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CITY OF SEGUIN, TEXAS
ANNUAL COMPREHENSIVE
FINANCIAL REPORT

FISCAL YEAR ENDED
SEPTEMBER 30, 2021

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, 2021

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March 1, 2022

The Honorable Mayor and City Council
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, 2021. 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, 2020, 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, 2020. 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 Vitesco Technologies, Commercial Metals Corporation (CMC), Tyson Foods, Inc., Caterpillar, Inc., The Interplast Group – Minigrip, Alamo Group, Georgia Pacific, 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 6,000 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. – Mexico Border via Interstate 35 and two and a half hours away from the Port of Houston, one of the world's largest sea ports. This provides Seguin manufacturers with great access to get materials in and 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. U.S. News & World Report ranked Seguin's Texas Lutheran University the #1 "Best Value" School for Western Regional Colleges, and the #5 "Best Regional College" for the Western Region. Seguin's Guadalupe Regional Medical Center (GRMC) was the proud recipient of the Healthgrades 2021 Patient Experience Award, a distinction that recognizes GRMC as being among the top 5% of hospitals nationwide for patient experience. 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.

2021 data provided by the Bureau of Labor Statistics indicates that economic conditions within the State of Texas, the San Antonio-New Braunfels Metropolitan Statistical Area (MSA) and the City of Seguin are recovering from the impacts created by the COVID-19 Pandemic. The average unemployment rate decreased from 7.0% in 2020, to 4.9% in 2021. The civilian labor force population increased from an average of 13,546 in 2020, to 13,773 in 2021. Unemployment rates in 2020 averaged 5.3% for the San Antonio-New Braunfels MSA, 4.5% for the City of New Braunfels, 5.3% for the City of San Antonio, and 4.8% for the City of Schertz

2021 was a successful year for the City of Seguin and the Seguin Economic Development Corporation. Two major economic development projects that were announced in late 2019 began production operations in 2021. Teijin Automotive Technologies (formerly known as Continental Structural Plastics) commenced production operations at their new 200,000 square foot automotive component manufacturing facility located at Interstate 10 and Rio Nogales Drive. Teijin's new facility represents a capital investment of more than \$65 Million. In addition, over the next 5-years, Teijin will create at least 285 new, well-paying jobs at their Seguin facility. United Alloy also commenced production operations at their new 120,000 square foot metal fabrication facility in Seguin. United Alloy, a major Caterpillar supplier, invested \$18 Million in their

new facility, and plan to invest an addition \$18 Million in 2022, with a 100,000 square foot expansion project. United Alloy will also be creating more than 100 new, well-paying jobs in Seguin over the next 5-years.

Long-term financial planning. The City issued \$10,970,000 in 2021 Certificates of Obligation to fund street and drainage improvements, renovations to Central Fire Station, and phase two of improvements to the Walnut Springs Trail. The City also issued \$4,160,000 in General Obligation Refunding Bonds to refund the 2011 Certificates of Obligation Bonds and the 2013 General Obligation Refunding Bonds. The City issued \$14.2 million in Texas Water Development Bonds for engineering services for water and sewer infrastructure.

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 reappropriated 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,

A handwritten signature in black ink, appearing to read "Steve Parker", with a long horizontal flourish extending to the right.

Steve Parker
City Manager

A handwritten signature in black ink, appearing to read "Susan Caddell", written in a cursive style.

Susan Caddell
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Seguin
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF SEGUIN, TEXAS

PRINCIPAL OFFICERS

DONNA DODGEN Mayor
PENNY FOLLIS Mayor Pro-Tem
CHRIS RANGEL Councilman
CHRIS AVILES Councilman
MONICA CARTER Councilwoman
MARK HERBOLD Councilman
SONIA MENDEZ Councilwoman
JOE REA Councilman
JEREMY ROY Councilman

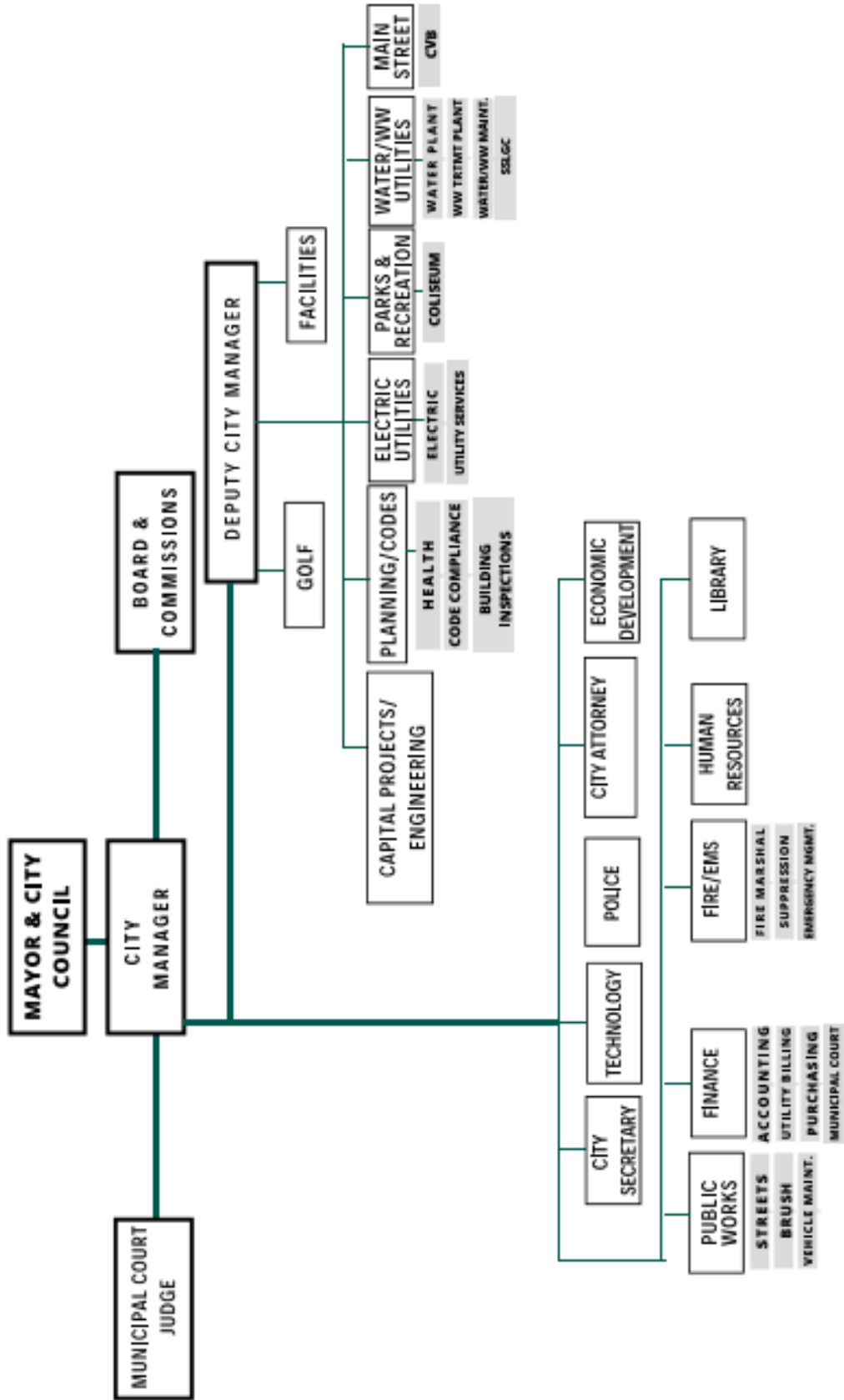
STEVE PARKER
City Manager

STEVE PARKER City Manager
NAOMI MANSKI City Secretary
SUSAN CADDELL Director of Finance
ANDREW QUITTNER City Attorney



ORGANIZATIONAL CHART

City of Seguin





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 Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Seguin Economic Development Corporation (component unit) were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seguin, Texas, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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.

Other 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.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022 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.

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

Armstrong, Vaughan & Associates, P.C.
March 1, 2022



It's real.

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, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, 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, 2021, by \$134,881,363 (net position). Of this amount, \$35,392,373 (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 \$12,381,087 or 10.1% compared to the prior fiscal year.
- As of September 30, 2021 the City of Seguin's governmental funds reported combined ending fund balances of \$50,475,659, an increase of \$12,333,511.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,490,088, or 51% of total General Fund expenses.
- The City's total debt increased by \$18,967,733 during the current fiscal year. The City issued 2021 Certificates of Obligation in the amount of \$10,970,000, and 2021 Utility Revenue Bonds in the amount of \$14,240,000. In addition, golf course equipment was financed through a capital lease in the amount of \$35,954.
- During the year, the City's expenses were \$4,679,404 less than the \$24,125,893 generated in taxes and other revenues for governmental activities before transfers.
- The total cost of the City's governmental activity programs increased by \$580,076 from last year, and no new programs were added this year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis serves 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 of 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, are 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 CAFR.

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 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 - 67 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 68 - 78 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 79 - 127 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, 2021, the City of Seguin's assets and deferred outflows of resources exceeded liabilities by \$134,881,363. Table A-1 is a condensed version of the City's statement of net position for the years ended September 30, 2021 and 2020, respectively.

The largest portion of the City's total net position (63.8%) 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 (26.2%) is its unrestricted net position.

Table A-1
City of Seguin's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---------------------------------------|----------------------------|----------------------|-----------------------------|----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets | | | | | | |
| Current assets | \$ 50,363,127 | \$ 31,215,266 | \$ 43,677,785 | \$ 43,052,106 | \$ 94,040,912 | \$ 74,267,372 |
| Capital assets | 102,348,182 | 102,277,757 | 109,413,195 | 102,851,467 | 211,761,377 | 205,129,224 |
| Other non current assets | 10,267,022 | 13,596,019 | 31,846,809 | 18,019,311 | 42,113,831 | 31,615,330 |
| Total assets | <u>162,978,331</u> | <u>147,089,042</u> | <u>184,937,789</u> | <u>163,922,884</u> | <u>347,916,120</u> | <u>311,011,926</u> |
| Deferred Outflows of Resources | <u>3,580,155</u> | <u>3,054,173</u> | <u>2,853,079</u> | <u>2,609,952</u> | <u>6,433,234</u> | <u>5,664,125</u> |
| Liabilities | | | | | | |
| Current liabilities | 7,941,575 | 4,205,250 | 8,072,723 | 5,966,885 | 16,014,298 | 10,172,135 |
| Noncurrent liabilities | 121,311,858 | 113,208,066 | 79,563,441 | 68,066,425 | 200,875,299 | 181,274,491 |
| Total liabilities | <u>129,253,433</u> | <u>117,413,316</u> | <u>87,636,164</u> | <u>74,033,310</u> | <u>216,889,597</u> | <u>191,446,626</u> |
| Deferred Inflows of Resources | <u>642,609</u> | <u>746,859</u> | <u>1,935,785</u> | <u>1,982,290</u> | <u>2,578,394</u> | <u>2,729,149</u> |
| Net Position | | | | | | |
| Invested in Capital Assets | 27,972,543 | 30,234,045 | 58,013,629 | 53,230,216 | 85,986,172 | 83,464,261 |
| Restricted | 3,783,621 | 2,936,758 | 9,719,197 | 5,374,731 | 13,502,818 | 8,311,489 |
| Unrestricted(Deficit) | 4,906,280 | (1,187,763) | 30,486,093 | 31,912,289 | 35,392,373 | 30,724,526 |
| Total Net Position | <u>\$ 36,662,444</u> | <u>\$ 31,983,040</u> | <u>\$ 98,218,919</u> | <u>\$ 90,517,236</u> | <u>\$ 134,881,363</u> | <u>\$ 122,500,276</u> |

An additional portion of the City of Seguin's net position (10%) is subject to external restrictions, including bond covenants, on how they must be used. The remaining balance of unrestricted net position of \$35,392,373 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 \$9,227,621 or 9.8%. This was largely due to increase in electric, water and sewer revenue along with an increase in property and sales tax revenue, as well as grants. The City's total government-wide expenses increased by \$2,047,629 or 2.3%. An increase in salaries and benefits was a major factor in the increase.

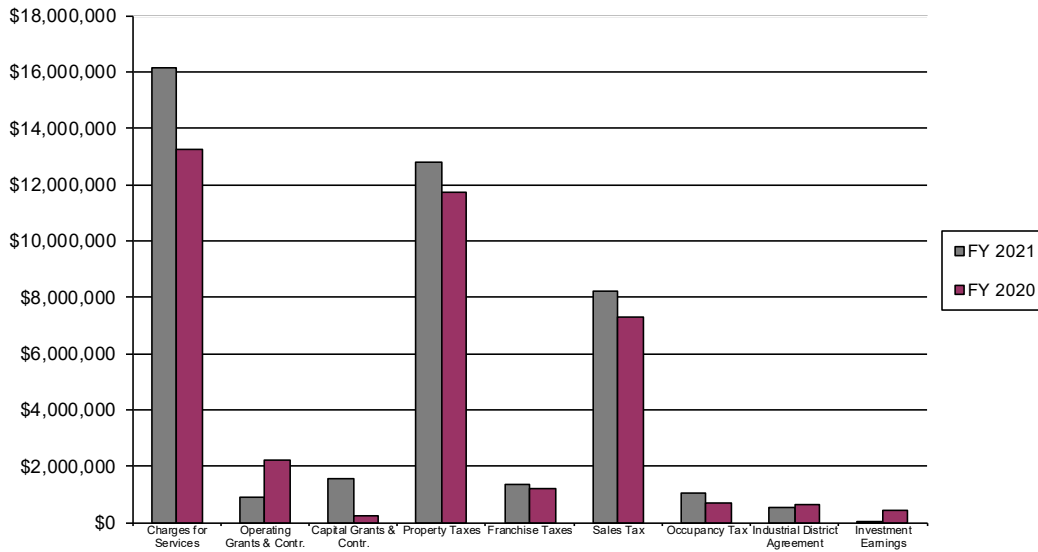
Table A-2
Changes in City of Seguin's Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 16,123,887 | \$ 13,239,577 | \$ 59,893,148 | \$ 55,650,708 | \$ 76,017,035 | \$ 68,890,285 |
| Operating Grants and Contributions | 906,378 | 2,224,174 | - | - | 906,378 | 2,224,174 |
| Capital Grants and Contributions | 1,545,026 | 221,494 | 591,597 | - | 2,136,623 | 221,494 |
| General Revenues | | | | | | |
| Property Taxes | 12,791,688 | 11,695,949 | - | - | 12,791,688 | 11,695,949 |
| Franchise Taxes | 1,344,906 | 1,212,109 | - | - | 1,344,906 | 1,212,109 |
| Sales Tax | 8,232,954 | 7,319,631 | - | - | 8,232,954 | 7,319,631 |
| Occupancy Tax | 1,039,212 | 669,563 | - | - | 1,039,212 | 669,563 |
| Industrial District Agreement | 550,452 | 645,000 | - | - | 550,452 | 645,000 |
| Investment Earnings | 44,172 | 432,386 | 40,236 | 529,711 | 84,408 | 962,097 |
| Gain (Loss) on Sale of Assets | 122,509 | 222,023 | 65,358 | 1,577 | 187,867 | 223,600 |
| Total Revenues: | 42,701,184 | 37,881,906 | 60,590,339 | 56,181,996 | 103,291,523 | 94,063,902 |
| Expenses: | | | | | | |
| General Government | 4,026,784 | 3,878,159 | - | - | 4,026,784 | 3,878,159 |
| Public Safety | 17,638,658 | 17,476,362 | - | - | 17,638,658 | 17,476,362 |
| Public Service | 12,883,281 | 12,718,515 | - | - | 12,883,281 | 12,718,515 |
| Interest on Long-Term Debt | 3,083,651 | 2,979,262 | - | - | 3,083,651 | 2,979,262 |
| Utility | - | - | 53,278,062 | 51,810,509 | 53,278,062 | 51,810,509 |
| Total Expenses | 37,632,374 | 37,052,298 | 53,278,062 | 51,810,509 | 90,910,436 | 88,862,807 |
| Excess (Deficiency) Before Transfers In (Out) | 5,068,810 | 829,608 | 7,312,277 | 4,371,487 | 12,381,087 | 5,201,095 |
| Increase (Decrease) in Net Position | \$ 4,679,404 | \$ 881,098 | \$ 7,701,683 | \$ 4,319,997 | \$ 12,381,087 | \$ 5,201,095 |

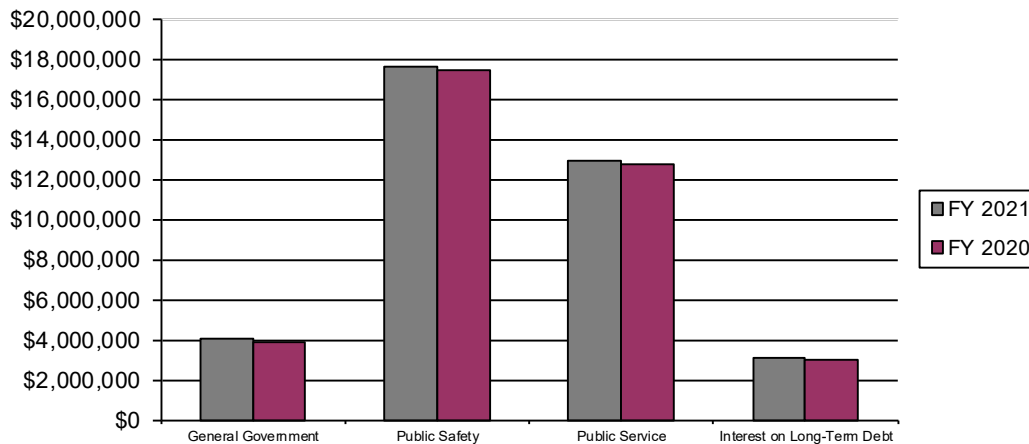
Governmental activities. The City's total governmental revenues increased by \$4,819,278 or 12.7% over the prior year. The City's total governmental expenses increased by \$580,327 or 1.6% above last year.

- Charges for Services increased by \$2,884,310 or 21.8%. Building Permits increased by \$743,602 or 44.9% and ROW User Fees increased by \$1,127,204 or 38.8%.
- Property Taxes increased by \$1,095,739 or 9.4%. Taxable values increased by over 4%.
- Sales Tax increased by \$913,323 or 12.5%.
- Interest Earnings fell by \$388,214 or 89.8%. Interest rates continued to fall throughout the year and remained at record lows.
- The most significant governmental expense for the City was in providing public safety, which incurred expenses of \$17,638,658. 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 \$2,470,584. The major components of public safety are policy and fire. Police accounted for \$8.4 million in public safety expense while Fire accounted for \$7.3 million in public safety expense.

Revenues - Governmental Activities



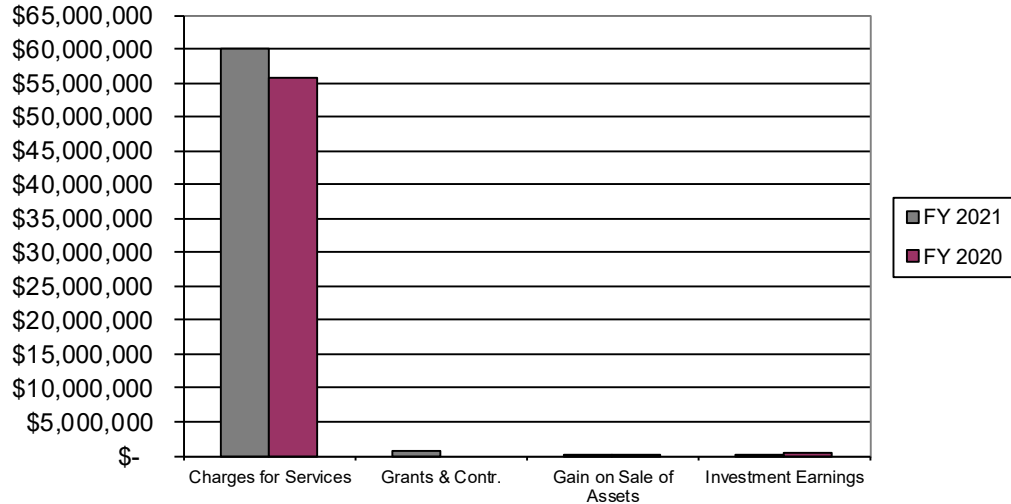
Expenses - Governmental Activities



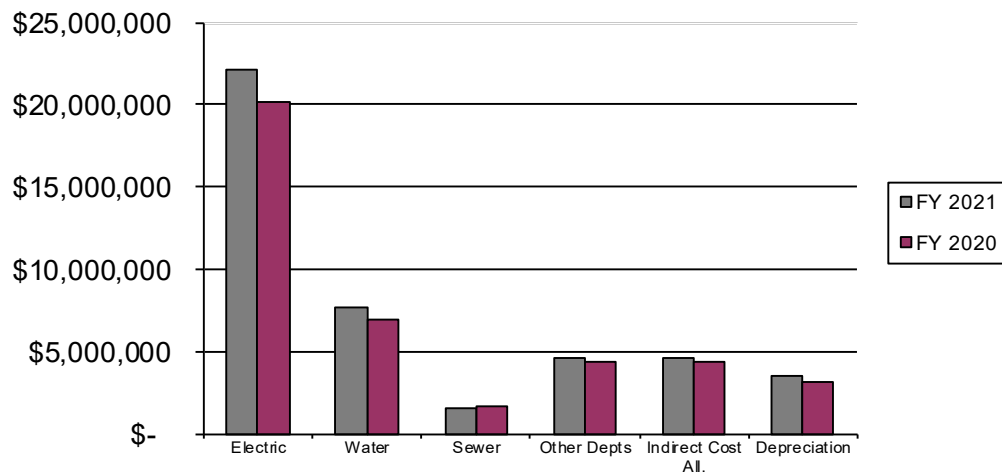
Business-type activities. The City's total business-type revenues increased by \$4,408,344 or 7.8%. The City's total business-type expenses increased by \$1,507,251 or 2.9%.

- Electric revenues make up \$29.9 million of the charges for services. This year electric revenues increased by \$508,501.
- Water revenues make up \$14.7 million of the charges for services. This year water revenues increased by \$260,196.
- Sewer revenues make up \$13.6 million of the charges for services. This year sewer revenues increased by \$3,277,787. Growth in our service area continues to increase both consumption and sewer impact fees.

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 \$50,475,659. This is an increase of \$12,333,511. In February 2021, the City issued \$10.9 million in Certificates of Obligation Bonds. Of this total amount of fund balance, \$13,490,088 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund

balances is as follows: 1) nonspendable fund balance in the amount of \$161,761 which are prepaids and inventory, 2) restricted fund balance in the amount of \$27,888,071, 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 \$3,574,931, which is committed to stabilization agreement and aquatic and golf fees, and 4) assigned fund balance in the amount of \$5,360,808, which is assigned to capital projects.

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 \$13,490,088, while total fund balance reached \$16,811,831. Of this amount, \$200,288 is attributable to the balance of a tax exemption settlement agreement. 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. With the \$200,288 taken out of the equation, unassigned fund balance represents 50.2% of general fund expenditures, while total fund balance represents 62.8% of that same amount.

The General Fund Capital Projects Fund has a total fund balance of \$4,369,353, an increase of \$316,577. Projects.

At the end of FY20, five bond funds had a total fund balance of \$20,573,644. This was an increase of \$7,853,319. The City issued Certificate of Obligation Bonds in January 2021 in the amount of \$10,970,000 and a premium on the bond of \$1,254,991.

Other factors concerning the finances of governmental fund 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 \$30,486,093. The restricted net position for debt services is \$1,614,477, while restricted net position for impact fees is \$8,104,720. Net position invested in capital assets amounted to \$58,013,629.

GENERAL FUND BUDGETARY HIGHLIGHTS

For FY 2020-21, actual revenues on a budgetary basis were \$29,900,683 compared to the final budget of \$26,931,994, which is \$2,968,689 above budget. Building permits exceeded budget by \$1,668,857. Sales tax exceeded budget by \$1,054,155 and property tax exceeded budget by \$126,289.

For FY 2020-21, actual expenditures on a budgetary basis were \$26,469,768 compared to the final budget of \$27,470,057, which was \$1,000,289 below final budget amounts. Some departments had employee turnover resulting in their personnel services being under budget and savings on other operating expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of 2021, the City had invested \$211,761,377, 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 \$6,632,153 or 3.2%. The increase was due in part to large bond projects being completed or underway begun during fiscal year 2021. More detailed information about the City's capital assets can be found in Note G, page 46 - 47.

Table A-3
City of Seguin's Capital Assets

| | Governmental | | Business-Type | | Total | | Total |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| | Activities | | Activities | | | | Percentage |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Change |
| | | | | | | | 2021 - 2020 |
| Land | \$ 4,793,057 | \$ 4,793,057 | \$ 877,233 | \$ 877,233 | \$ 5,670,290 | \$ 5,670,290 | 0.0% |
| Buildings and Improvements | 39,776,756 | 38,129,404 | 39,332,663 | 39,242,017 | 79,109,419 | 77,371,421 | 2.2% |
| Improvements Other than Buildings | 94,964,416 | 91,888,235 | 122,156,119 | 114,997,357 | 217,120,535 | 206,885,592 | 4.9% |
| Transportation and Equipment | 20,343,135 | 21,442,322 | 11,100,722 | 10,516,255 | 31,443,857 | 31,958,577 | -1.6% |
| Construction in Progress | 13,073,972 | 11,949,746 | 18,840,319 | 15,066,009 | 31,914,291 | 27,015,755 | 18.1% |
| Totals at Historical Cost | 172,951,336 | 168,202,764 | 192,307,056 | 180,698,871 | 365,258,392 | 348,901,635 | 4.7% |
| Total Accumulated Depreciation | (70,603,154) | (65,925,007) | (82,893,861) | (77,847,404) | (153,497,015) | (143,772,411) | 6.8% |
| Net Capital Assets | \$ 102,348,182 | \$ 102,277,757 | \$ 109,413,195 | \$ 102,851,467 | \$ 211,761,377 | \$ 205,129,224 | 3.2% |

Long-term debt. At year-end, the City had \$157,323,646 in bonds, loans and capital leases outstanding as shown in Table A-4. This was an increase of \$18,967,733 or 13.7% from 2020. This fiscal year, the City issued \$10,970,000 in 2021 Certificates of Obligation Bonds along with \$14,240,000 in 2021 Utility Revenue Bonds.

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 4.1%. The pledged revenue coverage for the utility revenue bonds is 2.52.

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

| | Governmental | | Business-Type | | Total | | Total |
|-----------------------------|---------------|---------------|---------------|---------------|----------------|----------------|-------------|
| | Activities | | Activities | | | | Percentage |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 | Change |
| | | | | | | | 2021 - 2020 |
| Bonds Payable | \$ 41,160,000 | \$ 41,775,000 | \$ 68,085,000 | \$ 56,300,000 | \$ 109,245,000 | \$ 98,075,000 | 11.4% |
| Certificates of Obligation | 46,920,000 | 38,300,000 | - | - | 46,920,000 | 38,300,000 | 22.5% |
| Tax Anticipation Notes | 255,000 | 661,000 | - | - | 255,000 | 661,000 | -61.4% |
| Capital Leases | 903,646 | 1,319,913 | - | - | 903,646 | 1,319,913 | -31.5% |
| Total Bonds & Notes Payable | \$ 89,238,646 | \$ 82,055,913 | \$ 68,085,000 | \$ 56,300,000 | \$ 157,323,646 | \$ 138,355,913 | 13.7% |

Net Pension Liability. The City's net pension liability is determined annually by an actuarial valuation. The City's net pension liability decreased \$231,735, from \$31,417,877 to \$31,186,143.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the budget process for fiscal year 2021-22, 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 the 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, a competitively paid staff and investment in capital outlay. This helped to maintain the City's services with the least affect possible on our citizens through taxes, fees, and utility rates. The projected revenues and expenditures for the General Fund are budgeted to increase by \$3,829,349 or 11.48% above the FY21 budget.

- Property tax revenue is budgeted to increase by \$1,680,174. This is based on an increase in values and an increase in the debt service contribution.

- The property tax rate of \$.5412/\$100 remained the same as the prior year. It is higher than the no new revenue rate by \$.0165.
- ROW User Fees are budgeted to increase by \$276,863. This is based upon increased electric, water and sewer revenues.
- Sales Tax is budgeted to increase by \$573,965. This is based upon tax on residential utilities and historical increases.
- Building Permit Fees are budgeted to increase by \$780,000. This is based upon the increase in development throughout the City of Seguin.
- Salaries and benefits are budgeted to increase by \$2,134,571. This includes a 3% cost of living increase effective January 2022. It also includes the addition of key positions.
- Indigent Health Care is budgeted to increase by \$109,523, which represents a 5.5% increase.
- Solid Waste Contract and Recycling is budgeted to increase by \$115,000 due to an increase in the number of customers. Revenue is also increasing.
- Gasoline is budgeted to increase by \$80,000 due to the rising cost of fuels.

The projected revenues and expenditures for the Utility Fund are budgeted to increase by \$2,681,091 or 2.1% above the FY21 budget.

- The projected water revenues are expected to increase by \$1,211,554, which is due to the approved rate adjustments from the updated water rate study and the increase in consumption with the new developments. In addition, our wholesale water contract with NBU will increase by \$415,824.
- Sewer revenues are projected to increase by \$1,732,347 based upon the approved rate adjustments from the updated sewer rate study for FY22 and an increase in the number of customers and increase in water consumption.
- Salaries and benefits are budgeted to increase by \$1,142,095. This includes a 3% cost of living increase effective in January 2022. It also includes the addition of key positions.
- Transfers to Utility Capital Projects is budgeted to increase by \$966,907 based upon the new projects
- ROW User Fees is budgeted to increase by \$276,863, which is based upon increased electric, water and sewer revenues
- Debt service payments are budgeted to increase by \$180,034 due to increased debt payment from the issuance of TWDB Bonds

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, 2021

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|---------------------|---|
| | | | | Seguin Economic Development Corporation |
| | Governmental Activities | Business-Type Activities | Total | |
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 6,685,584 | \$ 543,395 | \$ 7,228,979 | \$ 14,493 |
| Investments | 39,068,581 | 32,960,102 | 72,028,683 | 3,349,758 |
| Receivables (net of allowances for uncollectibles) | | | | |
| Taxes | 2,858,390 | - | 2,858,390 | - |
| Accounts | 1,194,044 | 7,406,008 | 8,600,052 | 3,129 |
| Grants | 133,098 | - | 133,098 | - |
| Miscellaneous | 261,669 | 667,030 | 928,699 | - |
| Due From Component Unit/ | | | | |
| Primary Government | - | 30,986 | 30,986 | 309,859 |
| Inventories | 28,780 | 1,958,790 | 1,987,570 | - |
| Prepays | 132,981 | 111,474 | 244,455 | - |
| Restricted Assets: | | | | |
| Cash and Cash Equivalents | 72,619 | 1,619,202 | 1,691,821 | - |
| Investments | 10,194,403 | 28,530,612 | 38,725,015 | - |
| Notes Receivable | - | 1,411,614 | 1,411,614 | 7,775 |
| Net Present Value of Lease Financing | - | 285,381 | 285,381 | - |
| Capital Assets, not depreciated | 17,867,029 | 19,717,552 | 37,584,581 | - |
| Capital Assets (Net) | 84,481,153 | 89,695,643 | 174,176,796 | 2,242,112 |
| Total Assets | 162,978,331 | 184,937,789 | 347,916,120 | 5,927,126 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Deferred Pension/OPEB Related Outflows | 3,270,094 | 2,735,155 | 6,005,249 | - |
| Deferred Charge on Refunding | 310,061 | 117,924 | 427,985 | - |
| Total Deferred Outflows of Resources | \$ 3,580,155 | \$ 2,853,079 | \$ 6,433,234 | \$ - |

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2021

| | Primary Government | | | Component Unit |
|--|-------------------------|--------------------------|-----------------------|---|
| | Governmental Activities | Business-Type Activities | Total | Seguin Economic Development Corporation |
| LIABILITIES | | | | |
| Accounts Payable and Other Current Liabilities | \$ 3,865,916 | \$ 6,111,282 | \$ 9,977,198 | \$ 98,640 |
| Unearned Revenue | 3,586,740 | 953,796 | 4,540,536 | - |
| Accrued Interest Payable | 179,060 | - | 179,060 | - |
| Due to Component Unit/ | | | | |
| Primary Government | 309,859 | - | 309,859 | 30,986 |
| Customer Deposits | - | 830,248 | 830,248 | - |
| <i>Payable from Restricted Assets:</i> | | | | |
| Accrued Interest Payable | - | 177,397 | 177,397 | - |
| Current Portion of Long-Term Debt | - | 3,555,000 | 3,555,000 | - |
| <i>Noncurrent Liabilities:</i> | | | | |
| Due within One Year | 5,041,580 | 241,085 | 5,282,665 | 250,000 |
| Due in more than One Year: | | | | |
| Long-term Debt | 91,128,069 | 67,398,325 | 158,526,394 | 1,161,614 |
| Net Pension Liability | 23,481,742 | 7,704,401 | 31,186,143 | - |
| Net OPEB Liabilities | 1,660,467 | 664,630 | 2,325,097 | - |
| Total Liabilities | <u>129,253,433</u> | <u>87,636,164</u> | <u>216,889,597</u> | <u>1,541,240</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Deferred Pension/OPEB Related Inflows | 642,609 | 1,935,785 | 2,578,394 | - |
| Total Deferred Inflows of Resources | <u>642,609</u> | <u>1,935,785</u> | <u>2,578,394</u> | <u>-</u> |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 27,972,543 | 58,013,629 | 85,986,172 | 830,499 |
| Restricted for: | | | | |
| Tourism & Economic Development | 1,707,422 | - | 1,707,422 | - |
| Public Safety | 405,823 | - | 405,823 | - |
| Public Service | 241,775 | - | 241,775 | - |
| Debt Service | 1,428,601 | 1,614,477 | 3,043,078 | - |
| Impact Fees | - | 8,104,720 | 8,104,720 | - |
| Unrestricted (Deficit) | 4,906,280 | 30,486,093 | 35,392,373 | 3,555,387 |
| Total Net Position | <u>\$ 36,662,444</u> | <u>\$ 98,218,919</u> | <u>\$ 134,881,363</u> | <u>\$ 4,385,886</u> |

See accompanying notes to basic financial statements.

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

| 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 | \$ 9,655,277 | \$ (5,628,493) | \$ 8,073,314 | \$ 236,590 | \$ 5,295 |
| Public Safety | 17,638,658 | - | 2,470,584 | 142,888 | - |
| Public Service | 12,883,281 | - | 5,579,989 | 526,900 | 1,539,731 |
| Interest on Long-term Debt | 3,083,651 | - | - | - | - |
| Total Governmental Activities | 43,260,867 | (5,628,493) | 16,123,887 | 906,378 | 1,545,026 |
| Business-Type Activities | | | | | |
| Utility | 47,649,569 | 5,628,493 | 59,893,148 | - | 591,597 |
| Total Business-Type Activities | 47,649,569 | 5,628,493 | 59,893,148 | - | 591,597 |
| Total Primary Government | \$ 90,910,436 | \$ - | \$ 76,017,035 | \$ 906,378 | \$ 2,136,623 |
| Component Unit: | | | | | |
| Seguin Economic Development Corporation | \$ 653,891 | \$ - | \$ - | \$ 46,151 | \$ - |
| Total Component Unit | \$ 653,891 | \$ - | \$ - | \$ 46,151 | \$ - |
| 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 | | | | | |
| 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 |
| \$ 4,288,415 | \$ - | \$ 4,288,415 | \$ - |
| (15,025,186) | - | (15,025,186) | - |
| (5,236,661) | - | (5,236,661) | - |
| (3,083,651) | - | (3,083,651) | - |
| (19,057,083) | - | (19,057,083) | - |
| - | 7,206,683 | 7,206,683 | - |
| - | 7,206,683 | 7,206,683 | - |
| (19,057,083) | 7,206,683 | (11,850,400) | - |
| - | - | - | (607,740) |
| - | - | - | (607,740) |
| 12,791,688 | - | 12,791,688 | - |
| 1,344,906 | - | 1,344,906 | - |
| 8,232,954 | - | 8,232,954 | 1,624,265 |
| 1,039,212 | - | 1,039,212 | - |
| 550,452 | - | 550,452 | - |
| 122,509 | 65,358 | 187,867 | 662,801 |
| 44,172 | 40,236 | 84,408 | 793 |
| 24,125,893 | 105,594 | 24,231,487 | 2,287,859 |
| (389,406) | 389,406 | - | - |
| 4,679,404 | 7,701,683 | 12,381,087 | 1,680,119 |
| 31,983,040 | 90,517,236 | 122,500,276 | 2,705,767 |
| \$ 36,662,444 | \$ 98,218,919 | \$ 134,881,363 | \$ 4,385,886 |

CITY OF SEGUIN, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

| | General Fund | 2021 Certificates of Obligation | Debt Service Fund |
|--|----------------------|---------------------------------------|-------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,122,609 | \$ - | \$ 19,694 |
| Investments | 16,417,684 | - | 1,389,927 |
| Receivables (net of allowances for uncollectibles): | | | |
| Taxes | 2,384,664 | - | 198,040 |
| Accounts | 851,193 | - | - |
| Grants | 101,009 | - | - |
| Miscellaneous | 60,935 | - | - |
| Inventories | 28,780 | - | - |
| Prepaid Items | 128,821 | - | - |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | - | 34,458 | - |
| Investments | - | 10,716,461 | - |
| Total Assets | <u>\$ 21,095,695</u> | <u>\$ 10,750,919</u> | <u>\$ 1,607,661</u> |
| LIABILITIES | | | |
| Accounts Payable | \$ 986,828 | 445,455 | \$ - |
| Accrued Expenditures | 938,433 | - | - |
| Due to Component Unit | 309,859 | - | - |
| Unearned Revenues | 182,614 | - | - |
| Due to Others | 875,384 | - | - |
| Total Liabilities | <u>3,293,118</u> | <u>445,455</u> | <u>-</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue | 990,746 | - | 176,764 |
| Total Deferred Inflows of Resources | <u>990,746</u> | <u>-</u> | <u>176,764</u> |
| FUND BALANCE | | | |
| <i>Nonspendable:</i> | | | |
| Prepays and Inventory | 157,601 | - | - |
| <i>Restricted:</i> | | | |
| Tourism & Economic Development | - | - | - |
| Public Safety | 16,756 | - | - |
| Public Service | 5,300 | - | - |
| Capital Projects | - | 10,305,464 | - |
| Debt Service | - | - | 1,430,897 |
| <i>Committed:</i> | | | |
| Stabilization Arrangement | 3,029,936 | - | - |
| Aquatic/ Golf Fees | - | - | - |
| <i>Assigned</i> | 112,150 | - | - |
| <i>Unassigned</i> | 13,490,088 | - | - |
| Total Fund Balances | <u>16,811,831</u> | <u>10,305,464</u> | <u>1,430,897</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES | <u>\$ 21,095,695</u> | <u>\$ 10,750,919</u> | <u>\$ 1,607,661</u> |

See accompanying notes to basic financial statements.

| Other Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------------|
| \$ 4,946,684 | \$ 6,088,987 |
| 16,330,384 | 34,137,995 |
| 275,686 | 2,858,390 |
| 560,739 | 1,411,932 |
| - | 101,009 |
| - | 60,935 |
| - | 28,780 |
| 4,160 | 132,981 |
| 42,523 | 76,981 |
| 3,787,991 | 14,504,452 |
| <u>\$ 25,948,167</u> | <u>\$ 59,402,442</u> |
| \$ 534,665 | \$ 1,966,948 |
| 39,261 | 977,694 |
| - | 309,859 |
| 3,404,127 | 3,586,741 |
| 42,647 | 918,031 |
| <u>4,020,700</u> | <u>7,759,273</u> |
| - | 1,167,510 |
| <u>-</u> | <u>1,167,510</u> |
| 4,160 | 161,761 |
| 1,707,422 | 1,707,422 |
| 389,067 | 405,823 |
| 236,475 | 241,775 |
| 13,796,690 | 24,102,154 |
| - | 1,430,897 |
| - | 3,029,936 |
| 544,995 | 544,995 |
| 5,248,658 | 5,360,808 |
| - | 13,490,088 |
| <u>21,927,467</u> | <u>50,475,659</u> |
| <u>\$ 25,948,167</u> | <u>\$ 59,402,442</u> |



It's real.

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

| | | |
|---|----|------------|
| TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS | \$ | 50,475,659 |
|---|----|------------|

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

| | | |
|---|--|-------------|
| Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 102,348,182 |
|---|--|-------------|

| | | |
|---|--|-----------|
| 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. | | 1,224,471 |
|---|--|-----------|

| | | |
|--|--|-----------|
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | | 1,167,510 |
|--|--|-----------|

Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and, therefore, not reported in the funds:

| | | |
|--|------------|---------------|
| General Bonded Debt | 88,335,000 | |
| Unamortized Premiums and Deferred Charges | 4,879,501 | |
| Capital Leases | 903,646 | |
| Net Other Post Employment Benefit Obligations (Net of Deferred Outflows & Inflows) | 1,499,429 | |
| Net Pension Liability (Net of Deferred Outflows & Inflows) | 21,015,295 | |
| Compensated Absences | 1,741,447 | (118,374,318) |

| | | |
|---|--|-----------|
| Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds. | | (179,060) |
|---|--|-----------|

| | | |
|--|----|------------|
| TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES | \$ | 36,662,444 |
|--|----|------------|

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

| | General Fund | 2021 Certificates of Obligation | Debt Service Fund |
|--|----------------------|---------------------------------------|-------------------------|
| REVENUES | | | |
| Taxes | \$ 16,235,079 | \$ - | \$ 6,150,518 |
| Licenses and Permits | 2,810,128 | - | - |
| Intergovernmental | 1,225,571 | - | - |
| Charges for Services | 7,456,842 | - | - |
| Fines and Forfeits | 644,301 | - | - |
| Interest | 13,032 | 6,454 | 2,120 |
| Miscellaneous | 1,515,730 | - | - |
| Total Revenues | <u>29,900,683</u> | <u>6,454</u> | <u>6,152,638</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 4,111,358 | - | - |
| Public Safety | 16,691,447 | - | - |
| Public Service | 6,611,884 | - | - |
| Nondepartmental | 4,683,572 | - | - |
| Indirect Cost Allocation (Recovery) | (5,628,493) | - | - |
| Capital Projects/Outlay | - | 1,700,990 | - |
| Debt Service: | | | |
| Principal | - | - | 3,027,034 |
| Interest and Fiscal Charges | - | - | 3,266,246 |
| Bond Issue Costs | - | 224,991 | 50,100 |
| Total Expenditures | <u>26,469,768</u> | <u>1,925,981</u> | <u>6,343,380</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,430,915</u> | <u>(1,919,527)</u> | <u>(190,742)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 36,773 | - | 235,000 |
| Transfers Out | (2,051,510) | - | - |
| Payments to Refunding Escrow Agents | - | - | (2,884,982) |
| Issuance of Debt | - | 10,970,000 | 2,920,000 |
| Premiums on Issuance of Debt | - | 1,254,991 | - |
| Total Other Financing Sources (Uses) | <u>(2,014,737)</u> | <u>12,224,991</u> | <u>270,018</u> |
| Net Change in Fund Balance | 1,416,178 | 10,305,464 | 79,276 |
| Fund Balances at Beginning of Year | 15,395,653 | - | 1,351,621 |
| Fund Balances at End of Year | <u>\$ 16,811,831</u> | <u>\$ 10,305,464</u> | <u>\$ 1,430,897</u> |

See accompanying notes to basic financial statements.

| Other Nonmajor Governmental Funds | Total Governmental Funds |
|--|--------------------------------|
| \$ 1,043,122 | \$ 23,428,719 |
| 2,080,496 | 4,890,624 |
| 2,112,191 | 3,337,762 |
| 1,331,352 | 8,788,194 |
| 120,839 | 765,140 |
| 21,516 | 43,122 |
| 184,404 | 1,700,134 |
| <u>6,893,920</u> | <u>42,953,695</u> |

| | |
|------------------|-------------------|
| 1,796,677 | 5,908,035 |
| - | 16,691,447 |
| - | 6,611,884 |
| 394,152 | 5,077,724 |
| - | (5,628,493) |
| 4,695,067 | 6,396,057 |
| 831,207 | 3,858,241 |
| 70,509 | 3,336,755 |
| - | 275,091 |
| <u>7,787,612</u> | <u>42,526,741</u> |

| | |
|------------------|----------------|
| <u>(893,692)</u> | <u>426,954</u> |
|------------------|----------------|

| | |
|-----------|-------------|
| 1,454,447 | 1,726,220 |
| (64,116) | (2,115,626) |
| - | (2,884,982) |
| 35,954 | 13,925,954 |
| - | 1,254,991 |

| | |
|------------------|-------------------|
| <u>1,426,285</u> | <u>11,906,557</u> |
|------------------|-------------------|

| | |
|----------------------|----------------------|
| 532,593 | 12,333,511 |
| 21,394,874 | 38,142,148 |
| <u>\$ 21,927,467</u> | <u>\$ 50,475,659</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, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ 12,333,511

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 | 6,206,237 | |
| Current Period Depreciation | <u>(6,104,945)</u> | 101,292 |

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. (30,867)

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

| | | |
|----------------------------------|--|-----------|
| Decrease in Unavailable Revenues | | (222,689) |
|----------------------------------|--|-----------|

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 | (13,925,954) | |
| Premiums on Debt Issues | (1,254,991) | |
| Principal Payments | 6,743,223 | |
| Amortization of Deferred Charges & Premiums | <u>294,446</u> | (8,143,276) |

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. 786,772

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. (34,363)

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. (110,976)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 4,679,404

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
SEPTEMBER 30, 2021

| | Business-Type Activities <u>Utility Fund</u> | Governmental Activities <u>Internal Service Funds</u> |
|---|--|---|
| ASSETS | | |
| <i>Current Assets</i> | | |
| <i>Cash and Cash Equivalents:</i> | | |
| Restricted Cash | \$ 1,619,202 | \$ - |
| Unrestricted Cash | 543,395 | 592,235 |
| <i>Investments:</i> | | |
| Restricted Investments | 28,530,612 | - |
| Unrestricted Investments | 32,960,102 | 620,542 |
| Accounts Receivable (Net) | 7,406,008 | - |
| Miscellaneous Receivables | 667,030 | 17,027 |
| Due from Component Unit | 30,986 | - |
| Current Portion of Note Receivable | 250,000 | - |
| Inventories | 1,958,790 | - |
| Prepaid Items | 111,474 | - |
| <i>Total Current Assets</i> | <u>74,077,599</u> | <u>1,229,804</u> |
| <i>Noncurrent Assets</i> | | |
| Net Present Value of Lease Financing | 285,381 | - |
| Note Receivable (Net of Current) | 1,161,614 | - |
| | <u>1,446,995</u> | <u>-</u> |
| <i>Capital Assets (Net)</i> | <u>109,413,195</u> | <u>-</u> |
| <i>Total Noncurrent Assets</i> | <u>110,860,190</u> | <u>-</u> |
| Total Assets | <u>184,937,789</u> | <u>1,229,804</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Pension and OPEB Related Outflows | 2,735,155 | - |
| Deferred Charge on Refundings | 117,924 | - |
| Total Deferred Outflows of Resources | <u>\$ 2,853,079</u> | <u>\$ -</u> |

Continued

CITY OF SEGUIN, TEXAS
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
SEPTEMBER 30, 2021

| | Business-Type Activities Utility Fund | Governmental Activities Internal Service Funds |
|--|--|---|
| LIABILITIES | | |
| <i>Current Liabilities:</i> | | |
| Accounts Payable | \$ 2,868,918 | \$ 5,333 |
| Accrued Expenses | 3,483,449 | - |
| Unearned Revenue | 953,796 | - |
| Customer Deposits | 830,248 | - |
| <i>Current Liabilities</i> | <u>8,136,411</u> | <u>5,333</u> |
| <i>Current Liabilities Payable from Restricted Assets:</i> | | |
| Accrued Interest Payable | 177,397 | - |
| Current Portion of Long-term Bonds | 3,555,000 | - |
| <i>Current Liabilities Payable from Restricted Assets</i> | <u>3,732,397</u> | <u>-</u> |
| <i>Total Current Liabilities</i> | <u>11,868,808</u> | <u>5,333</u> |
| <i>Noncurrent Liabilities:</i> | | |
| Compensated Absences | 226,261 | - |
| Total Other Post Employment Benefit Liabilities | 664,630 | - |
| Net Pension Liability | 7,704,401 | - |
| Revenue & Refunding Bonds Payable | 67,172,064 | - |
| <i>Total Noncurrent Liabilities</i> | <u>75,767,356</u> | <u>-</u> |
| Total Liabilities | <u>87,636,164</u> | <u>5,333</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Pension and OPEB Related Inflows | 1,935,785 | - |
| Total Deferred Inflows of Resources | <u>1,935,785</u> | <u>-</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 58,013,629 | - |
| Restricted for: | | |
| Debt Service | 1,614,477 | - |
| Impact Fees | 8,104,720 | - |
| Unrestricted | 30,486,093 | 1,224,471 |
| Total Net Position | <u>\$ 98,218,919</u> | <u>\$ 1,224,471</u> |

See accompanying notes to basic financial statements.



It's real.

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

| | Business-Type Activities <u>Utility Fund</u> | Governmental Activities <u>Internal Service Funds</u> |
|---|--|---|
| OPERATING REVENUES | | |
| Charges for Utility Service | \$ 58,201,666 | \$ - |
| Charges for Premiums | - | 4,158,846 |
| Miscellaneous Revenues | 1,691,482 | 660 |
| Total Operating Revenues | <u>59,893,148</u> | <u>4,159,506</u> |
| OPERATING EXPENSES | | |
| Administration | 2,089,220 | 4,271,546 |
| Engineering | 608,191 | |
| Operation and Maintenance: | | |
| Electric Distribution | 22,540,289 | - |
| Utility Services | 1,292,929 | - |
| Water Production | 6,773,489 | - |
| Water/Sewer Maintenance | 6,163,312 | - |
| Sewer | 1,810,317 | - |
| Economic Development | 499,827 | - |
| Facilities Maintenance | 1,049,239 | - |
| Information Technology | 771,397 | - |
| City Attorney | 125,726 | - |
| Nondepartmental | 1,891,573 | - |
| Indirect Cost Allocation | 5,628,493 | - |
| Total Operating Expenses | <u>51,244,002</u> | <u>4,271,546</u> |
| OPERATING INCOME (LOSS) | <u>8,649,146</u> | <u>(112,040)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 40,236 | 1,064 |
| Gain (Loss) on Sale of Assets | 65,358 | - |
| Interest and Fiscal Charges | (1,723,540) | - |
| Bond Issue Costs | (310,520) | - |
| Total Nonoperating Revenues (Expenses) | <u>(1,928,466)</u> | <u>1,064</u> |
| Net Income (Loss) Before Contributions and Transfers | <u>6,720,680</u> | <u>(110,976)</u> |
| Capital Contributions | 591,597 | - |
| Transfers In (Out) | 389,406 | - |
| | <u>981,003</u> | <u>-</u> |
| Change in Net Position | 7,701,683 | (110,976) |
| NET POSITION AT BEGINNING OF YEAR | 90,517,236 | 1,335,447 |
| NET POSITION AT END OF YEAR | <u>\$ 98,218,919</u> | <u>\$ 1,224,471</u> |

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities | Governmental Activities |
|---|-----------------------------|----------------------------|
| | Utility Fund | Internal Service Funds |
| Cash Flows From Operating Activities: | | |
| Cash Received From Customers | \$ 54,170,337 | \$ 4,158,552 |
| Cash Paid for Employee Wages & Benefits | (8,187,230) | - |
| Cash Paid to Suppliers for Goods & Services | (30,136,755) | (4,271,003) |
| Cash Paid General Fund for Indirect Costs | (5,628,493) | - |
| Net Cash Provided (Used) by Operating Activities | <u>10,217,859</u> | <u>(112,451)</u> |
| Cash Flows From Noncapital Financing Activities: | | |
| Transfers From Other Funds | 389,406 | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>389,406</u> | <u>-</u> |
| Cash Flows From Capital and Related Financing Activities: | | |
| Purchase/Construction of Capital Assets | (11,662,029) | - |
| Proceeds from Revenue and Refunding Bonds | 15,480,000 | - |
| Principal Payments on Long-term Bonds | (3,695,000) | - |
| Interest and Fiscal Charges Paid | (2,082,235) | - |
| Bond Issue Costs | (310,520) | - |
| Proceeds from Sale of Capital Assets | 65,358 | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(2,204,426)</u> | <u>-</u> |
| Cash Flows From Investing Activities: | | |
| Sale of Investment Securities | 4,864,708 | 563,346 |
| (Purchase) of Investment Securities | (14,970,000) | (175,000) |
| Investment Interest Received | 40,236 | 1,064 |
| Lease Financing - Principal Payments Received | 40,285 | - |
| Long term Loan to Component Unit | 250,000 | - |
| Net Cash Provided (Used) by Investing Activities | <u>(9,774,771)</u> | <u>389,410</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(1,371,932)</u> | <u>276,959</u> |
| Cash and Equivalents at Beginning of Year: | | |
| Cash and Cash Equivalents | 3,494,310 | 315,276 |
| Restricted Cash and Cash Equivalents | 40,219 | - |
| | <u>3,534,529</u> | <u>315,276</u> |
| Cash and Cash Equivalents at End of Year: | | |
| Cash and Cash Equivalents | 543,395 | 592,235 |
| Restricted Cash and Cash Equivalents | 1,619,202 | - |
| | <u>\$ 2,162,597</u> | <u>\$ 592,235</u> |

Continued

CITY OF SEGUIN, TEXAS
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Business-Type Activities <u>Utility Fund</u> | Governmental Activities <u>Internal Service Funds</u> |
|--|--|---|
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Operating Income (Loss) | \$ 8,649,146 | \$ (112,040) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | |
| Depreciation: | 5,691,898 | - |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | (6,175,136) | (954) |
| Inventory/Prepaid Items | 165,032 | - |
| Net Deferred Pension/OPEB Related Outflows | (301,091) | - |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable | (396,024) | 543 |
| Accrued Expenses | 2,176,615 | - |
| Unearned Revenue | 327,018 | - |
| Customer Deposits | 125,307 | - |
| Total Other Postemployment Benefit Liability | 72,905 | - |
| Net Pension Liability | (71,306) | - |
| Net Deferred Pension/OPEB Related Inflows | (46,505) | - |
| | <u>\$ 10,217,859</u> | <u>\$ (112,451)</u> |
| Transaction Not Affecting Cash and Cash Equivalents | | |
| Capital Assets Contributed | <u>\$ 591,597</u> | <u>\$ -</u> |

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2021

| ASSETS | Custodial Funds |
|---|--------------------------|
| Cash and Cash Equivalents | \$ 6,057 |
| Investments | 265,203 |
| Inventory | 359,431 |
| Total Assets | <u>630,691</u> |
| LIABILITIES | |
| Accounts Payable/ Due to Others | <u>1,587</u> |
| Total Liabilities | <u>1,587</u> |
| NET POSITION | |
| Restricted for: | |
| Individuals Organizations and other governments | <u>629,104</u> |
| Total Net Position | <u><u>\$ 629,104</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, 2021

| ADDITIONS | <u>Custodial Funds</u> |
|--|------------------------------|
| Interest | <u>\$ 223</u> |
| Total Additions | <u>223</u> |
| DEDUCTIONS | |
| Distributions to Participants | <u>33,887</u> |
| Total Deductions | <u>33,887</u> |
| Change in Net Position | (33,664) |
| Net Position, Beginning of Year | <u>662,768</u> |
| Net Position, End of Year | <u><u>\$ 629,104</u></u> |

See accompanying notes to basic financial statements.



It's real.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

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, 2021

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, 2021 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, 2021

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 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. Nondepartmental 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.

2021 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.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2021

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 market 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, 2020 and past due after January 31, 2021. 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, 2021

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.”

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, 2021

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:

| <u>ASSETS</u> | <u>YEARS</u> |
|-----------------------------------|----------------|
| 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 position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has 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 represents an acquisition of net position 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, 2021

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, 2021

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 nonspendable 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 formal resolutions or ordinances of the city council – the government's highest level of decision making authority. The City Council is the highest level of decision-making authority for the city that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (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, 2021

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, 2021, 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 (\$110,802).
- 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 \$112,150. Total assigned balances in nonmajor capital project funds were \$5,248,658.

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 at 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, 2021

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, 2021, the City allocated \$5,628,493 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 2020 financial statements to conform to the 2021 financial statement presentation. The reclassifications had no effect on the changes in financial position.

23. CHANGES IN ACCOUNTING POLICIES

As of October 1, 2020, the city adopted Governmental Accounting Standard Board Statement No. 84 related to fiduciary activities. The standard adopted new reporting requirements in fiduciary activities and defined new types of fiduciary funds. For the City, there were no changes to activities reported as fiduciary, however, the City added a Statement of Changes in Fiduciary Net Position to the basic financial statements.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE B -- DEPOSITS AND INVESTMENTS

As of September 30, 2021, 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 | \$ 28,899,891 | 1 | 53 | AAAm | Standard & Poor's |
| LOGIC | 68,204,852 | 1 | 55 | AAAm | Standard & Poor's |
| U.S. Treasury Money Market | 13,914,159 | 1 | 39 | AA+ | Standard & Poor's |
| | <u>\$ 111,018,902</u> | | | | |
| Portfolio Weighted Average Maturity | | | 52 | | |
| <i>Component Unit</i> | | | | | |
| Local Government Investment Pools: | | | | | |
| TexPool | \$ 1,747,171 | 1 | 53 | AAAm | Standard & Poor's |
| LOGIC | 1,602,587 | 1 | 55 | AAAm | Standard & Poor's |
| | <u>\$ 3,349,758</u> | | | | |
| Portfolio Weighted Average Maturity | | | 54 | | |

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, 2021, the investments in TexPool 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. Both Texpool 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, 2021. There are no limitations or restrictions on participant withdrawals.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2021, 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, 2021, the City and the Component Unit were not exposed to custodial credit risk.

Concentration of Credit Risk – Thirteen percent of the City's investment is held in U.S. Treasury Money Market Fund.

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, 2020, upon which the fiscal 2021 levy was based, was \$2,467,061,495 (i.e., market value less exemptions). The estimated market value was \$3,470,098,019 making the taxable value 71% 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, 2021, was \$0.5412 per \$100 of assessed value, which means that the City has a tax margin of \$1.9588 for each \$100 value and could increase its annual tax levy by approximately \$48,324,801 based upon the present assessed valuation of \$2,467,061,495 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 effective 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 effective tax 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, 2021

NOTE D -- INTERFUND RECEIVABLE/PAYABLE

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, 2021, balances of interfund amounts receivable or payable have been recorded as follows:

| | Due From | Due To |
|--------------------|-------------------|-------------------|
| Primary Government | | |
| General Fund | \$ - | \$ 309,859 |
| Enterprise Fund | 30,986 | - |
| | <u>30,986</u> | <u>309,859</u> |
| Component Unit | | |
| General Fund | 309,859 | - |
| Enterprise Fund | - | 30,986 |
| | <u>309,859</u> | <u>30,986</u> |
| Totals | <u>\$ 340,845</u> | <u>\$ 340,845</u> |

NOTE E -- NOTES RECEIVABLE

Primary Government

The City loaned money to the Seguin Economic Development Corporation (component unit) to purchase land to be sold and/or developed for economic development in the city. The note receivable, in the amount of \$1,411,614, is to be repaid in annual installments of \$250,000 each beginning May 1, 2020 thru May 1, 2027. The note is interest free, but carries acceleration clauses and interest at the maximum rate allowed by law in the event of default.

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, 2021 and matures in 2026 with a 3% annual interest rate. Future payments on the note is as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|-----------------|---------------|-----------------|
| 2022 | \$ 1,737 | \$ 214 | \$ 1,951 |
| 2023 | 1,791 | 160 | 1,951 |
| 2024 | 1,845 | 106 | 1,951 |
| 2025 | 1,901 | 50 | 1,951 |
| 2026 | 501 | 12 | 513 |
| | <u>\$ 7,775</u> | <u>\$ 542</u> | <u>\$ 8,317</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE F -- NET PRESENT VALUE OF LEASE FINANCING

The City has leased property located at 2460 Crossroads Blvd., consisting of a 49,120 square foot building and improvements, to Pure and Gentle Soap Products, Inc. under a sales-type lease agreement. The lease is for an original term of twenty (20) years and transfers property to the lessee for \$1 at the end of the lease term (2026), or earlier by paying the remaining base rental payments under the lease, discounted at 5.75%.

The agreement calls for the lessee to operate a business within the premises in order to generate sales tax revenue, property tax and utility revenue. Failure to continue the business would be considered a breach of the contract.

Future minimum lease payments under the lease are as follows:

| September 30, | |
|--------------------------------------|-------------------|
| 2022 | \$ 105,986 |
| 2023 | 105,986 |
| 2024 | 105,986 |
| 2025 | 105,986 |
| 2026 | 26,658 |
| Total Payments | 450,602 |
| Less: Amount Representing Interest | (165,221) |
| Net Present Value of Lease Financing | <u>\$ 285,381</u> |

NOTE G -- CAPITAL ASSETS

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

| | Balance 10/1/2020 | Additions | Disposals | Transfers/ Adjustments | Balance 9/30/2021 |
|-----------------------------------|-----------------------|-------------------|--------------------|---------------------------|-----------------------|
| <i>Governmental Activities</i> | | | | | |
| Land | \$ 4,793,057 | \$ - | \$ - | \$ - | \$ 4,793,057 |
| Construction in Progress | 11,949,746 | 3,925,586 | - | (2,801,360) | 13,073,972 |
| Total Assets Not Depreciated | 16,742,803 | 3,925,586 | - | (2,801,360) | 17,867,029 |
| Buildings and Improvements | 38,129,404 | 1,647,352 | - | - | 39,776,756 |
| Improvements Other Than Buildings | 91,888,235 | 274,821 | - | 2,801,360 | 94,964,416 |
| Transportation and Equipment | 21,442,322 | 358,478 | (1,457,665) | - | 20,343,135 |
| Totals at Historical Cost | 168,202,764 | 6,206,237 | (1,457,665) | - | 172,951,336 |
| Less Accumulated Depreciation: | | | | | |
| Buildings and Improvements | (10,577,299) | (724,476) | - | - | (11,301,775) |
| Improvement Other Than Buildings | (39,705,626) | (3,469,523) | - | - | (43,175,149) |
| Transportation and Equipment | (15,642,082) | (1,910,946) | 1,426,798 | - | (16,126,230) |
| | (65,925,007) | (6,104,945) | 1,426,798 | - | (70,603,154) |
| Governmental Capital Assets, Net | <u>\$ 102,277,757</u> | <u>\$ 101,292</u> | <u>\$ (30,867)</u> | <u>\$ -</u> | <u>\$ 102,348,182</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE G -- CAPITAL ASSETS (CONTINUED)

| <i>Business-Type Activities</i> | Balance 10/1/2020 | Additions | Disposals | Transfers/ Adjustments | Balance 9/30/2021 |
|--|-----------------------|---------------------|-----------------------|---------------------------|-----------------------|
| Land | \$ 877,233 | \$ - | \$ - | \$ - | \$ 877,233 |
| Construction in Progress | 15,066,009 | 9,065,149 | - | (5,290,839) | 18,840,319 |
| Total Assets Not Depreciated | 15,943,242 | 9,065,149 | - | (5,290,839) | 19,717,552 |
| Buildings and Improvements | 39,242,017 | 90,646 | - | - | 39,332,663 |
| Utility System | 114,997,357 | 1,867,923 | - | 5,290,839 | 122,156,119 |
| Transportation and Equipment | 10,516,255 | 1,229,908 | (645,441) | - | 11,100,722 |
| Totals at Historical Cost | 180,698,871 | 12,253,626 | (645,441) | - | 192,307,056 |
| Less Accumulated Depreciation: | | | | | |
| Buildings and Improvements | (20,572,126) | (538,803) | - | - | (21,110,929) |
| Improvement Other Than Buildings | (49,226,356) | (4,397,309) | - | - | (53,623,665) |
| Transportation and Equipment | (8,048,922) | (755,786) | 645,441 | - | (8,159,267) |
| | (77,847,404) | (5,691,898) | 645,441 | - | (82,893,861) |
| Business-Type Capital Assets, Net | <u>\$ 102,851,467</u> | <u>\$ 6,561,728</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 109,413,195</u> |
| <i>Discretely Presented Component Unit</i> | | | | | |
| Land | \$ 3,530,803 | \$ - | \$ (1,360,165) | \$ - | \$ 2,170,638 |
| Buildings and Improvements | 89,547 | - | - | - | 89,547 |
| Accumulated Depreciation | (16,353) | (1,720) | - | - | (18,073) |
| | <u>\$ 3,603,997</u> | <u>\$ (1,720)</u> | <u>\$ (1,360,165)</u> | <u>\$ -</u> | <u>\$ 2,242,112</u> |

Primary Government

Depreciation Expense was charged to functions as follows:

| | |
|----------------------------------|---------------------|
| <i>Governmental Activities:</i> | |
| General Government | \$ 59,507 |
| Public Safety | 1,409,436 |
| Public Service | 4,138,386 |
| Nondepartmental | 497,616 |
| Total Governmental Activities | <u>\$ 6,104,945</u> |
| <i>Business-Type Activities:</i> | |
| Administration | \$ 1,787 |
| Engineering | 3,361 |
| Electric | 996,040 |
| Water Production | 1,135,276 |
| Water Distribution | 2,483,466 |
| Sewer Plant | 318,644 |
| Other | 753,324 |
| Total Business-Type Activities | <u>\$ 5,691,898</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE H -- CAPITAL LEASES

The City has entered into a lease agreement to finance the acquisition of public safety, public works and golf equipment. The City has also financed the acquisition of the Springs Hill Wastewater Collection System through its Utility Fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

| <i>Assets:</i> | Governmental Activities |
|------------------------------------|----------------------------|
| Public Safety Vehicles & Equipment | \$ 3,823,532 |
| Golf Course Equipment | 124,466 |
| Public Works Equipment | 188,800 |
| Less: Accumulated Depreciation | (2,197,793) |
| Total | <u>\$ 1,939,005</u> |

Future minimum obligations and the net present value of these minimum lease payments as of September 30, 2021 were as follows:

| Year Ending September 30, | Governmental Activities |
|---|----------------------------|
| 2022 | \$ 490,556 |
| 2023 | 271,347 |
| 2024 | 194,369 |
| Total Payments | <u>956,272</u> |
| Less: Amount Representing Interest | (52,626) |
| Present Value of Minimum Lease Payments | <u>\$ 903,646</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE I -- LONG-TERM DEBT

Bonded debt and obligations payable at September 30, 2021, comprise the following individual issues:

General Obligation Bonds:

| | |
|---|-------------------|
| \$19,785,000 2014 General Obligation Bonds due in annual installments of \$200,000 to \$4,130,000 through September 1, 2034; interest at 3.0 to 6.0% | \$ 17,690,000 |
| \$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% | 4,855,000 |
| \$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% | 7,480,000 |
| \$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% | 8,265,000 |
| \$2,920,000 2021 General Obligation Bonds due in annual installments of \$50,000 to \$1,225,000 through September 1, 2031; interest at 1% | 2,870,000 |
| <i>Total General Obligation Bonds</i> | <u>41,160,000</u> |

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% | 1,100,000 |
| \$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% | 11,750,000 |
| \$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% | 8,250,000 |
| \$6,450,000 2018 Certificates of Obligation due in annual installments of \$200,000 to \$1,430,000 through September 1, 2038; interest at 3.5% to 5.5% | 5,850,000 |
| \$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% | 9,000,000 |
| \$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% | 10,970,000 |
| <i>Total Certificate of Obligations</i> | <u>46,920,000</u> |

Tax Anticipation Notes

| | |
|--|-----------------------------|
| \$775,000 Tax Notes, Series 2017 due in annual installments of \$85,000 to \$135,000 through February 2024; interest at 1.785% | 255,000 |
| <i>Total Tax Anticipation Notes</i> | <u>255,000</u> |
| Total Governmental Bonded Debt | <u><u>\$ 88,335,000</u></u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE I -- LONG-TERM DEBT (CONTINUED)

Utility Fund Revenue Bonds:

| | |
|---|-------------------|
| \$21,405,000 Utility System Revenue, Series 2014, due in annual installments of \$190,000 to \$2,335,000 through February 1, 2037; interest at 3.0% to 5.0%. | \$ 19,190,000 |
| \$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%. | 3,930,000 |
| \$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%. | 7,645,000 |
| \$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%. | 9,510,000 |
| \$3,550,000 Utility System Revenue, Series 2020, due in annual installments of \$120,000 to \$245,000 through February 1, 2034; interest at 3.25% to 5.0%. | 3,305,000 |
| \$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%. | 14,240,000 |
| <i>Total Utility Revenue Bonds</i> | <u>57,820,000</u> |

General Obligation Bonds - Utility Portion

| | |
|---|-----------------------------|
| \$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% | 2,840,000 |
| \$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% | 6,185,000 |
| \$1,240,000 2021 General Obligation Refunding Bonds due in annual installments of \$50,000 to \$1,225,000 through September 1, 2031; interest at 1.0% | 1,240,000 |
| <i>Total GO Refunding Bonds</i> | <u>10,265,000</u> |
| Total Business-Type Bonded Debt | <u><u>\$ 68,085,000</u></u> |

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. A reserve fund is not required as long as the net revenues for each fiscal year are equal to at least 110% of the average annual debt service requirements of all bonds similarly secured (*Springing Reserve Fund Covenant*). The City is in compliance with the Covenant and, accordingly, a reserve fund is not maintained.

The annual requirements to amortize all bonded debt and obligations outstanding as of September 30, 2021, including interest payments, are as follows:

| Year Ending September 30, | Public Offerings | | | |
|------------------------------|-------------------------|----------------------|--------------------------|----------------------|
| | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 3,625,000 | \$ 3,838,481 | \$ 2,355,000 | \$ 2,245,793 |
| 2023 | 3,770,000 | 3,705,313 | 2,480,000 | 2,102,719 |
| 2024 | 3,825,000 | 3,571,746 | 2,545,000 | 2,111,044 |
| 2025 | 3,960,000 | 3,442,688 | 2,660,000 | 2,507,744 |
| 2026 | 4,100,000 | 3,300,213 | 2,745,000 | 2,362,194 |
| 2027-2031 | 23,115,000 | 18,029,800 | 15,090,000 | 9,984,390 |
| 2032-2036 | 27,425,000 | 6,013,869 | 18,345,000 | 3,022,515 |
| 2037-2041 | 18,515,000 | 1,344,175 | 7,625,000 | 252,439 |
| | <u>\$ 88,335,000</u> | <u>\$ 43,246,285</u> | <u>\$ 53,845,000</u> | <u>\$ 24,588,838</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE I -- LONG-TERM DEBT (CONTINUED)

| Year Ending September 30, | Private Placement | | | |
|------------------------------|-------------------------|-------------|--------------------------|---------------------|
| | Governmental Activities | | Business-Type Activities | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$ - | \$ - | \$ 1,200,000 | \$ 168,241 |
| 2023 | - | - | 150,000 | 155,919 |
| 2024 | - | - | 200,000 | 154,519 |
| 2025 | - | - | 200,000 | 152,919 |
| 2026 | - | - | 200,000 | 151,319 |
| 2027-2031 | - | - | 1,000,000 | 732,595 |
| 2032-2036 | - | - | 1,000,000 | 690,635 |
| 2037-2041 | - | - | 2,605,000 | 611,716 |
| 2042-2046 | - | - | 3,775,000 | 395,710 |
| 2047-2051 | - | - | 3,910,000 | 136,236 |
| | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 14,240,000</u> | <u>\$ 3,349,809</u> |

Changes in Long-Term Liabilities

| | Balance 10/1/2020 | Additions | Reductions | Balance 9/30/2021 | Due Within One Year |
|---------------------------------------|---------------------------|--------------------------|----------------------------|---------------------------|-------------------------|
| <i>Governmental Activities</i> | | | | | |
| General Obligation Bonds | \$ 41,775,000 | \$ 2,920,000 | \$ (3,535,000) | \$ 41,160,000 | \$ 2,385,000 |
| Bond Premiums | 4,383,655 | 1,254,991 | (449,090) | 5,189,556 | - |
| Certificates of Obligation | 38,300,000 | 10,970,000 | (2,350,000) | 46,920,000 | 1,155,000 |
| Tax Anticipation Notes | 661,000 | - | (406,000) | 255,000 | 85,000 |
| Capital Leases | 1,319,913 | 35,954 | (452,221) | 903,646 | 460,073 |
| Net Pension Liability | 23,642,171 | 6,056,724 | (6,217,153) | 23,481,742 | - |
| Net OPEB Liability -SDBF | 972,625 | 240,382 | (45,859) | 1,167,148 | - |
| Net OPEB Liability -Retiree Health | 529,309 | 21,938 | (57,928) | 493,319 | - |
| Compensated Absences | 1,624,393 | 967,748 | (850,694) | 1,741,447 | 956,507 |
| <i>Total Governmental Activities</i> | <u>113,208,066</u> | <u>22,467,736</u> | <u>(14,363,944)</u> | <u>121,311,858</u> | <u>5,041,580</u> |
| <i>Business-Type Activities</i> | | | | | |
| <i>Private Placement</i> | | | | | |
| TWDB Utility System Revenue Bonds | - | 14,240,000 | - | 14,240,000 | 1,200,000 |
| <i>Public Offering</i> | | | | | |
| Revenue Bonds | 44,815,000 | - | (1,235,000) | 43,580,000 | 1,155,000 |
| General Obligation Refunding Bonds | 11,485,000 | 1,240,000 | (2,460,000) | 10,265,000 | 1,200,000 |
| Bond Premiums | 2,916,823 | - | (274,759) | 2,642,064 | - |
| Net Pension Liability | 7,775,707 | 2,018,908 | (2,090,214) | 7,704,401 | - |
| Net OPEB Liability -SDBF | 383,408 | 80,127 | 6,332 | 469,867 | - |
| Net OPEB Liability -Retiree Health | 208,317 | 7,313 | (20,867) | 194,763 | - |
| Compensated Absences | 539,837 | 298,753 | (306,311) | 532,279 | 306,018 |
| <i>Total Business-Type Activities</i> | <u>68,124,092</u> | <u>3,645,101</u> | <u>(6,380,819)</u> | <u>65,388,374</u> | <u>2,661,018</u> |
| Total Primary Government | <u>\$ 181,332,158</u> | <u>\$ 26,112,837</u> | <u>\$ (20,744,763)</u> | <u>\$ 186,700,232</u> | <u>\$ 7,702,598</u> |

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

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE I -- LONG-TERM DEBT (CONTINUED)

Texas combinations Tax and Limited Pledge Revenue Certificates of Obligation, series 2021, were issued in the amount of \$10,970,000 to fund various street and bridge improvements and reconstruction, public works facilities and fire station construction and renovation, and technology upgrades for city operations.

Utility System Revenue Bonds, Series 2021, (Private Placement) were issued in the amount of \$14,240,000 to fund improvements to the wastewater treatment plant. The bonds are issued pursuant to the Texas Water Development Board – *Clean Water State Revolving Fund*, and as such constitute a private placement.

General Obligation Refunding Bonds, Series 2021, were issued in the amount of \$4,160,000 to refund the 2011 Certificates of Obligation in the amount of \$1,550,000; the 2013 General Obligation Refunding Bonds in the amount of \$1,370,000, both reported in the Governmental Activities, and the remaining \$1,240,000 was reported in the Business-type Activities. The refunding issue, Series 2021, resulted in a gross present value debt service savings of \$240,617 and a net present value benefit of \$169,485 over the remaining term of the old bonds.

Component Unit

The component unit received a loan from the City to fund the purchase of approximately 60 acres to be used or developed for economic development in the City. The note is to be repaid in 7 (6 remaining) annual installments of \$250,000 beginning May 1, 2020, and carries no interest (see Note E).

Long-term debt activity for the component unit is summarized as follows:

| | Balance Outstanding 10/1/2020 | Increases | Decreases | Balance Outstanding 9/30/2021 |
|---------------|-------------------------------------|-----------|--------------|-------------------------------------|
| Notes Payable | \$ 2,313,021 | \$ - | \$ (901,407) | \$ 1,411,614 |

Annual requirements to amortize the notes payables as of September 30, 2021 are as follows:

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|-------------|---------------------|
| 2022 | \$ 250,000 | \$ - | \$ 250,000 |
| 2023 | 250,000 | - | 250,000 |
| 2024 | 250,000 | - | 250,000 |
| 2025 | 250,000 | - | 250,000 |
| 2026 | 250,000 | - | 250,000 |
| Thereafter | 161,614 | - | 161,614 |
| | <u>\$ 1,411,614</u> | <u>\$ -</u> | <u>\$ 1,411,614</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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

| | Net Liabilities | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------|----------------------|-----------------------------------|----------------------------------|
| Pension | \$ 31,186,143 | \$ 5,692,135 | \$ 2,503,316 |
| Retiree Health | 688,082 | - | 40,732 |
| TMRS SDBF | 1,637,015 | 313,114 | 34,346 |
| Total OPEB | <u>\$ 33,511,240</u> | <u>\$ 6,005,249</u> | <u>\$ 2,578,394</u> |

NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS

Texas Municipal Retirement System

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the state of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the system with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. The TMRS defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available Annual Comprehensive Financial Report (AFCR) that can be obtained at www.tmr.com.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE K -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)

Texas Municipal Retirement System (Continued)

All eligible employees of the City are required to participate in TMRS retirement system

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, 2020 valuation and measurement dates, the following employees were covered by the benefit terms:

| | Plan Year 2020 | Plan Year 2019 |
|--|----------------|----------------|
| Inactive employees or beneficiaries | | |
| currently receiving benefits | 265 | 253 |
| Inactive employees entitled to but not | | |
| yet receiving benefits | 228 | 214 |
| Active employees | 412 | 395 |
| | <u>905</u> | <u>862</u> |

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the 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, 2021, 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 22.22% and 22.22% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$5,584,460, 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, 2021

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, 2020, 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, 2020 actuarial valuation was determined using the following actuarial assumptions:

| | |
|----------------------------|------------------------------------|
| Inflation | 2.5% per year |
| Salary Increases | 3.5% to 11.5%, including inflation |
| 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 Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial 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, 2021

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 in the fiscal year 2019 are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return (Arithmetic) |
|-----------------------|----------------------|--|
| Global Equity | 30.00% | 5.30% |
| Core Fixed Income | 10.00% | 1.00% |
| Non-Core fixed Income | 20.00% | 4.14% |
| Real Return | 10.00% | 3.85% |
| Real Estate | 10.00% | 4.00% |
| Absolute Return | 10.00% | 7.75% |
| Private Equity | 10.00% | 7.75% |
| | <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, 2021

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, 2020:

| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
|--|----------------------------|--------------------------------|--------------------------|
| Balance at December 31, 2018: | \$ 120,239,380 | \$ 88,821,503 | \$ 31,417,877 |
| Changes for the year: | | | |
| Service Cost | 4,157,033 | - | 4,157,033 |
| Interest | 8,068,419 | - | 8,068,419 |
| Change of Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | 1,421,699 | - | 1,421,699 |
| Changes of Assumptions | - | - | - |
| Contributions - Employer | - | 5,459,165 | (5,459,165) |
| Contributions - Employee | - | 1,719,813 | (1,719,813) |
| Net Investment Income | - | 6,745,238 | (6,745,238) |
| Benefit Payments, Including Refunds of Employee Contributions | (5,571,519) | (5,571,519) | - |
| Administrative Expense | - | (43,626) | 43,626 |
| Other Changes | - | (1,705) | 1,705 |
| Net Changes | 8,075,632 | 8,307,366 | (231,734) |
| Balance at December 31, 2019: | \$ 128,315,012 | \$ 97,128,869 | \$ 31,186,143 |

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) | \$ 50,419,170 | \$ 31,186,143 | \$ 15,580,416 |

Pension Plan Fiduciary Net Position

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

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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, 2021, the City recognized pension expense of \$4,346,785. Also as of September 30, 2021, 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 | \$ 1,315,606 | \$ - |
| Changes in Actuarial Assumptions | 271,111 | - |
| Differences between Projected and | | |
| Actual Investment Earnings | - | 2,503,316 |
| Contributions subsequent to the | | |
| Measurement Date | 4,105,418 | - |
| | <u>\$ 5,692,135</u> | <u>\$ 2,503,316</u> |

Deferred outflows of resources in the amount of \$4,105,418 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, 2021 (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, | |
| 2021 | \$ (275,444) |
| 2022 | 624,048 |
| 2023 | (1,115,244) |
| 2024 | (149,959) |
| | <u>\$ (916,599)</u> |

NOTE L – OTHER POST-EMPLOYMENT BENEFITS

TMRS Supplemental Death Benefits Other Post-Employment Benefit

The City also participates in the cost sharing single-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, 2021

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, 2020, the valuation and measurement date, consisted of:

| | 2020 |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 200 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits | 52 |
| Active Employees | 415 |
| | <u>667</u> |

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, | | |
| 2021 | 0.28% | 0.06% |
| 2020 | 0.19% | 0.06% |

These contribution rates are based on actuarial assumptions developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For calculating the OPEB liability and the OPEB contribution rates, the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. Based on the size of the city, rates are multiplied by an additional factor of 100.0%. The assumptions are summarized below.

Methods and Assumptions Used to Determine Contribution Rates:

| | |
|-------------------------------------|--|
| Inflation | 2.50% |
| Salary Increases | 3.50% to 11.50% Including Inflation |
| Discount Rate * | 2.00% |
| Retiree's 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. The rates are projected on a fully generational basis with scale UMP. |
| Mortality Rates - Disabled Retirees | 2019 Municipal retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. 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. |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Total City's Total OPEB Liability (TOL), based on the above actuarial factors, as of December 31, 2019, the measurement and actuarial valuation date were calculated as follows:

| | Total OPEB Liability |
|--|----------------------------|
| Balance at December 31, 2019 | <u>\$ 1,356,033</u> |
| Changes for the year: | |
| Service Cost | 68,793 |
| Interest | 38,034 |
| Change of Benefit Terms | - |
| Difference Between Expected and Actual Experience | (24,786) |
| Changes in Assumptions or Other Inputs | 213,682 |
| Benefit Payments | <u>(14,741)</u> |
| Net Changes | <u>280,982</u> |
| Balance at December 31, 2020 | <u><u>\$ 1,637,015</u></u> |

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 2.75% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) and 1-percentage point higher (3.75%) than the current rate:

| | Discount Rate 1.00% | Discount Rate 2.00% | Discount Rate 3.00% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | <u>\$ 1,996,806</u> | <u>\$ 1,637,015</u> | <u>\$ 1,360,915</u> |

For the year ended September 30, 2021, the City recognized OPEB expense of \$157,275. Also as of September 30, 2021, 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 | \$ 296,761 | \$ - |
| Differences in Expected and Actual Experience | - | 34,346 |
| Contributions After the Measurement Date | 16,353 | - |
| | <u>\$ 313,114</u> | <u>\$ 34,346</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE L – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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

Deferred outflows of resources in the amount of \$16,353 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, 2021. 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, | |
|--------------------------------------|-------------------|
| 2021 | \$ 70,795 |
| 2022 | 67,884 |
| 2023 | 59,501 |
| 2024 | 54,559 |
| 2025 | 9,676 |
| Thereafter | - |
| | <u>\$ 262,415</u> |

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, 2020, the measurement date, consisted of:

| | 2020 |
|--|------------|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 15 |
| Inactive Employees Entitled to but Not Yet Receiving Benefits | 46 |
| Active Employees | 343 |
| | <u>404</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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 | 2.15% (Bond Buyer 20-Bond GO index) |
| Mortality Rates | PUB 2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study. |
| Health Care Cost Trend Rates | 6.5% for 2019, Decreasing 0.5% each year reaching ultimate rate of 4.5% |

The City's Retiree Health OPEB Liability (TOL), based on the above actuarial factors, as of September 30, 2021, the measurement and actuarial valuation date was calculated as follows:

| | Total OPEB Liability |
|--|-------------------------|
| Balance at September 30, 2019 | \$ 737,626 |
| Changes for the year: | |
| Service Cost | 11,298 |
| Interest | 15,681 |
| Change of Benefit Terms | - |
| Difference Between Expected and Actual Experience | - |
| Changes in Assumptions or Other Inputs | 2,271 |
| Benefit Payments | (78,794) |
| Net Changes | (49,544) |
| Balance at September 30, 2020 | \$ 688,082 |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

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 2.15% as well as what the City's TOL would be if it were calculated using a discount rate that is 1-percentage point lower (1.15%) and 1-percentage point higher (3.15%) than the current rate:

| | Discount Rate 1.15% | Discount Rate 2.15% | Discount Rate 3.15% |
|----------------------|------------------------|------------------------|------------------------|
| Total OPEB Liability | \$ 651,000 | \$ 688,082 | \$ 728,000 |

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 (6% decreasing to 3.5%) or 1-percentage point higher (8% decreasing to 5.5%) than the current healthcare cost trends:

| | 1% Decrease | Current Trend | 1% Increase |
|----------------------|-------------|---------------|-------------|
| Total OPEB Liability | \$ 642,000 | \$ 6,880,082 | \$ 738,000 |

For the year ended September 30, 2021, the City recognized OPEB expense of \$76,559. Also as of September 30, 2021, 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 | \$ - | \$ 40,732 |
| | <u>\$ -</u> | <u>\$ 40,732</u> |

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, | |
| 2022 | \$ (556) |
| 2023 | (556) |
| 2024 | (556) |
| 2025 | (556) |
| 2026 | (556) |
| Thereafter | (37,952) |
| | <u>\$ (40,732)</u> |

The aggregate amount of expense recognized for all OPEB plans for the fiscal year ending September 30, 2021 was \$209,646.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE M -- INTERFUND TRANSFERS

Interfund transfers during the year ended September 30, 2021, were as follows:

| Receiving Fund/Activity | Transferring Fund/Activity | Amount | |
|---------------------------|----------------------------|---------------------|---------------------------------|
| Nonmajor Capital Projects | Utility Fund | \$ 64,974 | Contribution to Capital Project |
| Utility Fund | General Fund | (454,380) | Contribution to Capital Project |
| Total Transfers | | <u>\$ (389,406)</u> | |

NOTE N -- 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, 2021 are as follows:

| Primary Government | Total | Incurred Thru | Estimated |
|--------------------------------------|----------------------|----------------------|---------------------|
| <u>General Government</u> | Commitments | September 2020 | Future |
| Bldgs, Streets & Drainage | \$ 11,082,903 | \$ 6,239,177 | \$ 4,843,726 |
| Professional Services | 854,780 | 275,817 | 578,963 |
| | <u>11,937,683</u> | <u>6,514,994</u> | <u>5,422,689</u> |
| <u>Utility System</u> | | | |
| Utility System Improvements | 11,145,544 | 9,067,863 | 2,077,681 |
| Professional Services (Engineering) | 2,244,080 | 1,923,948 | 320,132 |
| | <u>13,389,624</u> | <u>10,991,811</u> | <u>2,397,813</u> |
| Total Primary Government Commitments | <u>\$ 25,327,307</u> | <u>\$ 17,506,805</u> | <u>\$ 7,820,502</u> |
| Component Unit | | | |
| Professional Services | \$ 11,700 | \$ 3,375 | \$ 8,325 |
| | <u>\$ 11,700</u> | <u>\$ 3,375</u> | <u>\$ 8,325</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE N -- COMMITMENTS AND CONTINGENCIES (CONTINUED)

Economic Development Agreements

WDW Development, LP Agreement

The City entered into a Chapter 380 Agreement with WBW Land Investments, LP (WBW) which provides that the City shall reimburse WBW for certain public infrastructure improvements out of 50% of the increased tax received from home sales in the residential development project known as the Meadows at Nolte Farms over a period of ten years, beginning one year immediately after the date of initial completion, at a cost not to exceed \$500,000. The City estimates the increase in assessed value on the project over the base year to be \$15,000,000. Reimbursements to WBW began March 2017. Reimbursement for the year ended September 30, 2021 was \$164,929. This agreement has been completed.

Perry Homes, LLC

The City entered into a Chapter 380 Agreement with Perry Homes, LLC (“developer”) to reimburse the developer 75% of the 1% unrestricted sales taxes collected on materials that are purchased to construct homes in Seguin. The agreement period begins February 2018. Total reimbursements for 2021 were \$23,407.

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, 2021.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE N -- 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, 2020, long-term debt of GRMC consisted of Revenue Bonds in the amount of \$109,590,000, and capital lease obligations in the amount of \$4,656,214.

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, 2020:

| | |
|--------------------------------------|----------------------|
| Assets: | |
| Current Assets | \$ 90,895,618 |
| Other Assets | 23,833,972 |
| Capital Assets (Net) | 108,297,326 |
| Other Long Term Assets | 16,866,396 |
| Deferred Outflows of Resources | 5,270,250 |
| Total Assets and Deferred Outflows | <u>245,163,562</u> |
| Liabilities & Net Assets: | |
| Current Liabilities | 38,845,684 |
| Other Liabilities | 111,571,385 |
| Total Liabilities | <u>150,417,069</u> |
| Deferred Inflows of Resources | 9,066,508 |
| Net Position | <u>\$ 85,679,985</u> |
| Operating Revenues: | |
| Net Revenues from Patient Services | \$ 131,790,197 |
| Other Operating Revenues | 126,745,513 |
| Total Operating Revenues | 258,535,710 |
| Operating Expenses: | 242,246,503 |
| Total Net Operating Income | 16,289,207 |
| Nonoperating Revenues and (Expenses) | 8,415,030 |
| Increase (Decrease) in Net Position | <u>\$ 24,704,237</u> |

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE N -- 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 September 30, 2020:

| | |
|---|----------------------|
| Assets: | |
| Current Assets | \$ 16,135,798 |
| Restricted Cash and Cash Equivalents | 74,306,769 |
| Property, Plant & Equipment | 98,152,548 |
| Total Assets & Deferred Charges | <u>188,595,115</u> |
| Deferred outflows of resources related to Pension | <u>2,781,377</u> |
| Liabilities & Net Position: | |
| Current Liabilities | 5,588,251 |
| Revenue Bonds (Less Current Maturities and Unamortized Discounts) | <u>154,226,349</u> |
| Total Liabilities | <u>159,814,600</u> |
| Net Position: | |
| Net Investment in Capital Assets | 6,117,596 |
| Restricted | 7,815,465 |
| Unrestricted | <u>17,628,831</u> |
| Total Net Position | <u>\$ 31,561,892</u> |

The Corporation had revenue bonds outstanding in the amount of \$143,245,000 (as of September 30, 2020) 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 O -- 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, 2021 were \$457,731 for property and casualty and \$185,852 for workers' compensation coverage.

CITY OF SEGUIN, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2021

NOTE P – 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, 2021, the City has active tax abatement agreements with three entities. The gross amount of property tax abated during 2021 was \$474,254.

Caterpillar, Inc.: Personal Property Tax Abatement Agreement is for a period of ten years beginning January 1, 2010 and expiring December 31, 2020, for manufacturing machinery and equipment used in the operation of a diesel engine manufacturing facility with a current appraised value of \$84,272,125.

Tractor Supply Co. of Texas, LP: Real Property Tax Abatement Agreement for a period of five years beginning January 1, 2016 and expiring January 1, 2021 for the construction and operation of a distribution facility with a current appraised value of \$4,256,900.

Minigrip: Personal Property Tax Abatement Agreement 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 \$4,236,414.

NOTE Q – SUBSEQUENT EVENTS

Primary Government

The City issued \$705,000 in tax notes, series 2021 in December 2021 to purchase equipment.

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, 2021
(With Comparative Actual Amounts for 2020)

| | Budgeted Amounts | | | Variance With Final Budget - | |
|---------------------------------------|-------------------|-------------------|-------------------|---------------------------------|-------------------|
| | Original | Final | 2021 Actual | Positive (Negative) | 2020 Actual |
| REVENUES | | | | | |
| Taxes | \$ 14,862,602 | \$ 15,264,756 | \$ 16,235,079 | \$ 970,323 | \$ 14,511,305 |
| Licenses and Permits | 922,000 | 922,000 | 2,810,128 | 1,888,128 | 1,976,301 |
| Intergovernmental | 995,600 | 1,440,005 | 1,225,571 | (214,434) | 2,804,324 |
| Charges for Services | 7,347,170 | 7,347,170 | 7,456,842 | 109,672 | 6,139,753 |
| Fines and Forfeits | 1,036,900 | 1,036,900 | 644,301 | (392,599) | 630,226 |
| Interest | 96,000 | 117,700 | 13,032 | (104,668) | 159,687 |
| Miscellaneous | 748,140 | 803,463 | 1,515,730 | 712,267 | 1,585,288 |
| Total Revenues | 26,008,412 | 26,931,994 | 29,900,683 | 2,968,689 | 27,806,884 |
| EXPENDITURES | | | | | |
| GENERAL GOVERNMENT: | | | | | |
| <i>Administration:</i> | | | | | |
| Personnel Services | 56,694 | 57,135 | 57,135 | - | 57,001 |
| Contracted Services | 600 | 600 | 600 | - | 600 |
| Supplies | 625 | 5,615 | 5,466 | 149 | 447 |
| Other Services and Charges | 21,000 | 15,569 | 5,021 | 10,548 | 5,995 |
| <i>Total Administration</i> | <i>78,919</i> | <i>78,919</i> | <i>68,222</i> | <i>10,697</i> | <i>64,043</i> |
| <i>Financial Administration:</i> | | | | | |
| Personnel Services | 412,164 | 412,164 | 408,557 | 3,607 | 384,095 |
| Contracted Services | 206,310 | 213,515 | 201,446 | 12,069 | 195,976 |
| Supplies | 8,500 | 37,000 | 33,844 | 3,156 | 15,918 |
| Other Services and Charges | 10,315 | 10,315 | 2,574 | 7,741 | 3,424 |
| <i>Total Financial Administration</i> | <i>637,289</i> | <i>672,994</i> | <i>646,421</i> | <i>26,573</i> | <i>599,413</i> |
| <i>City Manager:</i> | | | | | |
| Personnel Services | 249,261 | 252,039 | 245,944 | 6,095 | 256,877 |
| Contracted Services | 1,356 | 1,356 | 1,128 | 228 | 1,237 |
| Supplies | 2,600 | 2,600 | 1,462 | 1,138 | 1,724 |
| Other Services and Charges | 16,200 | 13,422 | 11,473 | 1,949 | 7,687 |
| <i>Total City Manager</i> | <i>269,417</i> | <i>269,417</i> | <i>260,007</i> | <i>9,410</i> | <i>267,525</i> |
| <i>Human Resources:</i> | | | | | |
| Personnel Services | 243,097 | 243,097 | 241,528 | 1,569 | 218,891 |
| Contracted Services | 51,050 | 51,050 | 49,840 | 1,210 | 36,017 |
| Supplies | 6,400 | 6,400 | 4,669 | 1,731 | 3,130 |
| Other Services and Charges | 75,680 | 75,680 | 31,332 | 44,348 | 18,177 |
| <i>Total Human Resources</i> | <i>\$ 376,227</i> | <i>\$ 376,227</i> | <i>\$ 327,369</i> | <i>\$ 48,858</i> | <i>\$ 276,215</i> |

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, 2021
(With Comparative Actual Amounts for 2020)

| | Budgeted Amounts | | 2021 Actual | Variance With Final Budget - Positive (Negative) | 2020 Actual |
|---|---------------------|---------------------|---------------------|---|---------------------|
| | Original | Final | | | |
| General Government (Cont.): | | | | | |
| <i>Planning and Zoning Office:</i> | | | | | |
| Personnel Services | \$ 1,298,189 | \$ 1,340,158 | \$ 1,320,810 | \$ 19,348 | \$ 1,135,441 |
| Contracted Services | 196,299 | 192,301 | 156,584 | 35,717 | 80,013 |
| Supplies | 22,820 | 26,449 | 26,330 | 119 | 18,111 |
| Other Services and Charges | 25,850 | 25,850 | 5,000 | 20,850 | 10,450 |
| <i>Total Planning and Zoning Office</i> | <u>1,543,158</u> | <u>1,584,758</u> | <u>1,508,724</u> | <u>76,034</u> | <u>1,244,015</u> |
| <i>City Secretary's Office:</i> | | | | | |
| Personnel Services | 59,012 | 59,012 | 57,570 | 1,442 | 54,253 |
| Contracted Services | 4,000 | 5,820 | 2,884 | 2,936 | 2,641 |
| Supplies | 3,050 | 3,050 | 1,746 | 1,304 | 2,767 |
| Other Services and Charges | 33,550 | 31,730 | 28,935 | 2,795 | 9,451 |
| <i>Total City Secretary's Office</i> | <u>99,612</u> | <u>99,612</u> | <u>91,135</u> | <u>8,477</u> | <u>69,112</u> |
| <i>Information Technology</i> | | | | | |
| Personnel Services | 426,728 | 430,727 | 416,097 | 14,630 | 367,817 |
| Contracted Services | 399,465 | 399,464 | 366,507 | 32,957 | 310,691 |
| Supplies | 2,850 | 2,850 | 2,618 | 232 | 1,670 |
| Other Services and Charges | 9,350 | 9,350 | 2,070 | 7,280 | 6,663 |
| <i>Total Information Technology</i> | <u>838,393</u> | <u>842,391</u> | <u>787,292</u> | <u>55,099</u> | <u>686,841</u> |
| <i>City Attorney:</i> | | | | | |
| Personal Services | 117,381 | 117,381 | 114,098 | 3,283 | 109,135 |
| Contracted Services | 17,950 | 17,950 | 4,581 | 13,369 | 16,767 |
| Supplies | 130 | 130 | 35 | 95 | 52 |
| Other Services and Charges | 2,890 | 2,890 | 979 | 1,911 | 1,007 |
| <i>Total City Attorney:</i> | <u>138,351</u> | <u>138,351</u> | <u>119,693</u> | <u>18,658</u> | <u>126,961</u> |
| <i>Facilities and Grounds:</i> | | | | | |
| Personnel Services | 200,599 | 200,599 | 194,683 | 5,916 | 175,737 |
| Contracted Services | 117,856 | 128,856 | 100,413 | 28,443 | 121,801 |
| Supplies | 8,800 | 8,800 | 4,508 | 4,292 | 4,143 |
| Other Services and Charges | 2,200 | 3,045 | 2,891 | 154 | 1,807 |
| <i>Total Facilities and Grounds</i> | <u>329,455</u> | <u>341,300</u> | <u>302,495</u> | <u>38,805</u> | <u>303,488</u> |
| Total General Government | <u>\$ 4,310,821</u> | <u>\$ 4,403,969</u> | <u>\$ 4,111,358</u> | <u>\$ 292,611</u> | <u>\$ 3,637,613</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, 2021
(With Comparative Actual Amounts for 2020)

| | Budgeted Amounts | | | Variance With Final Budget - | |
|------------------------------|---------------------|---------------------|---------------------|---------------------------------|---------------------|
| | Original | Final | 2021 Actual | Positive (Negative) | 2020 Actual |
| Public Safety: | | | | | |
| <i>Police:</i> | | | | | |
| Personnel Services | \$ 8,131,950 | \$ 8,178,180 | \$ 7,950,678 | \$ 227,502 | \$ 7,481,850 |
| Contracted Services | 125,877 | 125,877 | 112,963 | 12,914 | 124,329 |
| Supplies | 112,763 | 135,239 | 124,339 | 10,900 | 107,150 |
| Other Services and Charges | 251,800 | 266,370 | 260,554 | 5,816 | 180,499 |
| <i>Total Police</i> | <u>8,622,390</u> | <u>8,705,666</u> | <u>8,448,534</u> | <u>257,132</u> | <u>7,893,828</u> |
| <i>Fire/EMS:</i> | | | | | |
| Personnel Services | 6,553,430 | 6,775,886 | 6,698,865 | 77,021 | 6,010,234 |
| Contracted Services | 234,125 | 212,989 | 208,688 | 4,301 | 211,254 |
| Supplies | 217,000 | 238,551 | 239,140 | (589) | 203,400 |
| Other Services and Charges | 111,800 | 122,674 | 117,554 | 5,120 | 79,589 |
| <i>Total Fire/EMS</i> | <u>7,116,355</u> | <u>7,350,100</u> | <u>7,264,247</u> | <u>85,853</u> | <u>6,504,477</u> |
| <i>Municipal Court:</i> | | | | | |
| Personnel Services | 357,826 | 360,106 | 358,054 | 2,052 | 335,942 |
| Contracted Services | 64,260 | 65,031 | 63,606 | 1,425 | 59,886 |
| Supplies | 10,500 | 7,449 | 4,999 | 2,450 | 4,990 |
| Other Services and Charges | 7,900 | 7,900 | 2,705 | 5,195 | 1,116 |
| <i>Total Municipal Court</i> | <u>440,486</u> | <u>440,486</u> | <u>429,364</u> | <u>11,122</u> | <u>401,934</u> |
| <i>Animal Control:</i> | | | | | |
| Personnel Services | 483,279 | 483,279 | 447,475 | 35,804 | 434,962 |
| Contracted Services | 77,518 | 77,518 | 65,493 | 12,025 | 59,878 |
| Supplies | 53,500 | 46,500 | 31,176 | 15,324 | 32,979 |
| Other Services and Charges | 10,800 | 10,800 | 5,158 | 5,642 | 7,350 |
| <i>Total Animal Control</i> | <u>625,097</u> | <u>618,097</u> | <u>549,302</u> | <u>68,795</u> | <u>535,169</u> |
| Total Public Safety | <u>16,804,328</u> | <u>17,114,349</u> | <u>16,691,447</u> | <u>422,902</u> | <u>15,335,408</u> |
| Public Service: | | | | | |
| <i>Public Works:</i> | | | | | |
| Personnel Services | 1,553,613 | 1,553,613 | 1,415,467 | 138,146 | 1,255,317 |
| Contracted Services | 317,387 | 314,283 | 215,564 | 98,719 | 1,854,001 |
| Supplies | 26,800 | 26,800 | 25,791 | 1,009 | 25,027 |
| Other Services and Charges | 138,800 | 145,654 | 132,051 | 13,603 | 102,914 |
| <i>Total Public Works</i> | <u>\$ 2,036,600</u> | <u>\$ 2,040,350</u> | <u>\$ 1,788,873</u> | <u>\$ 251,477</u> | <u>\$ 3,237,259</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, 2021
(With Comparative Actual Amounts for 2020)

| | Budgeted Amounts | | 2021 Actual | Variance With Final Budget - Positive (Negative) | | 2020 Actual |
|---|---------------------|---------------------|---------------------|---|---------------------|----------------|
| | Original | Final | | | | |
| Public Service: (Cont.) | | | | | | |
| <i>Brush Department</i> | | | | | | |
| Personnel Services | \$ 451,531 | \$ 451,531 | \$ 385,475 | \$ 66,056 | \$ 399,655 | |
| Contracted Services | 4,168 | 4,168 | 3,924 | 244 | 3,838 | |
| Supplies | 26,300 | 26,300 | 19,206 | 7,094 | 13,089 | |
| Other Services and Charges | 31,300 | 31,300 | 26,486 | 4,814 | 22,418 | |
| <i>Total Brush Department</i> | <u>513,299</u> | <u>513,299</u> | <u>435,091</u> | <u>78,208</u> | <u>439,000</u> | |
| <i>Vehicle Maintenance:</i> | | | | | | |
| Personnel Services | \$ 160,969 | \$ 161,183 | \$ 160,519 | \$ 664 | \$ 141,471 | |
| Contracted Services | 281,372 | 414,572 | 413,048 | 1,524 | 293,490 | |
| Supplies | 13,200 | 13,200 | 11,234 | 1,966 | 11,821 | |
| Other Services and Charges | 4,450 | 4,236 | 1,917 | 2,319 | 2,362 | |
| <i>Total Vehicle Maintenance</i> | <u>459,991</u> | <u>593,191</u> | <u>586,718</u> | <u>6,473</u> | <u>449,144</u> | |
| <i>Engineering/ Capital Projects</i> | | | | | | |
| Personnel Services | 395,114 | 395,114 | 337,318 | 57,796 | 319,352 | |
| Contracted Services | 29,517 | 29,517 | 16,348 | 13,169 | 20,595 | |
| Supplies | 4,540 | 4,540 | 2,065 | 2,475 | 2,123 | |
| Other Services and Charges | 12,375 | 12,375 | 6,554 | 5,821 | 3,276 | |
| <i>Total Engineering/ Cap Proj</i> | <u>441,546</u> | <u>441,546</u> | <u>362,285</u> | <u>79,261</u> | <u>345,346</u> | |
| <i>Library:</i> | | | | | | |
| Personnel Services | 1,210,347 | 1,210,347 | 1,113,111 | 97,236 | 1,010,931 | |
| Contracted Services | 99,540 | 98,135 | 86,500 | 11,635 | 85,932 | |
| Supplies | 107,300 | 210,955 | 206,596 | 4,359 | 139,144 | |
| Other Services and Charges | 8,155 | 7,985 | 6,811 | 1,174 | 7,718 | |
| <i>Total Library</i> | <u>1,425,342</u> | <u>1,527,422</u> | <u>1,413,018</u> | <u>114,404</u> | <u>1,243,725</u> | |
| <i>Parks and Recreation:</i> | | | | | | |
| Personnel Services | 1,535,889 | 1,523,768 | 1,470,848 | 52,920 | 1,314,139 | |
| Contracted Services | 240,173 | 247,173 | 231,728 | 15,445 | 195,427 | |
| Supplies | 81,800 | 84,800 | 78,484 | 6,316 | 64,773 | |
| Other Services and Charges | 36,358 | 38,479 | 36,595 | 1,884 | 24,641 | |
| <i>Total Parks and Recreation</i> | <u>1,894,220</u> | <u>1,894,220</u> | <u>1,817,655</u> | <u>76,565</u> | <u>1,598,980</u> | |
| <i>Downtown & Main St. Programs:</i> | | | | | | |
| Personnel Services | 161,779 | 170,509 | 170,060 | 449 | 156,736 | |
| Contracted Services | 6,800 | 6,838 | 6,388 | 450 | 2,044 | |
| Supplies | 1,200 | 1,200 | 588 | 612 | 917 | |
| Other Services and Charges | 29,770 | 36,012 | 31,208 | 4,804 | 19,434 | |
| <i>Total Downtown & Main St. Programs</i> | <u>199,549</u> | <u>214,559</u> | <u>208,244</u> | <u>6,315</u> | <u>179,131</u> | |
| Total Public Service | <u>\$ 6,970,547</u> | <u>\$ 7,224,587</u> | <u>\$ 6,611,884</u> | <u>\$ 612,703</u> | <u>\$ 7,492,585</u> | |

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, 2021
(With Comparative Actual Amounts for 2020)

| | Budgeted Amounts | | | Variance With Final Budget - Positive (Negative) | 2020 Actual |
|--|----------------------|----------------------|----------------------|---|----------------------|
| | Original | Final | 2021 Actual | | |
| Nondepartmental: | | | | | |
| Contracted Services | \$ 1,685,675 | \$ 1,685,797 | \$ 1,757,623 | \$ (71,826) | \$ 113,702 |
| Building and Auto Insurance | 225,000 | 225,000 | 207,893 | 17,107 | 180,053 |
| Unemployment Insurance | 15,000 | 15,000 | 8,844 | 6,156 | 44,235 |
| Contributions - Civic Organizations | 2,113,417 | 2,113,417 | 2,113,417 | - | 2,017,859 |
| Other Services and Charges | 228,062 | 587,938 | 595,795 | (7,857) | 433,514 |
| Total Nondepartmental | <u>4,267,154</u> | <u>4,627,152</u> | <u>4,683,572</u> | <u>(56,420)</u> | <u>2,789,363</u> |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Indirect Cost | | | | | |
| Recovery - Utility Fund | <u>(5,900,000)</u> | <u>(5,900,000)</u> | <u>(5,628,493)</u> | <u>(271,507)</u> | <u>(5,256,011)</u> |
| Total Expenditures | <u>26,452,850</u> | <u>27,470,057</u> | <u>26,469,768</u> | <u>1,000,289</u> | <u>23,998,958</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(444,438)</u> | <u>(538,063)</u> | <u>3,430,915</u> | <u>3,968,978</u> | <u>3,807,926</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers In | 38,837 | 38,837 | 36,773 | (2,064) | 88,422 |
| Transfers (Out) | <u>(400,000)</u> | <u>(2,453,664)</u> | <u>(2,051,510)</u> | <u>402,154</u> | <u>(1,841,974)</u> |
| Total Other Financing Sources (Uses) | <u>(361,163)</u> | <u>(2,414,827)</u> | <u>(2,014,737)</u> | <u>400,090</u> | <u>(1,753,552)</u> |
| Net Change in Fund Balance | <u>(805,601)</u> | <u>(2,952,890)</u> | <u>1,416,178</u> | <u>4,369,068</u> | <u>2,054,374</u> |
| Fund Balance at Beginning of Year | <u>15,395,653</u> | <u>15,395,653</u> | <u>15,395,653</u> | <u>-</u> | <u>13,341,279</u> |
| Fund Balance at End of Year | <u>\$ 14,590,052</u> | <u>\$ 12,442,763</u> | <u>\$ 16,811,831</u> | <u>\$ 4,369,068</u> | <u>\$ 15,395,653</u> |

CITY OF SEGUIN, TEXAS
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL
SEPTEMBER 30, 2021

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, DARE Program Fund (Special Revenue), Juvenile Case Manager (Special Revenue), Convention & Visitor's Bureau (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 and Seguin Arts Commission (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 SIX PLAN YEARS

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Service Cost | \$ 3,015,806 | \$ 3,288,440 | \$ 3,528,748 | \$ 3,662,307 | \$ 3,740,028 | \$ 4,157,033 |
| Interest (on the Total Pension Liability) | 6,178,108 | 6,345,379 | 6,745,276 | 7,168,895 | 7,580,148 | 8,068,419 |
| Changes of Benefit Terms | - | - | - | - | - | - |
| Difference between Expected and Actual Experience | (179,540) | 124,086 | 422,264 | 59,508 | 384,172 | 1,421,699 |
| Change of Assumptions | 289,698 | - | - | - | 528,089 | - |
| Benefit Payments, Including Refunds of Employee Contributions | (3,623,283) | (3,763,653) | (4,143,663) | (4,830,794) | (4,843,065) | (5,571,519) |
| Net Change in Total Pension Liability | 5,680,789 | 5,994,252 | 6,552,625 | 6,059,916 | 7,389,372 | 8,075,632 |
| Total Pension Liability - Beginning | 88,562,426 | 94,243,215 | 100,237,467 | 106,790,092 | 112,850,008 | 120,239,380 |
| Total Pension Liability - Ending | <u>\$ 94,243,215</u> | <u>\$ 100,237,467</u> | <u>\$ 106,790,092</u> | <u>\$ 112,850,008</u> | <u>\$ 120,239,380</u> | <u>\$ 128,315,012</u> |
| Contributions - Employer | \$ 2,722,654 | \$ 3,457,964 | \$ 4,008,013 | \$ 4,344,789 | \$ 4,775,463 | \$ 5,459,165 |
| Contributions - Employee | 1,228,792 | 1,315,376 | 1,415,544 | 1,469,963 | 1,503,745 | 1,719,813 |
| Net Investment Income | 90,246 | 4,157,561 | 9,238,393 | (2,310,563) | 11,715,246 | 6,745,238 |
| Benefit Payments, Including Refunds of Employee Contributions | (3,623,283) | (3,763,653) | (4,143,663) | (4,830,794) | (4,843,065) | (5,571,519) |
| Administrative Expense | (54,973) | (46,960) | (47,868) | (44,642) | (66,161) | (43,626) |
| Other | (2,716) | (2,530) | (2,426) | (2,332) | (1,987) | (1,705) |
| Net Change in Plan Fiduciary Net Position | 360,720 | 5,117,758 | 10,467,993 | (1,373,579) | 13,083,241 | 8,307,366 |
| Plan Fiduciary Net Position - Beginning | 61,165,370 | 61,526,090 | 66,643,848 | 77,111,841 | 75,738,262 | 88,821,503 |
| 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> | <u>\$ 88,821,503</u> | <u>\$ 97,128,869</u> |
| Net Pension Liability (Asset) - Ending | \$ 32,717,125 | \$ 33,593,619 | \$ 29,678,251 | \$ 37,111,746 | \$ 31,417,877 | \$ 31,186,143 |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 65.28% | 66.49% | 72.21% | 67.11% | 73.87% | 75.70% |
| Covered Payroll | \$ 17,554,166 | \$ 18,791,085 | \$ 20,222,051 | \$ 20,999,466 | \$ 21,482,071 | \$ 24,568,755 |
| Net Pension Liability as a Percentage of Covered Payroll | 186.38% | 178.77% | 146.76% | 176.73% | 146.25% | 126.93% |

GASB 68 Pension Information is being applied prospectively. 10-year historical trend information will be developed beginning with 2014

CITY OF SEGUIN, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CITY CONTRIBUTIONS
LAST SIX FISCAL YEARS

| Schedule of Contributions: | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------------|---------------------|-----------------------|-----------------------|---------------------|---------------|
| Actuarially Determined Contribution | \$ 2,732,499 | \$ 3,151,764 | \$ 3,287,335 | \$ 3,242,555 | \$ 4,774,365 | \$ 5,584,460 |
| Contributions in Relation to the Actuarially Determined Contribution | 3,451,731 | 3,826,130 | 4,287,815 | 4,628,145 | 5,138,648 | 5,584,460 |
| 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> | <u>\$ -</u> |
| Covered Payroll | \$ 18,313,373 | \$ 19,869,160 | \$ 20,926,536 | \$ 21,157,950 | \$ 23,123,902 | \$ 25,150,921 |
| Contribution as a Percentage of Covered Payroll | 18.85% | 19.26% | 20.49% | 21.87% | 22.22% | 22.20% |

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 | 24 Years |
| Asset Valuation Method | 10 Year Smoothed Market, 12% Soft Corridor |
| Inflation | 2.50% |
| Salary Increases | 3.50 to 11.5% |
| Investment Rate of Return | 6.75% |
| Retirement Age | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018. |
| Mortality | Post-retirement: 2019 Municipal retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

Other Information

Notes There were no benefit changes during the year.

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 THREE CALENDAR YEARS

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

Methods and Assumptions

| | |
|-------------------------------------|---|
| Inflation | 2.50% |
| Salary Increases | 3.50% to 11.50% Including Inflation |
| Discount Rate * | 2.00% |
| 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. The rates are projected on a fully generational basis with scale UMP. 2019 |
| Mortality Rates - Disabled Retirees | 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 fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2020.

Notes to Schedule

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

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 THREE FISCAL YEARS

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

Methods and Assumptions

| | |
|------------------------------|--|
| Inflation | 2.50% |
| Salary Increases | 3.00% |
| Discount Rate | 2.15% (Bond Buyer 20-Bond GO Index) |
| Mortality Rates | Pub-2010 mortality table with generational scale MP-2019 |
| Health Care Cost Trend Rates | 6.0% for 2020, Decreasing 0.5% each year reaching ultimate rate of 4.5% |

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.



It's real.

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



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CITY OF SEGUIN, TEXAS
COMPARATIVE BALANCE SHEETS
GENERAL FUND
SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-----------------------------|-----------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,122,609 | \$ 592,183 |
| Investments | 16,417,684 | 14,036,491 |
| Receivables: | | |
| Taxes | 2,384,664 | 1,946,517 |
| Accounts | 851,193 | 1,054,647 |
| Grants | 101,009 | 1,423,748 |
| Miscellaneous | 60,935 | 99,834 |
| Inventory of Supplies | 28,780 | 23,205 |
| Prepaid Items | 128,821 | 150,194 |
| Total Assets | <u><u>\$ 21,095,695</u></u> | <u><u>\$ 19,326,819</u></u> |
| LIABILITIES | | |
| Accounts Payable | \$ 986,828 | \$ 890,537 |
| Accrued Expenditures | 938,433 | 692,941 |
| Due to Component Unit | 309,859 | 238,385 |
| Unearned Revenue | 182,614 | 318,802 |
| Due to Others | 875,384 | 588,845 |
| Total Liabilities | <u><u>3,293,118</u></u> | <u><u>2,729,510</u></u> |
| Deferred Inflows of Resources | | |
| Unavailable Revenue | 990,746 | 1,201,656 |
| Total Deferred Inflows of Resources | <u><u>990,746</u></u> | <u><u>1,201,656</u></u> |
| Fund Balance: | | |
| Nonspendable | 157,601 | 173,399 |
| Restricted | 22,056 | 16,813 |
| Committed - Stabilization Arrangement | 3,029,936 | 2,008,348 |
| Assigned | 112,150 | 210,949 |
| Unassigned | 13,490,088 | 12,986,144 |
| Total Fund Balance | <u><u>16,811,831</u></u> | <u><u>15,395,653</u></u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | <u><u>\$ 21,095,695</u></u> | <u><u>\$ 19,326,819</u></u> |

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| REVENUES | 2021 | 2020 |
|--|--------------------------|--------------------------|
| Taxes | \$ 16,235,079 | \$ 14,511,305 |
| Licenses and Permits | 2,810,128 | 1,976,301 |
| Intergovernmental | 1,225,571 | 2,804,324 |
| Charges for Services | 7,456,842 | 6,139,753 |
| Fines and Forfeits | 644,301 | 630,226 |
| Interest | 13,032 | 159,687 |
| Miscellaneous | 1,515,730 | 1,585,288 |
| Total Revenues | 29,900,683 | 27,806,884 |
| EXPENDITURES | | |
| <i>Current:</i> | | |
| General Government | 4,111,358 | 3,637,613 |
| Public Safety | 16,691,447 | 15,335,408 |
| Public Service | 6,611,884 | 7,492,585 |
| Nondepartmental | 4,683,572 | 2,789,363 |
| Indirect Cost Allocation (Recovery) | (5,628,493) | (5,256,011) |
| Total Expenditures | 26,469,768 | 23,998,958 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,430,915 | 3,807,926 |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 36,773 | 88,422 |
| Transfers (Out) | (2,051,510) | (1,841,974) |
| Total Other Financing Sources (Uses) | (2,014,737) | (1,753,552) |
| Net Change in Fund Balance | 1,416,178 | 2,054,374 |
| Fund Balance at Beginning of Year | 15,395,653 | 13,341,279 |
| Fund Balance at End of Year | \$ 16,811,831 | \$ 15,395,653 |

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, 2021
(with Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|---------------------|--|---------------------|
| REVENUES | | | | |
| Taxes | \$ 5,873,160 | \$ 6,150,518 | \$ 277,358 | \$ 5,753,512 |
| Intergovernmental | - | - | - | 207,000 |
| Interest | 25,000 | 2,120 | (22,880) | 34,398 |
| Miscellaneous | - | - | - | - |
| Total Revenues | <u>5,898,160</u> | <u>6,152,638</u> | <u>254,478</u> | <u>5,994,910</u> |
| EXPENDITURES | | | | |
| Debt Service: | | | | |
| Principal | 3,042,020 | 3,027,034 | 14,986 | 3,067,005 |
| Interest and Fiscal Charges | 3,283,808 | 3,266,246 | 17,562 | 2,993,151 |
| Bond Issue Costs | - | 50,100 | (50,100) | - |
| Total Expenditures | <u>6,325,828</u> | <u>6,343,380</u> | <u>(17,552)</u> | <u>6,060,156</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(427,668)</u> | <u>(190,742)</u> | <u>236,926</u> | <u>(65,246)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In | 235,000 | 235,000 | - | 120,000 |
| Payments to Refunding Escrow Agents | - | (2,884,982) | (2,884,982) | - |
| Issuance of Debt | - | 2,920,000 | 2,920,000 | - |
| Total Other Financing Sources (Uses) | <u>235,000</u> | <u>270,018</u> | <u>35,018</u> | <u>120,000</u> |
| Net Change in Fund Balance | <u>(192,668)</u> | <u>79,276</u> | <u>271,944</u> | <u>54,754</u> |
| FUND BALANCE, OCTOBER 1 | <u>1,351,621</u> | <u>1,351,621</u> | <u>-</u> | <u>1,296,867</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 1,158,953</u> | <u>\$ 1,430,897</u> | <u>\$ 271,944</u> | <u>\$ 1,351,621</u> |



It's real.

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.

D.A.R.E. Fund – Established in fiscal 1995 to account for donations received for the D.A.R.E. program.

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

Convention & Visitors Bureau – 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, 2021

| | Combined Special Revenue | Combined Capital Projects | Total |
|--|--------------------------------|---------------------------------|----------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 3,234,372 | \$ 1,712,312 | \$ 4,946,684 |
| Investments | 2,693,674 | 13,636,710 | 16,330,384 |
| Receivables (net of allowances for uncollectibles): | | | |
| Taxes | 275,686 | - | 275,686 |
| Accounts | 2,770 | 557,969 | 560,739 |
| Prepaid Items | 4,160 | - | 4,160 |
| Restricted Assets: | | | |
| Cash and Cash Equivalents | - | 42,523 | 42,523 |
| Investments | - | 3,787,991 | 3,787,991 |
| Total Assets | <u>\$ 6,210,662</u> | <u>\$ 19,737,505</u> | <u>\$ 25,948,167</u> |
| LIABILITIES AND FUND BALANCE | | | |
| <i>Liabilities:</i> | | | |
| Accounts Payable | \$ 70,696 | \$ 463,969 | \$ 534,665 |
| Accrued Expenditures | 39,261 | - | 39,261 |
| Unearned Revenues | 3,175,939 | 228,188 | 3,404,127 |
| Due to Others | 42,647 | - | 42,647 |
| Total Liabilities | <u>3,328,543</u> | <u>692,157</u> | <u>4,020,700</u> |
| <i>Fund Balance:</i> | | | |
| Nonspendable: | | | |
| Prepays | 4,160 | - | 4,160 |
| Restricted | | | |
| Tourism & Economic Development | 1,707,422 | - | 1,707,422 |
| Public Safety | 389,067 | - | 389,067 |
| Public Service | 236,475 | - | 236,475 |
| Capital Projects | - | 13,796,690 | 13,796,690 |
| Committed | 544,995 | - | 544,995 |
| Assigned | - | 5,248,658 | 5,248,658 |
| Total Fund Balance | <u>2,882,119</u> | <u>19,045,348</u> | <u>21,927,467</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 6,210,662</u> | <u>\$ 19,737,505</u> | <u>\$ 25,948,167</u> |

CITY OF SEGUIN, TEXAS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
SEPTEMBER 30, 2021

| | Combined Special Revenue | Combined Capital Projects | Total |
|---|--------------------------------|---------------------------------|----------------------|
| REVENUES | | | |
| Taxes | \$ 1,043,122 | \$ - | \$ 1,043,122 |
| Licenses and Permits | - | 2,080,496 | 2,080,496 |
| Intergovernmental | 600,971 | 1,511,220 | 2,112,191 |
| Charges for Services | 1,076,461 | 254,891 | 1,331,352 |
| Fines and Forfeits | 120,839 | - | 120,839 |
| Interest | 1,737 | 19,779 | 21,516 |
| Miscellaneous | 23,190 | 161,214 | 184,404 |
| Total Revenues | <u>2,866,320</u> | <u>4,027,600</u> | <u>6,893,920</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General Government | 1,557,014 | 239,663 | 1,796,677 |
| Public Service | - | - | - |
| Nondepartmental | 394,152 | - | 394,152 |
| Capital Outlay | - | 4,695,067 | 4,695,067 |
| Debt Service: | | | |
| Principal | - | 831,207 | 831,207 |
| Interest & Fiscal Charges | - | 70,509 | 70,509 |
| Bond Issue Costs | - | - | - |
| Total Expenditures | <u>1,951,166</u> | <u>5,836,446</u> | <u>7,787,612</u> |
| Excess (Deficiency) of Revenue Over (Under) Expenditures | <u>915,154</u> | <u>(1,808,846)</u> | <u>(893,692)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 21,343 | 1,433,104 | 1,454,447 |
| Transfers Out | (64,116) | - | (64,116) |
| Issuance of Debt | - | 35,954 | 35,954 |
| Total Other Financing Sources (Uses) | <u>(42,773)</u> | <u>1,469,058</u> | <u>1,426,285</u> |
| Net Change in Fund Balances | 872,381 | (339,788) | 532,593 |
| FUND BALANCE, OCTOBER 1 | <u>2,009,738</u> | <u>19,385,136</u> | <u>21,394,874</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 2,882,119</u> | <u>\$ 19,045,348</u> | <u>\$ 21,927,467</u> |

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

| | Occupancy Tax Fund | Coliseum Fund | Acquatic Center Fund | Municipal Court Security Fund |
|--|--------------------------|--------------------------|----------------------------|-------------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 259,148 | \$ 86,737 | \$ 263 | \$ 1,296 |
| Investments | 419,580 | 194,896 | 88,748 | 21,593 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Accounts | - | - | - | - |
| Taxes | 264,291 | - | - | - |
| Prepaid Items | - | - | - | - |
| Total Assets | <u><u>\$ 943,019</u></u> | <u><u>\$ 281,633</u></u> | <u><u>\$ 89,011</u></u> | <u><u>\$ 22,889</u></u> |
| LIABILITIES AND FUND BALANCE | | | | |
| <i>Liabilities:</i> | | | | |
| Accounts Payable | \$ 1,833 | \$ 11,196 | \$ 40 | \$ - |
| Accrued Expenditures | - | 2,229 | - | 1,067 |
| Due to Others | - | 42,647 | - | - |
| Unearned Revenue | - | - | - | - |
| Total Liabilities | <u>1,833</u> | <u>56,072</u> | <u>40</u> | <u>1,067</u> |
| <i>Fund Balance:</i> | | | | |
| Nonspendable | | | | |
| Prepays | - | - | - | - |
| Restricted | | | | |
| Promoting Tourism & Economic Development | 941,186 | 225,561 | - | - |
| Public Safety | - | - | - | 21,822 |
| Public Service | - | - | - | - |
| Committed | - | - | 88,971 | - |
| Total Fund Balance | <u>941,186</u> | <u>225,561</u> | <u>88,971</u> | <u>21,822</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u><u>\$ 943,019</u></u> | <u><u>\$ 281,633</u></u> | <u><u>\$ 89,011</u></u> | <u><u>\$ 22,889</u></u> |

| Municipal Court Technology | Forfeiture & Seizure Fund | Golf Course Fund | DARE Program Fund | Juvenile Case Manager |
|----------------------------------|---------------------------------|------------------------|-------------------------|-----------------------------|
| \$ 6,777 | \$ 45,150 | \$ 64,715 | \$ 4,373 | \$ 8 |
| 14,379 | 218,804 | 427,856 | 53,847 | - |
| - | - | 5,210 | - | - |
| - | - | - | - | - |
| 4,160 | - | - | - | - |
| <u>\$ 25,316</u> | <u>\$ 263,954</u> | <u>497,781</u> | <u>\$ 58,220</u> | <u>\$ 8</u> |
| \$ - | 550 | 11,230 | \$ 4,056 | \$ - |
| - | - | 24,312 | - | - |
| - | - | - | - | - |
| - | - | 6,215 | - | - |
| <u>-</u> | <u>550</u> | <u>41,757</u> | <u>4,056</u> | <u>-</u> |
| 4,160 | - | - | - | - |
| - | - | - | - | - |
| 21,156 | 263,404 | - | 54,164 | 8 |
| - | - | - | - | - |
| - | - | 456,024 | - | - |
| <u>25,316</u> | <u>263,404</u> | <u>456,024</u> | <u>54,164</u> | <u>8</u> |
| <u>\$ 25,316</u> | <u>\$ 263,954</u> | <u>\$ 497,781</u> | <u>\$ 58,220</u> | <u>\$ 8</u> |

CITY OF SEGUIN, TEXAS
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
SEPTEMBER 30, 2021

| | Convention & Visitors Bureau Fund | CVB Building Fund | Sebastopol House | Police Department Donations |
|--|---|----------------------|---------------------|-----------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 22,477 | \$ 891 | \$ 822 | \$ 3,105 |
| Investments | 463,164 | 34,137 | 50,244 | 40,207 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Prepaid Items | - | - | - | - |
| Total Assets | <u>\$ 485,641</u> | <u>\$ 35,028</u> | <u>\$ 51,066</u> | <u>\$ 43,312</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| <i>Liabilities:</i> | | | | |
| Accounts Payable | \$ 12,661 | \$ 5,750 | \$ 2,230 | \$ - |
| Accrued Expenditures | 7,090 | - | 1,579 | - |
| Due to Others | - | - | - | - |
| Unearned Revenue | - | - | 1,750 | 14,799 |
| Total Liabilities | <u>19,751</u> | <u>5,750</u> | <u>5,559</u> | <u>14,799</u> |
| <i>Fund Balance:</i> | | | | |
| Nonspendable | | | | |
| Prepays | - | - | - | - |
| Restricted | | | | |
| Promoting Tourism & Economic Development | 465,890 | 29,278 | 45,507 | - |
| Public Safety | - | - | - | 28,513 |
| Public Service | - | - | - | - |
| Committed | - | - | - | - |
| Total Fund Balance | <u>465,890</u> | <u>29,278</u> | <u>45,507</u> | <u>28,513</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 485,641</u> | <u>\$ 35,028</u> | <u>\$ 51,066</u> | <u>\$ 43,312</u> |

| PEG Capital Fees | Library Development Fund | Seguin Events Complex | Seguin Arts Commission | American Rescue Plan Fund | Totals |
|------------------------|--------------------------------|-----------------------------|------------------------------|---------------------------------|---------------------|
| \$ 11,600 | \$ 1,128 | \$ 3,971 | \$ 5,920 | 2,715,991 | \$ 3,234,372 |
| 69,758 | 72,811 | 92,242 | 11,802 | 419,606 | 2,693,674 |
| - | - | (2,440) | - | - | 2,770 |
| 11,395 | - | - | - | - | 275,686 |
| - | - | - | - | - | 4,160 |
| <u>\$ 92,753</u> | <u>\$ 73,939</u> | <u>\$ 93,773</u> | <u>\$ 17,722</u> | <u>\$ 3,135,597</u> | <u>\$ 6,210,662</u> |
| | | | | | |
| \$ 3,232 | \$ - | \$ 16,699 | \$ 1,219 | - | \$ 70,696 |
| - | - | 2,984 | - | - | 39,261 |
| - | - | - | - | - | 42,647 |
| - | - | 17,771 | - | 3,135,404 | 3,175,939 |
| <u>3,232</u> | <u>-</u> | <u>37,454</u> | <u>1,219</u> | <u>3,135,404</u> | <u>3,328,543</u> |
| | | | | | |
| - | - | - | - | - | 4,160 |
| | | | | | |
| - | - | - | - | - | 1,707,422 |
| - | - | - | - | - | 389,067 |
| 89,521 | 73,939 | 56,319 | 16,503 | 193 | 236,475 |
| - | - | - | - | - | 544,995 |
| <u>89,521</u> | <u>73,939</u> | <u>56,319</u> | <u>16,503</u> | <u>193</u> | <u>2,882,119</u> |
| | | | | | |
| <u>\$ 92,753</u> | <u>\$ 73,939</u> | <u>\$ 93,773</u> | <u>\$ 17,722</u> | <u>\$ 3,135,597</u> | <u>6,210,662</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, 2021

| | Occupancy Tax Fund | Coliseum Fund | Aquatic Center Fund | Municipal Court Security Fund |
|--|--------------------------|--------------------------|---------------------------|-------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 532,808 | \$ 147,175 | \$ - | \$ - |
| Intergovernmental | 181,326 | 129,287 | 87,636 | 7,752 |
| Charges for Services | - | 15,075 | - | - |
| Fines and Forfeits | - | - | - | 14,808 |
| Interest | 242 | 98 | (5) | 16 |
| Miscellaneous | - | 265 | - | - |
| Total Revenues | <u>714,376</u> | <u>291,900</u> | <u>87,631</u> | <u>22,576</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 36,518 | 264,550 | 5,863 | - |
| Economic Development | - | - | - | - |
| Nondepartmental | - | - | - | 28,461 |
| Total Expenditures | <u>36,518</u> | <u>264,550</u> | <u>5,863</u> | <u>28,461</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>677,858</u> | <u>27,350</u> | <u>81,768</u> | <u>(5,885)</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 Balances | 677,858 | 27,350 | 81,768 | (5,885) |
| FUND BALANCE, OCTOBER 1 | <u>263,328</u> | <u>198,211</u> | <u>7,203</u> | <u>27,707</u> |
| FUND BALANCE, SEPTEMBER 30 | <u><u>\$ 941,186</u></u> | <u><u>\$ 225,561</u></u> | <u><u>\$ 88,971</u></u> | <u><u>\$ 21,822</u></u> |

| Municipal Court Technology | Forfeiture & Seizure Fund | Golf Course Fund | DARE Program Fund | Juvenile Case Manager | . |
|----------------------------------|---------------------------------|------------------------|-------------------------|-----------------------------|---|
| \$ - | \$ - | \$ - | \$ - | \$ - | . |
| 14,033 | - | - | 19,425 | - | . |
| - | - | 1,034,975 | - | - | . |
| 13,950 | 74,150 | - | - | 17,931 | . |
| - | 149 | 359 | 34 | - | . |
| - | 14,170 | - | - | - | . |
| <u>27,983</u> | <u>88,469</u> | <u>1,035,334</u> | <u>19,459</u> | <u>17,931</u> | . |
| 27,237 | 28,606 | 935,582 | 11,741 | - | . |
| - | - | - | - | - | . |
| 2,634 | - | - | - | - | . |
| <u>29,871</u> | <u>28,606</u> | <u>935,582</u> | <u>11,741</u> | <u>-</u> | . |
| (1,888) | 59,863 | 99,752 | 7,718 | 17,931 | . |
| - | - | - | (18,837) | (17,936) | . |
| - | - | - | (18,837) | (17,936) | . |
| (1,888) | 59,863 | 99,752 | (11,119) | (5) | . |
| <u>27,204</u> | <u>203,541</u> | <u>356,272</u> | <u>65,283</u> | <u>13</u> | . |
| <u>\$ 25,316</u> | <u>\$ 263,404</u> | <u>\$ 456,024</u> | <u>\$ 54,164</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, 2021

| | Convention & Visitors Bureau Fund | CVB Building Fund | Sebastopol House | Police Department Donations |
|--|---|----------------------|---------------------|-----------------------------------|
| REVENUES | | | | |
| Taxes | \$ 228,375 | \$ - | \$ 53,882 | \$ - |
| Intergovernmental | 102,726 | - | 29,705 | - |
| Charges for Services | - | - | - | - |
| Fines and Forfeits | - | - | - | - |
| Interest | 394 | 32 | 11 | 21 |
| Miscellaneous | 2,210 | - | - | 1,250 |
| Total Revenues | <u>333,705</u> | <u>32</u> | <u>83,598</u> | <u>1,271</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | - | - | 68,275 | 1,917 |
| Economic Development | 357,307 | 5,750 | - | - |
| Nondepartmental | - | - | - | - |
| Total Expenditures | <u>357,307</u> | <u>5,750</u> | <u>68,275</u> | <u>1,917</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(23,602)</u> | <u>(5,718)</u> | <u>15,323</u> | <u>(646)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | <u>(6,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(6,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balances | <u>(29,602)</u> | <u>(5,718)</u> | <u>15,323</u> | <u>(646)</u> |
| FUND BALANCE, OCTOBER 1 | <u>495,492</u> | <u>34,996</u> | <u>30,184</u> | <u>29,159</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 465,890</u> | <u>\$ 29,278</u> | <u>\$ 45,507</u> | <u>\$ 28,513</u> |

| PEG Capital Fees | Library Development Fund | Seguin Events Complex | Seguin Arts Commission | American Rescue Plan Fund | Totals |
|------------------------|--------------------------------|-----------------------------|------------------------------|---------------------------------|--------------|
| \$ 44,987 | \$ - | \$ 35,895 | \$ - | \$ - | \$ 1,043,122 |
| - | - | 29,081 | - | - | 600,971 |
| - | - | 26,411 | - | - | 1,076,461 |
| - | - | - | - | - | 120,839 |
| 47 | 64 | 74 | 8 | 193 | 1,737 |
| - | - | - | 5,295 | - | 23,190 |
| 45,034 | 64 | 91,461 | 5,303 | 193 | 2,866,320 |
| 40,468 | 9,020 | 123,763 | 3,474 | - | 1,557,014 |
| - | - | - | - | - | 363,057 |
| - | - | - | - | - | 31,095 |
| 40,468 | 9,020 | 123,763 | 3,474 | - | 1,951,166 |
| 4,566 | (8,956) | (32,302) | 1,829 | 193 | 915,154 |
| - | - | - | - | - | (42,773) |
| - | - | - | - | - | (42,773) |
| 4,566 | (8,956) | (32,302) | 1,829 | 193 | 872,381 |
| 84,955 | 82,895 | 88,621 | 14,674 | - | 2,009,738 |
| \$ 89,521 | \$ 73,939 | \$ 56,319 | \$ 16,503 | \$ 193 | \$ 2,882,119 |

CITY OF SEGUIN, TEXAS
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

| | General Fund Capital Projects | Golf Course Capital Projects | 2020 Certificates of Obligation | 2016 Certificates of Obligation |
|---|--|---------------------------------------|---------------------------------------|---------------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 314,483 | \$ 133,124 | 30,096 | \$ - |
| Investments | 3,937,408 | 501,101 | 6,406,414 | - |
| Receivables, Net | 352,155 | - | - | - |
| Restricted Cash and Equivalents | - | - | - | 4,114 |
| Restricted Investments | - | - | - | 664,427 |
| Total Assets | <u>\$ 4,604,046</u> | <u>\$ 634,225</u> | <u>\$ 6,436,510</u> | <u>\$ 668,541</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| <i>Liabilities:</i> | | | | |
| Accounts Payable | \$ 234,693 | \$ 5,527 | 158,578 | \$ - |
| Unearned Revenue | - | 500 | - | - |
| Total Liabilities | <u>234,693</u> | <u>6,027</u> | <u>158,578</u> | <u>-</u> |
| <i>Fund Balances:</i> | | | | |
| Restricted for Capital Projects | - | - | 6,277,932 | 668,541 |
| Assigned to Capital Projects | 4,369,353 | 628,198 | - | - |
| Total Fund Balance | <u>4,369,353</u> | <u>628,198</u> | <u>6,277,932</u> | <u>668,541</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 4,604,046</u> | <u>\$ 634,225</u> | <u>\$ 6,436,510</u> | <u>\$ 668,541</u> |

| 2016-A Certificates of Obligation | 2018 Certificates of Obligation | Miscellaneous Projects Fund | Total |
|---|---------------------------------------|-----------------------------------|----------------------|
| \$ - | \$ - | \$ 1,234,609 | \$ 1,712,312 |
| - | - | 2,791,787 | 13,636,710 |
| - | - | 205,814 | 557,969 |
| 15,055 | 23,354 | - | 42,523 |
| 578,735 | 2,544,829 | - | 3,787,991 |
| <u>\$ 593,790</u> | <u>\$ 2,568,183</u> | <u>\$ 4,232,210</u> | <u>\$ 19,737,505</u> |

| | | | |
|------|-----------|-----------|------------|
| \$ - | \$ 35,255 | \$ 29,916 | \$ 463,969 |
| - | - | 227,688 | 228,188 |
| - | 35,255 | 257,604 | 692,157 |

| | | | |
|----------------|------------------|------------------|-------------------|
| 593,790 | 2,532,928 | 3,723,499 | 13,796,690 |
| - | - | 251,107 | 5,248,658 |
| <u>593,790</u> | <u>2,532,928</u> | <u>3,974,606</u> | <u>19,045,348</u> |

| | | | |
|-------------------|---------------------|---------------------|----------------------|
| <u>\$ 593,790</u> | <u>\$ 2,568,183</u> | <u>\$ 4,232,210</u> | <u>\$ 19,737,505</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, 2021

| | General Fund Capital Projects | Golf Course Capital Projects | 2020 Certificates of Obligation | 2016 Certificates of Obligation |
|--|--|---------------------------------------|---------------------------------------|---------------------------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 1,511,220 | \$ - | \$ - | \$ - |
| Licenses and Permits | - | - | - | - |
| Charges for Services | - | 254,891 | - | - |
| Interest | 3,812 | 375 | 5,934 | 715 |
| Miscellaneous | 130,801 | 30,413 | - | - |
| Total Revenues | <u>1,645,833</u> | <u>285,679</u> | <u>5,934</u> | <u>715</u> |
| EXPENDITURES | | | | |
| General Government | 239,663 | - | - | - |
| Public Service | - | - | - | - |
| Capital Outlay | 1,698,169 | 129,308 | 1,678,643 | 130,631 |
| Debt Service: | | | | |
| Principal | 758,773 | 72,434 | - | - |
| Interest & Fiscal Charges | 65,755 | 4,754 | - | - |
| Total Expenditures | <u>2,762,360</u> | <u>206,496</u> | <u>1,678,643</u> | <u>130,631</u> |
| Excess (Deficiency) of Revenues Over (Under Expenditures) | <u>(1,116,527)</u> | <u>79,183</u> | <u>(1,672,709)</u> | <u>(129,916)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | 1,433,104 | - | - | - |
| Issuance of Lease Financing | - | 35,954 | - | - |
| Total Other Financing Sources (Uses) | <u>1,433,104</u> | <u>35,954</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | 316,577 | 115,137 | (1,672,709) | (129,916) |
| FUND BALANCE, OCTOBER 1 | <u>4,052,776</u> | <u>513,061</u> | <u>7,950,641</u> | <u>798,457</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 4,369,353</u> | <u>\$ 628,198</u> | <u>\$ 6,277,932</u> | <u>\$ 668,541</u> |

| 2016-A Certificates of Obligation | 2018 Certificates of Obligation | Miscellaneous Projects Fund | Total |
|---|---------------------------------------|-----------------------------------|---------------|
| \$ - | \$ - | \$ - | \$ 1,511,220 |
| - | - | 2,080,496 | 2,080,496 |
| - | - | - | 254,891 |
| 591 | 2,844 | 5,508 | 19,779 |
| - | - | - | 161,214 |
| 591 | 2,844 | 2,086,004 | 4,027,600 |
| - | - | - | 239,663 |
| - | - | - | - |
| 166,665 | 571,045 | 320,606 | 4,695,067 |
| - | - | - | 831,207 |
| - | - | - | 70,509 |
| 166,665 | 571,045 | 320,606 | 5,836,446 |
| (166,074) | (568,201) | 1,765,398 | (1,808,846) |
| - | - | - | 1,433,104 |
| - | - | - | 35,954 |
| - | - | - | 1,469,058 |
| (166,074) | (568,201) | 1,765,398 | (339,788) |
| 759,864 | 3,101,129 | 2,209,208 | 19,385,136 |
| \$ 593,790 | \$ 2,532,928 | \$ 3,974,606 | \$ 19,045,348 |

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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|-------------------|--|-------------------|
| REVENUES | | | | |
| Occupancy Tax | \$ 42,173 | \$ 532,808 | \$ 490,635 | \$ - |
| Intergovernmental | 181,326 | 181,326 | - | - |
| Interest | 1,750 | 242 | (1,508) | 581 |
| Total Revenues | <u>225,249</u> | <u>714,376</u> | <u>489,127</u> | <u>581</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government:</i> | | | | |
| Contributions to Local Organizations | 54,289 | 36,518 | 17,771 | 103,557 |
| Total Expenditures | <u>54,289</u> | <u>36,518</u> | <u>17,771</u> | <u>103,557</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>170,960</u> | <u>677,858</u> | <u>506,898</u> | <u>(102,976)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers Out | 2,644 | - | (2,644) | (17,012) |
| Total Other Financing Sources (Uses) | <u>2,644</u> | <u>-</u> | <u>(2,644)</u> | <u>(17,012)</u> |
| Net Change in Fund Balance | 173,604 | 677,858 | 504,254 | (119,988) |
| FUND BALANCE, OCTOBER 1 | <u>263,328</u> | <u>263,328</u> | <u>-</u> | <u>383,316</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 436,932</u> | <u>\$ 941,186</u> | <u>\$ 504,254</u> | <u>\$ 263,328</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|---|------------------------------|-------------------|--|-------------------|
| REVENUES | | | | |
| Occupancy Tax | \$ 147,175 | \$ 147,175 | \$ - | \$ 198,012 |
| Intergovernmental | 129,287 | 129,287 | - | - |
| Charges for Services | 20,000 | 15,075 | (4,925) | 48,988 |
| Interest | 2,000 | 98 | (1,902) | 2,558 |
| Miscellaneous | - | 265 | 265 | - |
| Total Revenues | <u>298,462</u> | <u>291,900</u> | <u>(6,562)</u> | <u>249,558</u> |
| EXPENDITURES | | | | |
| <i>General Government/Facilities & Grounds:</i> | | | | |
| Personnel Services | 65,330 | 64,379 | 951 | 60,258 |
| Contracted Services | 207,901 | 86,361 | 121,540 | 182,200 |
| Supplies | 19,574 | 18,518 | 1,056 | 18,215 |
| Other Services and Charges | 101,153 | 95,292 | 5,861 | 17,360 |
| Total Expenditures | <u>393,958</u> | <u>264,550</u> | <u>129,408</u> | <u>278,033</u> |
| Net Change in Fund Balance | (95,496) | 27,350 | 122,846 | (28,475) |
| FUND BALANCE, OCTOBER 1 | <u>198,211</u> | <u>198,211</u> | <u>-</u> | <u>226,686</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 102,715</u> | <u>\$ 225,561</u> | <u>\$ 122,846</u> | <u>\$ 198,211</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|---|------------------------------|------------------|--|-----------------|
| REVENUES | | | | |
| Intergovernmental | \$ 87,636 | \$ 87,636 | \$ - | \$ - |
| Charges for Services | 5,864 | - | (5,864) | - |
| Interest | - | (5) | (5) | 95 |
| Total Revenues | <u>93,500</u> | <u>87,631</u> | <u>(5,869)</u> | <u>95</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government/ Parks & Recreation</i> | | | | |
| Personnel Services | 48,234 | - | 48,234 | - |
| Contracted Services | 27,835 | 5,863 | 21,972 | 6,325 |
| Supplies | 16,400 | - | 16,400 | 297 |
| Total Expenditures | <u>92,469</u> | <u>5,863</u> | <u>86,606</u> | <u>6,622</u> |
| Net Change in Fund Balance | 1,031 | 81,768 | 80,737 | (6,527) |
| FUND BALANCE, OCTOBER 1 | <u>7,203</u> | <u>7,203</u> | <u>-</u> | <u>13,730</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 8,234</u> | <u>\$ 88,971</u> | <u>\$ 80,737</u> | <u>\$ 7,203</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 7,752 | \$ 7,752 | \$ - | \$ - |
| Fines and Forfeits | 14,270 | 14,808 | 538 | 11,292 |
| Miscellaneous | 100 | 16 | (84) | 251 |
| Total Revenues | <u>22,122</u> | <u>22,576</u> | <u>454</u> | <u>11,543</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>Non-Departmental</i> | | | | |
| Personnel Services | 32,469 | 28,461 | 4,008 | 17,136 |
| Total Expenditures | <u>32,469</u> | <u>28,461</u> | <u>4,008</u> | <u>17,136</u> |
| Net Change in Fund Balance | (10,347) | (5,885) | 4,462 | (5,593) |
| FUND BALANCE, OCTOBER 1 | <u>27,707</u> | <u>27,707</u> | <u>-</u> | <u>33,300</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 17,360</u> | <u>\$ 21,822</u> | <u>\$ 4,462</u> | <u>\$ 27,707</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 14,033 | \$ 14,033 | \$ - | \$ - |
| Interest | 13,425 | 13,950 | 525 | 13,384 |
| Miscellaneous | 200 | - | (200) | 209 |
| Total Revenues | <u>27,658</u> | <u>27,983</u> | <u>325</u> | <u>13,593</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government/Non-Departmental</i> | | | | |
| Supplies | 38,760 | 29,871 | 8,889 | 48,210 |
| Total Expenditures | <u>38,760</u> | <u>29,871</u> | <u>8,889</u> | <u>48,210</u> |
| Net Change in Fund Balance | (11,102) | (1,888) | 9,214 | (34,617) |
| FUND BALANCE, OCTOBER 1 | <u>27,204</u> | <u>27,204</u> | <u>-</u> | <u>61,821</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 16,102</u> | <u>\$ 25,316</u> | <u>\$ 9,214</u> | <u>\$ 27,204</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|-------------------|--|-------------------|
| REVENUES | | | | |
| Fines and Forfeitures | \$ - | \$ 74,150 | \$ 74,150 | \$ 52,875 |
| Interest | 2,300 | 149 | (2,151) | 3,491 |
| Miscellaneous | - | 14,170 | 14,170 | - |
| Total Revenues | <u>2,300</u> | <u>88,469</u> | <u>86,169</u> | <u>56,366</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government</i> | | | | |
| Supplies | 47,703 | 28,606 | 19,097 | 11,632 |
| Miscellaneous | - | - | - | 5,000 |
| Capital Outlay | - | - | - | 199,950 |
| Total Expenditures | <u>47,703</u> | <u>28,606</u> | <u>19,097</u> | <u>216,582</u> |
| Net Change in Fund Balance | (45,403) | 59,863 | 105,266 | (160,216) |
| FUND BALANCE, OCTOBER 1 | <u>203,541</u> | <u>203,541</u> | <u>-</u> | <u>363,757</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 158,138</u> | <u>\$ 263,404</u> | <u>\$ 105,266</u> | <u>\$ 203,541</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|-------------------|--|-------------------|
| REVENUES | | | | |
| Charges for Services | \$ 846,300 | \$ 1,034,975 | \$ 188,675 | \$ 823,034 |
| Interest | 3,050 | 359 | (2,691) | 4,762 |
| Total Revenues | <u>849,350</u> | <u>1,035,334</u> | <u>185,984</u> | <u>827,796</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | 1,045,190 | 935,582 | 109,608 | 868,823 |
| Total Expenditures | <u>1,045,190</u> | <u>935,582</u> | <u>109,608</u> | <u>868,823</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(195,840)</u> | <u>99,752</u> | <u>295,592</u> | <u>(41,027)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | - | - | - | 21,343 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>21,343</u> |
| Net Change in Fund Balances | (195,840) | 99,752 | 295,592 | (19,684) |
| FUND BALANCE, OCTOBER 1 | <u>356,272</u> | <u>356,272</u> | <u>-</u> | <u>375,956</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 160,432</u> | <u>\$ 456,024</u> | <u>\$ 295,592</u> | <u>\$ 356,272</u> |

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
DARE PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 17,425 | \$ 19,425 | \$ 2,000 | \$ 22,106 |
| Interest | 750 | 34 | (716) | 744 |
| Total Revenues | <u>18,175</u> | <u>19,459</u> | <u>1,284</u> | <u>22,850</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government</i> | | | | |
| Supplies | 9,530 | 9,530 | - | 25,885 |
| Transfer to Scholarship Fund | 2,250 | 2,211 | 39 | |
| Total Expenditures | <u>11,780</u> | <u>11,741</u> | <u>39</u> | <u>25,885</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>6,395</u> | <u>7,718</u> | <u>1,323</u> | <u>(3,035)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | (18,837) | (18,837) | - | (69,970) |
| Total Other Financing Sources (Uses) | <u>(18,837)</u> | <u>(18,837)</u> | <u>-</u> | <u>(69,970)</u> |
| Net Change in Fund Balance | (12,442) | (11,119) | 1,323 | (73,005) |
| FUND BALANCE, OCTOBER 1 | <u>65,283</u> | <u>65,283</u> | <u>-</u> | <u>138,288</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 52,841</u> | <u>\$ 54,164</u> | <u>\$ 1,323</u> | <u>\$ 65,283</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|-----------------|--|-----------------|
| REVENUES | | | | |
| Fines and Forfeitures | \$ 20,000 | \$ 17,931 | \$ (2,069) | \$ 18,460 |
| Interest | - | - | - | 5 |
| Total Revenues | <u>20,000</u> | <u>17,931</u> | <u>(2,069)</u> | <u>18,465</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>17,931</u> | <u>(2,069)</u> | <u>18,465</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | <u>(20,000)</u> | <u>(17,936)</u> | <u>2,064</u> | <u>(18,452)</u> |
| Total Other Financing Sources (Uses) | <u>(20,000)</u> | <u>(17,936)</u> | <u>2,064</u> | <u>(18,452)</u> |
| Net Change in Fund Balance | - | (5) | (5) | 13 |
| FUND BALANCE, OCTOBER 1 | <u>13</u> | <u>13</u> | <u>-</u> | <u>-</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 13</u> | <u>\$ 8</u> | <u>\$ (5)</u> | <u>\$ 13</u> |

CITY OF SEGUIN, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
CONVENTION & VISITORS BUREAU FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|--|------------------------------|-------------------|--|-------------------|
| REVENUES | | | | |
| Occupancy Tax | \$ 228,375 | \$ 228,375 | \$ - | \$ 334,313 |
| Governmental | 102,726 | 102,726 | - | - |
| Interest | 4,000 | 393 | (3,607) | 5,218 |
| Miscellaneous | 2,500 | 2,210 | (290) | 2,161 |
| Total Revenues | <u>337,601</u> | <u>333,704</u> | <u>(3,897)</u> | <u>341,692</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Economic Development | 369,907 | 357,307 | 12,600 | 310,104 |
| Total Expenditures | <u>369,907</u> | <u>357,307</u> | <u>12,600</u> | <u>310,104</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(32,306)</u> | <u>(23,603)</u> | 8,703 - | 31,588 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers In (Out) | (6,000) | (6,000) | - | 13,914 |
| Total Other Financing Sources (Uses) | <u>(6,000)</u> | <u>(6,000)</u> | <u>-</u> | <u>13,914</u> |
| Net Change in Fund Balances | (38,306) | (29,603) | 8,703 | 45,502 |
| FUND BALANCE, OCTOBER 1 | <u>495,492</u> | <u>495,492</u> | <u>-</u> | <u>449,990</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 457,186</u> | <u>\$ 465,889</u> | <u>\$ 8,703</u> | <u>\$ 495,492</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Interest | \$ 100 | \$ 32 | \$ (68) | \$ 658 |
| Total Revenues | <u>100</u> | <u>32</u> | <u>(68)</u> | <u>658</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>Economic Development</i> | | | | |
| Miscellaneous - Hot Rebates | 5,750 | 5,750 | - | 25,500 |
| Total Expenditures | <u>5,750</u> | <u>5,750</u> | <u>-</u> | <u>25,500</u> |
| Net Change in Fund Balance | (5,650) | (5,718) | (68) | (24,842) |
| FUND BALANCE, OCTOBER 1 | <u>34,996</u> | <u>34,996</u> | <u>-</u> | <u>59,838</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 29,346</u> | <u>\$ 29,278</u> | <u>\$ (68)</u> | <u>\$ 34,996</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Occupancy Tax | \$ 53,882 | \$ 53,882 | \$ - | \$ 63,432 |
| Intergovernmental | 30,053 | 29,705 | (348) | 1,520 |
| Interest | 200 | 11 | (189) | 182 |
| Total Revenues | <u>84,135</u> | <u>83,598</u> | <u>(537)</u> | <u>65,134</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General Government | <u>75,311</u> | <u>68,275</u> | <u>7,036</u> | <u>65,901</u> |
| Total Expenditures | <u>75,311</u> | <u>68,275</u> | <u>7,036</u> | <u>65,901</u> |
| Net Change in Fund Balance | 8,824 | 15,323 | 6,499 | (767) |
| FUND BALANCE, OCTOBER 1 | <u>30,184</u> | <u>30,184</u> | <u>-</u> | <u>30,951</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 39,008</u> | <u>\$ 45,507</u> | <u>\$ 6,499</u> | <u>\$ 30,184</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Interest | \$ 100 | \$ 21 | \$ (79) | \$ 315 |
| Miscellaneous | - | 1,250 | 1,250 | 1,264 |
| Total Revenues | <u>100</u> | <u>1,271</u> | <u>1,171</u> | <u>1,579</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government:</i> | | | | |
| Capital Outlay | 10,000 | 1,917 | 8,083 | 697 |
| Total Expenditures | <u>10,000</u> | <u>1,917</u> | <u>8,083</u> | <u>697</u> |
| Net Change in Fund Balance | (9,900) | (646) | 9,254 | 882 |
| FUND BALANCE, OCTOBER 1 | <u>29,159</u> | <u>29,159</u> | <u>-</u> | <u>28,277</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 19,259</u> | <u>\$ 28,513</u> | <u>\$ 9,254</u> | <u>\$ 29,159</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Franchise Tax | \$ 33,000 | \$ 44,987 | \$ 11,987 | \$ 45,009 |
| Interest | 500 | 47 | (453) | 758 |
| Total Revenues | <u>33,500</u> | <u>45,034</u> | <u>11,534</u> | <u>45,767</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government:</i> | | | | |
| Contracted Services | 40,000 | 40,468 | (468) | 41,574 |
| Total Expenditures | <u>40,000</u> | <u>40,468</u> | <u>(468)</u> | <u>41,574</u> |
| Net Change in Fund Balance | (6,500) | 4,566 | 11,066 | 4,193 |
| FUND BALANCE, OCTOBER 1 | <u>84,955</u> | <u>84,955</u> | <u>-</u> | <u>80,762</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 78,455</u> | <u>\$ 89,521</u> | <u>\$ 11,066</u> | <u>\$ 84,955</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Interest | \$ 500 | \$ 64 | \$ (436) | \$ 893 |
| Total Revenues | <u>500</u> | <u>64</u> | <u>(436)</u> | <u>893</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government:</i> | | | | |
| Contracted Services | 10,000 | 9,020 | 980 | 40,388 |
| Total Expenditures | <u>10,000</u> | <u>9,020</u> | <u>980</u> | <u>40,388</u> |
| Net Change in Fund Balance | (9,500) | (8,956) | 544 | (39,495) |
| FUND BALANCE, OCTOBER 1 | <u>82,895</u> | <u>82,895</u> | - | <u>122,390</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 73,395</u> | <u>\$ 73,939</u> | <u>\$ 544</u> | <u>\$ 82,895</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Taxes | \$ 35,895 | \$ 35,895 | \$ - | \$ 61,465 |
| Intergovernmental | 29,081 | 29,081 | - | - |
| Charges for Services | 28,919 | 26,411 | (2,508) | 42,083 |
| Interest | 1,100 | 74 | (1,026) | 948 |
| Total Revenues | <u>94,995</u> | <u>91,461</u> | <u>(3,534)</u> | <u>104,496</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>General Government:</i> | | | | |
| Personal Services | 89,214 | 87,143 | 2,071 | 75,398 |
| Contracted Services | 30,501 | 29,442 | 1,059 | 23,136 |
| Supplies | 10,000 | 7,178 | 2,822 | 7,985 |
| Total Expenditures | <u>129,715</u> | <u>123,763</u> | <u>5,952</u> | <u>106,519</u> |
| Net Change in Fund Balance | (34,720) | (32,302) | 2,418 | (2,023) |
| FUND BALANCE, OCTOBER 1 | <u>88,621</u> | <u>88,621</u> | <u>-</u> | <u>90,644</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 53,901</u> | <u>\$ 56,319</u> | <u>\$ 2,418</u> | <u>\$ 88,621</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, 2021
(With Comparative Actual Amounts for 2020)

| | Final Budgeted Amounts | 2021 | Variance Favorable (Unfavorable) | 2020 |
|-----------------------------------|------------------------------|------------------|--|------------------|
| REVENUES | | | | |
| Interest | \$ 100 | \$ 8 | \$ (92) | \$ 129 |
| Miscellaneous | 10,000 | 5,295 | (4,705) | 5,829 |
| Total Revenues | <u>10,100</u> | <u>5,303</u> | <u>(4,797)</u> | <u>5,958</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| <i>Economic Development</i> | | | | |
| Personnel Services | 14,500 | 3,474 | 11,026 | 826 |
| Total Expenditures | <u>14,500</u> | <u>3,474</u> | <u>11,026</u> | <u>826</u> |
| Net Change in Fund Balance | (4,400) | 1,829 | 6,229 | 5,132 |
| FUND BALANCE, OCTOBER 1 | <u>14,674</u> | <u>14,674</u> | <u>-</u> | <u>9,542</u> |
| FUND BALANCE, SEPTEMBER 30 | <u>\$ 10,274</u> | <u>\$ 16,503</u> | <u>\$ 6,229</u> | <u>\$ 14,674</u> |



It's real.

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION
UTILITY FUND
SEPTEMBER 30, 2021 AND 2020

| ASSETS | 2021 | 2020 |
|---|---------------------|---------------------|
| <i>Current Assets:</i> | | |
| Cash and Cash Equivalents | | |
| Restricted Cash | \$ 1,619,202 | 40,219 |
| Unrestricted Cash | 543,395 | 3,494,310 |
| Investments | | |
| Restricted Investments | 28,530,612 | 15,991,812 |
| Unrestricted Investments | 32,960,102 | 30,074,658 |
| Accounts Receivable (Net) | 7,406,008 | 6,572,967 |
| Miscellaneous Receivables | 667,030 | 651,037 |
| Due from Component Unit | 30,986 | 23,838 |
| Current Portion of Note Receivable | 250,000 | 250,000 |
| Inventories | 1,958,790 | 2,124,524 |
| Prepaid Items | 111,474 | 110,772 |
| <i>Total Current Assets</i> | <u>74,077,599</u> | <u>59,334,137</u> |
| Net Present Value of Lease Financing | 285,381 | 325,666 |
| Note Receivable (Net of Current) | 1,161,614 | 1,411,614 |
| Capital Assets | 192,307,056 | 180,698,871 |
| Accumulated Depreciation | <u>(82,893,861)</u> | <u>(77,847,404)</u> |
| Total Assets | <u>184,937,789</u> | <u>163,922,884</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred Pension/ OPEB Related Outflows | 2,735,155 | 2,434,064 |
| Deferred Charge on Refundings | 117,924 | 175,888 |
| Total Deferred Outflows of Resources | <u>\$ 2,853,079</u> | <u>\$ 2,609,952</u> |

Continued

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)
UTILITY FUND
SEPTEMBER 30, 2021 AND 2020

| LIABILITIES | 2021 | 2020 |
|---|----------------------|----------------------|
| <i>Current Liabilities:</i> | | |
| Accounts Payable | \$ 2,868,918 | \$ 3,264,942 |
| Accrued Expenses | 3,483,449 | 1,292,010 |
| Unearned Revenue | 953,796 | 626,778 |
| Customer Deposits | 830,248 | 704,941 |
| <i>Payable from Restricted Assets:</i> | | |
| Accrued Interest Payable | 177,397 | 319,299 |
| Revenue Bonds Due Within One Year | 3,555,000 | 2,405,000 |
| <i>Total Current Liabilities</i> | <u>11,868,808</u> | <u>8,612,970</u> |
| Compensated Absences | 226,261 | 241,085 |
| Net Other Post Employment Benefit Obligation | 664,630 | 591,725 |
| Net Pension Liability | 7,704,401 | 7,775,707 |
| Revenue Bonds Payable (Net of Current Maturities) | 67,172,064 | 56,811,823 |
| <i>Total Noncurrent Liabilities</i> | <u>75,767,356</u> | <u>65,420,340</u> |
| Total Liabilities | <u>87,636,164</u> | <u>74,033,310</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred Pension/ OPEB Related Inflows | 1,935,785 | 1,982,290 |
| Total Deferred Inflows of Resources | <u>1,935,785</u> | <u>1,982,290</u> |
| NET POSITION | | |
| Net Investment in Capital Assets | 58,013,629 | 53,230,216 |
| Restricted for: | | |
| Debt Service | 1,614,477 | 459,458 |
| Impact Fees | 8,104,720 | 4,915,273 |
| Unrestricted | 30,486,093 | 31,912,289 |
| Total Net Position | <u>\$ 98,218,919</u> | <u>\$ 90,517,236</u> |

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| OPERATING REVENUES | 2021 | 2020 |
|--|----------------------|----------------------|
| Charges for Services: | | |
| Electric | \$ 29,942,258 | \$ 29,433,757 |
| Water | 14,687,340 | 14,426,424 |
| Sewer | 13,572,068 | 10,294,281 |
| Miscellaneous Revenues | 1,691,482 | 1,496,246 |
| Total Operating Revenues | 59,893,148 | 55,650,708 |
| OPERATING EXPENSES | | |
| Administration | 2,089,220 | 1,952,051 |
| Engineering | 608,191 | 586,489 |
| Operation and Maintenance: | | |
| Electric Distribution | 22,540,289 | 22,173,891 |
| Utility Services | 1,292,929 | 1,349,526 |
| Water Production | 6,773,489 | 6,855,075 |
| Water/Sewer Maintenance | 6,163,312 | 6,258,966 |
| Sewer Plant | 1,810,317 | 1,715,717 |
| Economic Development | 499,827 | 417,872 |
| Facilities Maintenance | 1,049,239 | 933,870 |
| Information Technology | 771,397 | 667,065 |
| City Attorney | 125,726 | 153,500 |
| Nondepartmental | 1,891,573 | 1,500,470 |
| Indirect Cost Allocation | 5,628,493 | 5,256,011 |
| Total Operating Expenses | 51,244,002 | 49,820,503 |
| Operating Income (Loss) | 8,649,146 | 5,830,205 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 40,236 | 529,711 |
| Gain (Loss) on Sale of Assets | 65,358 | 1,577 |
| Interest and Fiscal Charges | (1,723,540) | (1,879,029) |
| Bond Issue Costs | (310,520) | (110,977) |
| Total Nonoperating Revenues (Expenses) | (1,928,466) | (1,458,718) |
| Net Income (Loss) before Contributions and Transfers | 6,720,680 | 4,371,487 |
| Capital Contributions | 591,597 | - |
| Transfers In (Out) | 389,406 | (51,490) |
| | 981,003 | (51,490) |
| Change in Net Position | 7,701,683 | 4,319,997 |
| Net Position at Beginning of Year | 90,517,236 | 86,197,239 |
| Net Position at End of Year | \$ 98,218,919 | \$ 90,517,236 |

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | 2021 | 2020 |
|---|---------------------|---------------------|
| Cash Flows From Operating Activities: | | |
| Cash Received From Customers | \$ 54,170,337 | \$ 56,367,015 |
| Cash Paid for Employee Wages and Benefits | (8,187,230) | (8,856,290) |
| Cash Paid to Suppliers for Goods and Services | (30,136,755) | (30,223,663) |
| Cash Paid General Fund for Indirect Costs | (5,628,493) | (5,256,011) |
| Net Cash Provided (Used) by Operating Activities | 10,217,859 | 12,031,051 |
| Cash Flows From Noncapital Financing Activities: | | |
| Transfers From (To) Other Funds | 389,406 | (51,490) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 389,406 | (51,490) |
| Cash Flows From Capital and Related Financing Activities: | | |
| Purchase/Construction of Capital Assets | (11,662,029) | (9,235,661) |
| Proceeds from Revenue and Refunding Bonds | 15,480,000 | 3,550,000 |
| Premiums Received on Bonds | - | 462,440 |
| Principal Payments on Long-Term Bonds | (3,695,000) | (2,033,084) |
| Interest and Fiscal Charges Paid | (2,082,235) | (2,105,736) |
| Bond Issue Costs | (310,520) | (110,977) |
| Proceeds from Sale of Capital Assets | 65,358 | 1,577 |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (2,204,426) | (9,471,441) |
| Cash Flows From Investing Activities: | | |
| Sale of Investment Securities | 4,864,708 | (1,320,263) |
| (Purchase) of Investment Securities | (14,970,000) | - |
| Investment Interest Received | 40,236 | 529,711 |
| Lease Financing - Principal Payments Received | 40,285 | 48,844 |
| Payments Received on Long-term Loan to CU | 250,000 | 250,000 |
| Net Cash Provided (Used) by Investing Activities | (9,774,771) | (491,708) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (1,371,932) | 2,016,412 |
| Cash and Equivalents at Beginning of Year: | | |
| Cash and Cash Equivalents | 3,494,310 | 1,504,051 |
| Restricted Cash and Cash Equivalents | 40,219 | 14,066 |
| | 3,534,529 | 1,518,117 |
| Cash and Equivalents at End of Year: | | |
| Cash and Cash Equivalents | 543,395 | 3,494,310 |
| Restricted Cash and Cash Equivalents | 1,619,202 | 40,219 |
| | \$ 2,162,597 | \$ 3,534,529 |

CITY OF SEGUIN, TEXAS
COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------------|-----------------------------|
| Reconciliation of Operating Income to Net Cash | | |
| Provided by Operating Activities: | | |
| Operating Income | \$ 8,649,146 | \$ 5,830,205 |
| Adjustments to reconcile Operating Income to Net Cash | | |
| Provided (Used) by Operating Activities: | | |
| Depreciation | 5,691,898 | 5,585,347 |
| (Increase) Decrease in Operating Assets: | | |
| Accounts Receivable | (6,175,136) | 238,890 |
| Inventory/Prepaid Items | 165,032 | (105,682) |
| Deferred Pension Related Outflows | (301,091) | (303,527) |
| Increase (Decrease) in Operating Liabilities: | | |
| Accounts Payable | (396,024) | (567,015) |
| Accrued Expenses | 2,176,615 | 527,106 |
| Unearned Revenue | 327,018 | 366,464 |
| Customer Deposits | 125,307 | 110,956 |
| Net Other Postemployment Benefit Obligation | 72,905 | 48,103 |
| Net Pension Liability | (71,306) | (1,675,628) |
| Deferred Pension/OPEB Related Inflows | <u>(46,505)</u> | <u>1,975,832</u> |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ 10,217,859</u></u> | <u><u>\$ 12,031,051</u></u> |
| Transactions Not Affecting Cash and Cash Equivalents: | | |
| Capital and Related Financing Activities: | | |
| Developer Contributions - Capital Assets | <u><u>\$ 591,597</u></u> | <u><u>\$ -</u></u> |

CITY OF SEGUIN, TEXAS
COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| <i>Administration:</i> | | |
| Personnel Services | 1,853,837 | \$ 1,727,245 |
| Contracted Services | 128,645 | 112,122 |
| Supplies and Materials | 83,831 | 83,369 |
| Other Charges | 21,120 | 23,765 |
| Depreciation | 1,787 | 5,550 |
| <i>Total Administration</i> | <u>2,089,220</u> | <u>1,952,051</u> |
| <i>Engineering</i> | | |
| Personnel Services | 561,850 | 562,890 |
| Contracted Services | 34,776 | 16,266 |
| Supplies and Materials | 6,709 | 7,333 |
| Other Charges | 1,495 | - |
| Depreciation | 3,361 | - |
| <i>Total Electric Production and Distribution</i> | <u>608,191</u> | <u>586,489</u> |
| <i>Electric Production and Distribution:</i> | | |
| Personnel Services | 1,757,032 | 1,492,569 |
| Contracted Services | 2,296,623 | 1,948,865 |
| Supplies and Materials | 17,391,561 | 17,775,760 |
| Other Charges | 99,033 | 52,281 |
| Depreciation | 996,040 | 904,416 |
| <i>Total Electric Production and Distribution</i> | <u>22,540,289</u> | <u>22,173,891</u> |
| <i>Utility Services</i> | | |
| Personnel Services | 1,135,843 | 1,195,917 |
| Contracted Services | 104,814 | 103,629 |
| Supplies and Materials | 26,905 | 27,085 |
| Other Charges | 25,367 | 22,895 |
| <i>Total Utility Services</i> | <u>1,292,929</u> | <u>1,349,526</u> |
| <i>Water Production:</i> | | |
| Personnel Services | 814,613 | 815,370 |
| Contracted Services | 4,689,708 | 4,713,013 |
| Supplies and Materials | 129,719 | 124,605 |
| Other Charges | 4,173 | 3,257 |
| Depreciation | 1,135,276 | 1,198,830 |
| <i>Total Water Production</i> | <u>6,773,489</u> | <u>6,855,075</u> |
| <i>Water/Sewer Maintenance:</i> | | |
| Personnel Services | 1,309,479 | 1,305,796 |
| Contracted Services | 2,393,582 | 1,831,770 |
| Supplies and Materials | 95,973 | 92,016 |
| Other Charges | (119,188) | 552,859 |
| Depreciation | 2,483,466 | 2,476,525 |
| <i>Total Water/Sewer Maintenance</i> | <u>\$ 6,163,312</u> | <u>\$ 6,258,966</u> |

CITY OF SEGUIN, TEXAS
COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)
UTILITY FUND
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------|-----------------------------|-----------------------------|
| <i>Sewer Plant:</i> | | |
| Personnel Services | \$ 743,614 | \$ 667,407 |
| Contracted Services | 652,756 | 706,232 |
| Supplies and Materials | 89,566 | 78,293 |
| Other Charges | 5,737 | 3,428 |
| Depreciation | 318,644 | 260,357 |
| <i>Total Sewer Plant</i> | <u>1,810,317</u> | <u>1,715,717</u> |
| <i>Economic Development:</i> | | |
| Personnel Services | 410,660 | 373,419 |
| Contracted Services | 83,189 | 32,769 |
| Supplies and Materials | 1,264 | 1,910 |
| Other Charges | 4,714 | 9,774 |
| <i>Total Economic Development</i> | <u>499,827</u> | <u>417,872</u> |
| <i>Facilities Maintenance:</i> | | |
| Personnel Services | 900,838 | 797,723 |
| Contracted Services | 87,739 | 87,101 |
| Supplies and Materials | 44,180 | 36,880 |
| Other Charges | 949 | 235 |
| Depreciation | 15,533 | 11,931 |
| <i>Total Facilities Maintenance</i> | <u>1,049,239</u> | <u>933,870</u> |
| <i>Information Technology:</i> | | |
| Personnel Services | 416,286 | 376,765 |
| Contracted Services | 350,530 | 282,004 |
| Supplies and Materials | 2,448 | 1,848 |
| Other Charges | 2,133 | 6,448 |
| <i>Total Information Technology</i> | <u>771,397</u> | <u>667,065</u> |
| <i>City Attorney:</i> | | |
| Personnel Services | 113,796 | 113,075 |
| Contracted Services | 10,975 | 39,320 |
| Supplies and Materials | 26 | 73 |
| Other Charges | 929 | 1,032 |
| <i>Total City Attorney</i> | <u>125,726</u> | <u>153,500</u> |
| <i>Nondepartmental:</i> | | |
| Contracted Services | 404,734 | 252,561 |
| Supplies and Materials | 6,440 | (57,546) |
| Other Charges | 742,608 | 577,717 |
| Depreciation | 737,791 | 727,738 |
| <i>Total Nondepartmental</i> | <u>1,891,573</u> | <u>1,500,470</u> |
| Indirect Cost Allocation | <u>5,628,493</u> | <u>5,256,011</u> |
| Total Operating Expenses | <u><u>\$ 51,244,002</u></u> | <u><u>\$ 49,820,503</u></u> |

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 SEPTEMBER 30, 2021
 (With Comparative Amounts for 2020)

| | Internal Insurance Fund | Retirees Insurance Fund | Workers Compensation Fund | Totals | |
|---------------------------|-------------------------------|-------------------------------|---------------------------------|--------------------|---------------------|
| | | | | 2021 | 2020 |
| ASSETS | | | | | |
| Cash and Cash Equivalents | \$ 376,401 | \$ 137,750 | \$ 78,084 | \$ 592,235 | \$ 315,276 |
| Investments | 26,170 | 594,362 | 10 | 620,542 | 1,008,890 |
| Miscellaneous Receivables | 708 | 16,319 | - | 17,027 | 16,071 |
| Total Assets | <u>403,279</u> | <u>748,431</u> | <u>78,094</u> | <u>1,229,804</u> | <u>1,340,237</u> |
| LIABILITIES | | | | | |
| Accounts Payable | 5,333 | - | - | 5,333 | 4,790 |
| Total Liabilities | <u>5,333</u> | <u>-</u> | <u>-</u> | <u>5,333</u> | <u>4,790</u> |
| NET POSITION | | | | | |
| Unrestricted | 397,946 | 748,431 | 78,094 | 1,224,471 | 1,335,447 |
| Total Net Position | <u>\$ 397,946</u> | <u>\$ 748,431</u> | <u>\$ 78,094</u> | <u>\$1,224,471</u> | <u>\$ 1,335,447</u> |

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 NET POSITION – INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021
 (With Comparative Amounts for 2020)

| | Internal Insurance Fund | Retirees Insurance Fund | Workers Compensation Fund | Totals | |
|---|-------------------------------|-------------------------------|---------------------------------|----------------------------------|-------------------------|
| | | | | 2021 | 2020 |
| OPERATING REVENUES | | | | | |
| Charges for Premiums | \$ 3,806,217 | \$ 156,640 | \$ 195,989 | \$4,158,846 | \$ 3,522,845 |
| Miscellaneous Revenues | 660 | - | - | 660 | 8,689 |
| Total Operating Revenues | <u>3,806,877</u> | <u>156,640</u> | <u>195,989</u> | <u>4,159,506</u> | <u>3,531,534</u> |
| OPERATING EXPENSES | | | | | |
| Premiums | 3,912,774 | 135,358 | 183,414 | 4,231,546 | 3,764,398 |
| Administration | 40,000 | - | - | 40,000 | 43,000 |
| Total Operating Expenses | <u>3,952,774</u> | <u>135,358</u> | <u>183,414</u> | <u>4,271,546</u> | <u>3,807,398</u> |
| OPERATING INCOME (LOSS) | <u>(145,897)</u> | <u>21,282</u> | <u>12,575</u> | <u>(112,040)</u> | <u>(275,864)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest Income | 443 | 638 | (17) | 1,064 | 9,134 |
| Total Nonoperating Revenues (Expenses) | <u>443</u> | <u>638</u> | <u>(17)</u> | <u>1,064</u> | <u>9,134</u> |
| Net Income (Loss) Before Contributions and Transfers | <u>(145,454)</u> | <u>21,920</u> | <u>12,558</u> | <u>(110,976)</u> | <u>(266,730)</u> |
| Transfers In (Out) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>372,050</u> |
| Change in Net Position | <u>(145,454)</u> | <u>21,920</u> | <u>12,558</u> | <u>(110,976)</u> | <u>105,320</u> |
| Net Position At Beginning of Year | <u>543,400</u> | <u>726,511</u> | <u>65,536</u> | <u>1,335,447</u> | <u>1,230,127</u> |
| Net Position at End of Year | <u><u>\$ 397,946</u></u> | <u><u>\$ 748,431</u></u> | <u><u>\$ 78,094</u></u> | <u><u>\$1,224,471</u></u> | <u><u>1,335,447</u></u> |

CITY OF SEGUIN, TEXAS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021
(With Comparative Amounts for 2020)

| | Internal Insurance Fund | Retirees Insurance Fund | Workers Compensation Fund | Totals | |
|--|-------------------------------|-------------------------------|---------------------------------|-----------------------------------|----------------------------|
| | | | | 2021 | 2020 |
| Cash Flows From Operating Activities: | | | | | |
| Cash Received from Interfund Services | \$ 2,898,370 | \$ 156,392 | \$ 195,989 | \$ 3,250,751 | \$ 2,666,285 |
| Cash Paid from Users | 907,801 | - | - | 907,801 | 858,781 |
| Cash Paid for Employee Benefits | (3,952,231) | (135,358) | (183,414) | (4,271,003) | (3,798,182) |
| Net Cash Provided (Used) by Operating Activities | <u>(146,060)</u> | <u>21,034</u> | <u>12,575</u> | <u>(112,451)</u> | <u>(273,116)</u> |
| Cash Flows From Noncapital Financing Activities: | | | | | |
| Operating Transfers from/to Other Funds | - | - | - | - | 372,050 |
| Net Cash Provided (Used) by Noncapital Financing Activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>372,050</u> |
| Cash Flows From Investing Activities: | | | | | |
| Sale of Investments | 379,580 | 133,336 | 50,430 | 563,346 | - |
| (Purchase) of Investments | (125,000) | (50,000) | - | (175,000) | (94,949) |
| Investment Interest Received | 443 | 638 | (17) | 1,064 | 9,134 |
| Net Cash Provided (Used) by Investing Activities | <u>255,023</u> | <u>83,974</u> | <u>50,413</u> | <u>389,410</u> | <u>(85,815)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 108,963 | 105,008 | 62,988 | 276,959 | 13,119 |
| Cash and Equivalents at Beg of Year | <u>267,438</u> | <u>32,742</u> | <u>15,096</u> | <u>315,276</u> | <u>302,157</u> |
| Cash and Equivalents at End of Year | <u><u>\$ 376,401</u></u> | <u><u>\$ 137,750</u></u> | <u><u>\$ 78,084</u></u> | <u><u>\$ 592,235</u></u> | <u><u>\$ 315,276</u></u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Operating Income (Loss) | \$ (145,897) | \$ 21,282 | \$ 12,575 | \$ (112,040) | \$ (275,864) |
| Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities: | | | | | |
| (Increase) Decrease in | | | | | |
| Miscellaneous Receivables | (706) | (248) | - | (954) | 1,576 |
| Increase (Decrease) in | | | | | |
| Accounts Payable | 543 | - | - | 543 | 1,172 |
| Net Cash Provided (Used) by Operating Activities | <u><u>\$ (146,060)</u></u> | <u><u>\$ 21,034</u></u> | <u><u>\$ 12,575</u></u> | <u><u>\$ (112,451)</u></u> | <u><u>\$ (273,116)</u></u> |

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF NET POSITION
 FIDUCIARY (CUSTODIAL) FUNDS
 SEPTEMBER 30, 2021

| | Riverside Cemetery Fund | Industrial Development Fund | DARE Scholarship Fund | Police Abandonment Fund |
|-----------------------------------|-------------------------------|-----------------------------------|-----------------------------|-------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ - | \$ 3,423 | \$ 61 | \$ 2,573 |
| Investments | 10,433 | 230,478 | 805 | 23,487 |
| Inventory | - | 359,431 | - | - |
| Total Assets | <u>10,433</u> | <u>593,332</u> | <u>866</u> | <u>26,060</u> |
| LIABILITIES | | | | |
| Due to Others | - | 1,587 | - | - |
| Total Liabilities | <u>-</u> | <u>1,587</u> | <u>-</u> | <u>-</u> |
| Net Position Held in Trust | <u>\$ 10,433</u> | <u>\$ 591,745</u> | <u>\$ 866</u> | <u>\$ 26,060</u> |

CITY OF SEGUIN, TEXAS
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY (CUSTODIAL) FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

| | Riverside Cemetery Fund | Industrial Development Fund | DARE Scholarship Fund | Police Abandonment Fund |
|--|-------------------------------|-----------------------------------|-----------------------------|-------------------------------|
| ADDITIONS | | | | |
| Interest | \$ 8 | \$ 245 | \$ 1 | \$ (31) |
| Scholarships | - | - | - | - |
| Total Additions | <u>8</u> | <u>245</u> | <u>1</u> | <u>(31)</u> |
| DEDUCTIONS | | | | |
| Distribution to Participants | - | 33,287 | 600 | - |
| Total Deductions | <u>-</u> | <u>33,287</u> | <u>600</u> | <u>-</u> |
| Change in Net Position | 8 | (33,042) | (599) | (31) |
| Net Position, Beginning of Year | <u>10,425</u> | <u>624,787</u> | <u>1,465</u> | <u>26,091</u> |
| Net Position, End of Year | <u><u>\$ 10,433</u></u> | <u><u>\$ 591,745</u></u> | <u><u>\$ 866</u></u> | <u><u>\$ 26,060</u></u> |



It's real.

CITY OF SEGUIN, TEXAS
STATISTICAL SECTION
SEPTEMBER 30, 2021

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 | | | |
|---------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|
| | 2012 | 2013 | 2014* | 2015 |
| <i>Governmental Activities:</i> | | | | |
| Net Investment in Capital Assets | \$ 21,979,540 | \$ 21,518,984 | \$ 21,780,455 | \$ 25,657,965 |
| Restricted | 2,793,614 | 3,323,527 | 3,352,071 | 3,306,292 |
| Unrestricted | 24,998,610 | 26,172,941 | 24,028,627 | 2,882,554 |
| <i>Total Governmental Activities</i> | | | | |
| <i>Net Position</i> | <u>\$ 49,771,764</u> | <u>\$ 51,015,452</u> | <u>\$ 49,161,153</u> | <u>\$ 31,846,811</u> |
| <i>Business-Type Activities:</i> | | | | |
| Net Investment in Capital Assets | \$ 27,668,999 | \$ 29,869,105 | \$ 36,385,747 | \$ 39,946,492 |
| Restricted | 3,239,558 | 3,594,942 | 3,558,479 | 3,651,700 |
| Unrestricted | 30,740,418 | 30,205,790 | 32,360,850 | 22,809,054 |
| <i>Total Business-Type Activities</i> | | | | |
| <i>Net Position</i> | <u>\$ 61,648,975</u> | <u>\$ 63,669,837</u> | <u>\$ 72,305,076</u> | <u>\$ 66,407,246</u> |
| <i>Primary Government:</i> | | | | |
| Net Investment in Capital Assets | \$ 49,648,539 | \$ 51,388,089 | \$ 58,166,202 | \$ 65,604,457 |
| Restricted | 6,033,172 | 6,918,469 | 6,910,550 | 6,957,992 |
| Unrestricted | 55,739,028 | 56,378,731 | 56,389,477 | 25,691,608 |
| <i>Total Primary Government</i> | | | | |
| <i>Net Position</i> | <u>\$ 111,420,739</u> | <u>\$ 114,685,289</u> | <u>\$ 121,466,229</u> | <u>\$ 98,254,057</u> |

* Change in Accounting Principle pursuant to GASB 68 applied prospectively effective October 1, 2014.

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

Comparative information has not been restated.

TABLE 1

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2016 | 2017 | 2018^ | 2019 | 2020 | 2021 |
| \$ 28,065,213 | \$ 30,491,009 | \$ 28,797,978 | \$ 30,433,349 | \$ 30,234,045 | \$ 27,972,543 |
| 2,912,376 | 2,806,714 | 3,098,632 | 3,325,349 | 2,936,758 | 3,783,621 |
| (1,309,424) | (3,141,355) | (367,714) | (2,656,756) | (1,187,763) | 4,906,280 |
| <u>\$ 29,668,165</u> | <u>\$ 30,156,368</u> | <u>\$ 31,528,896</u> | <u>\$ 31,101,942</u> | <u>\$ 31,983,040</u> | <u>\$ 36,662,444</u> |
| | | | | | |
| \$ 44,783,121 | \$ 49,099,409 | \$ 50,116,822 | \$ 50,781,852 | \$ 53,230,216 | \$ 58,013,629 |
| 2,713,233 | 2,975,869 | 3,053,820 | 3,347,620 | 5,374,731 | 9,719,197 |
| 24,439,018 | 26,265,507 | 31,053,353 | 32,067,867 | 31,912,289 | 30,486,093 |
| <u>\$ 71,935,372</u> | <u>\$ 78,340,785</u> | <u>\$ 84,223,995</u> | <u>\$ 86,197,339</u> | <u>\$ 90,517,236</u> | <u>\$ 98,218,919</u> |
| | | | | | |
| \$ 72,848,334 | \$ 79,590,418 | \$ 78,914,800 | \$ 81,215,101 | \$ 83,464,261 | \$ 85,986,172 |
| 5,625,609 | 5,782,583 | 6,152,452 | 6,672,969 | 8,311,489 | 13,502,818 |
| 23,129,594 | 23,124,152 | 30,685,639 | 29,411,111 | 30,724,526 | 35,392,373 |
| <u>\$ 101,603,537</u> | <u>\$ 108,497,153</u> | <u>\$ 115,752,891</u> | <u>\$ 117,299,181</u> | <u>\$ 122,500,276</u> | <u>\$ 134,881,363</u> |

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

| Expenses | Fiscal Year | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | 2012 | 2013 | 2014* | 2015 |
| <i>Governmental Activities:</i> | | | | |
| General Government | \$ 1,482,333 | \$ 1,617,167 | \$ 5,739,986 | \$ 6,354,347 |
| Public Safety | 10,617,994 | 11,147,424 | 11,757,015 | 13,399,458 |
| Public Service | 7,849,643 | 8,269,202 | 8,464,114 | 8,043,970 |
| Interest on Long-Term Debt | 1,778,567 | 1,685,881 | 2,516,964 | 2,343,340 |
| Indirect Cost Allocation | - | - | (3,848,566) | (4,190,324) |
| <i>Total Governmental Activities</i> | <u>21,728,537</u> | <u>22,719,674</u> | <u>24,629,513</u> | <u>25,950,791</u> |
| <i>Business-Type Activities:</i> | | | | |
| Utility | 39,484,763 | 39,212,917 | 33,052,220 | 38,627,413 |
| Indirect Cost Allocation | - | - | 3,848,566 | 4,190,324 |
| <i>Total Business-Type Activities</i> | <u>39,484,763</u> | <u>39,212,917</u> | <u>36,900,786</u> | <u>42,817,737</u> |
| Total Primary Government Expenses | <u><u>\$ 61,213,300</u></u> | <u><u>\$ 61,932,591</u></u> | <u><u>\$ 61,530,299</u></u> | <u><u>\$ 68,768,528</u></u> |
| Program Revenues | | | | |
| <i>Governmental Activities:</i> | | | | |
| Charges for Services: | | | | |
| General Government | \$ 2,617,386 | \$ 2,616,261 | \$ 2,888,748 | \$ 3,381,353 |
| Public Safety | 2,940,217 | 3,053,799 | 3,524,917 | 3,641,594 |
| Public Service | 2,464,152 | 2,435,778 | 3,081,696 | 3,005,082 |
| Operating Grants and Contributions | 985,512 | 658,404 | 841,529 | 801,179 |
| Capital Grants and Contributions | 221,193 | 140,973 | 197,027 | 2,014,336 |
| <i>Total Governmental Activities</i> | <u>9,228,460</u> | <u>8,905,215</u> | <u>10,533,917</u> | <u>12,843,544</u> |
| <i>Business-Type Activities:</i> | | | | |
| Charges for Services | 41,463,853 | 40,827,258 | 42,017,948 | 42,645,590 |
| Operating Grants and Contributions | - | - | - | - |
| Capital Grants and Contributions | 40,454 | 215,212 | 2,961,261 | 749,579 |
| <i>Total Business-Type Activities</i> | <u>41,504,307</u> | <u>41,042,470</u> | <u>44,979,209</u> | <u>43,395,169</u> |
| Total Primary Government Program Revenues | <u><u>\$ 50,732,767</u></u> | <u><u>\$ 49,947,685</u></u> | <u><u>\$ 55,513,126</u></u> | <u><u>\$ 56,238,713</u></u> |

* Change in Accounting Principle pursuant to GASB 68 applied prospectively effective October 1, 2014.

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

TABLE 2

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018^ | 2019 | 2020 | 2021 |
| \$ 7,500,656 | \$ 8,757,882 | \$ 7,973,726 | \$ 8,799,350 | \$ 9,134,170 | \$ 9,655,277 |
| 14,279,914 | 15,578,523 | 15,581,434 | 16,703,296 | 17,476,362 | 17,638,658 |
| 10,077,096 | 9,644,071 | 11,044,845 | 11,603,192 | 12,718,515 | 12,883,281 |
| 2,560,726 | 2,864,443 | 2,871,456 | 2,850,813 | 2,979,262 | 3,083,651 |
| (4,352,992) | (4,641,289) | (4,819,725) | (4,968,672) | (5,256,011) | (5,628,493) |
| <u>30,065,400</u> | <u>32,203,630</u> | <u>32,651,736</u> | <u>34,987,979</u> | <u>37,052,298</u> | <u>37,632,374</u> |
| 37,882,970 | 41,090,227 | 41,828,470 | 47,630,285 | 46,554,498 | 47,649,569 |
| 4,352,992 | 4,641,289 | 4,819,725 | 4,968,672 | 5,256,011 | 5,628,493 |
| <u>42,235,962</u> | <u>45,731,516</u> | <u>46,648,195</u> | <u>52,598,957</u> | <u>51,810,509</u> | <u>53,278,062</u> |
| <u>\$ 72,301,362</u> | <u>\$ 77,935,146</u> | <u>\$ 79,299,931</u> | <u>\$ 87,586,936</u> | <u>\$ 88,862,807</u> | <u>\$ 90,910,436</u> |
| \$ 3,209,656 | \$ 3,647,445 | \$ 3,306,325 | \$ 4,907,833 | \$ 6,229,572 | \$ 8,073,314 |
| 3,515,320 | 3,478,473 | 3,897,134 | 3,123,547 | 2,560,566 | 2,470,584 |
| 3,072,719 | 3,493,086 | 3,883,079 | 3,969,566 | 4,449,439 | 5,579,989 |
| 546,156 | 618,406 | 760,164 | 589,086 | 2,224,174 | 906,378 |
| 656,203 | 2,868,007 | 2,952,449 | 228,219 | 221,494 | 1,545,026 |
| <u>11,000,054</u> | <u>14,105,417</u> | <u>14,799,151</u> | <u>12,818,251</u> | <u>15,685,245</u> | <u>18,575,291</u> |
| 46,502,423 | 49,979,572 | 52,260,672 | 53,459,811 | 55,650,708 | 59,893,148 |
| - | - | - | - | - | - |
| 975,222 | 1,845,532 | - | 69,004 | - | 591,597 |
| <u>47,477,645</u> | <u>51,825,104</u> | <u>52,260,672</u> | <u>53,528,815</u> | <u>55,650,708</u> | <u>60,484,745</u> |
| <u>\$ 58,477,699</u> | <u>\$ 65,930,521</u> | <u>\$ 67,059,823</u> | <u>\$ 66,347,066</u> | <u>\$ 71,335,953</u> | <u>\$ 79,060,036</u> |

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

| | Fiscal Year | | | |
|---|------------------------|------------------------|-----------------------|------------------------|
| | 2012 | 2013 | 2014* | 2015 |
| Net (Expense)/Revenue | | | | |
| Governmental Activities | \$ (12,500,077) | \$ (13,814,459) | \$ (14,095,596) | \$ (13,107,247) |
| Business-Type Activities | 2,019,544 | 1,829,553 | 8,078,423 | 577,432 |
| Total Primary Government | | | | |
| Net (Expense) | <u>\$ (10,480,533)</u> | <u>\$ (11,984,906)</u> | <u>\$ (6,017,173)</u> | <u>\$ (12,529,815)</u> |
| General Revenues and Other | | | | |
| Changes in Net Position | | | | |
| <i>Governmental Activities:</i> | | | | |
| General Property Taxes | \$ 7,032,068 | \$ 7,123,720 | \$ 6,952,798 | \$ 7,516,954 |
| Franchise Taxes | 853,330 | 897,556 | 913,296 | 986,176 |
| Sales Taxes | 5,512,435 | 5,833,464 | 5,841,830 | 6,089,793 |
| Occupancy Taxes | 869,409 | 762,465 | 726,361 | 825,433 |
| Interest and Investment Earnings | 63,548 | 49,726 | 36,602 | 40,371 |
| Miscellaneous | 505,000 | 510,000 | 515,000 | 520,000 |
| Gain (Loss) on Sale of Capital Assets | - | - | - | - |
| Special Items | 9,585,200 | - | (2,209,258) | - |
| Transfers | (83,258) | (118,784) | (535,332) | (100,149) |
| <i>Total Governmental Activities</i> | <u>24,337,732</u> | <u>15,058,147</u> | <u>12,241,297</u> | <u>15,878,578</u> |
| <i>Business-Type Activities Charges for Services:</i> | | | | |
| Interest and Investment Earnings | 67,211 | 39,696 | 20,456 | 34,353 |
| Gain (Loss) on Sale of Capital Assets | (6,483) | 32,829 | 1,028 | 483 |
| Special Items | - | - | - | - |
| Transfers | 83,258 | 118,784 | 535,332 | 100,149 |
| <i>Total Business-Type Activities</i> | <u>143,986</u> | <u>191,309</u> | <u>556,816</u> | <u>134,985</u> |
| Total Primary Government | <u>\$ 24,481,718</u> | <u>\$ 15,249,456</u> | <u>\$ 12,798,113</u> | <u>\$ 16,013,563</u> |
| Change in Net Position | | | | |
| Governmental Activities | \$ 11,837,655 | \$ 1,243,688 | \$ (1,854,299) | \$ 2,771,331 |
| Business-Type Activities | 2,163,530 | 2,020,862 | 8,635,239 | 712,417 |
| Total Primary Government | <u>\$ 14,001,185</u> | <u>\$ 3,264,550</u> | <u>\$ 6,780,940</u> | <u>\$ 3,483,748</u> |

* Change in Accounting Principle pursuant to GASB 68 applied prospectively effective October 1, 2014.
Comparative information has not been restated.

TABLE 2 (CONT.)

| Fiscal Year | | | | | |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| 2016 | 2017 | 2018^ | 2019 | 2020 | 2021 |
| \$ (19,065,346) | \$ (18,098,213) | \$ (17,852,585) | \$ (22,169,728) | \$ (21,367,053) | \$ (19,057,083) |
| 5,241,683 | 6,093,588 | 5,612,477 | 929,858 | 3,840,199 | 7,206,683 |
| <u>\$ (13,823,663)</u> | <u>\$ (12,004,625)</u> | <u>\$ (12,240,108)</u> | <u>\$ (21,239,870)</u> | <u>\$ (17,526,854)</u> | <u>\$ (11,850,400)</u> |
| | | | | | |
| \$ 7,922,023 | \$ 9,362,955 | \$ 10,126,201 | \$ 11,037,342 | \$ 11,695,949 | \$ 12,791,688 |
| 1,252,005 | 1,096,104 | 1,187,699 | 1,273,009 | 1,212,109 | 1,344,906 |
| 6,232,146 | 6,271,333 | 6,729,041 | 6,760,360 | 7,319,631 | 8,232,954 |
| 830,356 | 842,217 | 861,218 | 833,720 | 669,563 | 1,039,212 |
| 183,931 | 400,790 | 678,954 | 930,252 | 432,386 | 44,172 |
| 546,645 | 531,294 | 535,000 | 740,000 | 645,000 | 550,452 |
| - | - | - | - | 222,023 | 122,509 |
| - | - | - | - | - | - |
| (80,406) | 81,723 | 101,297 | 168,091 | 51,490 | (389,406) |
| <u>16,886,700</u> | <u>18,586,416</u> | <u>20,219,410</u> | <u>21,742,774</u> | <u>22,248,151</u> | <u>23,736,487</u> |
| | | | | | |
| 191,925 | 389,947 | 764,923 | 1,202,045 | 529,711 | 40,236 |
| 14,112 | 3,601 | 660 | 9,432 | 1,577 | 65,358 |
| - | - | - | - | - | - |
| 80,406 | (81,723) | (101,297) | (168,091) | (51,490) | 389,406 |
| 286,443 | 311,825 | 664,286 | 1,043,386 | 479,798 | 495,000 |
| <u>\$ 17,173,143</u> | <u>\$ 18,898,241</u> | <u>\$ 20,883,696</u> | <u>\$ 22,786,160</u> | <u>\$ 22,727,949</u> | <u>\$ 24,231,487</u> |
| | | | | | |
| \$ (2,178,646) | \$ 488,203 | \$ 2,366,825 | \$ (426,954) | \$ 881,098 | \$ 4,679,404 |
| 5,528,126 | 6,405,413 | 6,276,763 | 1,973,244 | 4,319,997 | 7,701,683 |
| <u>\$ 3,349,480</u> | <u>\$ 6,893,616</u> | <u>\$ 8,643,588</u> | <u>\$ 1,546,290</u> | <u>\$ 5,201,095</u> | <u>\$ 12,381,087</u> |

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

| | Fiscal Year | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2012 | 2013 | 2014 | 2015 |
| <i>General Fund:</i> | | | | |
| Nonspendable | \$ 66,104 | \$ 2,037,347 | \$ 70,386 | \$ 98,698 |
| Restricted | 22,800 | 20,100 | 20,100 | 25,300 |
| Committed | 2,208,762 | 2,163,385 | 2,165,441 | 2,167,774 |
| Assigned | - | 157,464 | 151,582 | 126,887 |
| Unassigned | 17,454,678 | 15,568,700 | 16,586,852 | 15,571,620 |
| <i>Total General Fund</i> | <u>\$ 19,752,344</u> | <u>\$ 19,946,996</u> | <u>\$ 18,994,361</u> | <u>\$ 17,990,279</u> |
| <i>All other Governmental Funds:</i> | | | | |
| Nonspendable | \$ 22,852 | \$ 12,803 | \$ 5,874 | \$ 15,570 |
| Restricted - Special Revenue | 1,701,526 | 1,748,490 | 1,752,872 | 1,854,260 |
| Restricted - Capital Projects | 14,004,274 | 13,155,149 | 30,155,607 | 17,309,757 |
| Restricted - Debt Service | 1,019,857 | 1,510,096 | 1,645,809 | 1,467,186 |
| Committed - Special Revenue | 11,113 | 10,726 | 24,192 | 24,208 |
| Assigned - Capital Projects | 2,183,206 | 2,860,482 | 3,220,890 | 4,067,387 |
| <i>Total Other Governmental Funds</i> | <u>\$ 18,942,828</u> | <u>\$ 19,297,746</u> | <u>\$ 36,805,244</u> | <u>\$ 24,738,368</u> |

TABLE 3

| Fiscal Year | | | | | |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 107,383 | \$ 120,838 | \$ 135,453 | \$ 154,001 | \$ 173,399 | \$ 157,601 |
| 5,300 | 7,905 | 5,300 | 28,154 | 16,813 | 22,056 |
| 2,018,494 | 1,536,104 | 2,202,612 | 2,151,739 | 2,008,348 | 3,029,936 |
| 52,312 | 3,440 | 129,946 | 210,949 | 223,709 | 112,150 |
| 12,974,522 | 11,505,167 | 10,529,800 | 10,796,436 | 12,973,384 | 13,490,088 |
| <u>\$ 15,158,011</u> | <u>\$ 13,173,454</u> | <u>\$ 13,003,111</u> | <u>\$ 13,341,279</u> | <u>\$ 15,395,653</u> | <u>\$ 16,811,831</u> |
| \$ 1,163 | \$ 43,326 | \$ 17,869 | \$ 3,476 | \$ 4,722 | \$ 4,160 |
| 1,942,693 | 1,915,334 | 2,066,025 | 2,076,086 | 1,641,541 | 2,332,964 |
| 11,643,846 | 15,335,309 | 12,857,421 | 8,979,338 | 14,558,885 | 24,102,154 |
| 982,371 | 893,141 | 1,093,814 | 1,296,867 | 1,351,621 | 1,430,897 |
| 24,237 | 214,185 | 299,414 | 389,686 | 363,475 | 544,995 |
| 5,045,454 | 4,763,452 | 6,686,974 | 5,794,947 | 4,826,251 | 5,248,658 |
| <u>\$ 19,639,764</u> | <u>\$ 23,164,747</u> | <u>\$ 23,021,517</u> | <u>\$ 18,540,400</u> | <u>\$ 22,746,495</u> | <u>\$ 33,663,828</u> |

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

| | Fiscal Year | | | |
|--|----------------------|-------------------|----------------------|------------------------|
| | 2012 | 2013 | 2014 | 2015 |
| Revenues | | | | |
| Taxes | \$ 14,250,325 | \$ 14,653,908 | \$ 14,396,360 | \$ 15,437,258 |
| Licenses and Permits | 404,953 | 384,153 | 688,637 | 1,242,939 |
| Intergovernmental | 1,842,006 | 1,062,026 | 1,692,199 | 3,397,057 |
| Charges for Services | 5,375,293 | 5,364,318 | 5,724,792 | 5,846,015 |
| Fines and Forfeits | 1,422,147 | 1,446,373 | 1,894,219 | 1,899,976 |
| Interest | 63,074 | 378,958 | 36,579 | 40,290 |
| Miscellaneous | 721,692 | 778,174 | 1,080,418 | 979,661 |
| Total Revenues | <u>24,079,490</u> | <u>24,067,910</u> | <u>25,513,204</u> | <u>28,843,196</u> |
| Expenditures | | | | |
| General Government | 2,970,433 | 2,995,289 | 3,291,439 | 3,469,890 |
| Public Safety | 9,946,852 | 10,421,044 | 11,099,683 | 11,847,542 |
| Public Service | 5,877,185 | 5,996,218 | 6,087,470 | 6,523,397 |
| Nondepartmental | 1,620,181 | 1,949,011 | 2,202,136 | 2,047,626 |
| Indirect Cost Allocation (Recovery) | (3,430,197) | (3,674,342) | (3,848,566) | (4,190,324) |
| Capital Projects/ Outlay | 2,702,978 | 2,305,774 | 5,466,886 | 17,192,358 |
| Debt Service: | | | | |
| Principal | 1,973,707 | 1,977,394 | 2,370,179 | 2,680,967 |
| Interest and Fiscal Charges | 1,686,787 | 1,628,268 | 2,011,346 | 2,164,212 |
| Bond Issue Costs | 146,006 | 45,636 | 363,655 | 193,604 |
| Total Expenditures | <u>23,493,932</u> | <u>23,644,292</u> | <u>29,044,228</u> | <u>41,929,272</u> |
| Excess of Revenues Over (Under) Expenditures | <u>585,558</u> | <u>423,618</u> | <u>(3,531,024)</u> | <u>(13,086,076)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers In | 1,264,924 | 2,496,336 | 3,536,891 | 4,178,395 |
| Transfers Out | (1,435,973) | (2,615,120) | (4,185,763) | (4,356,879) |
| Issuance of Debt | 6,455,635 | 4,549,100 | 22,944,017 | 8,817,821 |
| Payments to Refunding Bond Escrow Agent | (2,975,988) | (4,304,364) | - | (8,624,217) |
| Total Other Financing Sources (Uses) | <u>3,308,598</u> | <u>125,952</u> | <u>22,295,145</u> | <u>15,120</u> |
| Special Items | <u>9,585,200</u> | <u>-</u> | <u>(2,209,258)</u> | <u>-</u> |
| Net Change in Fund Balance | <u>\$ 13,479,356</u> | <u>\$ 549,570</u> | <u>\$ 16,554,863</u> | <u>\$ (13,070,956)</u> |
| Debt Service as a percentage of Noncapital Expenditures | 17.5% | 17.4% | 18.1% | 19.4% |

TABLE 4

| Fiscal Year | | | | | |
|-----------------------|---------------------|---------------------|-----------------------|---------------------|----------------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| \$ 16,237,296 | \$ 17,492,007 | \$ 19,006,626 | \$ 19,871,923 | \$ 20,967,048 | \$ 23,428,719 |
| 740,076 | 1,062,336 | 766,525 | 869,052 | 3,335,672 | 4,890,624 |
| 1,891,931 | 2,151,733 | 4,507,057 | 1,614,031 | 3,250,615 | 3,337,762 |
| 6,047,893 | 6,852,536 | 7,008,229 | 7,665,838 | 7,268,772 | 8,788,194 |
| 1,695,053 | 1,909,706 | 1,819,248 | 1,362,160 | 726,237 | 765,140 |
| 181,889 | 394,487 | 664,608 | 905,661 | 423,257 | 43,122 |
| 958,334 | 920,641 | 994,103 | 2,071,301 | 1,949,215 | 1,700,134 |
| <u>27,752,472</u> | <u>30,783,446</u> | <u>34,766,396</u> | <u>34,359,966</u> | <u>37,920,816</u> | <u>42,953,695</u> |
| 4,029,991 | 5,002,392 | 4,955,952 | 5,553,483 | 5,725,712 | 5,908,035 |
| 12,595,423 | 13,497,928 | 13,917,286 | 13,982,502 | 15,335,408 | 16,691,447 |
| 7,075,027 | 7,191,996 | 7,242,165 | 7,525,058 | 7,517,771 | 6,611,884 |
| 2,251,191 | 2,726,158 | 2,377,784 | 2,735,975 | 3,158,123 | 5,077,724 |
| (4,352,992) | (4,641,289) | (4,819,725) | (4,968,672) | (5,256,011) | (5,628,493) |
| 21,967,537 | 10,730,592 | 13,490,692 | 7,603,803 | 8,574,767 | 6,396,057 |
| 2,602,766 | 2,860,858 | 3,466,099 | 3,859,954 | 3,875,751 | 3,858,241 |
| 2,249,581 | 2,705,449 | 2,785,378 | 2,848,546 | 3,055,756 | 3,336,755 |
| 379,187 | 216,893 | 159,158 | 118,964 | 171,472 | 275,091 |
| <u>48,797,711</u> | <u>40,290,977</u> | <u>43,574,789</u> | <u>39,259,613</u> | <u>42,158,749</u> | <u>42,526,741</u> |
| <u>(21,045,239)</u> | <u>(9,507,531)</u> | <u>(8,808,393)</u> | <u>(4,899,647)</u> | <u>(4,237,933)</u> | <u>426,954</u> |
| 4,668,304 | 3,377,486 | 3,299,109 | 2,429,216 | 1,612,934 | 1,726,220 |
| (4,820,473) | (3,304,663) | (3,197,812) | (2,352,657) | (1,933,494) | (2,115,626) |
| 23,070,779 | 10,975,135 | 8,393,523 | 10,689,209 | 10,818,962 | 15,180,945 |
| <u>(9,804,242)</u> | <u>-</u> | <u>-</u> | <u>(10,009,070)</u> | <u>-</u> | <u>(2,884,982)</u> |
| <u>13,114,368</u> | <u>11,047,958</u> | <u>8,494,820</u> | <u>756,698</u> | <u>10,498,402</u> | <u>11,906,557</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ (7,930,871)</u> | <u>\$ 1,540,427</u> | <u>\$ (313,573)</u> | <u>\$ (4,142,949)</u> | <u>\$ 6,260,469</u> | <u>\$ 12,333,511</u> |
| 17.1% | 18.6% | 21.0% | 20.6% | 20.6% | 18.4% |

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> |
|--------------------|-----------------|------------------------|------------------|------------------|---------------|
| 2012 | \$ 7,015,151 | \$ 5,512,435 | \$ 869,409 | \$ 853,330 | \$ 14,250,325 |
| 2013 | 7,160,423 | 5,833,464 | 762,465 | 897,556 | 14,653,908 |
| 2014 | 6,914,873 | 5,841,830 | 726,361 | 913,296 | 14,396,360 |
| 2015 | 7,646,433 | 6,011,867 | 832,550 | 946,409 | 15,437,259 |
| 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 |

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 |
|----------------|-------------------------|------------------------|------------------------|-----------------------|---------------------------------|------------------------------------|-----------------------------|
| 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 |
| 2015 | 810,622,634 | 523,445,251 | 587,892,017 | 467,583,800 | 917,780,167 | 1,471,763,535 | 0.5244 |
| 2014 | 738,143,976 | 489,211,189 | 576,499,288 | 466,741,069 | 900,867,581 | 1,369,727,941 | 0.5173 |
| 2013 | 738,982,849 | 465,714,399 | 785,423,174 | 214,404,237 | 775,841,743 | 1,428,682,916 | 0.5073 |
| 2012 | 723,441,220 | 431,521,993 | 550,501,805 | 150,003,452 | 467,115,554 | 1,388,352,916 | 0.5073 |

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 2020 tax roll was \$2,110,349,751.

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 |
| 2012 | \$ 0.2693 | \$ 0.2380 | \$ 0.5073 | \$ 1.2598 | \$ 0.4036 |
| 2013 | 0.2698 | 0.2375 | 0.5073 | 1.2770 | 0.4036 |
| 2014 | 0.2942 | 0.2231 | 0.5173 | 1.2800 | 0.3999 |
| 2015 | 0.3000 | 0.2244 | 0.5244 | 1.3150 | 0.3941 |
| 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 | 1.3614 | 0.3854 |

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

TABLE 8

| Taxpayer | Fiscal Year 2021 (2020 Tax Levy) | | | Fiscal Year 2012 (2011 Tax Levy) | | |
|--|-------------------------------------|------|---|-------------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Vitesco Technologies | \$ 183,754,557 | 1 | 6.53% | \$ 55,329,953 | 2 | 3.93% |
| Caterpillar Inc. | 138,393,559 | 2 | 4.92% | - | | - |
| Niagara Bottling LLC | 74,919,309 | 3 | 2.66% | - | | - |
| Helmerich & Payne International Drilling | 46,126,469 | 4 | 1.64% | - | | - |
| 8th Street Properties | 32,108,647 | 5 | 1.14% | - | | - |
| Cargill Inc. | 16,845,700 | 6 | 0.60% | - | | - |
| Ameritex Pipe & Products LLC | 14,943,397 | 7 | 0.53% | 8,711,787 | 6 | 0.62% |
| Ranch @ SH123 Loop | 13,747,000 | 8 | 0.49% | 11,216,728 | 5 | 0.80% |
| Hexcel Corporation | 12,787,208 | 9 | 0.45% | 16,456,463 | 3 | 1.17% |
| ET Seguin Dist LLC | 12,726,000 | 10 | 0.45% | - | | - |
| Rio Nogales Power Project LP | - | | - | 75,251,008 | 1 | 5.34% |
| Tyson Foods, Inc | - | | - | 11,373,324 | 4 | 0.81% |
| Walmart Store | - | | - | 8,013,447 | 7 | 0.57% |
| ITW MiniGrip Inc. | - | | - | 7,924,101 | 8 | 0.56% |
| Wal-Mart Real Estate Business Trust | - | | - | 7,168,593 | 9 | 0.51% |
| PDR 2011 LLC & Anny LLC | - | | - | 6,621,105 | 10 | 0.47% |
| Total | <u>\$ 546,351,846</u> | | <u>19.42%</u> | <u>\$ 208,066,509</u> | | <u>14.78%</u> |

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 |
| 2012 | \$ 6,766,524 | \$ 6,577,230 | 97.2% | \$ 179,712 | \$ 6,756,942 | 99.9% |
| 2013 | 6,971,685 | 6,842,125 | 98.1% | 118,054 | 6,960,179 | 99.8% |
| 2014 | 6,676,209 | 6,529,859 | 97.8% | 128,111 | 6,657,970 | 99.7% |
| 2015 | 7,438,963 | 7,320,383 | 98.4% | 94,153 | 7,414,536 | 99.7% |
| 2016 | 7,811,018 | 7,649,611 | 97.9% | 136,231 | 7,785,842 | 99.7% |
| 2017 | 9,263,759 | 8,999,501 | 97.1% | 234,418 | 9,233,919 | 99.7% |
| 2018 | 10,054,136 | 9,893,628 | 98.4% | 118,593 | 10,012,221 | 99.6% |
| 2019 | 10,721,440 | 10,663,320 | 99.5% | 21,938 | 10,685,258 | 99.7% |
| 2020 | 11,384,723 | 11,215,830 | 98.5% | 98,240 | 11,314,070 | 99.4% |
| 2021 | 12,647,900 | 12,509,376 | 98.9% | - | 12,509,376 | 98.9% |

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 Anticipation Notes | Capital Leases | Revenue and GO Bonds^ | Capital Leases | | | | | |
| 2012 | \$ 41,831,415 | \$ 930,000 | \$ 211,860 | \$ 21,816,105 | \$ 122,815 | \$ 64,912,195 | \$ 1,388,352,916 | 4.7% | \$ 2,502 | 15.9% |
| 2013 | 40,604,177 | 565,000 | 310,476 | 20,980,197 | 101,857 | 62,561,707 | 1,428,682,800 | 4.4% | 2,408 | 15.2% |
| 2014 | 61,417,631 | 185,000 | 406,658 | 19,914,665 | 70,339 | 81,994,293 | 1,369,727,941 | 6.0% | 3,076 | 16.3% |
| 2015 | 59,514,639 | - | 238,572 | 40,328,318 | 52,801 | 100,134,330 | 1,471,763,535 | 6.8% | 3,424 | 18.1% |
| 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 | 19.7% |
| 2021 | 93,234,556 | 255,000 | 903,646 | 70,761,164 | - | 165,154,366 | 2,467,061,495 | 6.7% | 4,985 | 21.4% |

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 | | | | | |
| 2012 | \$ 43,132,078 | \$ 930,000 | \$ (1,019,857) | \$ 43,042,221 | \$ 1,388,352,916 | 3.1% | 1,659 |
| 2013 | 46,521,750 | 565,000 | (1,510,096) | 45,576,654 | 1,428,682,800 | 3.2% | 1,754 |
| 2014 | 66,797,490 | 185,000 | (1,645,809) | 65,336,681 | 1,369,727,941 | 4.8% | 2,451 |
| 2015 | 64,347,379 | - | (1,467,186) | 62,880,193 | 1,471,763,535 | 4.3% | 2,150 |
| 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% | 3,090 |

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, 2021
(Unaudited)

TABLE 12

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable* | Estimated Share of Overlapping Debt |
|------------------------------------|---------------------|--|--|
| Debt Repaid with Property Taxes | | | |
| Guadalupe County | \$ 15,625,000 | 18.96% | \$ 2,962,500 |
| Seguin Independent School District | 178,457,373 | 51.49% | 91,887,701 |
| Subtotal, Overlapping Debt | | | 94,850,201 |
| Seguin Direct Debt | | | 102,358,659 |
| Total Direct and Overlapping Debt | | | <u>\$ 197,208,860</u> |

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 2019

| | | | | | | |
|---|--|--|--|--|--|------------------|
| Assessed Value | | | | | | \$ 2,467,061,495 |
| * Debt limit (10% of assessed value) | | | | | | 246,706,150 |
| Outstanding Debt ^[1] | | | | | | 103,789,556 |
| Less amount set aside for repayment of general obligation debt | | | | | | (1,430,897) |
| Total net debt applicable to limit | | | | | | 102,358,659 |
| Economic Debt Margin | | | | | | \$ 144,347,491 |

| | Fiscal Year | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 |
| Debt Limit | \$ 138,835,292 | \$ 142,868,280 | \$ 136,972,794 | \$ 147,173,357 | \$ 155,480,970 |
| Total net debt applicable to limit | (41,289,480) | (39,242,331) | (59,956,822) | (58,047,453) | (69,305,127) |
| Economic Debt Margin | \$ 97,545,812 | \$ 103,625,949 | \$ 77,015,972 | \$ 89,125,904 | \$ 86,175,843 |

| | Fiscal Year | | | | |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | 2017 | 2018 | 2019 | 2020 | 2021 |
| Debt Limit | \$ 179,855,871 | \$ 195,746,751 | \$ 211,741,117 | \$ 290,212,717 | \$ 246,706,150 |
| Total net debt applicable to limit | (75,935,081) | (79,873,076) | (78,543,250) | (95,253,034) | (102,358,659) |
| Economic Debt Margin | \$ 103,920,790 | \$ 115,873,675 | \$ 133,197,867 | \$ 194,959,683 | \$ 144,347,491 |

^[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

| <u>Fiscal Year</u> | <u>Utility Service Charges</u> | <u>Less: Operating Expenses*</u> | <u>Net Available Revenue</u> | <u>Debt Service Principal</u> | <u>Interest</u> | <u>Coverage</u> |
|------------------------|--|--|--------------------------------------|---------------------------------------|-----------------|-----------------|
| 2012 | \$ 41,463,853 | \$ (35,728,904) | \$ 5,734,949 | \$ 904,521 | \$ 944,857 | 3.10 |
| 2013 | 40,827,258 | (35,513,981) | 5,313,277 | 839,048 | 734,437 | 3.38 |
| 2014 | 42,017,948 | (33,121,499) | 8,896,449 | 1,079,232 | 703,016 | 4.99 |
| 2015 | 42,645,590 | (37,931,959) | 4,713,631 | 1,077,119 | 1,253,491 | 2.02 |
| 2016 | 46,502,423 | (37,473,784) | 9,028,639 | 1,326,771 | 1,382,137 | 3.33 |
| 2017 | 49,979,571 | (40,706,005) | 9,273,566 | 1,471,259 | 1,636,004 | 2.98 |
| 2018 | 52,260,671 | (39,777,807) | 12,482,864 | 1,773,378 | 1,822,007 | 3.47 |
| 2019 | 53,459,811 | (45,797,030) | 7,662,781 | 2,003,248 | 1,985,646 | 1.92 |
| 2020 | 55,650,708 | (44,235,156) | 11,415,552 | 2,033,084 | 2,123,205 | 2.75 |
| 2021 | 59,893,148 | (45,552,104) | 14,341,044 | 3,695,000 | 1,959,114 | 2.54 |

* All operating expenses exclusive of depreciation

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 |
|------|----------------------|------------------------|----------------------------|-------------------------------------|---------------|----------------------|----------------------|
| 2012 | 25,175 | 25,943 | 38,060 | 15,730 | 32.4 | 7,440 | 6.8 |
| 2013 | 25,175 | 25,981 | 38,060 | 15,730 | 32.4 | 7,556 | 5.4 |
| 2014 | 25,175 | 26,660 | 38,526 | 18,901 | 35.3 | 7,529 | 4.2 |
| 2015 | 25,175 | 29,241 | 41,835 | 18,933 | 36.2 | 7,400 | 3.4 |
| 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 | 23,601 | 35.1 | 7,343 | 7.3 |
| 2021 | 31,072 | 33,129 | 52,509 | 23,284 | 35.7 | 6,889 | 3.6 |

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 NINE YEARS AGO
(Unaudited)

TABLE 16

| | 2021 | | | 2012 | | |
|------------------------------------|--------------|------|---|--------------|------|---|
| | Employees | Rank | Percentage of Total County Employment | Employees | Rank | Percentage of Total County Employment |
| <u>Employer</u> | | | | | | |
| Vitesco (Continental AG) | 1,750 | 1 | 9.94% | 1,374 | 1 | 12.18% |
| Texas Power Systems/CAT | 1,500 | 2 | 8.52% | 853 | 4 | 7.56% |
| Seguin Independent School District | 1,103 | 3 | 6.27% | 1,206 | 2 | 10.69% |
| CMC Steel | 853 | 4 | 4.85% | 1,129 | 3 | 10.01% |
| Tyson Foods | 750 | 5 | 4.26% | 850 | 5 | 7.54% |
| Guadalupe Regional Medical Center | 835 | 6 | 4.74% | 695 | 6 | 6.16% |
| Guadalupe County | 600 | 7 | 3.41% | 586 | 7 | 5.20% |
| City of Seguin | 462 | 8 | 2.62% | 400 | 8 | 3.55% |
| HEB | 437 | 9 | 2.48% | 310 | 10 | 2.75% |
| Wal-Mart Super Center | 309 | 10 | 1.76% | - | | - |
| Texas Lutheran University | - | | - | 333 | 9 | 2.95% |
| Total | <u>8,599</u> | | <u>48.84%</u> | <u>7,736</u> | | <u>68.60%</u> |

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

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

| Function | Fiscal Year | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Police | | | | | |
| Physical arrests | 911 | 1,101 | 1,084 | 1,072 | 1,755 |
| Traffic citations | 2,681 | 3,814 | 6,632 | 12,616 | 12,206 |
| Parking citations | 342 | 324 | 919 | 1,249 | 1,324 |
| Fire/EMS | | | | | |
| Emergency responses | 5,840 | 5,520 | 4,506 | 4,308 | 3,842 |
| Non-emergency response/Service Calls | 990 | 318 | 1,239 | 1,279 | 1,424 |
| Inspections | 738 | 563 | 787 | 1,334 | 1,252 |
| Refuse collection (by private contractor) | | | | | |
| # of customers | 8,191 | 8,296 | 8,162 | 9,025 | 8,796 |
| Parks and Recreation | | | | | |
| Park and sport facility rentals | 474 | 178 | 701 | 575 | 732 |
| Sport league participants | 3,265 | 1,227 | - | - | 3,614 |
| Program participants | 313 | 319 | 3,441 | 3,517 | 3,359 |
| Wave Pool admissions | - | - | 14,301 | 12,436 | 11,430 |
| Library | | | | | |
| Volumes in collection | 78,591 | 78,478 | 76,559 | 76,490 | 73,137 |
| Total volumes borrowed | 238,272 | 232,572 | 308,802 | 260,766 | 269,824 |
| Electric | | | | | |
| # of customers | 8,662 | 8,555 | 8,541 | 8,549 | 8,538 |
| Sales (millions of \$) | 29 | 29.4 | 30.1 | 30.5 | 29.7 |
| Water | | | | | |
| # of customers | 7,770 | 7,549 | 7,518 | 7,516 | 7,393 |
| Average daily production (millions of gal.) | | | | | |
| Surface water | 5 | 4.80 | 4.08 | 3.81 | 3.20 |
| Well water | <u>3</u> | <u>3.04</u> | <u>2.98</u> | <u>3.22</u> | <u>3.06</u> |
| Total | 8 | 7.84 | 7.06 | 7.03 | 6.26 |
| Water main repairs (main sizes from 3/4" to 16") | 114 | 129 | 178 | 133 | 175 |
| Wastewater | | | | | |
| Average daily sewage treatment (millions of gal.) | 4.33 | 4.05 | 4.33 | 4.65 | 5.40 |

Sources: City departments

Notes: Fire/EMS statistics are on a calendar basis. Program participants under Parks and Recreation include day camp, after-school, softball, & swimming lessons. Sales of electricity are of purchased power; the City does not generate electric power.

TABLE 17

| Fiscal Year | | | | |
|-------------|---------|---------|---------|---------|
| 2016 | 2015 | 2014 | 2013 | 2012 |
| 2,328 | 1,798 | 1,605 | 1,138 | 1,509 |
| 11,068 | 12,740 | 15,988 | 8,911 | 12,349 |
| 70 | 265 | 308 | 291 | 176 |
| 4,130 | 3,682 | 3,748 | 3,903 | 3,162 |
| 1,366 | 1,126 | 804 | 588 | 1,837 |
| 1,467 | 1,065 | 379 | 482 | 831 |
| 8,623 | 8,400 | 8,079 | 7,945 | 7,850 |
| 763 | 701 | 639 | 622 | 624 |
| 3,352 | 2,358 | 740 | 2,251 | 2,815 |
| 3,769 | 4,539 | 4,640 | 3,509 | 5,172 |
| 12,801 | 13,447 | 13,077 | 13,126 | 13,126 |
| 69,055 | 56,276 | 64,366 | 62,220 | 69,563 |
| 168,429 | 183,771 | 197,204 | 205,281 | 210,820 |
| 8,438 | 8,500 | 8,314 | 8,293 | 8,191 |
| 27.3 | 28.5 | 25.7 | 25.3 | 25.8 |
| 7,298 | 7,250 | 7,120 | 7,116 | 7,088 |
| 3.73 | 2.84 | 2.69 | 2.35 | 2.77 |
| 2.71 | 2.92 | 3.04 | 3.01 | 3.17 |
| 6.44 | 5.76 | 5.73 | 5.36 | 5.94 |
| 126 | 455 | 403 | 127 | 74 |
| 4.57 | 4.05 | 3.29 | 3.74 | 4.13 |

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

| Function | Fiscal Year | | | | |
|---|-------------|--------|--------|--------|--------|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| Police | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Police vehicles | 87 | 87 | 87 | 87 | 84 |
| Fire stations | 3 | 3 | 3 | 3 | 3 |
| Public works | | | | | |
| Streets (miles of paved) | 321.15 | 180.22 | 171.17 | 168.26 | 165.81 |
| Parks and Recreation | | | | | |
| Number of parks | 12 | 12 | 12 | 12 | 12 |
| Acreage | 346.91 | 346.91 | 346.91 | 346.91 | 346.91 |
| Water | | | | | |
| Water mains (miles) | 216.30 | 218.80 | 165.73 | 165.73 | 165.73 |
| Fire hydrants | 1,213 | 1,110 | 1,317 | 1,311 | 1,306 |
| Storage capacity (millions of gallons) | 9.07 | 9.01 | 8.64 | 8.64 | 8.64 |
| Wastewater | | | | | |
| Sanitary sewers (miles) | 201.92 | 201.92 | 179.88 | 179.88 | 179.88 |

TABLE 18

| Fiscal Year | | | | |
|-------------|--------|--------|--------|--------|
| 2016 | 2015 | 2014 | 2013 | 2012 |
| 1 | 1 | 1 | 1 | 1 |
| 73 | 70 | 67 | 66 | 62 |
| 3 | 3 | 3 | 3 | 3 |
| 164.73 | 197.55 | 178.48 | 178.48 | 178.48 |
| 12 | 12 | 11 | 11 | 11 |
| 346.91 | 346.91 | 299.91 | 299.91 | 299.91 |
| 164.00 | 164.00 | 161.00 | 161.00 | 117.00 |
| 1,293 | 1,284 | 1,100 | 1,085 | 1,081 |
| 8.64 | 8.64 | 7.79 | 7.79 | 7.79 |
| 178.00 | 178.00 | 175.00 | 152.00 | 118.00 |

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

TABLE 19

| Function | Fiscal Year | | | | | | | | | |
|----------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
| General Government | | | | | | | | | | |
| Financial Administration | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| City Manager | 2 | 3 | 3 | 3 | 3 | 4 | 4 | 4 | 3 | 3 |
| Human Resources | 7 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 |
| Planning and Zoning | 21 | 17 | 13 | 13 | 12 | 12 | 11 | 11 | 11 | 10 |
| City Secretary | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Information Systems | 11 | 9 | 8 | 7 | 6 | 5 | 5 | 4 | 3 | 3 |
| Facilities and Grounds | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 3 | 3 |
| Public Safety | | | | | | | | | | |
| Police | 87 | 85 | 81 | 81 | 81 | 79 | 78 | 76 | 72 | 72 |
| Fire/EMS | 67 | 63 | 62 | 62 | 58 | 57 | 56 | 56 | 53 | 51 |
| Legal & Judicial | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 5 | 5 | 5 |
| Animal Control | 7 | 7 | 7 | 7 | 7 | 5 | 5 | 4 | 4 | 4 |
| Public Service | | | | | | | | | | |
| Public Works | 41 | 39 | 40 | 33 | 34 | 32 | 29 | 27 | 26 | 28 |
| Vehicle Maintenance | 5 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Library | 16 | 15 | 13 | 13 | 14 | 13 | 8 | 8 | 8 | 8 |
| Parks and Recreation | 20 | 21 | 21 | 19 | 19 | 19 | 19 | 16 | 18 | 17 |
| Golf Course | 8 | 8 | 8 | 8 | 8 | 9 | 9 | 9 | 9 | 9 |
| DownTown & Main St. Program | 3 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Coliseum | 1 | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 |
| Utility Fund | | | | | | | | | | |
| Administration | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 2 | 2 | 2 |
| Electric Production/Distribution | 17 | 18 | 15 | 15 | 15 | 15 | 15 | 11 | 10 | 10 |
| Utility Services | 14 | 15 | 14 | 13 | 12 | 12 | 10 | 10 | 10 | 10 |
| Water Production | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 11 |
| Water/Sewer Maintenance | 19 | 19 | 17 | 16 | 16 | 15 | 11 | 10 | 10 | 11 |
| Sewer Plant | 10 | 10 | 10 | 9 | 9 | 8 | 8 | 8 | 7 | 8 |
| Economic Development | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 3 |
| Facilities Maintenance | 19 | 19 | 13 | 13 | 13 | 11 | 8 | 14 | 13 | 13 |
| Utility Billing | 6 | 6 | 6 | 6 | 6 | 6 | 5 | 6 | 5 | 6 |
| CVB | <u>3</u> | <u>2</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | <u>2</u> | <u>1</u> |
| Total | <u>422</u> | <u>407</u> | <u>383</u> | <u>371</u> | <u>366</u> | <u>355</u> | <u>331</u> | <u>323</u> | <u>308</u> | <u>308</u> |

Source: City Human Resources Department

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, 2021, 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 1, 2022. 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.

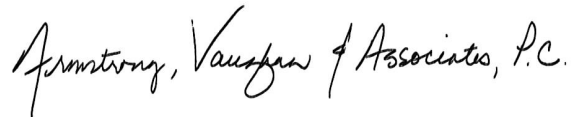
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given 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.

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

Armstrong, Vaughan & Associates, P.C.

March 1, 2022



Armstrong, Vaughan & Associates, P. C.

Certified Public Accountants

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

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, 2021. City of Seguin Texas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Seguin, Texas' major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Seguin, Texas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Seguin Texas' compliance.

Opinion on Each Major Federal Program

In our opinion, the 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, 2021.

Report on Internal Control Over Compliance

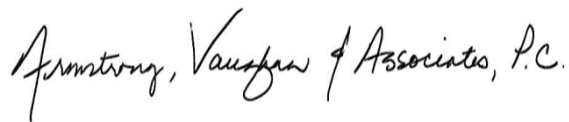
Management of City of Seguin, Texas is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Seguin, Texas' internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Seguin, Texas' 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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 1, 2022

CITY OF SEGUIN, TEXAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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 | <u> </u> Yes | <u> X </u> No |
| One or more significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> None Reported |
| Noncompliance material to financial Statements noted? | <u> </u> Yes | <u> X </u> No |

2. Federal Awards

Internal control over major programs:

| | | |
|--|-------------------|----------------------------|
| One or more material weaknesses identified | <u> </u> Yes | <u> X </u> No |
| One or more significant deficiencies identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> X </u> 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?

| | |
|-------------------|-----------------|
| <u> </u> Yes | <u> X </u> No |
|-------------------|-----------------|

Identification of major programs:

| | |
|--------------------|---|
| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
| 20.205 | Highway Planning and Construction |

Dollar threshold used to distinguish between Type A and type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes X 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, 2021

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

CITY OF SEGUIN, TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

| Federal Grantor/Pass-through Grantor/Program Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|------------------------------------|---|---------------------------------|
| INSTITUTE OF MUSEUM AND LIBRARY SERVICES | | | |
| Texas State Library and Archives Commission | | | |
| Grants to States - Cares Act | 45.310 | CAR2-21019 | \$ 24,040 |
| Grants to States - Interlibrary | 45.310 | 902375 | 3,064 |
| U.S. DEPARTMENT OF COMMERCE | | | |
| Economic Development Administration | | | |
| Economic Adjustment Assistance | 11.307 | 08-79-05445 | 32,088 |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | |
| Related Disaster and Related Determinations/FEMA | 97.030 | 187-66644-00 | 60,599 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEV | | | |
| Passed Through Texas Dept. of Agriculture | | | |
| CDBG-State Program Grant | 14.228 | 84-850-9402 | 14,400 |
| U.S. DEPARTMENT OF JUSTICE | | | |
| Direct Award | | | - |
| Bullet Proof Vests | 16.607 | BA-2000S-SX02 | 5,764 |
| SW Border Rural Law Enforcement | 16.738 | 2019-MU-BX-K002 | 86,868 |
| Criminal and Juvenile Justice and Mental Health Collabc | 16.745 | 2020-MO-BX-0023 | 28,311 |
| National Association of VOCA Assistance Administratc | 16.582 | CAP21-432 | 1,869 |
| Passed Through Office of the Governor | | | |
| Victim's of Crime Act Formula Grant Program | 16.575 | 3245403 | 7,865 |
| U.S. DEPARTMENT OF TREASURY | | | |
| American Rescue Plan Act | 21.027 | 187-66644-00 | 580,394 |
| U.S. DEPARTMENT OF TRANSPORTATION | | | |
| Passed Through Texas Department of Transportation | 20.205 | 0915-46-046 | 1,371,550 |
| Highway Planning and Construction | | | |
| TOTAL FEDERAL AWARD EXPENDED | | | <u>\$ 2,216,812</u> |

CITY OF SEGUIN, TEXAS
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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.



It's real.