Economic Development	431,682	-	-	-
Nondepartmental	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>431,682</u>	<u>-</u>	<u>84,796</u>	<u>85</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>81,310</u>	<u>712</u>	<u>7,609</u>	<u>2,258</u>
 OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(118,391)	-	-	-
Total Other Financing Sources (Uses)	<u>(118,391)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(37,081)	712	7,609	2,258
 FUND BALANCE, OCTOBER 1	<u>581,751</u>	<u>34,244</u>	<u>74,618</u>	<u>34,515</u>
 FUND BALANCE, SEPTEMBER 30	<u>544,670</u>	<u>\$ 34,956</u>	<u>\$ 82,227</u>	<u>\$ 36,773</u>

PEG Capital Fees	Library Development Fund	Seguin Events Complex	Seguin Arts Commission	American Rescue Plan Fund	Totals
\$ 49,024	\$ -	\$ 91,783	\$ 15,000	\$ -	\$ 1,005,715
-	-	-	-	894,256	931,259
-	-	66,120	-	-	329,870
-	-	-	-	-	194,521
3,857	3,588	4,580	776	35,366	214,958
-	-	35,510	37,022	-	79,924
<u>52,881</u>	<u>3,588</u>	<u>197,993</u>	<u>52,798</u>	<u>929,622</u>	<u>2,756,247</u>
36,903	17,107	141,122	54,230	185,860	1,938,600
-	-	-	-	-	431,682
-	-	-	-	-	10,341
-	-	44,620	-	912,706	1,031,192
<u>36,903</u>	<u>17,107</u>	<u>185,742</u>	<u>54,230</u>	<u>1,098,566</u>	<u>3,411,815</u>
<u>15,978</u>	<u>(13,519)</u>	<u>12,251</u>	<u>(1,432)</u>	<u>(168,944)</u>	<u>(655,568)</u>
-	-	-	-	-	(102,518)
-	-	-	-	-	(102,518)
15,978	(13,519)	12,251	(1,432)	(168,944)	(758,086)
<u>99,444</u>	<u>79,274</u>	<u>90,985</u>	<u>39,289</u>	<u>410,135</u>	<u>5,032,246</u>
<u>\$ 115,422</u>	<u>\$ 65,755</u>	<u>\$ 103,236</u>	<u>\$ 37,857</u>	<u>\$ 241,191</u>	<u>\$ 4,274,160</u>

CITY OF SEGUIN, TEXAS
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2025

ASSETS	Golf Course Capital Projects	2020 Certificates of Obligation	2021 Certificates of Obligation	2022 Certificates of Obligation
Cash and Cash Equivalents	\$ 2,097	\$ -	\$ -	\$ -
Investments	703,633	-	-	-
Receivables, Net	-	-	-	-
Restricted Cash and Equivalents	-	1,737	1,322	85,917
Restricted Investments	-	2,302,403	4,166,537	2,336,059
Total Assets	<u>\$ 705,730</u>	<u>\$ 2,304,140</u>	<u>\$ 4,167,859</u>	<u>\$ 2,421,976</u>
 LIABILITIES AND FUND BALANCE				
<i>Liabilities:</i>				
Accounts Payable	\$ 947	22,055	\$ 341,754	\$ 59,312
Contract Retention Payable	-	191,012	69,074	-
Unearned Revenue	500	-	-	-
Total Liabilities	<u>1,447</u>	<u>213,067</u>	<u>410,828</u>	<u>59,312</u>
 <i>Fund Balances:</i>				
Restricted for Capital Projects	-	2,091,073	3,757,031	2,362,664
Assigned to Capital Projects	704,283	-	-	-
Total Fund Balance	<u>704,283</u>	<u>2,091,073</u>	<u>3,757,031</u>	<u>2,362,664</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 705,730</u>	 <u>\$ 2,304,140</u>	 <u>\$ 4,167,859</u>	 <u>\$ 2,421,976</u>

2022A Certificates of Obligation	2018 Certificates of Obligation	Miscellaneous Projects Fund	Total
\$ -	\$ -	\$ 546,725	\$ 548,822
-	-	14,513,514	15,217,147
-	-	57,582	57,582
100,168	6,176	-	195,320
10,916,356	213,521	-	19,934,876
<u>\$ 11,016,524</u>	<u>\$ 219,697</u>	<u>\$ 15,117,821</u>	<u>\$ 35,953,747</u>
315,452	\$ 3,350	\$ 107,617	\$ 850,487
175,471	61,753	-	497,310
-	-	335,173	335,673
<u>490,923</u>	<u>65,103</u>	<u>442,790</u>	<u>1,683,470</u>
10,525,601	154,594	12,225,175	31,116,138
-	-	2,449,856	3,154,139
<u>10,525,601</u>	<u>154,594</u>	<u>14,675,031</u>	<u>34,270,277</u>
<u>\$ 11,016,524</u>	<u>\$ 219,697</u>	<u>\$ 15,117,821</u>	<u>\$ 35,953,747</u>

CITY OF SEGUIN, TEXAS
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Golf Course Capital Projects	2020 Certificates of Obligation	2021 Certificates of Obligation	2022 Certificates of Obligation
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	1,044	-	-	-
Interest	37,855	144,308	218,254	160,956
Miscellaneous	16,032	-	-	-
Total Revenues	<u>54,931</u>	<u>144,308</u>	<u>218,254</u>	<u>160,956</u>
EXPENDITURES				
General Government	-	-	-	-
Public Service	-	-	-	-
Capital Outlay	(942)	1,803,085	1,806,090	1,269,869
Debt Service:				
Principal	159,771	-	-	-
Interest & Fiscal Charges	50,777	-	-	-
Total Expenditures	<u>209,606</u>	<u>1,803,085</u>	<u>1,806,090</u>	<u>1,269,869</u>
Excess (Deficiency) of Revenues Over (Under Expenditures)	<u>(154,675)</u>	<u>(1,658,777)</u>	<u>(1,587,836)</u>	<u>(1,108,913)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(154,675)	(1,658,777)	(1,587,836)	(1,108,913)
FUND BALANCE, OCTOBER 1	<u>858,958</u>	<u>3,749,850</u>	<u>5,344,867</u>	<u>3,471,577</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 704,283</u>	<u>\$ 2,091,073</u>	<u>\$ 3,757,031</u>	<u>\$ 2,362,664</u>

2022A Certificates of Obligation	2018 Certificates of Obligation	Miscellaneous Projects Fund	Total
\$ -	\$ -	\$ -	\$ -
-	-	3,414,382	3,414,382
-	-	-	1,044
656,057	14,603	609,045	1,841,078
-	-	-	16,032
<u>656,057</u>	<u>14,603</u>	<u>4,023,427</u>	<u>5,272,536</u>
-	-	-	-
-	229	405,288	405,517
5,575,285	164,422	743,821	11,361,630
-	-	-	159,771
-	-	-	50,777
<u>5,575,285</u>	<u>164,651</u>	<u>1,149,109</u>	<u>11,977,695</u>
<u>(4,919,228)</u>	<u>(150,048)</u>	<u>2,874,318</u>	<u>(6,705,159)</u>
-	-	529,512	529,512
-	-	529,512	529,512
(4,919,228)	(150,048)	3,403,830	(6,175,647)
<u>15,444,829</u>	<u>304,642</u>	<u>11,271,201</u>	<u>40,445,924</u>
<u>\$ 10,525,601</u>	<u>\$ 154,594</u>	<u>\$ 14,675,031</u>	<u>\$ 34,270,277</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
OCCUPANCY TAX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Occupancy Tax	\$ -	\$ -	\$ -	\$ -
Interest	30,100	34,863	4,763	54,004
Total Revenues	<u>30,100</u>	<u>34,863</u>	<u>4,763</u>	<u>54,004</u>
EXPENDITURES				
Current:				
<i>General Government:</i>				
Contributions to Local Organizations	166,825	156,033	10,792	127,534
Total Expenditures	<u>166,825</u>	<u>156,033</u>	<u>10,792</u>	<u>127,534</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(136,725)</u>	<u>(121,170)</u>	<u>15,555</u>	<u>(73,530)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(36,221)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,221)</u>
Net Change in Fund Balance	(136,725)	(121,170)	15,555	(109,751)
FUND BALANCE, OCTOBER 1	<u>1,029,294</u>	<u>1,029,294</u>	<u>-</u>	<u>1,139,045</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 892,569</u>	<u>\$ 908,124</u>	<u>\$ 15,555</u>	<u>\$ 1,029,294</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
COLISEUM FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Occupancy Tax	\$ 275,500	\$ 275,500	\$ -	\$ 239,279
Charges for Services	90,000	165,225	75,225	89,319
Interest	12,100	20,428	8,328	19,971
Miscellaneous	1,000	1,093	93	60,143
Total Revenues	<u>378,600</u>	<u>462,246</u>	<u>83,646</u>	<u>408,712</u>
EXPENDITURES				
<i>General Government/Facilities & Grounds:</i>				
Personnel Services	89,371	74,618	14,753	81,948
Contracted Services	163,550	132,560	30,990	144,428
Supplies	41,050	22,068	18,982	32,470
Other Services and Charges	7,800	3,360	4,440	123,728
Capital Outlay	100,000	73,866	26,134	-
Total Expenditures	<u>401,771</u>	<u>306,472</u>	<u>95,299</u>	<u>382,574</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,171)</u>	<u>155,774</u>	<u>178,945</u>	<u>26,138</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	36,221
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,221</u>
Net Change in Fund Balance	(23,171)	155,774	178,945	62,359
FUND BALANCE, OCTOBER 1	<u>337,859</u>	<u>337,859</u>	<u>-</u>	<u>275,500</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 314,688</u>	<u>\$ 493,633</u>	<u>\$ 178,945</u>	<u>\$ 337,859</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
AQUATIC CENTER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	120,000	94,377	(25,623)	103,482
Interest	100	109	9	275
Miscellaneous	-	1,140	1,140	157
Total Revenues	<u>120,100</u>	<u>95,626</u>	<u>(24,474)</u>	<u>103,914</u>
EXPENDITURES				
Current:				
<i>General Government/ Parks & Recreation</i>				
Personnel Services	93,393	77,114	16,279	82,054
Contracted Services	35,650	39,511	(3,861)	32,819
Supplies	60,500	41,463	19,037	36,536
Total Expenditures	<u>189,543</u>	<u>158,088</u>	<u>31,455</u>	<u>151,409</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,443)</u>	<u>(62,462)</u>	<u>6,981</u>	<u>(47,495)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	69,443	62,463	(6,980)	48,000
Total Other Financing Sources (Uses)	<u>69,443</u>	<u>62,463</u>	<u>(6,980)</u>	<u>48,000</u>
Net Change in Fund Balance	-	1	1	505
FUND BALANCE, OCTOBER 1	<u>7,859</u>	<u>7,859</u>	<u>-</u>	<u>7,354</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 7,859</u>	<u>\$ 7,860</u>	<u>\$ 1</u>	<u>\$ 7,859</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL COURT SECURITY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and Forfeits	13,000	18,276	5,276	14,150
Miscellaneous	500	923	423	1,241
Total Revenues	<u>13,500</u>	<u>19,199</u>	<u>5,699</u>	<u>15,391</u>
EXPENDITURES				
Current:				
<i>Non-Departmental</i>				
Personnel Services	20,253	10,341	9,912	14,149
<i>Capital Outlay</i>	-	-	-	-
Total Expenditures	<u>20,253</u>	<u>10,341</u>	<u>9,912</u>	<u>14,149</u>
Net Change in Fund Balance	(6,753)	8,858	15,611	1,242
FUND BALANCE, OCTOBER 1	<u>19,270</u>	<u>19,270</u>	<u>-</u>	<u>18,028</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 12,517</u>	<u>\$ 28,128</u>	<u>\$ 15,611</u>	<u>\$ 19,270</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
MUNICIPAL COURT TECHNOLOGY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Fines and Forfeits	11,000	15,705	4,705	12,181
Miscellaneous	25	99	74	42
Total Revenues	<u>11,025</u>	<u>15,804</u>	<u>4,779</u>	<u>12,223</u>
EXPENDITURES				
Current:				
<i>General Government/Non-Departmental</i>				
Supplies	11,025	2,766	8,259	2,760
Total Expenditures	<u>11,025</u>	<u>2,766</u>	<u>8,259</u>	<u>2,760</u>
Net Change in Fund Balance	-	13,038	13,038	9,463
FUND BALANCE, OCTOBER 1	<u>9,465</u>	<u>9,465</u>	<u>-</u>	<u>2</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 9,465</u>	<u>\$ 22,503</u>	<u>\$ 13,038</u>	<u>\$ 9,465</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
FORFEITURE AND SEIZURE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Fines and Forfeitures	\$ 26,761	\$ 140,711	\$ 113,950	\$ 105,126
Interest	5,350	17,495	12,145	16,310
Miscellaneous	-	279	279	49,595
Total Revenues	<u>32,111</u>	<u>158,485</u>	<u>126,374</u>	<u>171,031</u>
EXPENDITURES				
Current:				
<i>General Government</i>				
Supplies	128,635	91,448	37,187	42,984
Total Expenditures	<u>128,635</u>	<u>91,448</u>	<u>37,187</u>	<u>42,984</u>
Net Change in Fund Balance	(96,524)	67,037	163,561	128,047
FUND BALANCE, OCTOBER 1	<u>454,547</u>	<u>454,547</u>	<u>-</u>	<u>326,500</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 358,023</u>	<u>\$ 521,584</u>	<u>\$ 163,561</u>	<u>\$ 454,547</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GOLF COURSE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Charges for Services	\$ -	\$ 4,148	\$ 4,148	\$ 1,170,817
Interest	10,050	61,335	51,285	64,722
Total Revenues	<u>10,050</u>	<u>65,483</u>	<u>55,433</u>	<u>1,235,539</u>
EXPENDITURES				
Current:				
General Government	855,450	752,923	102,527	1,103,976
Total Expenditures	<u>855,450</u>	<u>752,923</u>	<u>102,527</u>	<u>1,103,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(845,400)</u>	<u>(687,440)</u>	<u>157,960</u>	<u>131,563</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	855,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>855,000</u>
Net Change in Fund Balances	(845,400)	(687,440)	157,960	986,563
FUND BALANCE, OCTOBER 1	<u>1,634,775</u>	<u>1,634,775</u>	<u>-</u>	<u>648,212</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 789,375</u>	<u>\$ 947,335</u>	<u>\$ 157,960</u>	<u>\$ 1,634,775</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
PD COMMUNITY PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Intergovernmental	\$ 35,000	\$ 35,862	\$ 862	\$ 26,769
Interest	2,550	3,515	965	3,646
Total Revenues	<u>37,550</u>	<u>39,377</u>	<u>1,827</u>	<u>30,415</u>
EXPENDITURES				
Current:				
<i>General Government</i>				
Supplies	5,000	-	5,000	-
PD Community Programs	30,000	24,634	5,366	22,497
Total Expenditures	<u>35,000</u>	<u>24,634</u>	<u>10,366</u>	<u>22,497</u>
Net Change in Fund Balance	2,550	14,743	12,193	7,918
FUND BALANCE, OCTOBER 1	<u>94,914</u>	<u>94,914</u>	<u>-</u>	<u>86,996</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 97,464</u>	<u>\$ 109,657</u>	<u>\$ 12,193</u>	<u>\$ 94,914</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
JUVENILE CASE MANAGER FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Fines and Forfeitures	\$ 20,000	\$ 19,829	\$ (171)	\$ 15,553
Interest	-	-	-	-
Total Revenues	<u>20,000</u>	<u>19,829</u>	<u>(171)</u>	<u>15,553</u>
EXPENDITURES				
Current:				
<i>Non-Departmental</i>				
Personnel Services	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,000</u>	<u>19,829</u>	<u>(171)</u>	<u>15,553</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	<u>(20,000)</u>	<u>(19,829)</u>	<u>171</u>	<u>(15,553)</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(19,829)</u>	<u>171</u>	<u>(15,553)</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE, OCTOBER 1	<u>8</u>	<u>8</u>	<u>-</u>	<u>8</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 8</u>	<u>\$ 8</u>	<u>\$ -</u>	<u>\$ 8</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DESTINATION AND MANAGEMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Occupancy Tax	\$ 484,500	\$ 484,500	\$ -	\$ 484,500
Interest	15,100	23,612	8,512	27,103
Miscellaneous	3,000	4,880	1,880	6,433
Total Revenues	<u>502,600</u>	<u>512,992</u>	<u>10,392</u>	<u>518,036</u>
EXPENDITURES				
Current:				
Economic Development	503,109	431,682	71,427	421,402
Total Expenditures	<u>503,109</u>	<u>431,682</u>	<u>71,427</u>	<u>421,402</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(509)</u>	<u>81,310</u>	81,819 -	<u>96,634</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	(118,391)	(118,391)	-	-
Total Other Financing Sources (Uses)	<u>(118,391)</u>	<u>(118,391)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(118,900)	(37,081)	81,819	96,634
FUND BALANCE, OCTOBER 1	<u>581,751</u>	<u>581,751</u>	<u>-</u>	<u>485,117</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 462,851</u>	<u>\$ 544,670</u>	<u>\$ 81,819</u>	<u>\$ 581,751</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CVB BUILDING FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Interest	\$ 150	\$ 712	\$ 562	\$ 867
Total Revenues	<u>150</u>	<u>712</u>	<u>562</u>	<u>867</u>
EXPENDITURES				
Current:				
<i>Economic Development</i>				
Capital Outlay	10,000	-	10,000	29,748
Total Expenditures	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>29,748</u>
Net Change in Fund Balance	<u>(9,850)</u>	<u>712</u>	<u>10,562</u>	<u>(28,881)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,850)	712	10,562	(28,881)
FUND BALANCE, OCTOBER 1	<u>34,244</u>	<u>34,244</u>	<u>-</u>	<u>63,125</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 24,394</u>	<u>\$ 34,956</u>	<u>\$ 10,562</u>	<u>\$ 34,244</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SEBASTOPOL HOUSE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Occupancy Tax	\$ 89,908	\$ 89,908	\$ -	\$ 88,900
Intergovernmental	1,500	1,141	(359)	1,749
Interest	1,050	1,356	306	1,438
Miscellaneous	-	-	-	-
Total Revenues	<u>92,458</u>	<u>92,405</u>	<u>(53)</u>	<u>92,087</u>
EXPENDITURES				
Current:				
General Government	93,627	84,796	8,831	81,421
Total Expenditures	<u>93,627</u>	<u>84,796</u>	<u>8,831</u>	<u>81,421</u>
Net Change in Fund Balance	(1,169)	7,609	8,778	10,666
FUND BALANCE, OCTOBER 1	<u>74,618</u>	<u>74,618</u>	<u>-</u>	<u>63,952</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 73,449</u>	<u>\$ 82,227</u>	<u>\$ 8,778</u>	<u>\$ 74,618</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
POLICE DEPARTMENT DONATIONS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Interest	\$ 1,500	\$ 2,343	\$ 843	\$ 3,513
Miscellaneous	-	-	-	(90)
Total Revenues	<u>1,500</u>	<u>2,343</u>	<u>843</u>	<u>3,423</u>
EXPENDITURES				
Current:				
<i>General Government:</i>				
Capital Outlay	5,000	85	4,915	-
Total Expenditures	<u>5,000</u>	<u>85</u>	<u>4,915</u>	<u>-</u>
Net Change in Fund Balance	(3,500)	2,258	5,758	3,423
FUND BALANCE, OCTOBER 1	<u>34,515</u>	<u>34,515</u>	<u>-</u>	<u>31,092</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 31,015</u>	<u>\$ 36,773</u>	<u>\$ 5,758</u>	<u>\$ 34,515</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
PEG CAPITAL FEES FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Franchise Tax	\$ 35,000	\$ 49,024	\$ 14,024	\$ 34,850
Interest	2,050	3,858	1,808	4,397
Total Revenues	<u>37,050</u>	<u>52,882</u>	<u>15,832</u>	<u>39,247</u>
EXPENDITURES				
Current:				
<i>General Government:</i>				
Contracted Services	42,000	36,903	5,097	40,585
Total Expenditures	<u>42,000</u>	<u>36,903</u>	<u>5,097</u>	<u>40,585</u>
Net Change in Fund Balance	(4,950)	15,979	20,929	(1,338)
FUND BALANCE, OCTOBER 1	<u>99,444</u>	<u>99,444</u>	<u>-</u>	<u>100,782</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 94,494</u>	<u>\$ 115,423</u>	<u>\$ 20,929</u>	<u>\$ 99,444</u>

CITY OF SEGUIN, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – BUDGET AND ACTUAL
 LIBRARY DEVELOPMENT FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Interest	\$ 2,000	\$ 3,588	\$ 1,588	\$ 4,755
Total Revenues	<u>2,000</u>	<u>3,588</u>	<u>1,588</u>	<u>4,755</u>
EXPENDITURES				
Current:				
<i>General Government:</i>				
Contracted Services	20,000	17,107	2,893	-
Total Expenditures	<u>20,000</u>	<u>17,107</u>	<u>2,893</u>	<u>-</u>
Net Change in Fund Balance	(18,000)	(13,519)	4,481	4,755
FUND BALANCE, OCTOBER 1	<u>79,274</u>	<u>79,274</u>	<u>-</u>	<u>74,519</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 61,274</u>	<u>\$ 65,755</u>	<u>\$ 4,481</u>	<u>\$ 79,274</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
SEGUIN EVENTS COMPLEX FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Taxes	\$ 91,783	\$ 91,783	\$ -	\$ 85,532
Charges for Services	55,000	66,120	11,120	68,876
Interest	3,100	4,580	1,480	6,677
Miscellaneous	289	35,510	35,221	48,456
Total Revenues	<u>150,172</u>	<u>197,993</u>	<u>47,821</u>	<u>209,541</u>
EXPENDITURES				
Current:				
<i>General Government:</i>				
Personal Services	105,278	102,414	2,864	101,413
Contracted Services	36,200	31,629	4,571	34,190
Supplies	11,500	7,079	4,421	8,190
Capital Outlay	10,000	44,620	(34,620)	67,833
Total Expenditures	<u>162,978</u>	<u>185,742</u>	<u>(22,764)</u>	<u>211,626</u>
Net Change in Fund Balance	(12,806)	12,251	25,057	(2,085)
FUND BALANCE, OCTOBER 1	<u>90,985</u>	<u>90,985</u>	<u>-</u>	<u>93,070</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 78,180</u>	<u>\$ 103,236</u>	<u>\$ 25,057</u>	<u>\$ 90,985</u>

CITY OF SEGUIN, TEXAS
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – BUDGET AND ACTUAL
 SEGUIN ARTS COMMISSION FUND
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Taxes	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Interest	350	776	426	866
Miscellaneous	31,000	37,022	6,022	37,479
Total Revenues	<u>46,350</u>	<u>52,798</u>	<u>6,448</u>	<u>53,345</u>
EXPENDITURES				
Current:				
<i>Economic Development</i>				
Contracted Services	68,304	54,230	14,074	33,437
Total Expenditures	<u>68,304</u>	<u>54,230</u>	<u>14,074</u>	<u>33,437</u>
Net Change in Fund Balance	(21,954)	(1,432)	20,522	19,908
FUND BALANCE, OCTOBER 1	<u>39,289</u>	<u>39,289</u>	<u>-</u>	<u>39,577</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ 17,335</u>	<u>\$ 37,857</u>	<u>\$ 20,522</u>	<u>\$ 59,485</u>

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
AMERICAN RESCUE ACT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025
(With Comparative Actual Amounts for 2024)

	Final Budgeted Amounts	2025	Variance Favorable (Unfavorable)	2024
REVENUES				
Intergovernmental	\$ -	\$ 894,256	\$ 894,256	\$ 1,810,408
Interest	20,000	35,366	15,366	133,727
Total Revenues	<u>20,000</u>	<u>929,622</u>	<u>909,622</u>	<u>1,944,135</u>
EXPENDITURES				
Current:				
General Government	215,000	185,860	29,140	-
Capital Outlay	1,206,350	912,706	293,644	1,810,408
Total Expenditures	<u>1,421,350</u>	<u>1,098,566</u>	<u>322,784</u>	<u>1,810,408</u>
Net Change in Fund Balance	(1,401,350)	(168,944)	1,232,406	133,727
FUND BALANCE, OCTOBER 1	\$ 410,135	<u>410,135</u>	-	<u>276,408</u>
FUND BALANCE, SEPTEMBER 30	<u>\$ (991,215)</u>	<u>\$ 241,191</u>	<u>\$ 1,232,406</u>	<u>\$ 410,135</u>

CITY OF SEGUIN, TEXAS
 COMPARATIVE STATEMENTS OF NET POSITION
 UTILITY FUND
 SEPTEMBER 30, 2025 AND 2024

ASSETS	<u>2025</u>	<u>2024</u>
<i>Current Assets:</i>		
Cash and Cash Equivalents		
Restricted Cash	\$ 469,262	\$ 637,916
Unrestricted Cash	364,177	509,087
Investments		
Restricted Investments	289,034,542	368,383,302
Unrestricted Investments	156,398,044	43,302,398
Accounts Receivable (Net)	9,167,192	8,684,790
Miscellaneous Receivables	1,130,398	1,437,079
Due from Component Unit	39,106	38,926
Current Portion of Notes Receivable	25,662	88,546
Inventories	5,848,840	4,966,751
Prepaid Items	333,490	173,112
<i>Total Current Assets</i>	<u>462,810,713</u>	<u>428,221,907</u>
Notes Receivable (Net of Current)	-	25,662
Capital Assets	372,007,263	259,188,057
Accumulated Depreciation	<u>(107,959,978)</u>	<u>(101,283,239)</u>
Total Assets	<u>726,857,998</u>	<u>586,152,387</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension/ OPEB Related Outflows	2,550,298	3,298,633
Deferred Charge on Refundings	48,763	70,747
Total Deferred Outflows of Resources	<u>\$ 2,599,061</u>	<u>\$ 3,369,380</u>

Continued

CITY OF SEGUIN, TEXAS
 COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)
 UTILITY FUND
 SEPTEMBER 30, 2025 AND 2024

LIABILITIES	<u>2025</u>	<u>2024</u>
<i>Current Liabilities:</i>		
Accounts Payable	\$ 25,393,608	\$ 14,864,778
Accrued Expenses	5,617,023	4,074,801
Contract Retention Payable	5,697,685	-
Unearned Revenue	371,471	588,389
Customer Deposits	735,245	665,673
Current Maturities of Notes Payable	69,469	117,806
Current Portion of Total OPEB Obligations	24,861	21,299
<i>Payable from Restricted Assets:</i>		
Accrued Interest Payable	2,073,680	1,570,017
Revenue Bonds Due Within One Year	5,050,000	5,050,000
<i>Total Current Liabilities</i>	<u>45,033,042</u>	<u>26,952,763</u>
<i>Noncurrent Liabilities:</i>		
Compensated Absences	482,390	381,056
Total Other Post Employment Benefit Obligation	468,034	489,861
Net Pension Liability	8,782,115	9,866,981
Notes Payable (Net of Current Maturities)	469,809	722,323
Revenue Bonds Payable (Net of Current Maturities)	517,908,142	408,962,422
<i>Total Noncurrent Liabilities</i>	<u>528,110,490</u>	<u>420,422,643</u>
Total Liabilities	<u>573,143,532</u>	<u>447,375,406</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred Pension/ OPEB Related Inflows	<u>845,548</u>	<u>441,369</u>
Total Deferred Inflows of Resources	<u>845,548</u>	<u>441,369</u>
 NET POSITION		
Net Investment in Capital Assets	77,384,669	71,792,521
Restricted for:		
Debt Service	13,626,966	11,831,269
Impact Fees	18,300,199	13,949,307
Unrestricted	46,156,145	44,131,895
Total Net Position	<u>\$ 155,467,979</u>	<u>\$ 141,704,992</u>

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

OPERATING REVENUES	<u>2025</u>	<u>2024</u>
Charges for Services:		
Electric	\$ 35,169,321	\$ 33,632,642
Water	22,165,738	20,069,914
Sewer	23,732,648	21,845,187
Storm Water Drainage	1,161,942	1,114,179
Miscellaneous Revenues	<u>2,088,275</u>	<u>2,412,061</u>
Total Operating Revenues	<u>84,317,924</u>	<u>79,073,983</u>
 OPERATING EXPENSES		
Administration	3,771,481	2,966,250
Engineering	1,338,268	1,305,559
Operation and Maintenance:		
Electric Distribution	28,773,951	27,129,159
Utility Services	1,872,230	1,985,693
Water Production	8,210,647	8,178,993
Water/Sewer Maintenance	10,003,249	9,784,566
Sewer Plant	2,706,587	2,627,650
Storm Water Drainage	366,055	133,805
Economic Development	648,691	531,681
Facilities Maintenance	1,292,310	1,281,859
Information Technology	1,549,310	1,297,234
City Attorney	363,648	318,425
Nondepartmental	3,180,261	2,361,688
Indirect Cost Allocation	<u>8,590,660</u>	<u>7,888,740</u>
Total Operating Expenses	<u>72,667,348</u>	<u>67,791,302</u>
Operating Income (Loss)	<u>11,650,576</u>	<u>11,282,681</u>
 NONOPERATING REVENUES (EXPENSES)		
Interest Income	20,487,738	20,252,885
Gain (Loss) on Sale of Assets	52,043	171,198
Interest and Fiscal Charges	(17,370,024)	(11,793,681)
Bond Issue Costs	<u>(873,260)</u>	<u>(738,512)</u>
Total Nonoperating Revenues (Expenses)	<u>2,296,497</u>	<u>7,891,890</u>
Net Income (Loss) before Contributions and Transfers	<u>13,947,073</u>	<u>19,174,571</u>
 Contributions from Component Unit	497,714	72,724
Transfers In (Out)	<u>(681,800)</u>	<u>-</u>
	(184,086)	72,724
 Change in Net Position	13,762,987	19,247,296
Net Position at Beginning of Year	<u>141,704,992</u>	<u>122,457,696</u>
Net Position at End of Year	<u><u>\$ 155,467,979</u></u>	<u><u>\$ 141,704,992</u></u>

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 83,994,677	\$ 77,896,598
Cash Paid for Employee Wages and Benefits	(14,983,991)	(15,811,567)
Cash Paid to Suppliers for Goods and Services	(30,820,237)	(27,736,462)
Cash Paid General Fund for Indirect Costs	(8,590,660)	(7,888,740)
Net Cash Provided (Used) by Operating Activities	29,599,789	26,459,829
Cash Flows From Noncapital Financing Activities:		
Transfers From (To) Other Funds	(681,800)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(681,800)	-
Cash Flows From Capital and Related Financing Activities:		
Purchase/Construction of Capital Assets	(107,537,940)	(48,320,373)
Proceeds from Revenue and Refunding Bonds	105,775,000	85,765,000
Premiums Received on Bonds	9,233,423	4,755,405
Proceeds from Notes Payable	-	446,306
Contributions from Component Unit in Support of Debt	497,714	72,724
Principal Payments on Long-Term Bonds	(5,050,000)	(3,600,000)
Principal Payments on Notes Payable	(300,851)	(145,510)
Interest and Fiscal Charges Paid	(17,857,080)	(11,977,049)
Bond Issue Costs	(873,260)	(738,512)
Proceeds from Sale of Capital Assets	52,043	181,160
Net Cash Provided (Used) by Capital and Related Financing Activities	(16,060,951)	26,439,151
Cash Flows From Investing Activities:		
(Purchase) of Investment Securities	(33,746,886)	(74,013,953)
Investment Interest Received	20,487,738	20,252,886
Principal Payments Received on Notes Receivable	88,546	70,419
Net Cash Provided (Used) by Investing Activities	(13,170,602)	(53,690,648)
Net Increase (Decrease) in Cash and Cash Equivalents	(313,564)	(791,668)
Cash and Equivalents at Beginning of Year:		
Cash and Cash Equivalents	509,087	225,304
Restricted Cash and Cash Equivalents	637,916	1,713,367
	1,147,003	1,938,671
Cash and Equivalents at End of Year:		
Cash and Cash Equivalents	364,177	509,087
Restricted Cash and Cash Equivalents	469,262	637,916
	\$ 833,439	\$ 1,147,003

CITY OF SEGUIN, TEXAS
 COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)
 UTILITY FUND
 YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Reconciliation of Operating Income to Net Cash		
Provided by Operating Activities:		
Operating Income	\$ 11,650,576	\$ 11,282,681
Adjustments to reconcile Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	7,093,158	6,954,470
(Increase) Decrease in Operating Assets:		
Accounts Receivable	(175,901)	(176,612)
Short term Interfund Receivables	-	175,022
Inventory/Prepaid Items	(1,042,467)	(471,411)
Deferred Pension Related Outflows	748,335	1,241,301
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	10,528,830	10,312,108
Accrued Expenses	1,643,556	(609,975)
Unearned Revenue	(216,918)	(1,044,138)
Customer Deposits	69,572	43,365
Net Other Postemployment Benefit Obligation	(18,265)	(7,750)
Net Pension Liability	(1,084,866)	(1,552,005)
Deferred Pension/OPEB Related Inflows	404,179	312,773
Net Cash Provided (Used) by Operating Activities	\$ 29,599,789	\$ 26,459,829
Schedule of Non-Cash Capital Activities		
Increase of Capital Assets as a result of Retainage Payable	\$ 5,697,685	\$ -



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CITY OF SEGUIN, TEXAS
 COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
 UTILITY FUND
 YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
<i>Administration:</i>		
Personnel Services	3,454,142	\$ 2,653,248
Contracted Services	134,284	127,540
Supplies and Materials	146,531	141,794
Other Charges	36,524	43,668
Depreciation	-	-
<i>Total Administration</i>	<u>3,771,481</u>	<u>2,966,250</u>
 <i>Engineering</i>		
Personnel Services	1,305,008	1,254,807
Contracted Services	20,709	29,956
Supplies and Materials	7,959	10,324
Other Charges	4,592	3,752
Depreciation	-	6,721
<i>Total Electric Production and Distribution</i>	<u>1,338,268</u>	<u>1,305,560</u>
 <i>Electric Production and Distribution:</i>		
Personnel Services	2,814,723	2,571,331
Contracted Services	2,443,660	2,657,835
Supplies and Materials	21,702,463	20,349,633
Other Charges	122,298	49,016
Depreciation	1,690,807	1,501,343
<i>Total Electric Production and Distribution</i>	<u>28,773,951</u>	<u>27,129,158</u>
 <i>Utility Services</i>		
Personnel Services	1,676,615	1,769,740
Contracted Services	130,415	134,779
Supplies and Materials	34,510	34,567
Other Charges	30,690	46,608
<i>Total Utility Services</i>	<u>1,872,230</u>	<u>1,985,694</u>
 <i>Water Production:</i>		
Personnel Services	1,125,837	1,139,775
Contracted Services	5,621,867	5,563,166
Supplies and Materials	252,728	273,336
Other Charges	13,478	10,434
Depreciation	1,196,737	1,192,282
<i>Total Water Production</i>	<u>8,210,647</u>	<u>8,178,993</u>
 <i>Water/Sewer Maintenance:</i>		
Personnel Services	2,369,208	2,174,528
Contracted Services	4,569,682	3,740,957
Supplies and Materials	88,851	123,192
Other Charges	(123,890)	701,432
Depreciation	3,099,398	3,044,458
<i>Total Water/Sewer Maintenance</i>	<u>\$ 10,003,249</u>	<u>\$ 9,784,567</u>

CITY OF SEGUIN, TEXAS
 COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)
 UTILITY FUND
 YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
<i>Sewer Plant:</i>		
Personnel Services	\$ 997,306	\$ 952,921
Contracted Services	960,501	821,968
Supplies and Materials	197,364	206,201
Other Charges	2,294	1,952
Depreciation	549,122	644,607
<i>Total Sewer Plant</i>	2,706,587	2,627,649
 <i>Storm Water Drainage</i>		
Personnel Services	33,628	-
Contracted Services	332,427	133,805
<i>Total Storm Water Drainage</i>	366,055	133,805
 <i>Economic Development:</i>		
Personnel Services	593,742	484,701
Contracted Services	49,200	42,112
Supplies and Materials	894	367
Other Charges	4,855	4,501
<i>Total Economic Development</i>	648,691	531,681
 <i>Facilities Maintenance:</i>		
Personnel Services	1,122,225	1,143,267
Contracted Services	125,720	80,229
Supplies and Materials	40,180	46,214
Other Charges	265	2,665
Depreciation	3,920	9,484
<i>Total Facilities Maintenance</i>	1,292,310	1,281,859
 <i>Information Technology:</i>		
Personnel Services	894,507	765,724
Contracted Services	639,761	513,430
Supplies and Materials	3,957	3,593
Other Charges	11,085	14,487
<i>Total Information Technology</i>	1,549,310	1,297,234
 <i>City Attorney:</i>		
Personnel Services	323,617	285,869
Contracted Services	36,322	28,530
Supplies and Materials	1,658	2,271
Other Charges	2,051	1,754
<i>Total City Attorney</i>	363,648	318,424
 <i>Nondepartmental:</i>		
Contracted Services	1,376,318	406,494
Supplies and Materials	(21,094)	25,471
Other Charges	1,271,862	1,374,148
Depreciation	553,175	555,575
<i>Total Nondepartmental</i>	3,180,261	2,361,688
Indirect Cost Allocation	8,590,660	7,888,740
Total Operating Expenses	\$ 72,667,348	\$ 67,791,302

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2025
 (With Comparative Amounts for 2024)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2025	2024
ASSETS					
Cash and Cash Equivalents	\$ 403,520	\$ 23,595	\$ 480	\$ 427,595	\$ 597,109
Investments	296,612	851,589	169,685	1,317,886	783,960
Miscellaneous Receivables	-	11,114	-	11,114	11,716
Due from Other Funds	-	-	-	-	-
Total Assets	<u>700,132</u>	<u>886,298</u>	<u>170,165</u>	<u>1,756,595</u>	<u>1,392,785</u>
LIABILITIES					
Accounts Payable	5,303	-	-	5,303	8,015
Total Liabilities	<u>5,303</u>	<u>-</u>	<u>-</u>	<u>5,303</u>	<u>8,015</u>
NET POSITION					
Unrestricted	694,829	886,298	170,165	1,751,292	1,384,770
Total Net Position	<u>\$ 694,829</u>	<u>\$ 886,298</u>	<u>\$ 170,165</u>	<u>\$1,751,292</u>	<u>\$ 1,384,770</u>

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION – INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (With Comparative Amounts for 2024)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2025	2024
OPERATING REVENUES					
Charges for Premiums	\$ 5,108,554	\$ 58,553	\$ 368,747	\$5,535,854	\$ 5,319,996
Miscellaneous Revenues	1,180	-	-	1,180	395
Total Operating Revenues	<u>5,109,734</u>	<u>58,553</u>	<u>368,747</u>	<u>5,537,034</u>	<u>5,320,391</u>
OPERATING EXPENSES					
Premiums	4,827,849	62,291	277,627	5,167,767	5,074,332
Administration	43,333	-	-	43,333	40,000
Total Operating Expenses	<u>4,871,182</u>	<u>62,291</u>	<u>277,627</u>	<u>5,211,100</u>	<u>5,114,332</u>
OPERATING INCOME (LOSS)	<u>238,552</u>	<u>(3,738)</u>	<u>91,120</u>	<u>325,934</u>	<u>206,059</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Income	3,104	32,369	5,115	40,588	53,391
Total Nonoperating Revenues (Expenses)	<u>3,104</u>	<u>32,369</u>	<u>5,115</u>	<u>40,588</u>	<u>53,391</u>
Net Income (Loss) Before Contributions and Transfers	241,656	28,631	96,235	366,522	259,450
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	241,656	28,631	96,235	366,522	259,450
Net Position At Beginning of Year	<u>453,173</u>	<u>857,667</u>	<u>73,930</u>	<u>1,384,770</u>	<u>1,125,320</u>
Net Position at End of Year	<u>\$ 694,829</u>	<u>\$ 886,298</u>	<u>\$ 170,165</u>	<u>\$1,751,292</u>	<u>\$ 1,384,770</u>

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025
 (With Comparative Amounts for 2024)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2025	2024
Cash Flows From Operating Activities:					
Cash Received from Interfund Services	\$ 4,039,982	\$ 59,154	\$ 368,747	\$ 4,467,883	\$ 4,334,396
Cash Paid from Users	1,069,752	-	-	1,069,752	988,885
Cash Paid for Employee Benefits	<u>(4,873,894)</u>	<u>(62,291)</u>	<u>(277,627)</u>	<u>(5,213,812)</u>	<u>(5,455,814)</u>
Net Cash Provided (Used) by Operating Activities	<u>235,840</u>	<u>(3,137)</u>	<u>91,120</u>	<u>323,823</u>	<u>(132,533)</u>
Cash Flows From Noncapital Financing Activities:					
Operating Transfers from/to Other Funds	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities:					
Sale(Purchase) of Investments	(260,765)	(172,945)	(100,215)	(533,925)	288,002
Investment Interest Received	<u>3,104</u>	<u>32,369</u>	<u>5,115</u>	<u>40,588</u>	<u>53,391</u>
Net Cash Provided (Used) by Investing Activities	<u>(257,661)</u>	<u>(140,576)</u>	<u>(95,100)</u>	<u>(493,337)</u>	<u>341,393</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(21,821)	(143,713)	(3,980)	(169,514)	208,860
Cash and Equivalents at Beg of Year	<u>425,341</u>	<u>167,308</u>	<u>4,460</u>	<u>597,109</u>	<u>388,249</u>
Cash and Equivalents at End of Year	<u>\$ 403,520</u>	<u>\$ 23,595</u>	<u>\$ 480</u>	<u>\$ 427,595</u>	<u>\$ 597,109</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 238,552	\$ (3,738)	\$ 91,120	\$ 325,934	\$ 206,059
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
(Increase) Decrease in					
Miscellaneous Receivables	-	601	-	601	946
Due from Other Funds	-	-	-	-	1,944
Increase (Decrease) in					
Accounts Payable	<u>(2,712)</u>	<u>-</u>	<u>-</u>	<u>(2,712)</u>	<u>(341,482)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 235,840</u>	<u>\$ (3,137)</u>	<u>\$ 91,120</u>	<u>\$ 323,823</u>	<u>\$ (132,533)</u>



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CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY (CUSTODIAL) FUNDS
 SEPTEMBER 30, 2025

	Riverside Cemetery Fund	Industrial Development Fund	DARE Scholarship Fund	Police Abandonment Fund	Walnut Springs PID	Total Custodial Funds
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 4,370	\$ 265	\$ 5,469	\$ 33,970	\$ 44,074
Investments	12,658	223,823	241	27,661	-	264,383
Inventory	-	359,431	-	-	-	359,431
Total Assets	<u>12,658</u>	<u>587,624</u>	<u>506</u>	<u>33,130</u>	<u>33,970</u>	<u>667,888</u>
LIABILITIES						
Due to Others	-	-	-	-	33,808	33,808
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,808</u>	<u>33,808</u>
Net Position Held in Trust	<u>\$ 12,658</u>	<u>\$ 587,624</u>	<u>\$ 506</u>	<u>\$ 33,130</u>	<u>\$ 162</u>	<u>\$ 634,080</u>

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY (CUSTODIAL) FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Riverside Cemetery Fund	Industrial Development Fund	DARE Scholarship Fund	Police Abandonment Fund	Walnut Springs PID	Total Custodial Funds
ADDITIONS						
Interest	\$ 607	\$ 10,112	\$ 13	\$ 1,186	\$ 162	\$ 12,080
Total Additions	<u>607</u>	<u>10,112</u>	<u>13</u>	<u>1,186</u>	<u>162</u>	<u>12,080</u>
DEDUCTIONS						
Distribution to Participants	-	-	-	-	-	-
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	607	10,112	13	1,186	162	12,080
Net Position, Beginning of Year	<u>12,051</u>	<u>577,512</u>	<u>493</u>	<u>31,944</u>	<u>-</u>	<u>622,000</u>
Net Position, End of Year	<u><u>\$ 12,658</u></u>	<u><u>\$ 587,624</u></u>	<u><u>\$ 506</u></u>	<u><u>\$ 33,130</u></u>	<u><u>\$ 162</u></u>	<u><u>\$ 634,080</u></u>



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CITY OF SEGUIN, TEXAS
STATISTICAL SECTION
SEPTEMBER 30, 2025

This part of the City of Seguin’s annual 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 Seguin’s overall financial health.

Financial Trends

Net Position by Component
Changes in Net Position
Fund Balances, Governmental Funds
Changes in Fund Balances, Governmental Funds

These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

Revenue Capacity

Tax Revenues by Source, Governmental Funds
Assessed Value and Actual Value of Property
Direct and Overlapping Property Tax Rates
Principal Property Taxpayers
Property Tax Levies and Collections

These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales tax.

Debt Capacity

Ratios of Outstanding Debt by Type
Ratios of General Bonded Debt Outstanding
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin
Pledged Revenue Coverage

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.

Demographic and Economic Information

Demographic and Economic Statistics
Principal Employers

These schedules offer demographic and economic indicators to help the reader understand how the City’s financial activities take place and to help make comparisons over time and with other governments.

Operating Information

Operating Indicators by Function
Capital Asset Statistics by Function
Full-time Equivalent City Government Employees by Function

These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.

CITY OF SEGUIN, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018 [^]	2019
<i>Governmental Activities:</i>				
Net Investment in Capital Assets	\$ 28,065,213	\$ 30,491,009	\$ 28,797,978	\$ 30,433,349
Restricted	2,912,376	2,806,714	3,098,632	3,325,349
Unrestricted	(1,309,424)	(3,141,355)	(367,714)	(2,656,756)
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 29,668,165</u>	<u>\$ 30,156,368</u>	<u>\$ 31,528,896</u>	<u>\$ 31,101,942</u>
<i>Business-Type Activities:</i>				
Net Investment in Capital Assets	\$ 44,783,121	\$ 49,099,409	\$ 50,116,822	\$ 50,781,852
Restricted	2,713,233	2,975,869	3,053,820	3,347,620
Unrestricted	24,439,018	26,265,507	31,053,353	32,067,867
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 71,935,372</u>	<u>\$ 78,340,785</u>	<u>\$ 84,223,995</u>	<u>\$ 86,197,339</u>
<i>Primary Government:</i>				
Net Investment in Capital Assets	\$ 72,848,334	\$ 79,590,418	\$ 78,914,800	\$ 81,215,201
Restricted	5,625,609	5,782,583	6,152,452	6,672,969
Unrestricted	23,129,594	23,124,152	30,685,639	29,411,111
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ 101,603,537</u>	<u>\$ 108,497,153</u>	<u>\$ 115,752,891</u>	<u>\$ 117,299,281</u>

[^] Change in Accounting Principle pursuant to GASB 75 applied prospectively effective October 1, 2018.
Comparative information has not been restated.

TABLE 1

		Fiscal Year				
2020	2021	2022	2023	2024	2025	
\$ 30,234,045	\$ 27,972,543	\$ 32,708,778	\$ 36,396,299	\$ 49,392,199	\$ 85,288,409	
2,936,758	3,783,621	4,038,235	4,066,847	4,281,154	4,362,923	
(1,187,763)	4,906,280	13,748,912	23,623,062	26,682,065	32,470,488	
<u>\$ 31,983,040</u>	<u>\$ 36,662,444</u>	<u>\$ 50,495,925</u>	<u>\$ 64,086,208</u>	<u>\$ 80,355,418</u>	<u>\$ 122,121,820</u>	
\$ 53,230,216	\$ 54,691,814	\$ 48,719,693	\$ 54,691,814	\$ 71,792,521	\$ 77,384,669	
5,374,731	17,192,973	14,101,505	17,192,973	25,780,576	31,927,165	
31,912,289	30,486,093	45,492,629	50,572,909	44,131,895	46,156,145	
<u>\$ 90,517,236</u>	<u>\$ 102,370,880</u>	<u>\$ 108,313,827</u>	<u>\$ 122,457,696</u>	<u>\$ 141,704,992</u>	<u>\$ 155,467,979</u>	
\$ 83,464,261	\$ 82,664,357	\$ 81,428,471	\$ 91,088,113	\$ 121,184,720	\$ 162,673,078	
8,311,489	20,976,594	18,139,740	21,259,820	30,061,730	36,290,088	
30,724,526	35,392,373	59,241,541	74,195,971	70,813,960	78,626,633	
<u>\$ 122,500,276</u>	<u>\$ 139,033,324</u>	<u>\$ 158,809,752</u>	<u>\$ 186,543,904</u>	<u>\$ 222,060,410</u>	<u>\$ 277,589,799</u>	

CITY OF SEGUIN, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

Expenses	Fiscal Year			
	2016	2017	2018 [^]	2019
<i>Governmental Activities:</i>				
General Government	\$ 7,500,656	\$ 8,757,882	\$ 7,973,726	\$ 8,799,350
Public Safety	14,279,914	15,578,523	15,581,434	16,703,296
Public Service	10,077,096	9,644,071	11,044,845	11,603,192
Interest on Long-Term Debt	2,560,726	2,864,443	2,871,456	2,850,813
Indirect Cost Allocation	(4,352,992)	(4,641,289)	(4,819,725)	(4,968,672)
Transfers In (Out)	-	-	-	-
<i>Total Governmental Activities</i>	<u>30,065,400</u>	<u>32,203,630</u>	<u>32,651,736</u>	<u>34,987,979</u>
<i>Business-Type Activities:</i>				
Utility	37,882,970	41,090,227	41,828,470	47,630,285
Indirect Cost Allocation	4,352,992	4,641,289	4,819,725	4,968,672
Transfers In (Out)	-	-	-	-
<i>Total Business-Type Activities</i>	<u>42,235,962</u>	<u>45,731,516</u>	<u>46,648,195</u>	<u>52,598,957</u>
Total Primary Government Expenses	<u><u>\$ 72,301,362</u></u>	<u><u>\$ 77,935,146</u></u>	<u><u>\$ 79,299,931</u></u>	<u><u>\$ 87,586,936</u></u>
Program Revenues				
<i>Governmental Activities:</i>				
Charges for Services:				
General Government	\$ 3,209,656	\$ 3,647,445	\$ 3,306,325	\$ 4,907,833
Public Safety	3,515,320	3,478,473	3,897,134	3,123,547
Public Service	3,072,719	3,493,086	3,883,079	3,969,566
Operating Grants and Contributions	546,156	618,406	760,164	589,086
Capital Grants and Contributions	656,203	2,868,007	2,952,449	228,219
<i>Total Governmental Activities</i>	<u>11,000,054</u>	<u>14,105,417</u>	<u>14,799,151</u>	<u>12,818,251</u>
<i>Business-Type Activities:</i>				
Charges for Services	46,502,423	49,979,572	52,260,672	53,459,811
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	975,222	1,845,532	-	69,004
<i>Total Business-Type Activities</i>	<u>47,477,645</u>	<u>51,825,104</u>	<u>52,260,672</u>	<u>53,528,815</u>
Total Primary Government Program Revenues	<u><u>\$ 58,477,699</u></u>	<u><u>\$ 65,930,521</u></u>	<u><u>\$ 67,059,823</u></u>	<u><u>\$ 66,347,066</u></u>

[^] Change in Accounting Principle pursuant to GASB 75 applied prospectively effective October 1, 2018.

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 9,134,170	\$ 9,655,277	\$ 10,077,455	\$ 10,478,181	\$ 9,242,504	\$ 12,552,779
17,476,362	17,638,658	18,432,214	22,793,768	22,760,293	26,540,721
12,718,515	12,883,281	14,004,359	15,216,461	20,718,706	18,247,768
2,979,262	3,083,651	3,247,737	3,800,658	4,208,686	5,221,280
(5,256,011)	(5,628,493)	(6,228,640)	(7,045,073)	(7,888,740)	(8,590,660)
-	-	-	-	-	(681,800)
<u>37,052,298</u>	<u>37,632,374</u>	<u>39,533,125</u>	<u>45,243,995</u>	<u>49,041,449</u>	<u>53,290,088</u>
46,554,498	47,649,569	51,516,215	64,095,628	72,434,754	82,319,972
5,256,011	5,628,493	6,228,640	7,045,073	7,888,740	8,590,660
-	-	-	-	-	681,800
<u>51,810,509</u>	<u>53,278,062</u>	<u>57,744,855</u>	<u>71,140,701</u>	<u>80,323,494</u>	<u>90,910,632</u>
<u>\$ 88,862,807</u>	<u>\$ 90,910,436</u>	<u>\$ 97,277,980</u>	<u>\$ 116,384,696</u>	<u>\$ 129,364,943</u>	<u>\$ 144,200,720</u>
\$ 6,229,572	\$ 8,073,314	\$ 8,735,593	\$ 8,788,935	\$ 8,511,418	\$ 9,755,052
2,560,566	2,470,584	3,915,385	3,281,300	3,794,402	3,872,528
4,449,439	5,579,989	5,985,501	7,597,287	6,994,391	7,426,415
2,224,174	906,378	2,647,696	3,252,101	2,428,239	2,010,645
221,494	1,545,026	4,008,991	829,397	2,227,874	28,127,819
<u>15,685,245</u>	<u>18,575,291</u>	<u>25,293,166</u>	<u>23,749,020</u>	<u>23,956,324</u>	<u>51,192,459</u>
55,650,708	59,893,148	66,615,679	74,469,020	79,073,982	84,317,924
-	-	-	-	-	-
-	591,597	190,303	-	72,724	497,714
<u>55,650,708</u>	<u>60,484,745</u>	<u>66,805,982</u>	<u>74,469,020</u>	<u>79,146,706</u>	<u>84,815,638</u>
<u>\$ 71,335,953</u>	<u>\$ 79,060,036</u>	<u>\$ 92,099,148</u>	<u>\$ 98,218,040</u>	<u>\$ 103,103,030</u>	<u>\$ 136,008,097</u>

CITY OF SEGUIN, TEXAS
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS (CONTINUED)
 (Accrual Basis of Accounting)

	Fiscal Year			
	2016	2017	2018 [^]	2019
Net (Expense)/Revenue				
Governmental Activities	\$ (19,065,346)	\$ (18,098,213)	\$ (17,852,585)	\$ (22,169,728)
Business-Type Activities	5,241,683	6,093,588	5,612,477	929,858
Total Primary Government Net (Expense)	<u>\$ (13,823,663)</u>	<u>\$ (12,004,625)</u>	<u>\$ (12,240,108)</u>	<u>\$ (21,239,870)</u>
General Revenues and Other Changes in Net Position				
<i>Governmental Activities:</i>				
General Property Taxes	\$ 7,922,023	\$ 9,362,955	\$ 10,126,201	\$ 11,037,342
Franchise Taxes	1,252,005	1,096,104	1,187,699	1,273,009
Sales Taxes	6,232,146	6,271,333	6,729,041	6,760,360
Occupancy Taxes	830,356	842,217	861,218	833,720
Interest and Investment Earnings	183,931	400,790	678,954	930,252
Miscellaneous	546,645	531,294	535,000	740,000
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Transfers	(80,406)	81,723	101,297	168,091
<i>Total Governmental Activities</i>	<u>16,886,700</u>	<u>18,586,416</u>	<u>20,219,410</u>	<u>21,742,774</u>
<i>Business-Type Activities Charges for Services:</i>				
Interest and Investment Earnings	191,925	389,947	764,923	1,202,045
Gain (Loss) on Sale of Capital Assets	14,112	3,601	660	9,432
Transfers	80,406	(81,723)	(101,297)	(168,091)
<i>Total Business-Type Activities</i>	<u>286,443</u>	<u>311,825</u>	<u>664,286</u>	<u>1,043,386</u>
Total Primary Government	<u>\$ 17,173,143</u>	<u>\$ 18,898,241</u>	<u>\$ 20,883,696</u>	<u>\$ 22,786,160</u>
Change in Net Position				
Governmental Activities	\$ (2,178,646)	\$ 488,203	\$ 2,366,825	\$ (426,954)
Business-Type Activities	5,528,126	6,405,413	6,276,763	1,973,244
Total Primary Government	<u>\$ 3,349,480</u>	<u>\$ 6,893,616</u>	<u>\$ 8,643,588</u>	<u>\$ 1,546,290</u>

[^] Change in Accounting Principle pursuant to GASB 75 applied prospectively effective October 1, 2018.
 Comparative information has not been restated.

TABLE 2 (CONT.)

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ (21,367,053)	\$ (19,057,083)	\$ (14,239,959)	\$ (21,494,975)	\$ (25,085,125)	\$ (2,779,429)
3,840,199	7,206,683	9,061,127	3,328,319	(1,176,788)	(6,094,994)
<u>\$ (17,526,854)</u>	<u>\$ (11,850,400)</u>	<u>\$ (5,178,832)</u>	<u>\$ (18,166,656)</u>	<u>\$ (26,261,913)</u>	<u>\$ (8,874,423)</u>
\$ 11,695,949	\$ 12,791,688	\$ 14,480,532	\$ 17,193,980	\$ 20,081,767	\$ 22,263,645
1,212,109	1,344,906	1,509,595	1,639,509	1,670,726	1,687,004
7,319,631	8,232,954	10,118,330	10,860,709	12,203,445	12,101,893
669,563	1,039,212	1,140,613	1,075,447	1,031,508	997,305
432,386	44,172	500,692	4,135,440	5,697,685	5,994,102
645,000	550,452	555,956	570,975	616,727	572,804
222,023	122,509	207,721	58,639	52,477	247,278
51,490	(389,406)	(439,999)	(449,441)	-	-
<u>22,248,151</u>	<u>23,736,487</u>	<u>28,073,440</u>	<u>35,085,258</u>	<u>41,354,335</u>	<u>43,864,031</u>
529,711	40,236	533,638	10,365,396	20,252,886	20,487,738
1,577	65,358	60,144	713	171,198	52,043
(51,490)	389,406	439,999	449,441	-	-
<u>479,798</u>	<u>495,000</u>	<u>1,033,781</u>	<u>10,815,550</u>	<u>20,424,084</u>	<u>20,539,781</u>
<u>\$ 22,727,949</u>	<u>\$ 24,231,487</u>	<u>\$ 29,107,221</u>	<u>\$ 45,900,808</u>	<u>\$ 61,778,419</u>	<u>\$ 64,403,812</u>
\$ 881,098	\$ 4,679,404	\$ 13,833,481	\$ 13,590,283	\$ 16,269,210	\$ 41,766,402
4,319,997	7,701,683	10,094,908	14,143,869	19,247,296	13,762,987
<u>\$ 5,201,095</u>	<u>\$ 12,381,087</u>	<u>\$ 23,928,389</u>	<u>\$ 27,734,152</u>	<u>\$ 35,516,506</u>	<u>\$ 55,529,389</u>

CITY OF SEGUIN, TEXAS
 FUND BALANCES, GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
<i>General Fund:</i>				
Nonspendable	\$ 107,383	\$ 120,838	\$ 135,453	\$ 154,001
Restricted	5,300	7,905	5,300	28,154
Committed	2,018,494	1,536,104	2,202,612	2,151,739
Assigned	52,312	3,440	129,946	210,949
Unassigned	12,974,522	11,505,167	10,529,800	10,796,436
<i>Total General Fund</i>	<u>\$ 15,158,011</u>	<u>\$ 13,173,454</u>	<u>\$ 13,003,111</u>	<u>\$ 13,341,279</u>
<i>All other Governmental Funds:</i>				
Nonspendable	\$ 1,163	\$ 43,326	\$ 17,869	\$ 3,476
Restricted - Special Revenue	1,942,693	1,915,334	2,066,025	2,076,086
Restricted - Capital Projects	11,643,846	15,335,309	12,857,421	8,979,338
Restricted - Debt Service	982,371	893,141	1,093,814	1,296,867
Committed - Special Revenue	24,237	214,185	299,414	389,686
Assigned - Capital Projects	5,045,454	4,763,452	6,686,974	5,794,947
<i>Total Other Governmental Funds</i>	<u>\$ 19,639,764</u>	<u>\$ 23,164,747</u>	<u>\$ 23,021,517</u>	<u>\$ 18,540,400</u>

TABLE 3

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 173,399	\$ 157,601	\$ 270,222	\$ 331,664	\$ 308,007	\$ 422,838
16,813	22,056	42,186	44,147	57,402	57,402
2,008,348	3,029,936	2,500,330	2,615,559	2,757,780	2,642,199
223,709	112,150	142,121	169,946	263,665	280,363
12,973,384	13,490,088	18,566,609	22,955,792	27,008,738	30,557,610
<u>\$ 15,395,653</u>	<u>\$ 16,811,831</u>	<u>\$ 21,521,468</u>	<u>\$ 26,117,108</u>	<u>\$ 30,395,592</u>	<u>\$ 33,960,412</u>
\$ 4,722	\$ 4,160	\$ -	\$ -	\$ -	\$ -
1,641,541	2,332,964	2,572,492	3,073,719	3,389,612	3,318,966
14,558,885	24,102,154	26,186,164	44,697,108	60,673,847	85,307,688
1,351,621	1,430,897	1,532,640	1,180,548	1,017,743	1,329,892
363,475	544,995	512,305	655,566	1,642,634	955,194
4,826,251	5,248,658	6,609,812	9,080,459	6,994,756	3,154,139
<u>\$ 22,746,495</u>	<u>\$ 33,663,828</u>	<u>\$ 37,413,413</u>	<u>\$ 58,687,400</u>	<u>\$ 73,718,592</u>	<u>\$ 94,065,879</u>

CITY OF SEGUIN, TEXAS
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	\$ 16,237,296	\$ 17,492,007	\$ 19,006,626	\$ 19,871,923
Licenses and Permits	740,076	1,062,336	766,525	869,052
Intergovernmental	1,891,931	2,151,733	4,507,057	1,614,031
Charges for Services	6,047,893	6,852,536	7,008,229	7,665,838
Fines and Forfeits	1,695,053	1,909,706	1,819,248	1,362,160
Interest	181,889	394,487	664,608	905,661
Miscellaneous	958,334	920,641	994,103	2,071,301
Total Revenues	<u>27,752,472</u>	<u>30,783,446</u>	<u>34,766,396</u>	<u>34,359,966</u>
Expenditures				
General Government	4,029,991	5,002,392	4,955,952	5,553,483
Public Safety	12,595,423	13,497,928	13,917,286	13,982,502
Public Service	7,075,027	7,191,996	7,242,165	7,525,058
Nondepartmental	2,251,191	2,726,158	2,377,784	2,735,975
Indirect Cost Allocation (Recovery)	(4,352,992)	(4,641,289)	(4,819,725)	(4,968,672)
Capital Projects/ Outlay	21,967,537	10,730,592	13,490,692	7,603,803
Debt Service:				
Principal	2,602,766	2,860,858	3,466,099	3,859,954
Interest and Fiscal Charges	2,249,581	2,705,449	2,785,378	2,848,546
Bond Issue Costs	379,187	216,893	159,158	118,964
Total Expenditures	<u>48,797,711</u>	<u>40,290,977</u>	<u>43,574,789</u>	<u>39,259,613</u>
Excess of Revenues Over (Under) Expenditures	<u>(21,045,239)</u>	<u>(9,507,531)</u>	<u>(8,808,393)</u>	<u>(4,899,647)</u>
Other Financing Sources (Uses)				
Transfers In	4,668,304	3,377,486	3,299,109	2,429,216
Transfers Out	(4,820,473)	(3,304,663)	(3,197,812)	(2,352,657)
Issuance of Debt	23,070,779	10,975,135	8,393,523	10,689,209
Payments to Refunding Bond Escrow Agent	(9,804,242)	-	-	(10,009,070)
Total Other Financing Sources (Uses)	<u>13,114,368</u>	<u>11,047,958</u>	<u>8,494,820</u>	<u>756,698</u>
Net Change in Fund Balance	<u>\$ (7,930,871)</u>	<u>\$ 1,540,427</u>	<u>\$ (313,573)</u>	<u>\$ (4,142,949)</u>
Debt Service as a percentage of Noncapital Expenditures	17.1%	18.6%	21.0%	20.6%

TABLE 4

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 20,967,048	\$ 23,428,719	\$ 27,229,025	\$ 30,670,265	\$ 34,747,890	\$ 36,934,658
3,335,672	4,890,624	5,678,364	6,586,807	4,929,142	7,075,131
3,250,615	3,337,762	7,376,549	5,152,015	5,813,960	29,972,204
7,268,772	8,788,194	10,643,771	10,818,306	11,549,622	10,834,425
726,237	765,140	837,346	733,126	775,347	911,672
423,257	43,122	494,714	4,082,770	5,644,312	5,953,510
1,949,215	1,700,134	1,358,010	1,050,022	1,424,450	3,302,861
<u>37,920,816</u>	<u>42,953,695</u>	<u>53,617,779</u>	<u>59,093,311</u>	<u>64,884,723</u>	<u>94,984,461</u>
5,725,712	5,908,035	7,438,748	8,139,845	8,990,368	8,402,954
15,335,408	16,691,447	18,070,457	20,067,639	21,189,487	23,179,225
7,517,771	6,611,884	7,235,241	7,642,479	8,766,870	10,635,150
3,158,123	5,077,724	4,369,705	4,171,454	4,869,975	5,302,097
(5,256,011)	(5,628,493)	(6,228,640)	(7,045,073)	(7,888,740)	(8,590,660)
8,574,767	6,396,057	13,856,249	14,738,431	27,991,057	62,058,407
3,875,751	3,858,241	4,277,043	21,178,543	5,019,910	5,450,720
3,055,756	3,336,755	3,386,019	4,125,649	4,698,440	5,548,508
171,472	275,091	67,711	346,947	211,436	325,085
<u>42,158,749</u>	<u>42,526,741</u>	<u>52,472,533</u>	<u>73,365,914</u>	<u>73,848,803</u>	<u>112,311,486</u>
<u>(4,237,933)</u>	<u>426,954</u>	<u>1,145,246</u>	<u>(14,272,603)</u>	<u>(8,964,080)</u>	<u>(17,327,025)</u>
1,612,934	1,726,220	2,789,675	4,957,534	6,390,108	7,583,092
(1,933,494)	(2,115,626)	(3,229,674)	(5,406,974)	(6,390,108)	(6,901,292)
10,818,962	15,180,945	7,653,975	40,591,670	28,273,756	45,789,815
-	(2,884,982)	-	-	-	-
<u>10,498,402</u>	<u>11,906,557</u>	<u>7,213,976</u>	<u>40,142,230</u>	<u>28,273,756</u>	<u>46,471,615</u>
<u>\$ 6,260,469</u>	<u>\$ 12,333,511</u>	<u>\$ 8,359,222</u>	<u>\$ 25,869,627</u>	<u>\$ 19,309,676</u>	<u>\$ 29,144,590</u>
20.6%	18.4%	19.7%	42.8%	20.3%	21.6%

CITY OF SEGUIN, TEXAS
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

TABLE 5

<u>Fiscal Year</u>	<u>Property</u>	<u>Sales & Use</u>	<u>Occupancy</u>	<u>Franchise</u>	<u>Total</u>
2016	\$ 8,030,337	\$ 6,158,250	\$ 835,858	\$ 1,212,852	\$ 16,237,297
2017	9,390,960	6,195,774	849,390	1,055,883	17,492,007
2018	10,350,375	6,642,080	869,556	1,144,614	19,006,625
2019	11,160,168	6,641,759	842,537	1,227,458	19,871,922
2020	11,919,570	7,178,147	702,230	1,167,100	20,967,047
2021	12,811,646	8,274,032	1,043,122	1,299,919	23,428,719
2022	14,460,486	10,159,420	1,144,175	1,464,944	27,229,025
2023	17,110,271	10,902,070	1,060,960	1,596,964	30,670,265
2024	19,922,211	12,241,741	948,061	1,635,877	34,747,890
2025	22,148,456	12,142,507	1,005,715	1,637,980	36,934,658

CITY OF SEGUIN, TEXAS
 ASSESSED VALUE AND ACTUAL VALUE OF PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 6

Fiscal Year	Residential Property	Commercial Property	Industrial Property	All Other Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2025	\$ 3,252,942,915	\$ 844,129,734	\$1,258,859,040	\$ 117,901,346	\$ 904,440,628	\$ 4,569,392,407	0.5125
2024	2,456,968,502	786,599,538	1,440,844,732	195,957,010	774,872,725	4,105,497,057	0.5125
2023	2,109,636,162	683,425,832	1,152,957,584	185,140,559	687,079,592	3,444,080,545	0.5225
2022	1,538,891,822	602,808,640	933,997,524	233,990,643	501,138,141	2,808,550,488	0.5412
2021	1,472,383,603	546,314,174	992,641,562	203,507,432	747,785,276	2,467,061,495	0.5412
2020	1,266,911,717	602,701,862	824,158,632	609,523,918	1,053,060,493	2,250,235,636	0.5412
2019	1,269,529,902	620,853,680	824,985,758	611,708,756	1,209,666,922	2,117,411,174	0.5412
2018	1,058,414,772	575,324,394	767,956,086	514,783,933	958,991,679	1,957,487,506	0.5412
2017	952,385,968	557,472,552	760,165,027	523,305,180	994,770,018	1,798,558,709	0.5412
2016	862,290,556	596,741,553	629,614,703	512,418,847	1,046,255,963	1,554,809,696	0.5256

Source: Guadalupe County Appraisal District

Tax rates are per \$100 of assessed value.

Total Taxable Assessed Value is not adjusted for enacted freeze on property values for certain taxpayers, which became effective January 1, 2006.

The freeze adjusted taxable value for the 2025 tax roll was \$4,119,907,281.

CITY OF SEGUIN, TEXAS
 DIRECT AND OVERLAPPING PROPERTY TAX RATES
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 7

Fiscal Year	City Direct Rates			Overlapping Rates	
	General M&O	Debt Service	Total Direct	School District	Guadalupe County
2016	\$ 0.3126	\$ 0.2130	\$ 0.5256	\$ 1.4100	\$ 0.3851
2017	0.3104	0.2308	0.5412	1.4200	0.3851
2018	0.2879	0.2533	0.5412	1.4200	0.3799
2019	0.2763	0.2649	0.5412	1.4200	0.3819
2020	0.2767	0.2645	0.5412	1.3750	0.3819
2021	0.2811	0.2601	0.5412	1.2846	0.3854
2022	0.2880	0.2532	0.5412	1.2846	0.3799
2023	0.3012	0.2213	0.5225	1.3435	0.3439
2024	0.3017	0.2108	0.5125	1.1166	0.3231
2025	0.2957	0.2168	0.5125	1.1028	0.3167

CITY OF SEGUIN, TEXAS
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND TEN YEARS AGO
 (Unaudited)

TABLE 8

Taxpayer	Fiscal Year 2025			Fiscal Year 2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Vitesco Technologies	\$ 157,115,637	1	3.85%	-	-	-
Caterpillar Inc.	122,966,558	2	3.02%	-	-	-
QTS Procurement LLC	101,184,000	3	2.48%	-	-	-
Temic Automotive (Motorola)	-	-	-	\$ 63,182,207	1	2.88%
Niagara Bottling LLC	50,075,497	4	1.23%	-	-	-
Tyson Foods, Inc	35,211,588	5	0.87%	10,699,022	5	0.49%
Helmerich & Payne International Drilling	34,601,623	6	0.85%	10,645,621	7	0.49%
The Caldwell Apartments	32,250,000	7	0.79%	-	-	-
8th Street Properties	31,671,124	8	0.78%	-	-	-
Ameritex Pipe & Products LLC	30,284,010	9	0.74%	12,201,583	3	0.56%
Wonder Properties Ltd (Oak Hollow)	26,929,843	10	0.66%	9,800,000	8	0.45%
ET Seguin Dist LLC	-	-	-	10,664,103	6	0.49%
Hexcel Corporation	-	-	-	17,680,470	2	0.81%
Ranch @ SH123 Loop	-	-	-	11,025,000	4	0.50%
Wal-Mart Real Estate Business Trust	-	-	-	7,300,137	10	0.33%
Walmart Store	-	-	-	8,334,202	9	0.38%
Total	\$ 622,289,880		15.27%	\$ 161,532,345		7.38%

Source: Guadalupe County Appraisal District

CITY OF SEGUIN, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 9

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2016	\$ 7,811,018	\$ 7,649,611	97.9%	\$ 140,858	\$ 7,790,469	99.7%
2017	9,263,759	8,999,501	97.1%	241,468	9,240,969	99.8%
2018	10,054,136	9,893,628	98.4%	143,195	10,036,823	99.8%
2019	10,721,440	10,663,320	99.5%	38,514	10,701,834	99.8%
2020	11,384,723	11,215,830	98.5%	140,418	11,356,248	99.7%
2021	11,851,532	11,701,221	98.7%	115,542	11,816,763	99.7%
2022	14,325,931	14,158,924	98.8%	115,964	14,274,888	99.6%
2023	17,032,785	16,813,968	98.7%	121,868	16,935,836	99.4%
2024	19,902,588	19,609,312	98.5%	132,225	19,741,537	99.2%
2025	22,093,295	21,745,890	98.4%	-	21,745,890	98.4%

Amount collected includes discounts

CITY OF SEGUIN, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 10

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Actual Taxable Value of Property	Percentage of Taxable Value of Property	Per* Capita	Percentage of Personal Income
	Bonds [^]	Tax	Notes	Revenue	Financed					
		Anticipation Notes	Payable	and GO Bonds [^]	Purchases					
2016	\$ 70,287,498	\$ -	\$ 126,386	\$ 43,811,398	\$ 36,120	\$ 114,261,402	\$ 1,554,809,696	7.3%	3,808	19.3%
2017	76,828,222	-	1,517,298	51,152,402	36,120	129,534,042	1,798,558,709	7.2%	4,317	21.7%
2018	80,483,441	1,138,000	1,455,224	57,826,332	-	140,902,997	1,957,487,506	7.2%	4,649	21.4%
2019	77,492,864	1,054,000	1,293,253	57,512,227	-	137,352,344	2,117,411,174	6.5%	4,487	21.8%
2020	84,458,655	661,000	1,319,913	59,216,823	-	145,656,391	2,250,235,636	6.5%	4,641	20.2%
2021	93,234,556	255,000	903,646	70,761,164	-	165,154,366	2,467,061,495	6.7%	5,188	19.8%
2022	96,117,499	715,000	612,363	81,387,376	-	178,832,238	2,808,550,488	6.4%	5,565	19.9%
2023	114,271,520	495,000	1,252,985	327,902,734	539,333	444,461,572	3,444,080,545	12.9%	12,256	41.1%
2024	135,741,786	275,000	2,505,394	414,012,420	840,129	553,374,729	4,105,497,057	13.5%	14,634	47.0%
2025	172,164,089	140,000	5,659,398	522,958,141	539,278	701,460,906	4,569,392,407	15.4%	18,084	49.8%

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

[^] Bonded debt includes unamortized premiums

* Population and Personal Income data can be found on Table 15.

CITY OF SEGUIN, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

TABLE 11

Fiscal Year	General Bonded Debt		Available in Debt Service Funds	Total	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Per Capita*
	Bonds	Tax Anticipation Notes					
2016	79,923,468	-	(982,371)	78,941,097	1,554,809,696	5.1%	2,631
2017	85,412,933	-	(893,141)	84,519,792	1,798,558,709	4.7%	2,817
2018	85,884,999	1,138,000	(1,093,814)	85,929,185	1,957,487,506	4.4%	2,835
2019	90,110,949	1,054,000	(1,296,867)	89,868,082	2,117,411,174	4.2%	2,936
2020	95,943,655	661,000	(1,351,621)	95,253,034	2,250,235,636	4.2%	3,035
2021	103,534,556	255,000	(1,430,897)	102,358,659	2,467,061,495	4.1%	3,215
2022	97,850,000	715,000	(1,532,640)	97,032,360	2,808,550,488	3.5%	3,019
2023	209,345,000	495,000	(1,180,548)	208,659,452	3,444,080,545	6.1%	5,754
2024	314,035,000	275,000	(1,017,743)	313,292,257	4,105,497,057	7.6%	8,285
2025	452,090,000	140,000	(1,329,892)	450,900,108	4,569,392,407	9.9%	11,624

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

Bonds include GO Bonds being serviced by the Utility Fund.

**Population data can be found on Table 15.*

CITY OF SEGUIN, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2025
(Unaudited)

TABLE 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Guadalupe County	\$ 5,405,000	20.43%	\$ 1,104,242
Navarro ISD	166,976,494	47.48%	79,280,439
Seguin Independent School District	236,875,000	57.66%	136,582,125
Subtotal, Overlapping Debt			216,966,806
Seguin Direct Debt			161,995,000
Total Direct and Overlapping Debt			\$ 378,961,806

Source: Municipal Advisory Council of Texas.

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

CITY OF SEGUIN, TEXAS
 COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 13

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value	<u>\$ 4,569,392,407</u>
* Debt limit (10% of assessed value)	456,939,241
Outstanding Debt ^[1]	161,995,000
Less amount set aside for repayment of general obligation debt	<u>(1,017,743)</u>
Total net debt applicable to limit	<u>160,977,257</u>
 Economic Debt Margin	 <u>\$ 295,961,984</u>

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt Limit	\$ 155,480,970	\$ 179,855,871	\$ 195,746,751	\$ 211,741,117	\$ 290,212,717
Total net debt applicable to limit	(69,305,127)	(75,935,081)	(79,873,076)	(78,543,250)	(95,253,034)
Economic Debt Margin	\$ 86,175,843	\$ 103,920,790	\$ 115,873,675	\$ 133,197,867	\$ 194,959,683

	Fiscal Year				
	2020	2022	2023	2024	2025
Debt Limit	\$ 246,706,150	\$ 280,855,049	\$ 344,408,055	\$ 410,549,706	\$ 456,939,241
Total net debt applicable to limit	(102,358,659)	(97,032,360)	(106,274,452)	(126,402,257)	(160,977,257)
Economic Debt Margin	\$ 144,347,491	\$ 183,822,689	\$ 238,133,603	\$ 284,147,449	\$ 295,961,984

^[1] Texas does not have a legal debt margin for cities. The only limit on taxation is \$2.50 per \$100 of assessed value. Good financial integrity calls for 10% of assessed value to be used for debt limit.

CITY OF SEGUIN, TEXAS
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 14

Fiscal Year	Restricted Beginning Fund Balance	Utility Service Charges	Less: Operating Expenses*	Net Available Revenue	Debt Service Principal	Interest	Coverage
2016	\$ 39,946,492	\$ 46,502,423	\$ (37,473,784)	\$ 48,975,131	\$ 1,326,771	\$ 1,382,137	18.08
2017	44,783,121	49,979,571	(40,706,005)	54,056,687	1,471,259	1,636,004	17.40
2018	49,099,409	52,260,671	(39,777,807)	61,582,273	1,773,378	1,822,007	17.13
2019	50,116,822	53,459,811	(45,797,030)	57,779,603	2,003,248	1,985,646	14.49
2020	50,781,852	55,650,708	(44,235,156)	62,197,404	2,033,084	2,123,205	14.96
2021	53,230,216	59,893,148	(45,552,104)	67,571,260	3,695,000	1,959,114	11.95
2022	54,691,814	66,615,679	(49,600,710)	71,706,783	3,455,000	2,559,125	11.92
2023	48,719,693	74,469,020	(53,843,844)	69,344,869	2,705,000	6,755,868	7.33
2024	54,691,814	74,469,020	(53,843,844)	75,316,990	3,745,510	6,722,339	7.20
2025	71,792,521	79,073,983	(67,791,302)	83,075,202	5,350,851	11,793,681	4.85

* All operating expenses exclusive of depreciation

^ 2023 Debt Service Principal does not include \$17,885,000 principal paid to retire 2014 GO Bonds funded by Refunding GO Bonds, Series 2023.

CITY OF SEGUIN, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (Unaudited)

TABLE 15

Year	Census Population	Population Estimate	Median Family Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2016	25,175	30,006	41,835	19,754	37.2	7,459	3.4
2017	25,175	30,006	36,755	19,853	37.2	7,461	3.6
2018	25,175	30,306	38,714	21,757	35.0	7,492	3.0
2019	25,175	30,609	40,909	20,612	36.3	7,427	3.2
2020	25,175	31,386	48,782	22,961	35.1	7,343	7.3
2021	29,433	31,834	49,976	26,171	35.1	6,889	3.6
2022	29,433	32,138	52,750	28,012	35.9	6,889	4.1
2023	29,433	36,266	53,805	29,821	36.4	7,239	3.5
2024	29,433	37,814	66,153	31,122	37.9	7,314	3.5
2025	29,433	38,789	72,775	36,281	37.9	7,402	4.1

Sources: Population, median family income, per capita personal income, and median age information provided by the United States Census Bureau and the Texas State Data Center and are the most recent available for the city. Population estimates are based on addition of annexed areas. School enrollment information provided by Seguin Independent School District. Unemployment rate is for Guadalupe County and is provided by the Texas Workforce Commission and the U.S. Dept. of Labor. Unemployment data is not available for the City.

CITY OF SEGUIN, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND SIX YEARS AGO
 (Unaudited)

TABLE 16

<u>Employer</u>	<u>2025</u>			<u>2019</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Texas Power Systems/CAT	1,650	1	9.29%	2,000	1	14.50%
Vitesco (Continental AG)	1,200	2	6.76%	1,500	2	10.88%
Seguin Independent School District	1,100	3	6.19%	1,045	3	7.58%
CMC Steel	800	4	4.50%	900	4	6.53%
Guadalupe Regional Medical Center	900	5	5.07%	765	5	5.55%
Tyson Foods	830	6	4.67%	750	6	5.44%
Guadalupe County	650	7	3.66%	650	7	4.71%
City of Seguin	488	8	2.75%	429	9	3.11%
HEB	400	9	2.25%	400	10	2.90%
Texas Lutheran University	280	10	1.58%	440	8	3.19%
Total	8,298		46.72%	8,879		64.39%

Source: Seguin Area Chamber of Commerce, Texas Workforce Commission, and Seguin Economic Development Coi

CITY OF SEGUIN, TEXAS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

Function	Fiscal Year				
	2025	2024	2023	2022	2021
Police					
Physical arrests	1167	963	997	828	911
Traffic citations	3749	2133	2008	3199	2,681
Parking citations	557	521	0	546	342
Fire/EMS					
Emergency responses	5960	5403	5277	5556	5,840
Non-emergency response/Service Calls	1693	1376	1408	1558	990
Inspections	818	671	629	510	738
Refuse collection (by private contractor)					
# of customers	11984	11152	10222	9178	8,191
Parks and Recreation					
Park and sport facility rentals	1368	617	631	598	474
Sport league participants	4672	3989	4026	3941	3,265
Program participants	3037	2719	2544	478	313
Wave Pool admissions	11718	13483	12785	15777	-
Library					
Volumes in collection	82026	79882	79338	80187	78,591
Total volumes borrowed	346968	297614	302297	281529	238,272
Electric					
# of customers	10415	9803	9381	8920	8,662
Sales (millions of \$)	34.66	32.9	31.8	31.9	29
Water					
# of customers	9713	9149	8622	8206	7,770
Average daily production (millions of gal.)					
Surface water	4.52	4.72	4.62	4.77	4.75
Well water	4.28	3.47	3.55	3.14	3.13
Total	8.8	8.19	8.17	7.91	7.88
Water main repairs (main sizes from 3/4" to 16")	144	121	108	145	114
Wastewater					
Average daily sewage treatment (millions of gal.)	4.32	4.32	4.25	4.15	4.33

Sources: City departments

Notes: Fire/EMS statistics are on a calendar basis. Program participants under Parks and Recreation include d Sales of electricity are of purchased power; the City does not generate electric power.

TABLE 17

Fiscal Year				
2020	2019	2018	2017	2016
1,101	1,084	1,072	1,755	2,328
3,814	6,632	12,616	12,206	11,068
324	919	1,249	1,324	70
5,520	4,506	4,308	3,842	4,130
318	1,239	1,279	1,424	1,366
563	787	1,334	1,252	1,467
8,296	8,162	9,025	8,796	8,623
178	701	575	732	763
1,227	-	-	3,614	3,352
319	3,441	3,517	3,359	3,769
-	14,301	12,436	11,430	12,801
78,478	76,559	76,490	73,137	69,055
232,572	308,802	260,766	269,824	168,429
8,555	8,541	8,549	8,538	8,438
29.4	30.1	30.5	29.7	27.3
7,549	7,518	7,516	7,393	7,298
4.80	4.08	3.81	3.20	3.73
3.04	2.98	3.22	3.06	2.71
7.84	7.06	7.03	6.26	6.44
129	178	133	175	126
4.05	4.33	4.65	5.40	4.57

camp, after-school, softball, & swimming lessons.

CITY OF SEGUIN, TEXAS
 CAPITAL ASSET STATISTICS BY FUNCTION
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	Fiscal Year			
	2025	2024	2023	2022
Police				
Stations	1	1	1	1
Police vehicles	89	85	87	87
Fire stations	3	3	3	3
Public works				
Streets (miles of paved)	216	194.00	194.00	192.50
Parks and Recreation				
Number of parks	18	18	18	20
Acreage	381.65	381.65	381.65	381.65
Water				
Water mains (miles)	206	284.30	272.00	210.80
Fire hydrants	1254	1,412	1,429	1,122
Storage capacity (millions of gallons)	9.03	9.03	9.03	9.03
Wastewater				
Sanitary sewers (miles)	244	271.30	269.00	228.30

TABLE 18

Fiscal Year					
2021	2020	2019	2018	2017	2016
1	1	1	1	1	1
87	87	87	87	84	73
3	3	3	3	3	3
192.50	192.50	192.50	192.50	192.50	192.50
12	12	12	12	12	12
346.91	346.91	346.91	346.91	346.91	346.91
197.60	189.40	165.73	165.73	165.73	164.00
1,117	1,110	1,317	1,311	1,306	1,293
9.03	9.01	8.64	8.64	8.64	8.64
201.92	201.92	179.88	179.88	179.88	178.00

CITY OF SEGUIN, TEXAS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (Unaudited)

TABLE 19

Function	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Government										
Financial Administration	11	10	10	8	8	8	8	8	8	8
City Manager	3	3	2	2	2	3	3	3	3	4
Human Resources	6	6	6	7	7	6	6	6	6	6
Planning and Zoning	26	24	24	21	21	17	13	13	12	12
City Secretary	2	2	2	2	2	1	1	1	1	1
Information Systems	13	11	11	11	11	9	8	7	6	5
Facilities and Grounds	5	5	5	5	5	5	5	5	4	4
Public Safety										
Police	98	94	90	87	87	85	81	81	81	79
Fire/EMS	81	77	71	67	67	63	62	62	58	57
Legal & Judicial	8	7	7	7	6	6	6	6	6	6
Animal Control	8	8	7	7	7	7	7	7	7	5
Public Service										
Public Works	35	34	33	33	33	31	32	33	34	32
Vehicle Maintenance	5	5	5	5	5	4	3	3	3	3
Capital Projects/ Engineering	7	7	9	9	6	6	6	6		
Library	18	18	16	15	15	15	13	13	14	13
Parks and Recreation	23	23	21	20	20	20	20	19	19	19
Golf Course	8	8	8	8	8	8	8	8	8	9
DownTown & Main St. Program	2	3	3	3	3	2	2	2	2	2
Coliseum	2	2	2	1	1	2	2	2	2	2
Utility Fund										
Administration	2	2	2	2	2	2	2	3	3	3
Electric Production/Distribution	23	21	18	17	17	18	15	15	15	15
Utility Services	17	17	17	14	14	15	14	13	12	12
Capital Projects/ Engineering	7	7	7	7	7	7	7			
Water Production	11	11	11	11	11	11	11	11	11	11
Water/Sewer Maintenance	24	23	21	19	19	19	17	16	16	15
Sewer Plant	10	9	9	10	10	9	9	9	9	8
Economic Development	4	4	4	4	4	4	3	3	4	4
Facilities Maintenance	19	18	18	19	18	18	13	13	13	11
Utility Billing	7	7	7	6	6	6	6	6	6	6
CVB	3	3	3	3	3	2	3	3	3	3
Total	488	469	449	430	425	409	386	377	366	355

Source: City Human Resources Department



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COMPLIANCE SECTION



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council
City of Seguin, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Seguin, Texas, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Seguin, Texas, basic financial statements and have issued our report thereon dated March 16, 2026. The financial statements of the discretely presented component unit, Seguin Economic Development Corporation, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Seguin, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Seguin, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Seguin, Texas' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the city's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Seguin's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Armstrong, Vaughan & Associates, P.C.

March 16, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH UNIFORM GUIDANCE

The Honorable Mayor and City Council
City of Seguin, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Seguin, Texas compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of City of Seguin, Texas' major federal programs for the year ended September 30, 2025. City of Seguin, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Seguin, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Seguin, Texas and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Seguin, Texas's compliance with the compliance requirements referred to above.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Seguin, Texas' compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Seguin, Texas's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Seguin, Texas's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Seguin, Texas's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Seguin, Texas's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in cursive script that reads "Armstrong, Vaughan & Associates, P.C.".

Armstrong, Vaughan & Associates, P.C.

March 16, 2026

CITY OF SEGUIN, TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2025

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Noncompliance material to financial Statements noted? Yes No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified Yes No

One or more significant deficiencies identified that are not considered to be material weaknesses? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with CFR Part 200 of the Uniform Guidance? Yes No

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
20.205	Surface Transportation Block Grant-Road Widening off -System

Dollar threshold used to distinguish between Type A and type B Programs: \$1,000,000

Auditee qualified as low-risk auditee? Yes No

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

CITY OF SEGUIN, TEXAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

<u>Explanation Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
Not Applicable		

CITY OF SEGUIN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Federal Expenditures
INSTITUTE OF MUSEUM AND LIBRARY SERVICES			
Texas State Library and Archives Commission			
Grants to States-Interlibrary	45.310	904010	\$ 2,074
Grants to States-Texas Reads	45.310	TXR-26012	280
US DEPARTMENT OF HOMELAND SECURITY			
Office of the Governor			
Homeland Security Grant Program - FEMA	97.067	4692501	6,353
State and Local Cybersecurity Grant Program - Mitigation	97.137	5147401	50,494
State and Local Cybersecurity Grant Program - Assessment and Evaluation	97.137	5151501	24,516
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Award			
Safe Streets for All (SS4A)	20.939	693JJ32340357	25,436
U.S. DEPARTMENT OF HOUSING AND URBAN DEV			
Passed Through Texas General Land Office			
CDBG-Mitigation Program Infrastructure Projects	14.228	22-085-008-D236	17,635,089
U.S. DEPARTMENT OF JUSTICE			
Direct Award			
Patrick Leahy Bullet Proof Vests	16.607	546549	21,464
Connect and Protect	16.745	15PBJA-23-GG-02137-MENT	176,289
Passed Through Office of the Governor			
Edward Byrne Memorial Justice Assistance Grant	16.738	4943401	27,687
Victim's of Crime Act Formula Grant Program	16.575	3245407	14,178
U.S. DEPARTMENT OF TREASURY			
Coronavirus State and Local Fiscal Recovery Fund	21.027	187-66644-00	1,098,566
FEDERAL HIGHWAY ADMINISTRATION			
Texas Department of Transportation/Alamo Area Metropolitan Planning			
Transportation Alternatives - Joe Carrola Countryside Blvd.	20.205	CSL0915-46-062	318,272
Surface Transportation Block Grant - Road Widening Off-System	20.205	CSJ 0915-46-045	<u>5,244,829</u>
TOTAL FEDERAL AWARD EXPENDED			<u>\$ 24,645,527</u>

CITY OF SEGUIN, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

NOTE 1 – BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City and is presented on an accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 – INDIRECT COSTS

The City has negotiated an indirect cost rate with grantors and has elected not to draw the 10% de minimis indirect cost rate allowed in the Uniform Guidance, Section 414.



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