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**CITY OF SEGUIN, TEXAS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FISCAL YEAR ENDED  
SEPTEMBER 30, 2019**

Prepared by: Finance Department  
Susan Caddell  
Director of Finance



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CITY OF SEGUIN, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

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March 3, 2020

The Honorable Mayor and City Council  
City of Seguin, Texas

We are pleased to present the Comprehensive Annual Financial Report of the City of Seguin, Texas (the City), for the fiscal year ended September 30, 2019. 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, 2019, 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 unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2019. 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 Comprehensive Annual 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. In 2019, U.S. News & World Report ranked Seguin's Texas Lutheran University the #1 "Best Value" School and the #3 "Best College for Veterans" in the Western Region. Seguin's Guadalupe Regional Medical Center (GRMC) was the proud recipient of the Healthgrades 2018 Patient Safety Excellence Award, a designation that recognizes superior performance in hospitals that have prevented the occurrence of serious, potentially avoidable complications for patients during hospital stays. The distinction has placed GRMC in the top 5% of all short-term acute care hospitals in the United States for patient safety. 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.

The City of Seguin and the Seguin Economic Development Corporation continuously engage area employers in order to understand what needs to be done to remain economically competitive. Ensuring that we have strong workforce training options and a healthy talent pipeline will enable the City of Seguin to retain existing employers and will position us to recruit new ones.

The Alamo Colleges, in partnership with the Seguin Economic Development Corporation have worked to bring Alamo Colleges services to the Seguin area. Located just 15 minutes north of Seguin, the Central Texas Technology Center (CTTC) serves as an avenue for Seguin area residents and workers to attain entry-level skills or increase technical skills and to connect to jobs or higher education opportunities. Area high



school students also benefit from the CTTC through the Alamo Academies. The Alamo Academies is a national award winning, innovative, STEM-based instructional model operated by the Alamo Area Academies Inc., a non-profit organization, in partnership with the Alamo Colleges. The Alamo Academies provides Seguin area youth with tuition-free career pathways into critical demand technical STEM occupations. The program utilizes contextualized industry-driven curricula resulting in 94% of graduates entering higher education or high-wage careers in Aerospace, Manufacturing, Information Technology, and Healthcare. The Seguin Economic Development Corporation provides annual funding to support the operations of the Academies in the Seguin region. This enables Seguin area high school students to participate in the Advanced Technology and Manufacturing Academy, as well as the Information Technology and Security Academy in conjunction with the Alamo Academies program. Facilities such as the CTTC and programs like the Alamo Academies help ensure that Seguin has a strong pipeline of skilled workers to fill the jobs of today and the jobs of the future.

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 continue to be strong. Seguin primary employers have continued to expand operations and add new workers. In 2019, the unemployment rate remained below 4%, averaging 3.2% for the year, while the labor force population averaged 13,624. From December 2018 to December 2019, the labor force population grew by about 2.6%. Unemployment rates in 2019 averaged 3.2% for the San Antonio-New Braunfels MSA, 2.9% for the City of New Braunfels, 3.0% for the City of San Antonio, and 3.1% for the City of Schertz—all rates considered by economist to be at full employment.

Comparing the San Antonio-New Braunfels MSA to the state and nation, the Texas unadjusted (actual) unemployment rate for 2019 averaged 3.5%. The nation's unadjusted (actual) unemployment rate averaged 3.6% for 2019.

In 2018, the Seguin Economic Development Corporation was successful in working with two existing manufacturers to facilitate new investments at their facilities by securing enterprise project designations by the State of Texas. CMC Steel was designated an enterprise project in the Spring of 2018, committing to creating 18 new jobs, retaining 462 jobs and investing \$150 Million in their Seguin facility. Caterpillar was designated an enterprise project in the Fall of 2018, committing to retaining 975 jobs and investing \$14 Million at their Seguin facility.

2019 was a very successful year for the City of Seguin and the Seguin Economic Development Corporation. Two major economic development projects were announced that will result in the creation of more than 300 new jobs and a total combined capital investment of more than \$100 Million. In September 2019, Governor Greg Abbott announced that Continental Structural Plastics (CSP) selected a site within the City of Seguin to build their new 200,000 square foot automotive component manufacturing facility. CSP has committed to creating at least 200 new, well paying jobs and will be investing at least \$65 Million in the new facility which is currently under construction. In December 2019, United Alloy announced plans to build a new 200,000 square foot manufacturing facility in Seguin. United Alloy, a major Caterpillar supplier, will invest more than \$35 Million in the new facility and have committed to creating at least 100 new, well paying jobs in Seguin. Construction of the United Alloy facility is scheduled to start construction in March 2020.

**Long-term financial planning.** The City issued \$305,000 in Tax Anticipation Notes to provide financing for the purchase of larger pieces of equipment. The City also issued 2019 General Obligation Bonds in the amount of \$14,570,000 to provide for the refunding of the 2010 Utility Revenue Bonds (\$7,240,000 outstanding) and 2010 Certificates of Obligation (\$9,850,000 outstanding).

## **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. 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 &amp; 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,



Douglas G. Faseler  
City Manager



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 Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

CITY OF SEGUIN, TEXAS

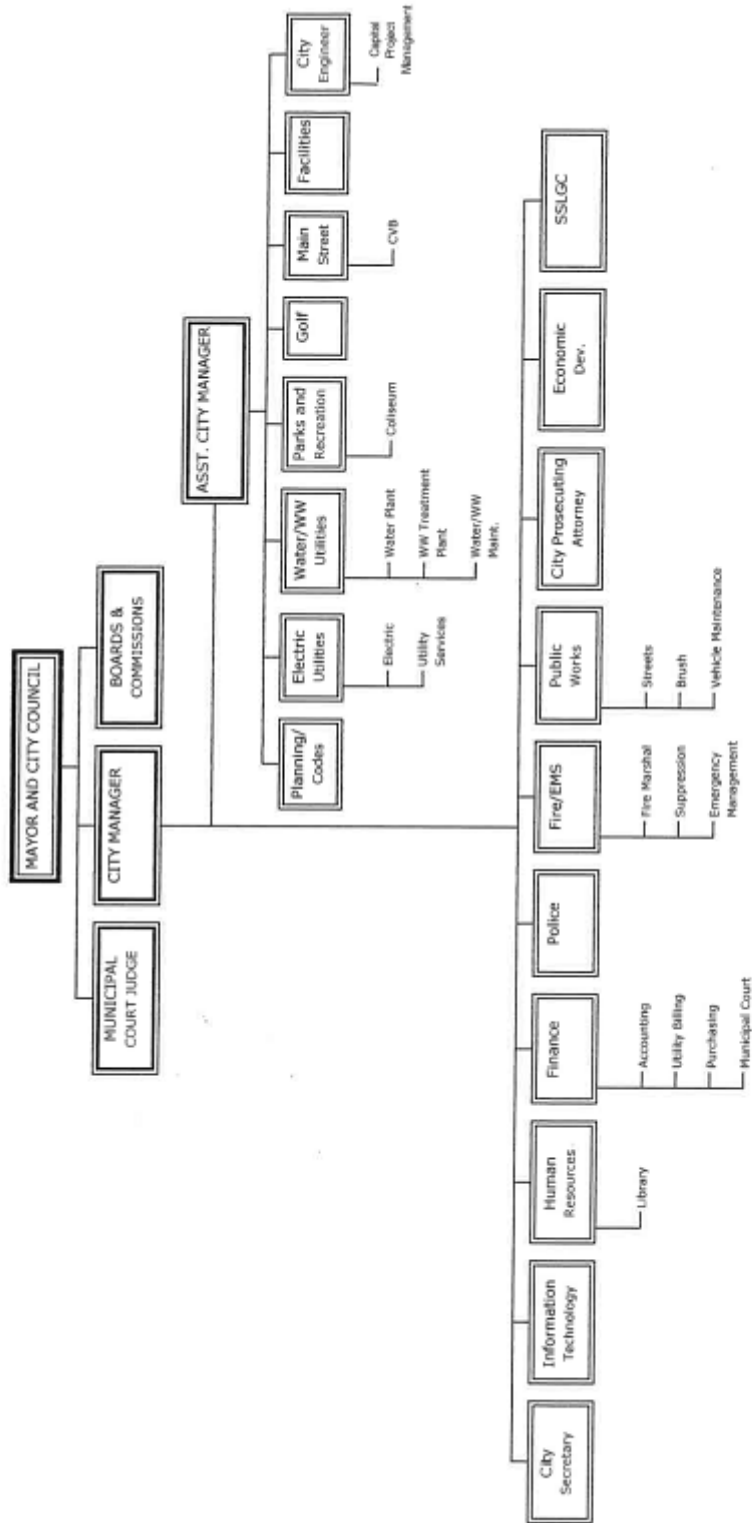
PRINCIPAL OFFICERS

DON KEIL..... Mayor  
MARK HERBOLD. .... Mayor Pro-Tem  
CHRIS AVILES ..... Councilman  
JEANETTE CRABB ..... Councilwoman  
ERNESTO M. LEAL. .... Councilman  
FONDA MATHIS ..... Councilwoman  
CHRIS RANGEL ..... Councilman  
JEREMY ROY ..... Councilman  
PENNY WALLACE ..... Councilwoman

DOUG FASELER  
City Manager

RICK CORTES ..... Assistant City Manager  
NAOMI MANSKI ..... City Secretary  
SUSAN CADDELL..... Director of Finance  
ANDREW QUITTNER..... City Attorney

CITY OF SEGUIN





## 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, 2019, 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, 2019, 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, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

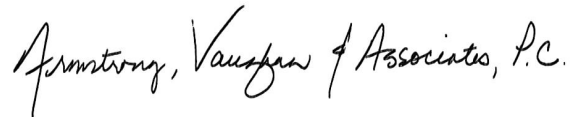
The comparative financial statements, combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected 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 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 February 12, 2020 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.

February 12, 2020



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Seguin, we offer readers of the City of Seguin's financial statements this narrative overview and analysis of the financial activities for the City of Seguin for the fiscal year ended September 30, 2019. 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, 2019, by \$117,299,181 (net position). Of this amount, \$29,411,111 (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 \$1,546,290 or 1.3% compared to the prior fiscal year.
- As of September 30, 2019 the City of Seguin's governmental funds reported combined ending fund balances of \$31,881,679, a decrease of \$4,142,949.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$10,796,436, or 48.1% of total General Fund expenses.
- The City's total debt decreased by \$7,695,969 during the current fiscal year. The City issued \$305,000 in Tax Anticipation Notes and issued 2019 General Obligation Bonds in the amount of \$14,570,000. The 2010 Utility Revenue Bonds (\$7,240,000 outstanding) and 2010 Certificates of Obligation (\$9,850,000 outstanding) were refunded.
- During the year, the City's expenses were \$595,045 more than the \$34,392,934 generated in taxes and other revenues for governmental activities before transfers.
- The total cost of the City's governmental activity programs increased by \$2,336,243 from last year, and no new programs were added this year. This year, we continued to spend down some of the previously issued bond funds.

### 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 comprehensive annual financial report (CAFR) 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 - 68 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 69 - 79 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 80 - 121 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, 2019, the City of Seguin's assets and deferred outflows of resources exceeded liabilities by \$117,299,181. Table A-1 is a condensed version of the City's statement of net position for the years ended September 30, 2019 and 2018, respectively.

The largest portion of the City's total net position (69.2%) 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 (25.1%) is its unrestricted net position.

**Table A-1**  
City of Seguin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Assets</b>						
Current assets	\$ 28,121,356	\$ 28,177,210	\$ 42,796,277	\$ 42,318,382	\$ 70,917,633	\$ 70,495,592
Capital assets	100,785,314	99,413,041	99,201,153	92,015,611	199,986,467	191,428,652
Other non current assets	8,924,952 #	12,759,464	15,370,517	21,517,416	24,295,469	34,276,880
Total assets	<u>137,831,622</u>	<u>140,349,715</u>	<u>157,367,947</u>	<u>155,851,409</u>	<u>295,199,569</u>	<u>296,201,124</u>
<b>Deferred Outflows of Resources</b>	<u>6,436,933</u>	<u>3,403,782</u>	<u>2,337,009</u>	<u>1,088,610</u>	<u>8,773,942</u>	<u>4,492,392</u>
<b>Liabilities</b>						
Current liabilities	2,819,706	2,620,781	5,542,243	4,285,054	8,361,949	6,905,835
Noncurrent liabilities	110,330,440	108,177,461	67,959,016	59,969,809	178,289,456	168,147,270
Total liabilities	<u>113,150,146</u>	<u>110,798,242</u>	<u>73,501,259</u>	<u>64,254,863</u>	<u>186,651,405</u>	<u>175,053,105</u>
<b>Deferred Inflows of Resources</b>	<u>16,467</u>	<u>1,426,359</u>	<u>6,458</u>	<u>554,507</u>	<u>22,925</u>	<u>1,980,866</u>
<b>Net Position</b>						
Invested in Capital Assets	30,433,349	28,797,978	50,781,752	50,116,822	81,215,101	78,914,800
Restricted	3,325,349	3,098,632	3,347,620	3,053,820	6,672,969	6,152,452
Unrestricted(Deficit)	<u>(2,656,756)</u>	<u>(367,714)</u>	<u>32,067,867</u>	<u>31,053,353</u>	<u>29,411,111</u>	<u>30,685,639</u>
Total Net Position	<u>\$ 31,101,942</u>	<u>\$ 31,528,896</u>	<u>\$ 86,197,239</u>	<u>\$ 84,223,995</u>	<u>\$ 117,299,181</u>	<u>\$ 115,752,891</u>

An additional portion of the City of Seguin's net position (5.7%) is subject to external restrictions, including bond covenants, on how they must be used. The remaining balance of unrestricted net position of \$29,411,111 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 \$1,189,707 or 1.4%. This was largely due to increase in electric, water and sewer revenue along with an increase in property tax revenue. The City's total government-wide expenses increased by \$8,287,005 or 10.5%. An increase in depreciation along with the demolition of an old wastewater treatment plant purchased by the City was a large factor in the increase of these expenditures.

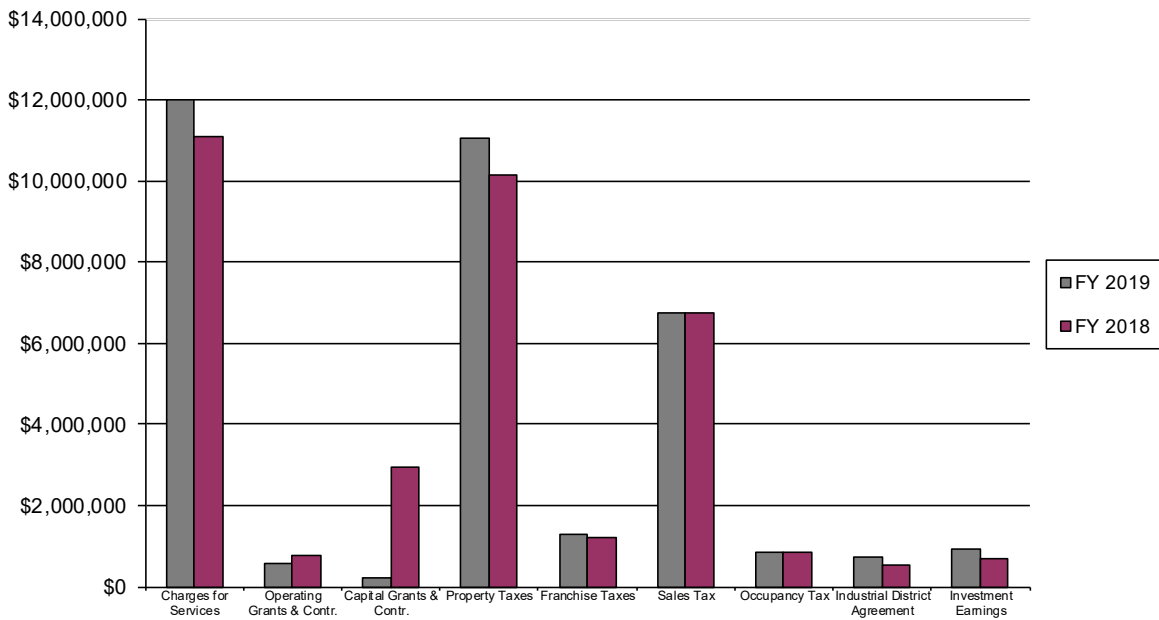
**Table A-2**  
Changes in City of Seguin's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Program Revenues:</b>						
Charges for Services	\$ 12,000,946	\$ 11,086,538	\$ 53,459,811	\$ 52,260,672	\$ 65,460,757	\$ 63,347,210
Operating Grants and Contributions	589,086	760,164	-	-	589,086	760,164
Capital Grants and Contributions	228,219	2,952,449	69,004	-	297,223	2,952,449
<b>General Revenues</b>						
Property Taxes	11,037,342	10,126,201	-	-	11,037,342	10,126,201
Franchise Taxes	1,273,009	1,187,699	-	-	1,273,009	1,187,699
Sales Tax	6,760,360	6,729,041	-	-	6,760,360	6,729,041
Occupancy Tax	833,720	861,218	-	-	833,720	861,218
Industrial District Agreement	740,000	535,000	-	-	740,000	535,000
Investment Earnings	930,252	678,954	1,202,045	764,923	2,132,297	1,443,877
Gain (Loss) on Sale of Assets	-	-	9,432	660	9,432	660
<b>Total Revenues:</b>	<b>34,392,934</b>	<b>34,917,264</b>	<b>54,740,292</b>	<b>53,026,255</b>	<b>89,133,226</b>	<b>87,943,519</b>
<b>Expenses:</b>						
General Government	3,830,678	3,154,001	-	-	3,830,678	3,154,001
Public Safety	16,703,296	15,581,434	-	-	16,703,296	15,581,434
Public Service	11,603,192	11,044,845	-	-	11,603,192	11,044,845
Interest on Long-Term Debt	2,850,813	2,871,456	-	-	2,850,813	2,871,456
Utility	-	-	52,598,957	46,648,195	52,598,957	46,648,195
<b>Total Expenses</b>	<b>34,987,979</b>	<b>32,651,736</b>	<b>52,598,957</b>	<b>46,648,195</b>	<b>87,586,936</b>	<b>79,299,931</b>
<b>Excess (Deficiency) Before Transfers In (Out)</b>	<b>(595,045)</b>	<b>2,265,528</b>	<b>2,141,335</b>	<b>6,378,060</b>	<b>1,546,290</b>	<b>8,643,588</b>
<b>Increase (Decrease) in Net Position</b>	<b>\$ (426,954)</b>	<b>\$ 2,366,825</b>	<b>\$ 1,973,244</b>	<b>\$ 6,276,763</b>	<b>\$ 1,546,290</b>	<b>\$ 8,643,588</b>

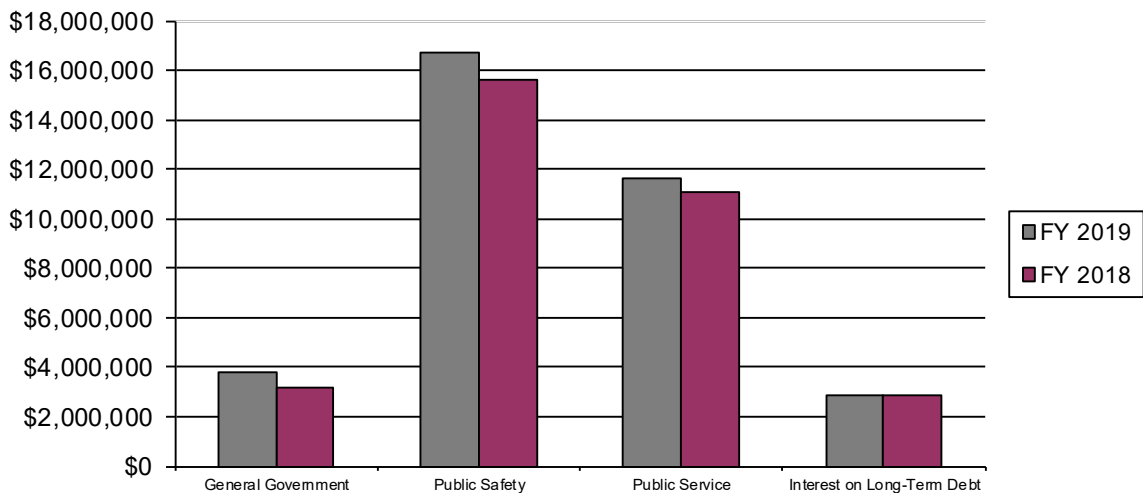
**Governmental activities.** The City's total governmental revenues decreased by \$524,330 or 1.5% below last year. The City's total governmental expenses increased by \$2,336,243 or 7.2% above last year.

- Capital Grants and Contributions and Operating Grants and Contributions decreased by \$2,895,308 or 78%. Two large projects, which were partially funded through federal programs, were completed in FY18.
- Property Taxes increased by \$911,141 or 9%. Property values increased more than 10% along with an increase in debt service payments.
- Interest and Investment Earnings increased by \$251,298 or 37%. An increase in interest rates along with investments in higher yield investments occurred in FY19.
- Sales Tax remained flat this year, increasing by only \$31,319, or .5%.
- The most significant governmental expense for the City was in providing for public safety, which incurred expenses of \$16,703,296. These expenses are offset by revenues collected from a variety of sources, with the largest being from fines and penalties in the amount of \$1,226,916. Additional funding also included EMS revenue in the amount of \$1,092,268 and Fire and EMS interlocal agreements with Guadalupe County in the amount of \$629,610. The major components of public safety are police and fire. Police accounted for \$7.3 million in public safety expense while Fire accounted for \$5.8 million in public safety expense.

## Revenues - Governmental Activities



## Expenses - Governmental Activities

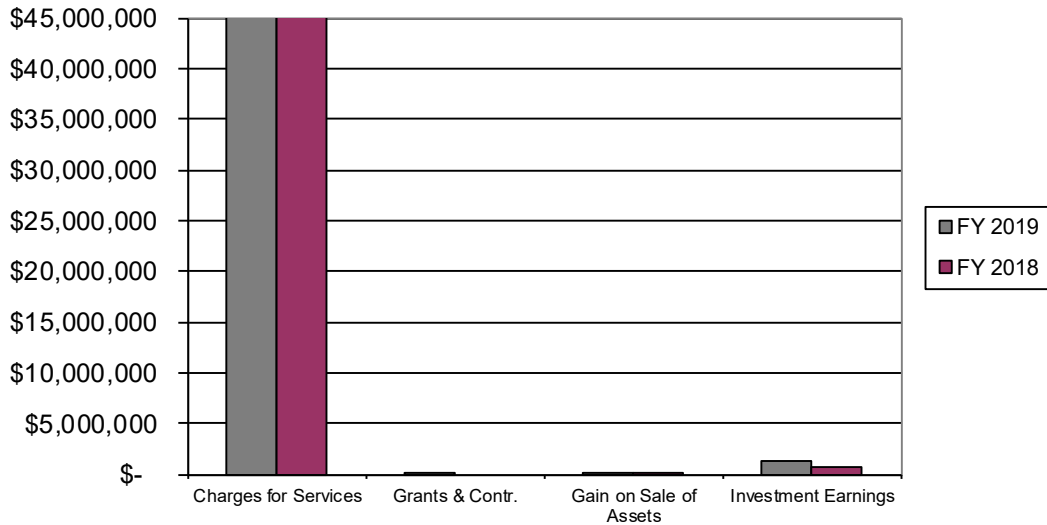


**Business-type activities.** The City’s total business-type revenues increased by \$1,714,037 or 3.2%. The City’s total business-type expenses increased by \$5,950,762 or 12.8%.

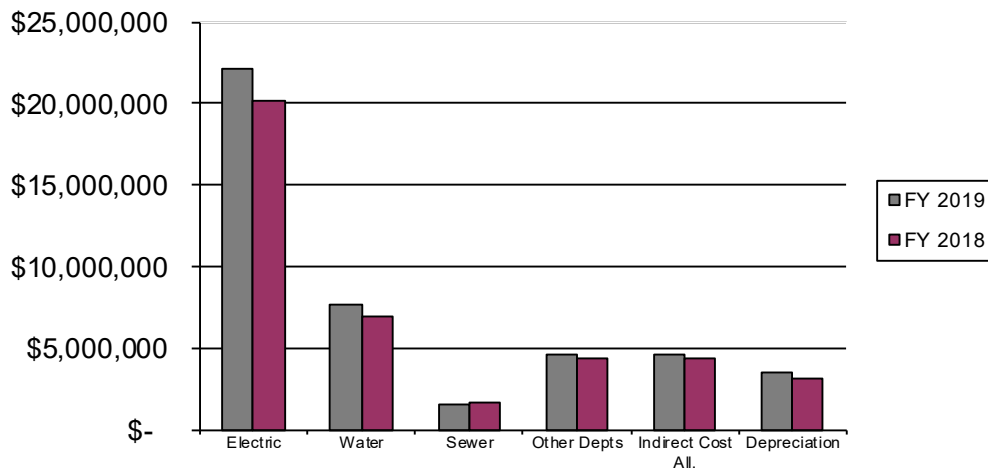
- Electric revenues make up \$3056 million of the charges for services. This year electric revenues increased slightly by \$119,661.
- Water revenues make up \$13 million of the charges for services. This year water revenues increased by \$1,428,203 or 12.3%. The City contracted with another utility to provide water through a “take or pay” contract. This resulted in additional revenue of \$1,429,260.
- Sewer revenues make up \$8.4 million of the charges for services. This year sewer revenues increased by \$423,596 or 5.3%. This was due to an increase in rates.



## 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 \$31,881,679. This is a decrease of \$4,142,949. We continue to spend down bond proceeds received in previous fiscal years. Of this total amount of fund balance, \$10,796,436 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 \$157,477 which are prepaids and inventory, 2) restricted fund balance in the amount of \$12,380,445, 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 \$2,541,425, which is committed to stabilization agreement and aquatic and golf fees, and 4) assigned fund balance in the amount of \$6,005,896, 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 \$10,796,436, while total fund balance reached \$13,341,279. Of this amount, \$895,348 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 \$895,348 taken out of the equation, unassigned fund balance represents 44.1% of general fund expenditures, while total fund balance represents 55.5% of that same amount.

The General Fund Capital Projects Fund has a total fund balance of \$5,160,373, an decrease of \$1,127,789. Projects that have been in progress were completed in FY19.

At the end of FY19, five bond funds had a total fund balance of \$8,260,780. This was a decrease of \$4,232,943. The City continues to spend down bond funds issued in previous years.

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 \$32,067,867. The restricted net position for debt services is \$531,597, while restricted net position for impact fees is \$2,816,023. Net position invested in capital assets amounted to \$50,781,752.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

For FY 2018-19, actual revenues on a budgetary basis were \$25,000,978 compared to the final budget of \$24,354,888, which is \$646,090 above budget. Sales tax exceeded budget by \$294,032 and franchise tax exceeded budget by \$209,029.

For FY 2018-19, actual expenditures on a budgetary basis were \$22,435,536 compared to the final budget of \$24,411,231, which was \$1,975,695 below final budget amounts. Some departments had employee turnover resulting in their personnel services being under budget and savings on other operating expenditures. Indirect cost allocation also exceeded budget by \$68,672.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of 2019, the City had invested \$199,986,467, 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 \$8,557,815 or 4.5%. The increase was due in part to large bond projects being completed or underway begun during fiscal year 2019. 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
	2019	2018	2019	2018	2019	2018	Change
							2019 - 2018
Land	\$ 4,666,816	\$ 4,584,816	\$ 796,030	\$ 727,026	\$ 5,462,846	\$ 5,311,842	2.8%
Buildings and Improvements	38,323,587	37,932,843	38,912,318	36,648,795	77,235,905	74,581,638	3.6%
Improvements Other than Buildings	84,440,573	77,074,132	106,882,347	101,676,276	191,322,920	178,750,408	7.0%
Transportation and Equipment	20,503,576	19,716,519	9,553,670	8,569,917	30,057,246	28,286,436	6.3%
Construction in Progress	12,566,392	14,867,151	15,318,845	11,508,821	27,885,237	26,375,972	5.7%
Totals at Historical Cost	160,500,944	154,175,461	171,463,210	159,130,835	331,964,154	313,306,296	6.0%
Total Accumulated Depreciation	(59,715,630)	(54,762,420)	(72,262,057)	(67,115,224)	(131,977,687)	(121,877,644)	8.3%
Net Capital Assets	\$ 100,785,314	\$ 99,413,041	\$ 99,201,153	\$ 92,015,611	\$ 199,986,467	\$ 191,428,652	4.5%

**Long-term debt.** At year-end, the City had \$131,097,254 in bonds, loans and capital leases outstanding as shown in Table A-4. This was a decrease of \$7,695,969 or 5.5% from 2018. This fiscal year, the City issued \$305,000 in Tax Anticipation Notes and issued 2019 General Obligation Bonds in the amount of \$14,570,000. The 2010 Utility Revenue Bonds (\$7,240,000 outstanding) and 2010 Certificates of Obligation (\$9,850,000 outstanding) were refunded. More detailed information about the City's debt is presented in Notes H and I, pages 49 – 52.

The City's tax-supported debt rating by Fitch is AA with a stable outlook while Standard and Poor rating is AA with a stable outlook. The City's utility system revenue bonds' rating by Fitch is A+ with a stable outlook while Standard and Poor rating is A+ with a stable outlook. The current ratio of net tax-supported debt to assessed value of all taxable property is 4.2%. The pledged revenue coverage for the utility system revenue bonds is 1.92.

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

	Governmental		Business-Type		Total		Total
	Activities		Activities				Percentage
	2019	2018	2019	2018	2019	2018	Change
							2019-2018
Bonds Payable	\$ 43,971,916	\$ 37,628,666	\$ 54,783,085	\$ 57,826,333	\$ 98,755,001	\$ 95,454,999	3.5%
Certificates of Obligation	29,995,000	41,883,000	-	-	29,995,000	41,883,000	-28.4%
Tax Anticipation Notes	1,054,000	1,138,000	-	-	1,054,000	1,138,000	100.0%
Capital Leases	1,293,253	1,455,224	-	-	1,293,253	1,455,224	-11.1%
Total Bonds & Notes Payable	\$ 76,314,169	\$ 82,104,890	\$ 54,783,085	\$ 57,826,333	\$ 131,097,254	\$ 139,931,223	-6.3%

**Net Pension Liability.** The City's net pension liability is determined annually by an actuarial valuation. The City's net pension liability increased by \$7,433,495, from \$26,978,251 to \$37,111,746. Over the past several years, the City has been contributing more than what was required in order to reduce the liability. In FY19, the city contributed \$1,385,590 more than what was required.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

During the budget process for fiscal year 2019-20, 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 \$425,115 or 1.4% above the FY19 budget.

- Property tax revenue is budgeted to increase by \$396,104. This is based upon an increase in values and increase debt service contribution.
- The property tax rate of \$.5412/\$100 remained the same as the prior year. It is higher than the effective rate by \$.0061.
- ROW User Fees is budgeted to increase by \$158,917, which is based upon electric, water, and sewer revenues in the Utility Fund.
- Salaries and benefits are budgeted to increase by \$787,701. This includes a 2% cost of living effective January 1.
- Indigent Health Care is budgeted to increase by \$155,805, which represents a 8.9% increase.

The projected revenues and expenditures for the Utility Fund are budgeted to increase by \$2,529,906 or 5% above the FY19 budget.

- Electric revenue is budgeted to increase by \$653,522 due to increase in consumption of residential and industrial customers in FY19.
- Water revenue is budgeted to increase by \$828,850 based upon the approved rate adjustments from the updated water rate study and the increase in consumption with new development.
- Sewer revenue is budgeted to increase by \$813,853 based upon the approved rate adjustments from the updated sewer rate study and the increase in the number of customers from new development.
- Salaries and benefits are budgeted to increase by \$694,034. This includes a 2% cost of living effective January 1.
- ROW Use Fees are budgeted to increase by \$158,917 due to an increase in revenue.
- Indirect cost allocation is budgeted to increase by \$600,000 based upon prior years.

## **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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Seguin Economic Development Corporation
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,062,033	\$ 1,504,051	\$ 2,566,084	\$ 2,718
Investments	23,151,256	31,675,880	54,827,136	1,125,066
Receivables (net of allowances for uncollectibles)				
Taxes	2,288,808	-	2,288,808	-
Accounts	1,045,461	6,615,902	7,661,363	2,500
Grants	221,773	-	221,773	-
Miscellaneous	194,550	848,378	1,042,928	-
Due From Component Unit/				
Primary Government	-	22,452	22,452	224,521
Inventories	24,153	2,052,290	2,076,443	-
Prepays	133,322	77,324	210,646	292
Restricted Assets:				
Cash and Cash Equivalents	14,710	14,066	28,776	-
Investments	8,910,242	13,070,327	21,980,569	-
Notes Receivable	-	1,911,614	1,911,614	11,238
Net Present Value of Lease Financing	-	374,510	374,510	-
Capital Assets (Net)	100,785,314	99,201,153	199,986,467	3,615,717
<b>Total Assets</b>	137,831,622	157,367,947	295,199,569	4,982,052
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension/OPEB Related Outflows	5,878,674	2,130,537	8,009,211	-
Deferred Charge on Refunding	558,259	206,472	764,731	-
<b>Total Deferred Outflows of Resources</b>	\$ 6,436,933	\$ 2,337,009	\$ 8,773,942	\$ -

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF NET POSITION (CONTINUED)  
SEPTEMBER 30, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Seguin Economic Development Corporation
<b>LIABILITIES</b>				
Accounts Payable and Other Current Liabilities	\$ 2,005,698	\$ 4,386,111	\$ 6,391,809	\$ 75,724
Unearned Revenue	329,478	260,314	589,792	-
Accrued Interest Payable	260,009	-	260,009	-
Due to Component Unit/ Primary Government	224,521	-	224,521	22,452
Customer Deposits	-	593,985	593,985	600
<i>Payable from Restricted Assets:</i>				
Accrued Interest Payable	-	301,833	301,833	-
Current Portion of Long-Term Debt	-	2,033,084	2,033,084	-
<i>Noncurrent Liabilities:</i>				
Due within One Year	4,603,122	244,826	4,847,948	301,893
Due in more than One Year	76,668,136	55,686,149	132,354,285	2,313,021
Net Pension Liability	27,660,411	9,451,335	37,111,746	-
Total OPEB Liabilities	1,398,771	543,622	1,942,393	-
<b>Total Liabilities</b>	<u>113,150,146</u>	<u>73,501,259</u>	<u>186,651,405</u>	<u>2,713,690</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension/OPEB Related Inflows	16,467	6,458	22,925	-
<b>Total Deferred Inflows of Resources</b>	<u>16,467</u>	<u>6,458</u>	<u>22,925</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	30,433,349	50,781,752	81,215,101	1,000,803
Restricted for:				
Tourism & Economic Development	1,150,781	-	1,150,781	-
Public Safety	644,821	-	644,821	-
Public Service	308,638	-	308,638	-
Debt Service	1,221,109	531,597	1,752,706	-
Impact Fees	-	2,816,023	2,816,023	-
Unrestricted (Deficit)	(2,656,756)	32,067,867	29,411,111	1,267,559
<b>Total Net Position</b>	<u>\$ 31,101,942</u>	<u>\$ 86,197,239</u>	<u>\$ 117,299,181</u>	<u>\$ 2,268,362</u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Functions and Programs	Expenses		Program Revenues		
	Direct	Indirect Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>					
Governmental Activities:					
General Government	\$ 8,799,350	\$ (4,968,672)	\$ 4,907,833	\$ 225,589	\$ 6,626
Public Safety	16,703,296	-	3,123,547	116,554	13,269
Public Service	11,603,192	-	3,969,566	246,943	208,324
Interest on Long-term Debt	2,850,813	-	-	-	-
<b>Total Governmental Activities</b>	<u>39,956,651</u>	<u>(4,968,672)</u>	<u>12,000,946</u>	<u>589,086</u>	<u>228,219</u>
<b>Business-Type Activities</b>					
Utility	47,630,285	4,968,672	53,459,811	-	69,004
<b>Total Business-Type Activities</b>	<u>47,630,285</u>	<u>4,968,672</u>	<u>53,459,811</u>	<u>-</u>	<u>69,004</u>
<b>Total Primary Government</b>	<u>\$ 87,586,936</u>	<u>\$ -</u>	<u>\$ 65,460,757</u>	<u>\$ 589,086</u>	<u>\$ 297,223</u>
<b>Component Unit:</b>					
Seguin Economic Development Corporation					
	1,557,052	\$ -	\$ 7,200	3,361	\$ -
<b>Total Component Unit</b>	<u>\$ 1,557,052</u>	<u>\$ -</u>	<u>\$ 7,200</u>	<u>\$ 3,361</u>	<u>\$ -</u>
<b>General Revenues:</b>					
Taxes					
Property Taxes					
Franchise Taxes					
Sales Taxes					
Occupancy Taxes					
Miscellaneous Revenues					
Gain on Sale of Capital Assets					
Interest and Investment Earnings					
<b>Total General Revenues</b>					
Transfers					
<b>Change in Net Position</b>					
<b>Net Position at Beginning of Year</b>					
<b>Net Position at End of Year</b>					

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
\$ 1,309,370	\$ -	\$ 1,309,370	\$ -
(13,449,926)	-	(13,449,926)	-
(7,178,359)	-	(7,178,359)	-
(2,850,813)	-	(2,850,813)	-
<u>(22,169,728)</u>	<u>-</u>	<u>(22,169,728)</u>	<u>-</u>
-	929,858	929,858	-
-	929,858	929,858	-
<u>(22,169,728)</u>	<u>929,858</u>	<u>(21,239,870)</u>	<u>-</u>
-	-	-	(1,546,491)
-	-	-	(1,546,491)
11,037,342	-	11,037,342	-
1,273,009	-	1,273,009	-
6,760,360	-	6,760,360	1,328,352
833,720	-	833,720	-
740,000	-	740,000	-
-	9,432	9,432	-
930,252	1,202,045	2,132,297	25,505
<u>21,574,683</u>	<u>1,211,477</u>	<u>22,786,160</u>	<u>1,353,857</u>
<u>168,091</u>	<u>(168,091)</u>	<u>-</u>	<u>-</u>
(426,954)	1,973,244	1,546,290	(192,634)
31,528,896	84,223,995	115,752,891	2,460,996
<u>\$ 31,101,942</u>	<u>\$ 86,197,239</u>	<u>\$ 117,299,181</u>	<u>\$ 2,268,362</u>

CITY OF SEGUIN, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Other Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 604,893	\$ 11,913	\$ 142,858
Investments	12,590,563	1,276,637	8,705,774
Receivables (net of allowances for uncollectibles):			
Taxes	1,912,472	193,772	221,976
Accounts	996,794	-	263,861
Grants	79,395	-	-
Miscellaneous	64,612	-	-
Inventories	24,153	-	-
Prepaid Items	129,848	-	3,476
Restricted Assets:			
Cash and Cash Equivalents	-	-	14,922
Investments	-	-	8,574,582
<b>Total Assets</b>	<u>\$ 16,402,730</u>	<u>\$ 1,482,322</u>	<u>\$ 17,927,449</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ 838,147	\$ 1,204	\$ 509,027
Accrued Expenditures	555,416	-	20,565
Due to Component Unit	224,521	-	-
Unearned Revenues	240,424	-	89,054
Due to Others	12,387	-	65,270
<b>Total Liabilities</b>	<u>1,870,895</u>	<u>1,204</u>	<u>683,916</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	1,190,556	184,251	-
<b>Total Deferred Inflows of Resources</b>	<u>1,190,556</u>	<u>184,251</u>	<u>-</u>
<b>FUND BALANCE</b>			
<i>Nonspendable:</i>			
Prepays and Inventory	154,001	-	3,476
<i>Restricted:</i>			
Tourism & Economic Development	-	-	1,150,781
Public Safety	22,854	-	621,967
Public Service	5,300	-	303,338
Capital Projects	-	-	8,979,338
Debt Service	-	1,296,867	-
<i>Committed:</i>			
Stabilization Arrangement	2,151,739	-	-
Aquatic/ Golf Fees	-	-	389,686
<i>Assigned</i>			
Assigned	210,949	-	5,794,947
<i>Unassigned</i>			
Unassigned	10,796,436	-	-
<b>Total Fund Balances</b>	<u>13,341,279</u>	<u>1,296,867</u>	<u>17,243,533</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</b>	<u>\$ 16,402,730</u>	<u>\$ 1,482,322</u>	<u>\$ 17,927,449</u>

See accompanying notes to basic financial statements.

Total  
Governmental  
Funds  

---

\$ 759,664  
22,572,974

2,328,220  
1,260,655  
79,395  
64,612  
24,153  
133,324

14,922  
8,574,582  

---

\$ 35,812,501

\$ 1,348,378  
575,981  
224,521  
329,478  
77,657  

---

2,556,015

---

1,374,807  

---

1,374,807

157,477

1,150,781  
644,821  
308,638  
8,979,338  
1,296,867

2,151,739  
389,686  
6,005,896  
10,796,436  

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31,881,679

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\$ 35,812,501



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CITY OF SEGUIN, TEXAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2019

TOTAL FUND BALANCE - TOTAL GOVERNMENTAL FUNDS		\$ 31,881,679
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.		100,785,314
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.		1,230,127
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.		1,374,807
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	75,020,916	
Unamortized Premiums and Deferred Charges	2,967,692	
Capital Leases	1,293,253	
Net Other Post Employment Benefit Obligations (Net of Deferred Outflows & Inflows)	1,355,794	
Net Pension Liability (Net of Deferred Outflows & Inflows)	21,841,180	
Compensated Absences	1,431,141	(103,909,976)
Accrued interest payable on long-term-bonds is not due and payable in the current period and, therefore, not reported in the funds.		(260,009)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		\$ 31,101,942

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	General Fund	Debt Service Fund	Other Nonmajor Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 13,657,432	\$ 5,371,953	\$ 842,538
Licenses and Permits	653,927	-	215,125
Intergovernmental	1,134,769	203,650	275,612
Charges for Services	6,106,516	-	1,559,322
Fines and Forfeits	1,193,263	-	168,897
Interest	332,668	84,738	488,255
Miscellaneous	1,922,403	-	148,898
<b>Total Revenues</b>	<u>25,000,978</u>	<u>5,660,341</u>	<u>3,698,647</u>
<b>EXPENDITURES</b>			
Current:			
General Government	3,567,718	-	1,985,765
Public Safety	13,982,502	-	-
Public Service	7,495,600	-	29,458
Nondepartmental	2,358,388	-	377,587
Indirect Cost Allocation (Recovery)	(4,968,672)	-	-
Capital Projects/Outlay	-	-	7,603,803
Debt Service:			
Principal	-	2,976,841	883,113
Interest and Fiscal Charges	-	2,787,967	60,579
Bond Issue Costs	-	110,390	8,574
<b>Total Expenditures</b>	<u>22,435,536</u>	<u>5,875,198</u>	<u>10,948,879</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,565,442</u>	<u>(214,857)</u>	<u>(7,250,232)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	58,952	425,000	1,945,264
Transfers Out	(2,286,226)	-	(66,431)
Issuance of Debt	-	8,370,000	687,229
Premiums on Issuance of Debt	-	1,631,980	-
Payments to Refunding Agent	-	(10,009,070)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(2,227,274)</u>	<u>417,910</u>	<u>2,566,062</u>
Net Change in Fund Balance	338,168	203,053	(4,684,170)
Fund Balances at Beginning of Year	13,003,111	1,093,814	21,927,703
Fund Balances at End of Year	<u>\$ 13,341,279</u>	<u>\$ 1,296,867</u>	<u>\$ 17,243,533</u>

See accompanying notes to basic financial statements.

Total  
 Governmental  
 Funds

---

\$ 19,871,923  
 869,052  
 1,614,031  
 7,665,838  
 1,362,160  
 905,661  
 2,071,301

---

34,359,966

5,553,483  
 13,982,502  
 7,525,058  
 2,735,975  
 (4,968,672)  
 7,603,803

3,859,954  
 2,848,546  
 118,964

---

39,259,613

(4,899,647)

2,429,216  
 (2,352,657)  
 9,057,229  
 1,631,980  
(10,009,070)

756,698

(4,142,949)

36,024,628  
\$ 31,881,679



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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, 2019

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS \$ (4,142,949)

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	6,665,809	
Current Period Depreciation	<u>(5,264,350)</u>	1,401,459

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. (29,185)

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

Increase in Unavailable Revenues	34,035
----------------------------------	--------

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	(9,057,229)	
Premiums on Debt Issues	(1,631,980)	
Payments to Refunding Agent	10,009,070	
Principal Payments	3,859,954	
Amortization of Deferred Charges & Premiums	<u>132,616</u>	3,312,431

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. (950,387)

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. (80,824)

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. 28,465

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ (426,954)

CITY OF SEGUIN, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
<b>ASSETS</b>		
<i>Current Assets</i>		
<i>Cash and Cash Equivalents:</i>		
Restricted Cash	\$ 14,066	\$ -
Unrestricted Cash	1,504,051	302,157
<i>Investments:</i>		
Restricted Investments	13,070,327	-
Unrestricted Investments	31,675,880	913,941
Accounts Receivable (Net)	6,615,902	-
Miscellaneous Receivables	848,378	17,647
Due from Component Unit	22,452	-
Current Portion of Note Receivable	250,000	-
Inventories	2,052,290	-
Prepaid Items	77,324	-
<i>Total Current Assets</i>	56,130,670	1,233,745
 <i>Noncurrent Assets</i>		
Net Present Value of Lease Financing	374,510	-
Note Receivable (Net of Current)	1,661,614	-
	2,036,124	-
 <i>Capital Assets (Net)</i>	99,201,153	-
<i>Total Noncurrent Assets</i>	101,237,277	-
 <b>Total Assets</b>	157,367,947	1,233,745
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension and OPEB Related Outflows	2,130,537	-
Deferred Charge on Refundings	206,472	-
<b>Total Deferred Outflows of Resources</b>	\$ 2,337,009	\$ -

*Continued*

CITY OF SEGUIN, TEXAS  
STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)  
SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
<b>LIABILITIES</b>		
<i>Current Liabilities:</i>		
Accounts Payable	\$ 3,831,954	\$ 3,618
Accrued Expenses	798,983	-
Unearned Revenue	260,314	-
Customer Deposits	593,985	-
<i>Current Liabilities</i>	<u>5,485,236</u>	<u>3,618</u>
<i>Current Liabilities Payable from Restricted Assets:</i>		
Accrued Interest Payable	301,833	-
Current Portion of Long-term Bonds	2,033,084	-
<i>Current Liabilities Payable from Restricted Assets</i>	<u>2,334,917</u>	<u>-</u>
<i>Total Current Liabilities</i>	<u>7,820,153</u>	<u>3,618</u>
<i>Noncurrent Liabilities:</i>		
Compensated Absences	207,006	-
Total Other Post Employment Benefit Liabilities	543,622	-
Net Pension Liability	9,451,335	-
Revenue & Refunding Bonds Payable	55,479,143	-
<i>Total Noncurrent Liabilities</i>	<u>65,681,106</u>	<u>-</u>
<b>Total Liabilities</b>	<u>73,501,259</u>	<u>3,618</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension and OPEB Related Inflows	6,458	-
<b>Total Deferred Inflows of Resources</b>	<u>\$ 6,458</u>	<u>\$ -</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	50,781,752	-
Restricted for:		
Debt Service	531,597	-
Impact Fees	2,816,023	-
Unrestricted	32,067,867	1,230,127
<b>Total Net Position</b>	<u>\$ 86,197,239</u>	<u>\$ 1,230,127</u>

See accompanying notes to basic financial statements.



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CITY OF SEGUIN, TEXAS  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
<b>OPERATING REVENUES</b>		
Charges for Utility Service	\$ 51,992,761	\$ -
Charges for Premiums	-	3,304,760
Miscellaneous Revenues	1,467,050	7,193
<b>Total Operating Revenues</b>	<u>53,459,811</u>	<u>3,311,953</u>
<b>OPERATING EXPENSES</b>		
Administration	2,374,934	3,399,626
Operation and Maintenance:		
Electric Distribution	20,917,643	-
Utility Services	1,375,623	-
Water Production	6,545,119	-
Water/Sewer Maintenance	5,619,238	-
Sewer	1,705,233	-
Economic Development	308,175	-
Facilities Maintenance	807,432	-
Information Technology	583,508	-
City Attorney	119,959	-
Nondepartmental	5,316,850	-
Indirect Cost Allocation	4,968,672	-
<b>Total Operating Expenses</b>	<u>50,642,386</u>	<u>3,399,626</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,817,425</u>	<u>(87,673)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	1,202,045	24,606
Gain (Loss) on Sale of Assets	9,432	-
Interest and Fiscal Charges	(1,818,986)	-
Bond Issue Costs	(137,585)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(745,094)</u>	<u>24,606</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	<u>2,072,331</u>	<u>(63,067)</u>
Capital Contributions	69,004	-
Transfers In (Out)	(168,091)	91,532
	<u>(99,087)</u>	<u>91,532</u>
<b>Change in Net Position</b>	1,973,244	28,465
<b>NET POSITION AT BEGINNING OF YEAR</b>	84,223,995	1,201,662
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 86,197,239</u>	<u>\$ 1,230,127</u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
<b>Cash Flows From Operating Activities:</b>		
Cash Received From Customers	\$ 54,166,068	\$ 3,301,765
Cash Paid for Employee Wages & Benefits	(7,839,231)	-
Cash Paid to Suppliers for Goods & Services	(31,319,776)	(3,397,989)
Cash Paid General Fund for Indirect Costs	(4,968,672)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>10,038,389</b>	<b>(96,224)</b>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Transfers From Other Funds	(168,091)	91,532
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(168,091)</b>	<b>91,532</b>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase/Construction of Capital Assets	(12,299,010)	-
Proceeds from Revenue and Refunding Bonds	6,200,000	-
Premiums received on Bonds	1,208,874	-
Payments to Refunding Agent	(7,357,649)	-
Principal Payments on Long-term Bonds	(2,003,248)	-
Interest and Fiscal Charges Paid	(2,002,601)	-
Bond Issue Costs	(137,585)	-
Proceeds from Sale of Capital Assets	9,432	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(16,381,787)</b>	<b>-</b>
<b>Cash Flows From Investing Activities:</b>		
Sale/(Purchase) of Investment Securities	7,904,305	(118,138)
Investment Interest Received	1,202,045	24,606
Lease Financing - Principal Payments Received	45,351	-
Long term Loan to Component Unit	(1,911,614)	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>7,240,087</b>	<b>(93,532)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>728,598</b>	<b>(98,224)</b>
<b>Cash and Equivalents at Beginning of Year:</b>		
Cash and Cash Equivalents	731,075	400,381
Restricted Cash and Cash Equivalents	58,444	-
	<b>789,519</b>	<b>400,381</b>
<b>Cash and Cash Equivalents at End of Year:</b>		
Cash and Cash Equivalents	1,504,051	302,157
Restricted Cash and Cash Equivalents	14,066	-
	<b>\$ 1,518,117</b>	<b>\$ 302,157</b>

*Continued*

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (CONTINUED)  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Business-Type Activities	Governmental Activities
	Utility Fund	Internal Service Funds
	<u>                    </u>	<u>                    </u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>		
Operating Income (Loss)	\$ 2,817,425	\$ (87,673)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation:	5,182,472	-
(Increase) Decrease in Operating Assets:		
Accounts Receivable	647,477	(4,083)
Inventory/Prepaid Items	(287,917)	-
Net Deferred Pension/OPEB Related Outflows	(1,164,046)	-
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	848,787	(4,468)
Accrued Expenses	395,157	-
Unearned Revenue	91,091	-
Customer Deposits	(32,311)	-
Total Other Postemployment Benefit Liability	(5,868)	-
Net Pension Liability	2,094,171	-
Net Deferred Pension/OPEB Related Inflows	(548,049)	-
	<u>\$ 10,038,389</u>	<u>\$ (96,224)</u>
 <b>Transaction Not Affecting Cash and Cash Equivalents</b>		
Capital Assets Contributed	<u>\$ 69,004</u>	<u>\$ -</u>

See accompanying notes to basic financial statements.

CITY OF SEGUIN, TEXAS  
STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2019

<b>ASSETS</b>	<u>Private Purpose Trust Funds</u>	<u>Agency Fund</u>
Cash and Cash Equivalents	\$ 5,328	\$ 25,507
Investments	270,445	-
Inventory	359,431	-
<b>Total Assets</b>	<b>635,204</b>	<b>25,507</b>
<b>LIABILITIES</b>		
Accounts Payable/ Due to Others	500	25,507
<b>Total Liabilities</b>	<b>500</b>	<b>25,507</b>
<b>NET POSITION</b>		
Held in Trust for Scholarship	2,487	-
Held in Trust for Riverside Cemetery	10,332	-
Held in Trust for Industrial Development	621,885	-
<b>Total Net Position</b>	<b>\$ 634,704</b>	<b>\$ -</b>

See accompanying notes to basic financial statements.



CITY OF SEGUIN, TEXAS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

<b>ADDITIONS</b>	<u>Private Purpose Trust Funds</u>
Interest	\$ 6,705
Donations	2,500
Total Additions	<u>9,205</u>
<b>DEDUCTIONS</b>	
Distributions to Participants	6,050
Total Deductions	<u>6,050</u>
<b>Change in Net Position</b>	3,155
<b>Net Position, Beginning of Year</b>	<u>631,549</u>
<b>Net Position, End of Year</b>	<u><u>\$ 634,704</u></u>

See accompanying notes to basic financial statements.



**It's real.**

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
SEPTEMBER 30, 2019

**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, 2019

**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 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, 2019

**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.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**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** include fiduciary funds which are classified into private purpose trust and agency funds. Fiduciary fund reporting focuses on net position and changes in net position. Agency funds do not involve a formal trust agreement. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

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, 2019

**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, 2018 and past due after January 31, 2019. 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, 2019

**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, 2019

**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 estimated fair market value at the date of donation, with the exception of works of art and capital assets received in a service concession arrangement. Those assets are reported at acquisition value rather than fair value.

The Costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

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

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

11. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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, 2019

**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, 2019

**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, 2019

**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, 2019, 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 (\$4,583).
- Funds set aside in nonmajor capital project funds that are not otherwise restricted by bond covenants are assigned for specific capital projects.
- Funds reimbursed from Guadalupe County Regional Medical Center for indigent care are assigned for future indigent care costs of the county pursuant to an agreement with Guadalupe County to fund a portion of the indigent care in the county (\$205,018).

Total assigned funds in the General Fund were \$210,949. Total assigned balances in nonmajor capital project funds were \$5,794,947.

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, 2019

**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, 2019, the City allocated \$4,968,672 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 2018 financial statements to conform to the 2019 financial statement presentation. The reclassifications had no effect on the changes in financial position.

23. ADOPTION OF GASB STATEMENT NO. 88

During the year, the City implemented GASB Statement No. 88, *Certain Disclosures Related to Debt, including Borrowings and Direct Placements*. The Statement established new requirements for long-term debt, including direct borrowings and placements. In addition, the Statement requires that a government disclose in the notes summarized information about 1) unused lines of credit, 2) assets pledged as collateral, and 3) terms specified in debt agreements with finance-related consequences. The Statement also requires that disclosures for direct borrowings and placements be distinct from other debt disclosures (see Note I).

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE B -- DEPOSITS AND INVESTMENTS**

As of September 30, 2019, the City of Seguin had the following investments:

Investment Type	Fair Value	Input Level	Weighted Average Maturity (Days)
<i>Primary Government</i>			
Local Government Investment Pools:			
TexPool	\$ 10,000,254	1	34
LOGIC	63,927,097	1	49
Certificates of Deposit	741,000	1	25
Federal and Local Bonds	2,409,799	1	292
	<u>\$ 77,078,150</u>		
Portfolio Weighted Average Maturity			54
<i>Component Unit</i>			
Local Government Investment Pools:			
TexPool	\$ 742,845	1	34
LOGIC	382,221	1	49
	<u>\$ 1,125,066</u>		
Portfolio Weighted Average Maturity			39

*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 Florida State Revenue Bond is rated AA and Aa3 by S&P and Moody's respectively.

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, 2019, 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, 2019. There are no limitations or restrictions on participant withdrawals.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**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, 2019, the government's deposits were fully collateralized or insured by FDIC. The City's certificates of deposit are brokered through the City's depository and are fully insured through 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, 2019, the City and Component Unit were not exposed to custodial credit risk.

**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, 2018, upon which the fiscal 2019 levy was based, was \$2,117,411,174 (i.e., market value less exemptions). The estimated market value was \$3,105,465,489 making the taxable value 68% 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, 2019, 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 \$41,475,850 based upon the present assessed valuation of \$2,117,411,174 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 effective tax rate increase is more than eight percent (8%) 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, 2019

**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, 2019, balances of interfund amounts receivable or payable have been recorded as follows:

	Due From	Due To
Primary Government		
General Fund	\$ -	\$ 224,521
Enterprise Fund	22,452	-
	22,452	224,521
Component Unit		
General Fund	224,521	-
Enterprise Fund	-	22,452
	224,521	22,452
Totals	\$ 246,973	\$ 246,973

**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 \$1,911,613, 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, 2019 and matures in 2026 with a 3% annual interest rate. Future payments on the note is as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 1,636	\$ 315	\$ 1,951
2021	1,686	265	1,951
2022	1,737	214	1,951
2023	1,791	160	1,951
2024	1,845	106	1,951
2025-2026	2,543	62	2,605
	\$ 11,238	\$ 1,122	\$ 12,360



CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**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,	
2020	\$ 75,151
2021	98,277
2022	105,986
2023	105,986
2024	105,986
2025	132,644
Total Payments	624,030
Less: Amount Representing Interest	(249,520)
Net Present Value of Lease Financing	\$ 374,510

**NOTE G -- CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2019, was as follows:

<i>Governmental Activities</i>	Balance 10/1/2018	Additions	Disposals	Transfers/ Adjustments	Balance 9/30/2019
Land	\$ 4,584,816	\$ 82,000	\$ -	\$ -	\$ 4,666,816
Construction in Progress	14,867,151	3,777,535	-	(6,078,294)	12,566,392
Total Assets Not Depreciated	19,451,967	3,859,535	-	(6,078,294)	17,233,208
Buildings and Improvements	37,932,843	390,744	-	-	38,323,587
Improvements Other Than Buildings	77,074,132	1,288,147	-	6,078,294	84,440,573
Transportation and Equipment	19,716,519	1,127,383	(340,326)	-	20,503,576
Totals at Historical Cost	154,175,461	6,665,809	(340,326)	-	160,500,944
Less Accumulated Depreciation:					
Buildings and Improvements	(8,850,201)	(919,345)	-	-	(9,769,546)
Improvement Other Than Buildings	(33,372,149)	(2,424,018)	-	-	(35,796,167)
Transportation and Equipment	(12,540,071)	(1,920,987)	311,141	-	(14,149,917)
	(54,762,421)	(5,264,350)	311,141	-	(59,715,630)
Governmental Capital Assets, Net	\$ 99,413,040	\$ 1,401,459	\$ (29,185)	\$ -	\$ 100,785,314

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE G -- CAPITAL ASSETS**

<i>Business-Type Activities</i>	Balance 10/1/2018	Additions	Disposals	Transfers/ Adjustments	Balance 9/30/2019
Land	\$ 727,026	\$ 69,004	\$ -	\$ -	\$ 796,030
Construction in Progress	11,508,821	9,614,870	-	(5,804,846)	15,318,845
Total Assets Not Depreciated	<u>12,235,847</u>	<u>9,683,874</u>	<u>-</u>	<u>(5,804,846)</u>	<u>16,114,875</u>
Buildings and Improvements	36,648,795	1,664,748	-	598,775	38,912,318
Utility System	101,676,276	-	-	5,206,071	106,882,347
Transportation and Equipment	8,569,917	1,019,392	(35,639)	-	9,553,670
Totals at Historical Cost	<u>159,130,835</u>	<u>12,368,014</u>	<u>(35,639)</u>	<u>-</u>	<u>171,463,210</u>
Less Accumulated Depreciation:					
Buildings and Improvements	(19,524,979)	(508,344)	-	-	(20,033,323)
Improvement Other Than Buildings	(41,124,596)	(3,704,451)	-	-	(44,829,047)
Transportation and Equipment	(6,465,649)	(969,677)	35,639	-	(7,399,687)
	<u>(67,115,224)</u>	<u>(5,182,472)</u>	<u>35,639</u>	<u>-</u>	<u>(72,262,057)</u>
Business-Type Capital Assets, Net	<u>\$ 92,015,611</u>	<u>\$ 7,185,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,201,153</u>
<i>Discretely Presented Component Unit</i>					
Land	\$ 2,190,909	\$ 1,921,614	\$ (571,720)	\$ -	\$ 3,540,803
Buildings and Improvements	89,547	-	-	-	89,547
Accumulated Depreciation	(12,914)	(1,719)	-	-	(14,633)
	<u>\$ 2,267,542</u>	<u>\$ 1,919,895</u>	<u>\$ (571,720)</u>	<u>\$ -</u>	<u>\$ 3,615,717</u>

*Primary Government*

Depreciation Expense was charged to functions as follows:

<i>Governmental Activities:</i>	
General Government	\$ 71,738
Public Safety	1,511,357
Public Service	3,168,309
Nondepartmental	512,946
<i>Total Governmental Activities</i>	<u>\$ 5,264,350</u>
<i>Business-Type Activities:</i>	
Administration	\$ 6,392
Electric	883,104
Water Production	1,123,366
Water Distribution	2,199,512
Sewer Plant	260,948
Other	709,150
<i>Total Business-Type Activities</i>	<u>\$ 5,182,472</u>

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**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	\$ 2,715,839
Golf Course Equipment	75,755
Public Works Equipment	241,539
Less: Accumulated Depreciation	(872,278)
Total	\$ 2,160,855

Future minimum obligations and the net present value of these minimum lease payments as of September 30, 2019 were as follows:

Year Ending September 30,	Governmental Activities
2020	\$ 468,745
2021	504,035
2022	264,417
2023	165,896
Total Payments	1,403,093
Less: Amount Representing Interest	(109,840)
Present Value of Minimum Lease Payments	\$ 1,293,253

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE I -- LONG-TERM DEBT**

Bonded debt and obligations payable at September 30, 2019, comprise the following individual issues:

*General Obligation Bonds:*

\$2,884,816 2011 General Obligation Refunding Bonds due in annual installments of \$265,000 to \$550,000 through September 1, 2021; interest at 2.0% to 3.0%	\$ 566,916
\$4,350,000 2013 General Obligation Refunding Bonds due in annual installments of \$65,000 to \$460,000 through February 1, 2024; interest at 1.51%	2,250,000
\$19,785,000 2014 General Obligation Bonds due in annual installments of \$200,000 to \$4,130,000 through February 1, 2034; interest at 3.0 to 6.0%	18,425,000
\$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%	6,145,000
\$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%	8,215,000
\$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%	8,370,000
<i>Total General Obligation Bonds</i>	43,971,916

*Certificates of Obligation*

\$3,400,000 2011 Certificates of Obligation due in annual installments of \$100,000 to \$290,000 through September 1, 2031; interest at 2.0% to 3.5%	1,600,000
\$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%	1,450,000
\$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%	12,120,000
\$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%	8,575,000
\$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%	6,250,000
<i>Total Certificate of Obligations</i>	29,995,000

*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%	520,000
\$649,000 Tax Notes, Series 2018 due in annual installments of \$159,000 to \$166,000 through February 2021; interest at 2.25%	329,000
\$305,000 Tax Notes, Series 2019 due in annual installments of \$100,000 to \$105,000 through September 2021; interest at 2.3%	205,000
<i>Total Tax Anticipation Notes</i>	1,054,000
<b>Total Governmental Bonded Debt</b>	<b>\$ 75,020,916</b>

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**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%.	20,225,000
\$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%.	4,130,000
\$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%.	8,035,000
\$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%.	9,775,000
<i>Total Utility Revenue Bonds</i>	42,165,000

*General Obligation Bonds - Utility Portion*

\$1,490,184 2011 General Obligation Refunding Bonds due in annual installments of \$265,000 to \$550,000 through September 1, 2021, Interest at 2.0% to 3.0%	88,085
\$4,825,000 2013 General Obligation Refunding Bonds due in annual installments of \$330,000 to \$650,000 through February 1, 2023; interest at 1.51%	2,445,000
\$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%	3,885,000
\$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%	6,200,000
<i>Total GO Refunding Bonds</i>	12,618,085
<b>Total Business-Type Bonded Debt</b>	<b>\$ 54,783,085</b>

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, 2019, including interest payments, are as follows:

Year Ending September 30,	Public Offerings			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 3,016,916	\$ 2,804,688	\$ 2,033,084	\$ 2,036,878
2021	2,940,000	2,709,659	2,160,000	1,971,942
2022	3,090,000	2,606,327	2,260,000	1,889,341
2023	3,240,000	2,483,607	2,385,000	1,802,476
2024	3,345,000	2,376,061	2,300,000	1,717,269
2025-2029	18,725,000	9,966,363	13,035,000	6,933,706
2030-2034	23,235,000	5,681,844	16,030,000	4,061,431
2035-2038	16,375,000	1,284,331	14,580,001	1,020,544
	\$ 73,966,916	\$ 29,912,880	\$ 54,783,085	\$ 21,433,587

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE I -- LONG-TERM DEBT (Continued)**

Year Ending September 30,	Private Placement (Tax Notes)	
	Governmental Activities	
	Principal	Interest
2020	\$ 393,000	\$ 16,049
2021	406,000	8,832
2022	85,000	3,793
2023	85,000	2,276
2024	85,000	759
	<u>\$ 1,054,000</u>	<u>\$ 31,709</u>

**Changes in Long-Term Liabilities**

	Balance 10/1/2018	Additions	Reductions	Balance 9/30/2019	Due Within One Year
<i>Governmental Activities</i>					
General Obligation Bonds	\$ 37,628,666	\$ 8,370,000	\$ (2,026,750)	\$ 43,971,916	\$ 2,196,916
Bond Premiums	2,109,775	1,631,980	(215,807)	3,525,948	-
Certificates of Obligation	40,745,000	-	(10,750,000)	29,995,000	820,000
Tax Anticipation Notes	1,138,000	305,000	(389,000)	1,054,000	393,000
Capital Leases	1,455,224	382,229	(544,200)	1,293,253	420,834
Compensated Absences	1,366,249	819,999	(755,107)	1,431,141	772,372
<i>Total Governmental Activities</i>	<u>84,442,914</u>	<u>11,509,208</u>	<u>(14,680,864)</u>	<u>81,271,258</u>	<u>4,603,122</u>
<i>Business-Type Activities</i>					
Revenue Bonds	50,315,000	-	(8,150,000)	42,165,000	985,000
General Obligation Refunding Bonds	7,511,333	6,200,000	(1,093,248)	12,618,085	1,048,084
Bond Premiums	1,705,094	1,208,874	(184,826)	2,729,142	-
Compensated Absences	438,382	264,156	(244,826)	457,712	250,706
<i>Total Business-Type Activities</i>	<u>59,969,809</u>	<u>7,673,030</u>	<u>(9,672,900)</u>	<u>57,969,939</u>	<u>2,283,790</u>
<b>Total Primary Government</b>	<u>\$ 144,412,723</u>	<u>\$ 19,182,238</u>	<u>\$ (24,353,764)</u>	<u>\$ 139,241,197</u>	<u>\$ 6,886,912</u>

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

*General Obligation Refunding Bonds, Series 2019*, were issued in the amount of \$14,570,000 to advance refund Utility System Revenue Bonds, Series 2010 (\$7,240,000 outstanding), and Certificates of Obligation, Series 2010 (\$9,850,000 outstanding). Proceeds from the bonds were placed with an escrow agent solely to repay the debt service related to the refunded obligations. The refunded obligation in the amount of \$17,090,000, collectively, are considered defeased and are not shown as outstanding on these financial statements. The refunding resulted in gross debt service savings of \$2,176,875, and a present value gain of \$1,754,712.

*Tax Anticipation Notes* were issued to fund the purchase of public works equipment. The bonds were privately placed with a bank and contain no subjective acceleration clauses, events of default with finance-related consequences or termination events with finance-related consequences.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE I -- LONG-TERM DEBT (Continued)**

**Component Unit**

The component unit received funds from First Commercial Bank N.A. to partially finance the purchase of land held for future economic incentive and development. The original principal amount of \$863,128 carries interest at the rate of 2.54% for a 10-year fixed period, after which the interest rate will equal the Prime Rate less 1.00%. The loan calls for monthly payments of \$5,786.78 (including principal and interest) and is secured by the real estate.

The component unit also 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 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 10/1/2018	Increases	Decreases	Balance Outstanding 9/30/2019
Notes Payable	\$ 753,922	\$ 1,911,614	\$ (50,622)	\$ 2,614,914

Annual requirements to amortize the notes payables as of September 30, 2019 are as follows:

Fiscal Year	Principal	Interest	Total
2020	\$ 301,893	\$ 17,548	\$ 319,441
2021	303,294	16,147	319,441
2022	304,683	14,759	319,442
2023	306,108	13,334	319,442
2024	307,537	11,904	319,441
Thereafter	1,091,399	31,978	1,123,377
	\$ 2,614,914	\$ 105,670	\$ 2,720,584

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS**

Texas Municipal Retirement System

**Plan Description**

The City participates as one of 883 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 comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

CITY OF SEGUIN, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

**NOTE J -- EMPLOYEES' RETIREMENT SYSTEMS (CONTINUED)**

Texas Municipal Retirement System (Continued)

**Benefits Provided**

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the December 31, 2018 valuation and measurement dates, the following employees were covered by the benefit terms:

	Plan Year 2018	Plan Year 2017
Inactive employees or beneficiaries		
currently receiving benefits	243	229
Inactive employees entitled to but not		
yet receiving benefits	195	171
Active employees	374	381
	812	781

**Contributions**

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

For the year ending September 30, 2019, 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 15.61% and 15.24% in calendar years 2018 and 2019, respectively. The City's contributions to TMRS for the year ended September 30, 2019 were \$4,628,145, and exceeded the required contributions by \$1,385,590.



CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE J -- 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, 2018, 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, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Salary Increases	3.5% to 10.5%, 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 gender-distinct RP2000 Combined Health Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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, 2019

**NOTE J -- 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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.30%
International Equity	17.50%	6.10%
CoreFixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	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, 2019

**NOTE J -- 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, 2018:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at December 31, 2017:	\$ 106,790,092	\$ 77,111,841	\$ 29,678,251
Changes for the year:			
Service Cost	3,662,307	-	3,662,307
Interest	7,168,895	-	7,168,895
Change of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	59,508	-	59,508
Changes of Assumptions	-	-	-
Contributions - Employer	-	4,344,789	(4,344,789)
Contributions - Employee	-	1,469,963	(1,469,963)
Net Investment Income	-	(2,310,563)	2,310,563
Benefit Payments, Including Refunds of Employee Contributions	(4,830,794)	(4,830,794)	-
Administrative Expense	-	(44,642)	44,642
Other Changes	-	(2,332)	2,332
Net Changes	6,059,916	(1,373,579)	7,433,495
Balance at December 31, 2018:	\$ 112,850,008	\$ 75,738,262	\$ 37,111,746

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)	\$ 53,810,812	\$ 37,111,746	\$ 23,546,373

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmr.com](http://www.tmr.com)

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE J -- 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, 2019, the City recognized pension expense of \$4,670,485. Also as of September 30, 2019, 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	\$ 298,419	\$ -
Changes in Actuarial Assumptions	32,758	-
Differences between Projected and		
Actual Investment Earnings	4,004,977	-
Contributions subsequent to the		
Measurement Date	3,616,937	-
	\$ 7,953,091	\$ -

Deferred outflows of resources in the amount of \$3,616,937 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, 2019 (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,	
2019	\$ 1,541,365
2020	676,241
2021	609,528
2022	1,509,020
	\$ 4,336,154

**NOTE K – 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, 2019

**NOTE K – 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, 2018, the valuation and measurement date, consisted of:

	2018
Inactive Employees or Beneficiaries Currently Receiving Benefits	183
Inactive Employees Entitled to but Not Yet Receiving Benefits	48
Active Employees	374
	605

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,		
2017	0.18%	0.06%
2018	0.19%	0.06%
2019	0.19%	0.06%

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.71% (Based on Fidelity's 20-Year Municipal GO AA Index)
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	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generated basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE K – 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, 2018, the measurement and actuarial valuation date, was calculated as follows:

	Total OPEB Liability
Balance at December 31, 2017	\$ 1,112,919
Changes for the year:	
Service Cost	44,099
Interest	37,359
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	(17,970)
Changes in Assumptions or Other Inputs	(76,558)
Benefit Payments	(12,600)
Net Changes	(25,670)
Balance at December 31, 2018	\$ 1,087,249

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 3.31% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.31%) and 1-percentage point higher (4.31%) than the current rate:

	Discount Rate 2.71%	Discount Rate 3.71%	Discount Rate 4.71%
Total OPEB Liability	\$ 1,294,156	\$ 1,087,249	\$ 926,020

For the year ended September 30, 2019, the City recognized OPEB expense of \$40,200. Also as of September 30, 2019, 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	\$ -	\$ 8,053
Differences in Expected and Actual Experience	-	14,872
Contributions After the Measurement Date	9,762	-
	\$ 9,762	\$ 22,925

CITY OF SEGUIN, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

**NOTE K – OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

Deferred outflows of resources in the amount of \$9,762 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, 2019. 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,	
2019	\$ (1,744)
2020	(1,744)
2021	(1,744)
2022	(4,655)
2023	(13,038)
Thereafter	-
	\$ (22,925)

*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, 2019, the measurement date, consisted of:

	2019
Inactive Employees or Beneficiaries Currently Receiving Benefits	17
Inactive Employees Entitled to but Not Yet Receiving Benefits	39
Active Employees	306
	362

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE K – 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	3.50%
Discount Rate	2.66% (Bond Buyer 20-Bond GO Index)
Mortality Rates	RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis
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, 2019, the measurement and actuarial valuation date, was calculated as follows:

	Total OPEB Liability
Balance at September 30, 2018	\$ 850,024
Changes for the year:	
Service Cost	14,232
Interest	33,354
Change of Benefit Terms	-
Difference Between Expected and Actual Experience	-
Changes in Assumptions or Other Inputs	61,514
Benefit Payments	(103,980)
Net Changes	5,120
Balance at September 30, 2019	\$ 855,144



CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE K – 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 3.89% as well as what the City’s TOL would be if it were calculated using a discount rate that is 1-percentage point lower (2.89%) and 1-percentage point higher (4.89%) than the current rate:

	Discount Rate 1.66%	Discount Rate 2.66%	Discount Rate 3.66%
Total OPEB Liability	\$ 789,000	\$ 855,144	\$ 933,000

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	\$ 807,000	\$ 855,144	\$ 907,000

For the year ended September 30, 2019, the City recognized OPEB expense of \$76,559. Also as of September 30, 2019, 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
Changes in Actuarial Assumptions	\$ 46,358	\$ -
Contributions Subsequent to the Measurement Date	-	-
	\$ 46,358	\$ -

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,	
2020	\$ 4,554
2021	4,554
2022	4,554
2023	4,554
2024	4,554
Thereafter	23,588
	\$ 46,358

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE L -- INTERFUND TRANSFERS**

Interfund transfers during the year ended September 30, 2019, were as follows:

<u>Receiving Fund/Activity</u>	<u>Transferring Fund/Activity</u>	<u>Amount</u>	
Nonmajor Capital Projects	Utility Fund	\$ 157,475	Contribution to Capital Project
Internal Service/Retiree Ins	Utility Fund	10,616	Supplement Operations
Internal Service/Retiree Ins	General Fund	80,916	
Total Transfers		<u>\$ 249,007</u>	

**NOTE M -- COMMITMENTS AND CONTINGENCIES**

Litigation

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

Grants

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

Construction Commitments

The City has entered into construction and engineering contracts for the improvement of various streets and utility systems, as well as park improvements. Estimated future commitments associated with these contracts as of September 30, 2019 are as follows:

<b>Primary Government</b>	Total	Incurred Thru	Estimated
<u>General Government</u>	Commitments	September 2019	Future
			Commitments
Bldgs, Streets & Drainage	\$ 5,904,767	\$ 1,686,060	\$ 4,218,707
Professional Services	1,026,073	490,127	535,946
	<u>6,930,840</u>	<u>2,176,187</u>	<u>4,754,653</u>
<u>Utility System</u>			
Utility System Improvements	12,216,514	3,239,903	8,976,611
Professional Services (Engineering)	3,080,316	1,746,296	1,334,020
	<u>15,296,830</u>	<u>4,986,199</u>	<u>10,310,631</u>
Total Primary Government Commitments	<u>\$ 22,227,670</u>	<u>\$ 7,162,386</u>	<u>\$ 15,065,284</u>
<b>Component Unit</b>			
Professional Services	\$ 89,040	\$ 52,189	\$ 36,851
	<u>\$ 89,040</u>	<u>\$ 52,189</u>	<u>\$ 36,851</u>

CITY OF SEGUIN, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
 SEPTEMBER 30, 2019

**NOTE M -- 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, 2019 was \$78,225.

*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 2019 were \$14,394.

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 15<sup>th</sup> 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 20<sup>th</sup> anniversary of the agreement. Both agreements carry performance guarantees for all parties, as well as mutual security provisions.

Commitments under Noncapitalized Leases

Commitments under noncapitalized (operating) leases for copiers provide for future rental payments as of September 30, 2019 as follows:

Year Ending September 30,	Rentals
2020	\$ 39,717
2021	29,037
2022	18,506
2023	10,243
2024	5,918
Total	\$ 103,421

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE M -- COMMITMENTS AND CONTINGENCIES (Continued)**

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 reappropriated and honored during the subsequent year. Therefore, there were no outstanding encumbrances as of September 30, 2019.

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, 2019, long-term debt of GRMC consisted of Revenue Bonds in the amount of \$111,635,000, and capital lease obligations in the amount of \$4,734,973. The bonds are secured by revenues of the GRMC, mortgage insurance issued by FHA and funds held in trust.

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, 2019:

Assets:	
Current Assets	\$ 84,223,455
Other Assets	8,228,713
Capital Assets (Net)	106,135,306
Deferred Outflows of Resources	10,259,794
Total Assets and Deferred Outflows	<u>208,847,268</u>
Liabilities & Net Assets:	
Current Liabilities	28,429,632
Other Liabilities	123,453,045
Total Liabilities	<u>151,882,677</u>
Deferred Inflows of Resources	1,494,635
Net Position	<u>\$ 55,469,956</u>
Operating Revenues:	
Net Revenues from Patient Services	\$ 202,738,100
Other Operating Revenues	7,197,043
Total Operating Revenues	<u>209,935,143</u>
Operating Expenses:	199,104,461
Total Net Operating Income	<u>10,830,682</u>
Nonoperating Revenues and (Expenses)	(4,035,501)
Increase (Decrease) in Net Position	<u>\$ 6,795,181</u>

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE M -- COMMITMENTS AND CONTINGENCIES (Continued)**

Schertz/Seguin Local Government Corporation

The City of Seguin is jointly liable, together with the City of Schertz, for operating deficits and long-term debt of the Schertz/Seguin Local Government Corporation (See Note A1). Following is a summary of financial data as reported in the Corporation's most recent audited financial statements dated September 30, 2018:

Assets:	
Current Assets	\$ 17,184,732
Restricted Cash and Cash Equivalents	76,029,551
Property, Plant & Equipment	93,336,414
Other Assets & Deferred Charges	2,284,998
Total Assets & Deferred Charges	<u>188,835,695</u>
Liabilities & Net Position:	
Current Liabilities	6,656,284
Revenue Bonds (Less Current Maturities and Unamortized Discounts)	161,215,523
Total Liabilities	<u>167,871,807</u>
Net Position:	
Net Investment in Capital Assets	(2,296,656)
Restricted	7,559,142
Unrestricted	15,701,402
Total Net Position	<u>\$ 20,963,888</u>

The Corporation had revenue bonds outstanding in the amount of \$165,440,000 (as of September 30, 2018) to provide funds to build, improve, extend, enlarge and repair the Corporation's utility system, fund a reserve, and pay the costs of bond issuance. The bond resolution pledges intergovernmental contract revenues from the cities of Schertz and Seguin (the participating governments) to bond holders. Under the intergovernmental water supply contract, the participating governments are unconditionally obligated to pay their respective shares of annual contract revenue bond debt service from the operation of their respective utility systems.

**NOTE N – PLEDGED REVENUE**

SEDC entered into an agreement, along with the City, to fund certain improvements to the IH-10 frontage road in an amount not to exceed \$1,250,000. SEDC's portion of the commitment is funded by a pledge of future sales tax revenue to reimburse the City ½ of the debt service requirements of bonded debt to fund the improvements. The remaining commitment on the agreement as of September 30, 2019 is \$207,000 over a one-year period.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE N – PLEDGED REVENUE (Continued)**

Total contributions to the City in support of debt were \$203,650 for the year ended September 30, 2019.

**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, 2019 were \$442,411 for property and casualty and \$189,278 for workers' compensation coverage.

**NOTE P – TAX ABATEMENT DISCLOSURES**

The City of Seguin negotiates property tax abatement agreements on a cases-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.

CITY OF SEGUIN, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)  
SEPTEMBER 30, 2019

**NOTE P – TAX ABATEMENT DISCLOSURES (Continued)**

As of September 30, 2019, the City has active tax abatement agreements with three entities. The gross amount of property tax abated during 2019 was \$925,027.

Caterpillar, Inc.: Tax abatement is for a period of ten years beginning January 1, 2010 for the construction and operation of a diesel engine manufacturing facility with an estimated value of \$161,000,000.

Tractor Supply Co. of Texas, LP: Tax abatement agreement for a period of five years beginning January 1, 2016 for the construction and operation of a distribution facility with an estimated value of \$8,000,000.

Minigrip: Tax abatement agreement for a period of five years beginning January 1, 2019 for personal property tax with an estimated value of \$4,077,241.

**NOTE Q – SUBSEQUENT EVENTS**

*Primary Government:*

The City issued *Certificates of Obligation, Series 2020*, in the amount of \$9,170,000 to fund street improvements, Golf Course Pro shop improvements, and Walnut Springs Trail Phase II. The Certificates mature serially through 2034 and carry interest at the rate of 3.5% to 5.0%. The bonds will be serviced by ad valorem tax.

In addition, the City issued *Utility System Revenue Bonds, Series 2020*, in the amount of \$3,550,000 to fund various Sewer Wastewater Treatment Plant improvements. The bonds mature serially through 2034 and carry interest at the rate of 3.25% to 5.0%. The bond debt service will be funded from revenues of the Utility System.

*Component Unit:*

The Seguin Economic Development Corporation (component unit) granted 27.28 acres (subject to certain performance agreements) to a manufacturing facility seeking to locate in Seguin. The land grant is valued at \$859,000. The manufacturing facility will create 100 full-time jobs over five years and a capital investment of at least \$35,000,000.



**It's real.**



## **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, 2019  
 (With Comparative Actual Amounts for 2018)

	Budgeted Amounts		2019 Actual	Variance With	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>REVENUES</b>					
Taxes	\$ 13,060,357	\$ 13,152,976	\$ 13,657,432	\$ 504,456	\$ 13,340,223
Licenses and Permits	774,000	774,000	653,927	(120,073)	717,589
Intergovernmental	1,020,134	1,146,010	1,134,769	(11,241)	1,104,510
Charges for Services	6,418,549	6,418,549	6,106,516	(312,033)	5,779,712
Fines and Forfeits	1,631,900	1,631,900	1,193,263	(438,637)	1,573,956
Interest	112,700	112,700	332,668	219,968	226,354
Miscellaneous	1,128,753	1,118,753	1,922,403	803,650	823,332
<b>Total Revenues</b>	<b>24,146,393</b>	<b>24,354,888</b>	<b>25,000,978</b>	<b>646,090</b>	<b>23,565,676</b>
<b>EXPENDITURES</b>					
<b>GENERAL GOVERNMENT:</b>					
<i>Administration:</i>					
Personnel Services	56,694	56,694	56,031	663	54,792
Contracted Services	600	600	600	-	600
Supplies	600	600	367	233	266
Other Services and Charges	21,500	21,500	11,594	9,906	10,522
<i>Total Administration</i>	<u>79,394</u>	<u>79,394</u>	<u>68,592</u>	<u>10,802</u>	<u>66,180</u>
<i>Financial Administration:</i>					
Personnel Services	369,604	369,604	365,768	3,836	350,078
Contracted Services	196,575	194,075	186,745	7,330	177,076
Supplies	8,500	30,500	27,542	2,958	6,763
Other Services and Charges	9,600	9,600	6,631	2,969	9,558
<i>Total Financial Administration</i>	<u>584,279</u>	<u>603,779</u>	<u>586,686</u>	<u>17,093</u>	<u>543,475</u>
<i>City Manager:</i>					
Personnel Services	247,834	247,834	238,428	9,406	237,477
Contracted Services	1,813	1,813	1,681	132	1,812
Supplies	2,300	2,300	1,764	536	1,296
Other Services and Charges	16,200	16,200	12,274	3,926	10,853
<i>Total City Manager</i>	<u>268,147</u>	<u>268,147</u>	<u>254,147</u>	<u>14,000</u>	<u>251,438</u>
<i>Human Resources:</i>					
Personnel Services	256,577	256,577	239,026	17,551	252,299
Contracted Services	45,900	48,281	48,143	138	37,742
Supplies	4,500	4,500	2,722	1,778	3,524
Other Services and Charges	59,955	82,304	51,733	30,571	47,923
<i>Total Human Resources</i>	<u>\$ 366,932</u>	<u>\$ 391,662</u>	<u>\$ 341,624</u>	<u>\$ 50,038</u>	<u>\$ 341,488</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, 2019  
 (With Comparative Actual Amounts for 2018)

	Budgeted Amounts		2019 Actual	Variance With	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>General Government (Cont.):</b>					
<i>Planning and Zoning Office:</i>					
Personnel Services	\$ 1,053,954	\$ 1,052,978	\$ 1,042,822	\$ 10,156	\$ 991,682
Contracted Services	94,293	169,269	134,549	34,720	88,707
Supplies	24,960	24,960	20,460	4,500	20,367
Other Services and Charges	23,030	23,030	22,837	193	15,757
<i>Total Planning and Zoning Office</i>	<u>1,196,237</u>	<u>1,270,237</u>	<u>1,220,668</u>	<u>49,569</u>	<u>1,116,513</u>
<i>City Secretary's Office:</i>					
Personnel Services	51,803	52,159	52,159	-	49,242
Contracted Services	5,000	5,000	1,934	3,066	2,858
Supplies	4,400	4,400	1,512	2,888	4,042
Other Services and Charges	29,450	29,094	19,361	9,733	18,383
<i>Total City Secretary's Office</i>	<u>90,653</u>	<u>90,653</u>	<u>74,966</u>	<u>15,687</u>	<u>74,525</u>
<i>Information Technology</i>					
Personnel Services	357,678	357,644	348,243	9,401	282,704
Contracted Services	316,775	316,775	290,022	26,753	250,101
Supplies	3,725	3,759	1,893	1,866	1,582
Other Services and Charges	9,225	9,225	8,118	1,107	3,226
<i>Total Information Technology</i>	<u>687,403</u>	<u>687,403</u>	<u>648,276</u>	<u>39,127</u>	<u>537,613</u>
<i>City Attorney:</i>					
Personal Services	102,556	102,753	102,324	429	95,812
Contracted Services	10,450	10,012	5,214	4,798	6,017
Supplies	125	125	41	84	98
Other Services and Charges	2,625	2,866	2,866	-	1,478
<i>Total City Attorney:</i>	<u>115,756</u>	<u>115,756</u>	<u>110,445</u>	<u>5,311</u>	<u>103,405</u>
<i>Facilities and Grounds:</i>					
Personnel Services	164,087	164,087	142,269	21,818	120,162
Contracted Services	114,406	116,066	112,870	3,196	109,558
Supplies	8,200	6,540	5,797	743	7,229
Other Services and Charges	1,600	1,600	1,378	222	1,737
<i>Total Facilities and Grounds</i>	<u>288,293</u>	<u>288,293</u>	<u>262,314</u>	<u>25,979</u>	<u>238,686</u>
<b>Total General Government</b>	<u>\$ 3,677,094</u>	<u>\$ 3,795,324</u>	<u>\$ 3,567,718</u>	<u>\$ 227,606</u>	<u>\$ 3,273,323</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, 2019  
 (With Comparative Actual Amounts for 2018)

	Budgeted Amounts		2019 Actual	Variance With Final Budget -	2018 Actual
	Original	Final		Positive (Negative)	
<b>Public Safety:</b>					
<i>Police:</i>					
Personnel Services	\$ 7,438,412	\$ 7,498,377	\$ 6,836,215	\$ 662,162	\$ 6,752,326
Contracted Services	128,782	128,782	106,786	21,996	116,728
Supplies	100,900	113,974	113,974	-	125,574
Other Services and Charges	263,600	260,725	203,860	56,865	213,654
<i>Total Police</i>	7,931,694	8,001,858	7,260,835	741,023	7,208,282
<i>Fire/EMS:</i>					
Personnel Services	5,576,343	5,613,657	5,331,852	281,805	5,278,577
Contracted Services	253,660	253,660	166,046	87,614	260,317
Supplies	190,900	190,900	184,344	6,556	179,758
Other Services and Charges	106,450	112,944	101,646	11,298	94,841
<i>Total Fire/EMS</i>	6,127,353	6,171,161	5,783,888	387,273	5,813,493
<i>Municipal Court:</i>					
Personnel Services	315,521	317,058	317,059	(1)	300,491
Contracted Services	61,300	59,246	57,559	1,687	57,399
Supplies	11,000	9,577	9,009	568	10,074
Other Services and Charges	6,900	8,840	8,840	-	5,412
<i>Total Municipal Court</i>	394,721	394,721	392,467	2,254	373,376
<i>Animal Control:</i>					
Personnel Services	430,191	431,342	428,901	2,441	391,933
Contracted Services	66,081	71,109	64,746	6,363	72,460
Supplies	50,300	47,153	44,522	2,631	49,411
Other Services and Charges	11,900	8,868	7,143	1,725	8,331
<i>Total Animal Control</i>	558,472	558,472	545,312	13,160	522,135
<b>Total Public Safety</b>	15,012,240	15,126,212	13,982,502	1,143,710	13,917,286
<b>Public Service:</b>					
<i>Public Works:</i>					
Personnel Services	1,726,340	1,718,696	1,578,276	140,420	1,845,804
Contracted Services	1,979,799	1,986,815	1,886,723	100,092	1,821,859
Supplies	36,900	36,900	31,661	5,239	49,450
Other Services and Charges	136,750	137,378	130,644	6,734	114,094
<i>Total Public Works</i>	\$ 3,879,789	\$ 3,879,789	\$ 3,627,304	\$ 252,485	\$ 3,831,207

*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, 2019  
 (With Comparative Actual Amounts for 2018)

	Budgeted Amounts		2019 Actual	Variance With	2018 Actual
	Original	Final		Final Budget - Positive (Negative)	
<b>Public Service: (Cont.)</b>					
<i>Brush Department</i>					
Personnel Services	\$ 396,256.00	\$ 396,256.00	\$ 384,372.00	\$ 11,884	\$ -
Contracted Services	4,300	4,300	2,174	2,126	-
Supplies	28,500	28,500	24,460	4,040	-
Other Services and Charges	36,500	36,500	27,196	9,304	-
<i>Total Brush Department</i>	<u>465,556</u>	<u>465,556</u>	<u>438,202</u>	<u>27,354</u>	<u>-</u>
<i>Vehicle Maintenance:</i>					
Personnel Services	\$ 119,088	\$ 118,418	\$ 116,454	\$ 1,964	\$ 111,901
Contracted Services	225,650	266,320	279,571	(13,251)	266,209
Supplies	13,900	13,900	13,177	723	13,724
Other Services and Charges	5,800	5,800	2,576	3,224	4,913
<i>Total Vehicle Maintenance</i>	<u>364,438</u>	<u>404,438</u>	<u>411,778</u>	<u>(7,340)</u>	<u>396,747</u>
<i>Library:</i>					
Personnel Services	997,083	994,723	979,738	14,985	987,651
Contracted Services	95,465	97,825	97,824	1	88,904
Supplies	83,000	156,976	142,679	14,297	90,703
Other Services and Charges	9,655	9,655	8,915	740	9,307
<i>Total Library</i>	<u>1,185,203</u>	<u>1,259,179</u>	<u>1,229,156</u>	<u>30,023</u>	<u>1,176,565</u>
<i>Parks and Recreation:</i>					
Personnel Services	1,425,905	1,425,511	1,282,478	143,033	1,285,755
Contracted Services	217,657	222,657	207,509	15,148	207,211
Supplies	82,300	82,300	76,783	5,517	76,187
Other Services and Charges	39,400	39,794	31,343	8,451	33,179
<i>Total Parks and Recreation</i>	<u>1,765,262</u>	<u>1,770,262</u>	<u>1,598,113</u>	<u>172,149</u>	<u>1,602,332</u>
<i>Downtown &amp; Main St. Programs:</i>					
Personnel Services	158,588	158,588	155,270	3,318	142,813
Contracted Services	6,351	6,351	6,190	161	4,071
Supplies	1,200	1,134	1,099	35	2,104
Other Services and Charges	29,430	29,496	28,488	1,008	30,954
<i>Total Downtown &amp; Main St. Programs</i>	<u>195,569</u>	<u>195,569</u>	<u>191,047</u>	<u>4,522</u>	<u>179,942</u>
<b>Total Public Service</b>	<u>\$ 7,855,817</u>	<u>\$ 7,974,793</u>	<u>\$ 7,495,600</u>	<u>\$ 479,193</u>	<u>\$ 7,186,793</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, 2019  
(With Comparative Actual Amounts for 2018)

	Budgeted Amounts		2019 Actual	Variance With Final Budget -	2018 Actual
	Original	Final		Positive (Negative)	
<b>Nondepartmental:</b>					
Contracted Services	\$ 121,670	\$ 121,670	\$ 105,351	\$ 16,319	\$ 132,234
Building and Auto Insurance	155,000	205,000	201,122	3,878	130,996
Unemployment Insurance	5,000	5,000	703	4,297	2,268
Contributions - Civic Organizations	1,862,054	1,862,054	1,862,054	-	1,737,607
Other Services and Charges	74,050	221,178	189,158	32,020	44,358
<b>Total Nondepartmental</b>	2,217,774	2,414,902	2,358,388	56,514	2,047,463
<b>Capital Outlay</b>	-	-	-	-	44,061
<b>Indirect Cost</b>					
Recovery - Utility Fund	(4,900,000)	(4,900,000)	(4,968,672)	68,672	(4,819,725)
<b>Total Expenditures</b>	23,862,925	24,411,231	22,435,536	1,975,695	21,649,201
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	283,468	(56,343)	2,565,442	2,621,785	1,916,475
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	62,000	62,000	58,952	(3,048)	501,659
Transfers (Out)	(1,582,000)	(2,286,226)	(2,286,226)	-	(2,588,477)
<b>Total Other Financing Sources (Uses)</b>	(1,520,000)	(2,224,226)	(2,227,274)	(3,048)	(2,086,818)
<b>Net Change in Fund Balance</b>	(1,236,532)	(2,280,569)	338,168	2,618,737	(170,343)
<b>Fund Balance at Beginning of Year</b>	13,003,111	13,003,111	13,003,111	-	13,173,454
<b>Fund Balance at End of Year</b>	\$ 11,766,579	\$ 10,722,542	\$ 13,341,279	\$ 2,618,737	\$ 13,003,111

CITY OF SEGUIN, TEXAS  
NOTES TO SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET AND ACTUAL  
SEPTEMBER 30, 2019

**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, Golf Course (Special Revenue) Fund, Convention & Visitor’s Bureau (Special Revenue Fund), Sebastopol House (Special Revenue) Fund, Police Donations (Special Revenue) Fund, PEG Capital Fees (Special Revenue) Fund, Library Development (Special Revenue) Fund, and Seguin Events Complex (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 reappropriated and honored during the subsequent year.

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

	Total Pension Liability				
	2014	2015	2016	2017	2018
Service Cost	\$ 2,513,154	\$ 3,015,806	\$ 3,288,440	\$ 3,528,748	\$ 3,662,307
Interest (on the Total Pension Liability)	5,806,091	6,178,108	6,345,379	6,745,276	7,168,895
Changes of Benefit Terms	-	-	-	-	-
Difference between Expected and Actual Experience	337,633	(179,540)	124,086	422,264	59,508
Change of Assumptions	-	289,698	-	-	-
Benefit Payments, Including Refunds of					
Employee Contributions	(3,564,077)	(3,623,283)	(3,763,653)	(4,143,663)	(4,830,794)
Net Change in Total Pension Liability	5,092,801	5,680,789	5,994,252	6,552,625	6,059,916
Total Pension Liability - Beginning	83,469,625	88,562,426	94,243,215	100,237,467	106,790,092
Total Pension Liability - Ending	<u>\$ 88,562,426</u>	<u>\$ 94,243,215</u>	<u>\$ 100,237,467</u>	<u>\$ 106,790,092</u>	<u>\$ 112,850,008</u>
	Plan Fiduciary Net Position				
Contributions - Employer	\$ 1,992,250	\$ 2,722,654	\$ 3,457,964	\$ 4,008,013	\$ 4,344,789
Contributions - Employee	1,132,877	1,228,792	1,315,376	1,415,544	1,469,963
Net Investment Income	3,335,330	90,246	4,157,561	9,238,393	(2,310,563)
Benefit Payments, Including Refunds of					
Employee Contributions	(3,564,077)	(3,623,283)	(3,763,653)	(4,143,663)	(4,830,794)
Administrative Expense	(34,824)	(54,973)	(46,960)	(47,868)	(44,642)
Other	(2,863)	(2,716)	(2,530)	(2,426)	(2,332)
Net Change in Plan Fiduciary Net Pos	2,858,693	360,720	5,117,758	10,467,993	(1,373,579)
Plan Fiduciary Net Position - Beginning	58,306,677	61,165,370	61,526,090	66,643,848	77,111,841
Plan Fiduciary Net position - Ending	<u>\$ 61,165,370</u>	<u>\$ 61,526,090</u>	<u>\$ 66,643,848</u>	<u>\$ 77,111,841</u>	<u>\$ 75,738,262</u>
Net Pension Liability (Asset) - Ending	\$ 27,397,056	\$ 32,717,125	\$ 33,593,619	\$ 29,678,251	\$ 37,111,746
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	69.06%	65.28%	66.49%	72.21%	67.11%
Covered Payroll	\$ 16,183,951	\$ 17,554,166	\$ 18,791,085	\$ 20,222,051	\$ 20,999,466
Net Pension Liability as a Percentage of Covered Payroll	169.29%	186.38%	178.77%	146.76%	176.73%

*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 FIVE FISCAL YEARS

<b>Schedule of Contributions:</b>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially Determined Contribution	\$ 1,882,050	\$ 2,732,499	\$ 3,151,764	\$ 3,287,335	\$ 3,242,555
Contributions in Relation to the Actuarially Determined Contribution	<u>2,545,271</u>	<u>3,451,731</u>	<u>3,826,130</u>	<u>4,287,815</u>	<u>4,628,145</u>
Contribution Deficiency (Excess)	<u>\$ (663,221)</u>	<u>\$ (719,232)</u>	<u>\$ (674,366)</u>	<u>\$ (1,000,480)</u>	<u>\$ (1,385,590)</u>
 Covered Payroll	 \$ 17,132,808	 \$ 18,313,373	 \$ 19,869,160	 \$ 20,926,536	 \$ 21,157,950
 Contribution as a Percentage of Covered Payroll	 14.86%	 18.85%	 19.26%	 20.49%	 21.87%

**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	25 Years
Asset Valuation Method	10 Year Smoothed Market, 15% Soft Corridor
Inflation	2.50%
Salary Increases	3.50 to 10.5%
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of
Mortality	RP2000 Combined Mortality Table with blue Collar Adjustment; male

**Other Information**

Notes Adopted 70% repeating COLA

*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 TWO CALENDAR YEARS

Total TMRS OPEB Liability		
	2018	2019
Service Cost	\$ 36,400	\$ 44,099
Interest	37,020	37,359
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	-	(17,970)
Changes in Assumptions or Other Inputs	84,413	(76,558)
Benefit Payments	(12,133)	(12,600)
Net Change in Total OPEB Liability	145,700	(25,670)
Total OPEB Liability - Beginning	967,219	1,112,919
Total OPEB Liability - Ending	\$ 1,112,919	\$ 1,087,249
 Covered Payroll	 \$ 20,926,536	 \$ 20,999,466
 Total TMRS OPEB Liability as a Percentage of Covered Payroll	 5.32%	 5.18%

*Methods and Assumptions*

Inflation	2.50%
Salary Increases	3.50% to 10.50% Including Inflation
Discount Rate	3.31% (Based on Fidelity's 20-Year Municipal GO AA Index)
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	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generated basis with scale BB.
Mortality Rates - Disabled Retirees	RP2000 Combined Mortality Table with blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

Notes to Schedule

Changes in Benefit Terms: None  
 Changes in Assumptions: 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.

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

Total OPEB Liability		
	2018	2019
Service Cost	\$ 14,620	\$ 14,232
Interest	(1,162)	33,354
Changes of Benefit Terms	-	-
Difference between Expected and Actual Experience	-	-
Changes in Assumptions or Other Inputs	(13,195)	61,514
Benefit Payments	(88,773)	(103,980)
Net Change in Total OPEB Liability	(88,510)	5,120
Total OPEB Liability - Beginning	938,534	850,024
Total OPEB Liability - Ending	\$ 850,024	\$ 855,144
 Covered Payroll	 \$ 18,834,176	 \$ 19,493,000
 Total Retiree Insurance OPEB Liability as a Percentage of Covered Payroll	 4.51%	 4.39%

Methods and Assumptions

Inflation	2.50%
Salary Increases	3.50%
Discount Rate	2.66% (Bond Buyer 20-Bond GO Index)
Mortality Rates	RP-2014 generational table scaled using MP-17 and applied on a gender-specific basis
Health Care Cost Trend Rates	6.5% for 2019, Decreasing 0.5% each year reaching ultimate rate of 4.5%

Notes to Schedule

Changes in Benefit Terms: None

Changes in Assumptions: 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 (Private Purpose Trust) Funds
- Statement of Changes in Assets & Liabilities – Agency Fund



**It's real.**

CITY OF SEGUIN, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 GENERAL FUND  
 SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 604,893	\$ 476,489
Investments	12,590,563	12,540,923
Receivables:		
Taxes	1,912,472	1,795,252
Accounts	996,794	1,004,026
Grants	79,395	85,431
Miscellaneous	64,612	75,576
Inventory of Supplies	24,153	20,559
Prepaid Items	129,848	114,894
<b>Total Assets</b>	<b>\$ 16,402,730</b>	<b>\$ 16,113,150</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 838,147	\$ 932,694
Accrued Expenditures	555,416	522,429
Due to Component Unit	224,521	215,049
Unearned Revenue	240,424	252,871
Due to Others	12,387	30,893
<b>Total Liabilities</b>	<b>1,870,895</b>	<b>1,953,936</b>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue	1,190,556	1,156,103
<b>Total Deferred Inflows of Resources</b>	<b>1,190,556</b>	<b>1,156,103</b>
<b>Fund Balance:</b>		
Nonspendable	154,001	135,453
Restricted	28,154	5,300
Committed - Stabilization Arrangement	2,151,739	2,150,685
Assigned	210,949	129,946
Unassigned	10,796,436	10,581,727
<b>Total Fund Balance</b>	<b>13,341,279</b>	<b>13,003,111</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 16,402,730</b>	<b>\$ 16,113,150</b>

CITY OF SEGUIN, TEXAS  
 COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 GENERAL FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

<b>REVENUES</b>	<u>2019</u>	<u>2018</u>
Taxes	\$ 13,657,432	\$ 13,340,223
Licenses and Permits	653,927	717,589
Intergovernmental	1,134,769	1,104,510
Charges for Services	6,106,516	5,779,712
Fines and Forfeits	1,193,263	1,573,956
Interest	332,668	226,354
Miscellaneous	1,922,403	823,332
<b>Total Revenues</b>	<u>25,000,978</u>	<u>23,565,676</u>
 <b>EXPENDITURES</b>		
<i>Current:</i>		
General Government	3,567,718	3,273,323
Public Safety	13,982,502	13,917,286
Public Service	7,495,600	7,186,793
Nondepartmental	2,358,388	2,047,463
Indirect Cost Allocation (Recovery)	(4,968,672)	(4,819,725)
Capital Outlay	-	44,061
<b>Total Expenditures</b>	<u>22,435,536</u>	<u>21,649,201</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>2,565,442</u>	<u>1,916,475</u>
 <b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	58,952	501,659
Transfers (Out)	(2,286,226)	(2,588,477)
<b>Total Other Financing Sources (Uses)</b>	<u>(2,227,274)</u>	<u>(2,086,818)</u>
<b>Net Change in Fund Balance</b>	<b>338,168</b>	<b>(170,343)</b>
<b>Fund Balance at Beginning of Year</b>	<u>13,003,111</u>	<u>13,173,454</u>
<b>Fund Balance at End of Year</b>	<u><u>\$ 13,341,279</u></u>	<u><u>\$ 13,003,111</u></u>



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, 2019  
(with Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Taxes	\$ 5,252,968	\$ 5,371,953	\$ 118,985	\$ 4,796,846
Intergovernmental	203,650	203,650	-	344,175
Interest	30,000	84,738	54,738	49,652
Miscellaneous	-	-	-	10,162
<b>Total Revenues</b>	<u>5,486,618</u>	<u>5,660,341</u>	<u>173,723</u>	<u>5,200,835</u>
<b>EXPENDITURES</b>				
<b>Debt Service:</b>				
Principal	2,976,845	2,976,841	4	2,804,788
Interest and Fiscal Charges	2,924,467	2,787,967	136,500	2,747,302
Bond Issue Costs	-	110,390	(110,390)	-
<b>Total Expenditures</b>	<u>5,901,312</u>	<u>5,875,198</u>	<u>26,114</u>	<u>5,552,090</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(414,694)</u>	<u>(214,857)</u>	<u>199,837</u>	<u>(351,255)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	425,000	425,000	-	551,928
Issuance of Debt	19,493	8,370,000	8,350,507	-
Premiums on Issuance	-	1,631,980	1,631,980	-
Payments to Refunding Agent	-	(10,009,070)	(10,009,070)	-
<b>Total Other Financing Sources (Uses)</b>	<u>444,493</u>	<u>417,910</u>	<u>(26,583)</u>	<u>551,928</u>
<b>Net Change in Fund Balance</b>	29,799	203,053	173,254	200,673
<b>FUND BALANCE, OCTOBER 1</b>	<u>1,093,814</u>	<u>1,093,814</u>	<u>-</u>	<u>893,141</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 1,123,613</u>	<u>\$ 1,296,867</u>	<u>\$ 173,254</u>	<u>\$ 1,093,814</u>

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

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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, 2019

	Combined Special Revenue	Combined Capital Projects	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 52,576	\$ 90,282	\$ 142,858
Investments	2,369,702	6,336,072	8,705,774
Receivables (net of allowances for uncollectibles):			
Taxes	221,976	-	221,976
Accounts	25,124	238,737	263,861
Prepaid Items	3,476	-	3,476
Restricted Assets:			
Cash and Cash Equivalents	-	14,922	14,922
Investments	-	8,574,582	8,574,582
<b>Total Assets</b>	<b>\$ 2,672,854</b>	<b>\$ 15,254,595</b>	<b>\$ 17,927,449</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<i>Liabilities:</i>			
Accounts Payable	\$ 71,918	\$ 437,109	\$ 509,027
Accrued Expenditures	20,565	-	20,565
Unearned Revenues	45,853	43,201	89,054
Due to Others	65,270	-	65,270
<b>Total Liabilities</b>	<b>203,606</b>	<b>480,310</b>	<b>683,916</b>
 <i>Fund Balance:</i>			
Nonspendable:			
Prepays	3,476	-	3,476
Restricted			
Tourism & Economic Development	1,150,781	-	1,150,781
Public Safety	621,967	-	621,967
Public Service	303,338	-	303,338
Capital Projects	-	8,979,338	8,979,338
Committed	389,686	-	389,686
Assigned	-	5,794,947	5,794,947
<b>Total Fund Balance</b>	<b>2,469,248</b>	<b>14,774,285</b>	<b>17,243,533</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 2,672,854</b>	<b>\$ 15,254,595</b>	<b>\$ 17,927,449</b>

CITY OF SEGUIN, TEXAS  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
SEPTEMBER 30, 2019

REVENUES	Combined Special Revenue	Combined Capital Projects	Total
Taxes	\$ 842,538	\$ -	\$ 842,538
Licenses and Permits	-	215,125	215,125
Intergovernmental	54,019	221,593	275,612
Charges for Services	1,098,136	461,186	1,559,322
Fines and Forfeits	168,897	-	168,897
Interest	54,165	434,090	488,255
Miscellaneous	13,647	135,251	148,898
<b>Total Revenues</b>	<u>2,231,402</u>	<u>1,467,245</u>	<u>3,698,647</u>
<b>EXPENDITURES</b>			
Current:			
General Government	1,776,444	209,321	1,985,765
Public Service	-	29,458	29,458
Nondepartmental	377,587	-	377,587
Capital Outlay	-	7,603,803	7,603,803
Debt Service:			
Principal	-	883,113	883,113
Interest & Fiscal Charges	-	60,579	60,579
Bond Issue Costs	-	8,574	8,574
<b>Total Expenditures</b>	<u>2,154,031</u>	<u>8,794,848</u>	<u>10,948,879</u>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditures</b>	<u>77,371</u>	<u>(7,327,603)</u>	<u>(7,250,232)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	75,000	1,870,264	1,945,264
Transfers Out	(66,431)	-	(66,431)
Issuance of Debt	-	687,229	687,229
<b>Total Other Financing Sources (Uses)</b>	<u>8,569</u>	<u>2,557,493</u>	<u>2,566,062</u>
<b>Net Change in Fund Balances</b>	85,940	(4,770,110)	(4,684,170)
<b>FUND BALANCE, OCTOBER 1</b>	<u>2,383,308</u>	<u>19,544,395</u>	<u>21,927,703</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 2,469,248</u>	<u>\$ 14,774,285</u>	<u>\$ 17,243,533</u>

CITY OF SEGUIN, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019

	Occupancy Tax Fund	Coliseum Fund	Acquatic Center Fund	Municipal Court Security Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 1,485	\$ 4,370	\$ 299	\$ 672
Investments	174,802	287,389	13,431	33,198
Receivables (net of allowances for uncollectibles):				
Accounts	-	8,550	-	-
Taxes	210,779	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<b>\$ 387,066</b>	<b>\$ 300,309</b>	<b>\$ 13,730</b>	<b>\$ 33,870</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 3,750	\$ 7,171	\$ -	\$ -
Accrued Expenditures	-	1,182	-	570
Due to Others	-	65,270	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>3,750</b>	<b>73,623</b>	<b>-</b>	<b>570</b>
<i>Fund Balance:</i>				
Nonspendable				
Prepays	-	-	-	-
Restricted				
Promoting Tourism & Economic Development	383,316	226,686	-	-
Public Safety	-	-	-	33,300
Public Service	-	-	-	-
Committed	-	-	13,730	-
<b>Total Fund Balance</b>	<b>383,316</b>	<b>226,686</b>	<b>13,730</b>	<b>33,300</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 387,066</b>	<b>\$ 300,309</b>	<b>\$ 13,730</b>	<b>\$ 33,870</b>

<u>Municipal Court Technology</u>	<u>Forfeiture &amp; Seizure Fund</u>	<u>Golf Course Fund</u>	<u>DARE Program Fund</u>	<u>Juvenile Case Manager</u>
\$ 6,442	\$ 15,675	\$ 6,068	\$ 2,475	\$ -
51,096	352,110	401,277	140,330	-
-	1,561	8,768	-	-
-	-	-	-	-
3,476	-	-	-	-
<u>\$ 61,014</u>	<u>\$ 369,346</u>	<u>416,113</u>	<u>\$ 142,805</u>	<u>\$ -</u>
\$ (807)	5,589	16,911	\$ 4,517	\$ -
-	-	13,474	-	-
-	-	-	-	-
-	-	9,772	-	-
<u>(807)</u>	<u>5,589</u>	<u>40,157</u>	<u>4,517</u>	<u>-</u>
3,476	-	-	-	-
-	-	-	-	-
58,345	363,757	-	138,288	-
-	-	-	-	-
-	-	375,956	-	-
<u>61,821</u>	<u>363,757</u>	<u>375,956</u>	<u>138,288</u>	<u>-</u>
<u>\$ 61,014</u>	<u>\$ 369,346</u>	<u>\$ 416,113</u>	<u>\$ 142,805</u>	<u>\$ -</u>

CITY OF SEGUIN, TEXAS  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
SEPTEMBER 30, 2019

	Convention & Visitors Bureau Fund	CVB Building Fund	Sebastopol House	Police Department Donations
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 785	\$ 262	\$ 1,157	\$ 6,146
Investments	468,155	59,576	34,516	39,820
Receivables (net of allowances for uncollectibles):				
Accounts	-	-	-	-
Taxes	-	-	-	-
Prepaid Items	-	-	-	-
<b>Total Assets</b>	<u>\$ 468,940</u>	<u>\$ 59,838</u>	<u>\$ 35,673</u>	<u>\$ 45,966</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 16,386	\$ -	\$ 2,530	\$ 120
Accrued Expenditures	2,564	-	837	-
Due to Others	-	-	-	-
Unearned Revenue	-	-	1,355	17,569
<b>Total Liabilities</b>	<u>18,950</u>	<u>-</u>	<u>4,722</u>	<u>17,689</u>
<i>Fund Balance:</i>				
Nonspendable				
Prepays	-	-	-	-
Restricted				
Promoting Tourism & Economic Development	449,990	59,838	30,951	-
Public Safety	-	-	-	28,277
Public Service	-	-	-	-
Committed	-	-	-	-
<b>Total Fund Balance</b>	<u>449,990</u>	<u>59,838</u>	<u>30,951</u>	<u>28,277</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 468,940</u>	<u>\$ 59,838</u>	<u>\$ 35,673</u>	<u>\$ 45,966</u>



<u>PEG Capital Fees</u>	<u>Library Development Fund</u>	<u>Seguin Events Complex</u>	<u>Seguin Arts Commission</u>	<u>Totals</u>
\$ 4,314	\$ 1,114	\$ 711	\$ 601	\$ 52,576
68,876	127,776	103,700	13,650	2,369,702
-	-	6,245	-	25,124
11,197	-	-	-	221,976
-	-	-	-	3,476
<u>\$ 84,387</u>	<u>\$ 128,890</u>	<u>\$ 110,656</u>	<u>\$ 14,251</u>	<u>\$ 2,672,854</u>
\$ 3,625	\$ 6,500	\$ 917	\$ 4,709	\$ 71,918
-	-	1,938	-	20,565
-	-	-	-	65,270
-	-	17,157	-	45,853
<u>3,625</u>	<u>6,500</u>	<u>20,012</u>	<u>4,709</u>	<u>203,606</u>
-	-	-	-	3,476
-	-	-	-	1,150,781
-	-	-	-	621,967
80,762	122,390	90,644	9,542	303,338
-	-	-	-	389,686
<u>80,762</u>	<u>122,390</u>	<u>90,644</u>	<u>9,542</u>	<u>2,469,248</u>
<u>\$ 84,387</u>	<u>\$ 128,890</u>	<u>\$ 110,656</u>	<u>\$ 14,251</u>	<u>2,672,854</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, 2019

<b>REVENUES</b>	Occupancy Tax Fund	Coliseum Fund	Aquatic Center Fund	Municipal Court Security Fund
Taxes	\$ 25,778	\$ 224,750	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for Services	-	92,866	81,362	-
Fines and Forfeits	-	-	-	19,009
Interest	4,638	6,837	423	948
Miscellaneous	-	1,083	-	-
<b>Total Revenues</b>	<u>30,416</u>	<u>325,536</u>	<u>81,785</u>	<u>19,957</u>
<b>EXPENDITURES</b>				
Current:				
General Government	100,136	276,987	86,523	-
Economic Development	-	-	-	-
Nondepartmental	-	-	-	41,676
<b>Total Expenditures</b>	<u>100,136</u>	<u>276,987</u>	<u>86,523</u>	<u>41,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(69,720)</u>	<u>48,549</u>	<u>(4,738)</u>	<u>(21,719)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	(7,479)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(7,479)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	(77,199)	48,549	(4,738)	(21,719)
<b>FUND BALANCE, OCTOBER 1</b>	<u>460,515</u>	<u>178,137</u>	<u>18,468</u>	<u>55,019</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 383,316</u>	<u>\$ 226,686</u>	<u>\$ 13,730</u>	<u>\$ 33,300</u>

<u>Municipal Court Technology</u>	<u>Forfeiture &amp; Seizure Fund</u>	<u>Golf Course Fund</u>	<u>DARE Program Fund</u>	<u>Juvenile Case Manager</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	51,569	-
-	-	876,122	-	-
25,348	86,888	-	-	37,652
1,242	9,304	9,222	3,237	161
-	3,354	-	-	-
<u>26,590</u>	<u>99,546</u>	<u>885,344</u>	<u>54,806</u>	<u>37,813</u>
24,546	135,834	865,334	35,131	-
-	-	-	-	-
19,962	-	-	-	-
<u>44,508</u>	<u>135,834</u>	<u>865,334</u>	<u>35,131</u>	<u>-</u>
<u>(17,918)</u>	<u>(36,288)</u>	<u>20,010</u>	<u>19,675</u>	<u>37,813</u>
-	-	75,000	-	(58,952)
-	-	75,000	-	(58,952)
(17,918)	(36,288)	95,010	19,675	(21,139)
<u>79,739</u>	<u>400,045</u>	<u>280,946</u>	<u>118,613</u>	<u>21,139</u>
<u>\$ 61,821</u>	<u>\$ 363,757</u>	<u>\$ 375,956</u>	<u>\$ 138,288</u>	<u>\$ -</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, 2019

<b>REVENUES</b>	Convention & Visitors Bureau Fund	CVB Building Fund	Sebastopol House	Police Department Donations
Taxes	\$ 395,250	\$ -	\$ 84,276	\$ -
Intergovernmental	-	-	2,450	-
Charges for Services	-	-	-	-
Fines and Forfeits	-	-	-	-
Interest	9,614	995	485	940
Miscellaneous	2,456	-	-	95
<b>Total Revenues</b>	<u>407,320</u>	<u>995</u>	<u>87,211</u>	<u>1,035</u>
 <b>EXPENDITURES</b>				
Current:				
General Government	-	-	74,153	2,502
Economic Development	315,949	-	-	-
Nondepartmental	-	-	-	-
<b>Total Expenditures</b>	<u>315,949</u>	<u>-</u>	<u>74,153</u>	<u>2,502</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,371</u>	<u>995</u>	<u>13,058</u>	<u>(1,467)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	91,371	995	13,058	(1,467)
<b>FUND BALANCE, OCTOBER 1</b>	<u>358,619</u>	<u>58,843</u>	<u>17,893</u>	<u>29,744</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 449,990</u>	<u>\$ 59,838</u>	<u>\$ 30,951</u>	<u>\$ 28,277</u>

PEG Capital Fees	Library Development Fund	Seguin Events Complex	Seguin Arts Commission	Totals
\$ 45,552	\$ -	\$ 66,932	\$ -	\$ 842,538
-	-	-	-	54,019
-	-	47,786	-	1,098,136
-	-	-	-	168,897
1,459	2,681	1,888	91	54,165
-	-	33	6,626	13,647
<u>47,011</u>	<u>2,681</u>	<u>116,639</u>	<u>6,717</u>	<u>2,231,402</u>
39,162	11,050	110,993	14,093	1,776,444
-	-	-	-	315,949
-	-	-	-	61,638
<u>39,162</u>	<u>11,050</u>	<u>110,993</u>	<u>14,093</u>	<u>2,154,031</u>
<u>7,849</u>	<u>(8,369)</u>	<u>5,646</u>	<u>(7,376)</u>	<u>77,371</u>
-	-	-	-	8,569
-	-	-	-	8,569
7,849	(8,369)	5,646	(7,376)	85,940
<u>72,913</u>	<u>130,759</u>	<u>84,998</u>	<u>16,918</u>	<u>2,383,308</u>
<u>\$ 80,762</u>	<u>\$ 122,390</u>	<u>\$ 90,644</u>	<u>\$ 9,542</u>	<u>\$ 2,469,248</u>

CITY OF SEGUIN, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
SEPTEMBER 30, 2019

	General Fund Capital Projects	Golf Course Capital Projects	2010 Certificates of Obligation	2016 Certificates of Obligation
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 31,954	\$ 29,509	\$ -	\$ -
Investments	5,160,968	446,474	-	-
Receivables, Net	102,001	-	-	-
Restricted Cash and Equivalents	-	-	213	2,534
Restricted Investments	-	-	1,224,276	984,909
<b>Total Assets</b>	<u>\$ 5,294,923</u>	<u>\$ 475,983</u>	<u>\$ 1,224,489</u>	<u>\$ 987,443</u>
 <b>LIABILITIES AND FUND BALANCE</b>				
<i>Liabilities:</i>				
Accounts Payable	\$ 91,849	\$ 1,536	\$ 94,448	\$ 8,275
Unearned Revenue	42,701	500	-	-
<b>Total Liabilities</b>	<u>134,550</u>	<u>2,036</u>	<u>94,448</u>	<u>8,275</u>
<i>Fund Balances:</i>				
Restricted for Capital Projects	-	-	1,130,041	979,168
Assigned to Capital Projects	5,160,373	473,947	-	-
<b>Total Fund Balance</b>	<u>5,160,373</u>	<u>473,947</u>	<u>1,130,041</u>	<u>979,168</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u>\$ 5,294,923</u>	 <u>\$ 475,983</u>	 <u>\$ 1,224,489</u>	 <u>\$ 987,443</u>

2016-A Certificates of Obligation	2018 Certificates of Obligation	2019 Tax Notes	Miscellaneous Projects Fund	<b>Total</b>
\$ -	\$ -	\$ -	\$ 28,819	\$ <b>90,282</b>
-	-	-	728,630	<b>6,336,072</b>
-	-	-	136,736	<b>238,737</b>
3,959	8,216	-	-	<b>14,922</b>
1,479,377	4,886,020	-	-	<b>8,574,582</b>
<u>\$ 1,483,336</u>	<u>\$ 4,894,236</u>	<u>\$ -</u>	<u>\$ 894,185</u>	<u>\$ <b>15,254,595</b></u>

\$ 72,174	\$ 153,827	\$ -	\$ 15,000	\$ <b>437,109</b>
-	-	-	-	<b>43,201</b>
<u>72,174</u>	<u>153,827</u>	<u>-</u>	<u>15,000</u>	<u><b>480,310</b></u>

1,411,162	4,740,409	-	718,558	<b>8,979,338</b>
-	-	-	160,627	<b>5,794,947</b>
<u>1,411,162</u>	<u>4,740,409</u>	<u>-</u>	<u>879,185</u>	<u><b>14,774,285</b></u>

<u>\$ 1,483,336</u>	<u>\$ 4,894,236</u>	<u>\$ -</u>	<u>\$ 894,185</u>	<u>\$ <b>15,254,595</b></u>
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CITY OF SEGUIN, TEXAS  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<b>REVENUES</b>	General Fund Capital Projects	Golf Course Capital Projects	2010 Certificates of Obligation	2016 Certificates of Obligation
Intergovernmental	\$ 221,593	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Charges for Services	-	184,215	-	-
Interest	152,299	9,947	33,046	31,988
Miscellaneous	106,204	29,047	-	-
<b>Total Revenues</b>	<u>480,096</u>	<u>223,209</u>	<u>33,046</u>	<u>31,988</u>
<b>EXPENDITURES</b>				
General Government	209,321	-	-	-
Public Service	-	-	-	-
Capital Outlay	2,580,271	112,178	297,292	749,013
Debt Service:				
Principal	823,823	59,290	-	-
Interest & Fiscal Charges	56,138	4,441	-	-
Bond Issue Costs	-	-	-	-
<b>Total Expenditures</b>	<u>3,669,553</u>	<u>175,909</u>	<u>297,292</u>	<u>749,013</u>
<b>Excess (Deficiency) of Revenues Over (Under Expenditures)</b>	<u>(3,189,457)</u>	<u>47,300</u>	<u>(264,246)</u>	<u>(717,025)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	1,717,818	-	-	-
Issuance of Bonds	-	-	-	-
Issuance of Lease Financing	343,850	38,379	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>2,061,668</u>	<u>38,379</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(1,127,789)	85,679	(264,246)	(717,025)
<b>FUND BALANCE, OCTOBER 1</b>	<u>6,288,162</u>	<u>388,268</u>	<u>1,394,287</u>	<u>1,696,193</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 5,160,373</u>	<u>\$ 473,947</u>	<u>\$ 1,130,041</u>	<u>\$ 979,168</u>



2016-A Certificates of Obligation	2018 Certificates of Obligation	2019 Tax Notes	Miscellaneous Projects Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 221,593
-	-	-	215,125	215,125
-	-	-	276,971	461,186
55,262	136,895	(76)	14,729	434,090
-	-	-	-	135,251
<u>55,262</u>	<u>136,895</u>	<u>(76)</u>	<u>506,825</u>	<u>1,467,245</u>
-	-	-	-	209,321
-	-	-	29,458	29,458
2,307,926	1,135,903	296,350	124,870	7,603,803
-	-	-	-	883,113
-	-	-	-	60,579
-	-	8,574	-	8,574
<u>2,307,926</u>	<u>1,135,903</u>	<u>304,924</u>	<u>154,328</u>	<u>8,794,848</u>
<u>(2,252,664)</u>	<u>(999,008)</u>	<u>(305,000)</u>	<u>352,497</u>	<u>(7,327,603)</u>
-	-	-	152,446	1,870,264
-	-	305,000	-	305,000
-	-	-	-	382,229
-	-	305,000	152,446	2,557,493
(2,252,664)	(999,008)	-	504,943	(4,770,110)
<u>3,663,826</u>	<u>5,739,417</u>	<u>-</u>	<u>374,242</u>	<u>19,544,395</u>
<u>\$ 1,411,162</u>	<u>\$ 4,740,409</u>	<u>\$ -</u>	<u>\$ 879,185</u>	<u>\$ 14,774,285</u>

CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
OCCUPANCY TAX FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Occupancy Tax	\$ 3,792	\$ 25,778	\$ 21,986	50,894
Interest	3,800	4,638	838	5,116
<b>Total Revenues</b>	<u>7,592</u>	<u>30,416</u>	<u>22,824</u>	<u>56,010</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government:</i>				
Contributions to Local Organizations	102,386	100,136	2,250	95,005
<b>Total Expenditures</b>	<u>102,386</u>	<u>100,136</u>	<u>2,250</u>	<u>95,005</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(94,794)</u>	<u>(69,720)</u>	<u>25,074</u>	<u>(38,995)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(11,229)	(7,479)	3,750	(107,675)
<b>Total Other Financing Sources (Uses)</b>	<u>(11,229)</u>	<u>(7,479)</u>	<u>3,750</u>	<u>(107,675)</u>
<b>Net Change in Fund Balance</b>	(106,023)	(77,199)	28,824	(146,670)
<b>FUND BALANCE, OCTOBER 1</b>	<u>460,515</u>	<u>460,515</u>	<u>-</u>	<u>607,185</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 354,492</u>	<u>\$ 383,316</u>	<u>\$ 28,824</u>	<u>\$ 460,515</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, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Occupancy Tax	\$ 224,750	\$ <b>224,750</b>	\$ -	224,750
Charges for Services	94,000	<b>92,866</b>	(1,134)	90,473
Interest	2,200	<b>6,837</b>	4,637	3,275
Miscellaneous	100	<b>1,083</b>	983	115
<b>Total Revenues</b>	<u>321,050</u>	<u><b>325,536</b></u>	<u>4,486</u>	<u>318,613</u>
<b>EXPENDITURES</b>				
<i>General Government/Facilities &amp; Grounds:</i>				
Personnel Services	60,208	<b>53,480</b>	6,728	48,994
Contracted Services	213,400	<b>196,134</b>	17,266	197,194
Supplies	20,400	<b>15,325</b>	5,075	20,163
Other Services and Charges	13,750	<b>12,048</b>	1,702	9,345
<b>Total Expenditures</b>	<u>307,758</u>	<u><b>276,987</b></u>	<u>30,771</u>	<u>275,696</u>
<b>Net Change in Fund Balance</b>	13,292	<b>48,549</b>	35,257	42,917
<b>FUND BALANCE, OCTOBER 1</b>	<u>178,137</u>	<u><b>178,137</b></u>	<u>-</u>	<u>135,220</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 191,429</u>	<u><b>\$ 226,686</b></u>	<u>\$ 35,257</u>	<u>\$ 178,137</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, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Charges for Services	\$ 89,000	\$ <b>81,362</b>	\$ (7,638)	78,024
Interest	80	<b>423</b>	343	233
<b>Total Revenues</b>	<u>89,080</u>	<u><b>81,785</b></u>	<u>(7,295)</u>	<u>78,257</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government/ Parks &amp; Recreation</i>				
Personnel Services	47,202	<b>47,087</b>	115	46,692
Contracted Services	23,424	<b>23,186</b>	238	17,668
Supplies	18,454	<b>16,250</b>	2,204	16,292
<b>Total Expenditures</b>	<u>89,080</u>	<u><b>86,523</b></u>	<u>2,557</u>	<u>80,652</u>
<b>Net Change in Fund Balance</b>	-	<b>(4,738)</b>	(4,738)	(2,395)
<b>FUND BALANCE, OCTOBER 1</b>	<u>18,468</u>	<u><b>18,468</b></u>	<u>-</u>	<u>20,863</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 18,468</u>	<u><b>\$ 13,730</b></u>	<u>\$ (4,738)</u>	<u>\$ 18,468</u>

CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
GOLF COURSE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Charges for Services	\$ 793,550	\$ 876,122	\$ 82,572	831,582
Interest	3,875	9,222	5,347	4,946
<b>Total Revenues</b>	<u>797,425</u>	<u>885,344</u>	<u>87,919</u>	<u>836,528</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	895,206	865,334	29,872	823,904
<b>Total Expenditures</b>	<u>895,206</u>	<u>865,334</u>	<u>29,872</u>	<u>823,904</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(97,781)</u>	<u>20,010</u>	<u>117,791</u>	<u>12,624</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In (Out)	75,000	75,000	-	75,000
<b>Total Other Financing Sources (Uses)</b>	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>Net Change in Fund Balances</b>	(22,781)	95,010	117,791	87,624
<b>FUND BALANCE, OCTOBER 1</b>	<u>280,946</u>	<u>280,946</u>	<u>-</u>	<u>193,322</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 258,165</u>	<u>\$ 375,956</u>	<u>\$ 117,791</u>	<u>\$ 280,946</u>

CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
CONVENTION & VISITORS BUREAU  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Occupancy Tax	\$ 395,250	\$ <b>395,250</b>	\$ -	\$ 395,250
Interest	3,480	<b>9,614</b>	6,134	5,239
Miscellaneous	2,500	<b>2,456</b>	(44)	3,352
<b>Total Revenues</b>	<u>401,230</u>	<u><b>407,320</b></u>	<u>6,090</u>	<u>403,841</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Economic Development	334,596	<b>315,949</b>	18,647	300,594
<b>Total Expenditures</b>	<u>334,596</u>	<u><b>315,949</b></u>	<u>18,647</u>	<u>300,594</u>
<b>Net Change in Fund Balances</b>	66,634	<b>91,371</b>	24,737	103,247
<b>FUND BALANCE, OCTOBER 1</b>	<u>358,619</u>	<u><b>358,619</b></u>	<u>-</u>	<u>255,372</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 425,253</u>	<u><b>\$ 449,990</b></u>	<u>\$ 24,737</u>	<u>\$ 358,619</u>

CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
SEBASTOPOL HOUSE  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Occupancy Tax	\$ 84,276	\$ <b>84,276</b>	\$ -	\$ 82,381
Intergovernmental	2,500	<b>2,450</b>	(50)	2,238
Interest	-	<b>485</b>	485	41
Miscellaneous	-	-	-	3,400
<b>Total Revenues</b>	<u>86,776</u>	<u><b>87,211</b></u>	<u>435</u>	<u>88,060</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General Government	86,776	<b>74,153</b>	12,623	80,309
<b>Total Expenditures</b>	<u>86,776</u>	<u><b>74,153</b></u>	<u>12,623</u>	<u>80,309</u>
<b>Net Change in Fund Balance</b>	-	<b>13,058</b>	13,058	7,751
<b>FUND BALANCE, OCTOBER 1</b>	<u>17,893</u>	<u><b>17,893</b></u>	<u>-</u>	<u>10,142</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 17,893</u>	<u><b>\$ 30,951</b></u>	<u>\$ 13,058</u>	<u>\$ 17,893</u>

CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
POLICE DONATIONS FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Interest	\$ 200	\$ 940	\$ 740	\$ 737
Miscellaneous	-	95	95	40
<b>Total Revenues</b>	<u>200</u>	<u>1,035</u>	<u>835</u>	<u>777</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government:</i>				
Capital Outlay	10,000	2,502	7,498	22,297
<b>Total Expenditures</b>	<u>10,000</u>	<u>2,502</u>	<u>7,498</u>	<u>22,297</u>
<b>Net Change in Fund Balance</b>	(9,800)	(1,467)	8,333	(21,520)
<b>FUND BALANCE, OCTOBER 1</b>	<u>29,744</u>	<u>29,744</u>	-	<u>51,264</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 19,944</u>	<u>\$ 28,277</u>	<u>\$ 8,333</u>	<u>\$ 29,744</u>



CITY OF SEGUIN, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE – BUDGET AND ACTUAL  
PEG CAPITAL FEES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Franchise Tax	\$ 40,000	\$ 45,552	\$ 5,552	\$ 43,085
Interest	600	1,459	859	826
<b>Total Revenues</b>	<u>40,600</u>	<u>47,011</u>	<u>6,411</u>	<u>43,911</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government:</i>				
Contracted Services	40,000	39,162	838	40,895
<b>Total Expenditures</b>	<u>40,000</u>	<u>39,162</u>	<u>838</u>	<u>40,895</u>
<b>Net Change in Fund Balance</b>	600	7,849	7,249	3,016
<b>FUND BALANCE, OCTOBER 1</b>	<u>72,913</u>	<u>72,913</u>	<u>-</u>	<u>69,897</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 73,513</u>	<u>\$ 80,762</u>	<u>\$ 7,249</u>	<u>\$ 72,913</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, 2019  
 (With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Interest	\$ 1,500	\$ 2,681	\$ 1,181	\$ 2,210
<b>Total Revenues</b>	<u>1,500</u>	<u>2,681</u>	<u>1,181</u>	<u>2,210</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government:</i>				
Contracted Services	130,000	<b>11,050</b>	118,950	-
<b>Total Expenditures</b>	<u>130,000</u>	<u>11,050</u>	<u>118,950</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(128,500)	<b>(8,369)</b>	120,131	2,210
<b>FUND BALANCE, OCTOBER 1</b>	<u>130,759</u>	<u>130,759</u>	-	<u>128,549</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 2,259</u>	<u>\$ 122,390</u>	<u>\$ 120,131</u>	<u>\$ 130,759</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, 2019  
(With Comparative Actual Amounts for 2018)

	Final Budgeted Amounts	<b>2019</b>	Variance Favorable (Unfavorable)	2018
<b>REVENUES</b>				
Taxes	\$ 66,932	\$ <b>66,932</b>	\$ -	\$ 73,197
Charges for Services	51,000	<b>47,786</b>	(3,214)	50,898
Interest	685	<b>1,888</b>	1,203	963
Miscellaneous	-	<b>33</b>	33	2,640
<b>Total Revenues</b>	<u>118,617</u>	<u><b>116,639</b></u>	<u>(1,978)</u>	<u>127,698</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
<i>General Government:</i>				
Personal Services	78,822	<b>78,821</b>	1	71,410
Contracted Services	30,600	<b>24,057</b>	6,543	26,340
Supplies	9,195	<b>8,115</b>	1,080	9,656
<b>Total Expenditures</b>	<u>118,617</u>	<u><b>110,993</b></u>	<u>7,624</u>	<u>107,406</u>
<b>Net Change in Fund Balance</b>	(0)	<b>5,646</b>	5,646	20,292
<b>FUND BALANCE, OCTOBER 1</b>	<u>84,998</u>	<u><b>84,998</b></u>	<u>-</u>	<u>64,706</u>
<b>FUND BALANCE, SEPTEMBER 30</b>	<u>\$ 84,998</u>	<u><b>\$ 90,644</b></u>	<u>\$ 5,646</u>	<u>\$ 84,998</u>

CITY OF SEGUIN, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION  
 UTILITY FUND  
 SEPTEMBER 30, 2019 AND 2018

<b>ASSETS</b>	<u>2019</u>	<u>2018</u>
<i>Current Assets:</i>		
Cash and Cash Equivalents		
Restricted Cash	\$ 14,066	58,444
Unrestricted Cash	1,504,051	731,075
Investments		
Restricted Investments	13,070,327	21,039,111
Unrestricted Investments	31,675,880	31,611,401
Accounts Receivable (Net)	6,615,902	6,036,506
Miscellaneous Receivables	848,378	2,076,198
Due from Component Unit	22,452	21,505
Current Portion of Note Receivable	250,000	-
Inventories	2,052,290	1,785,251
Prepaid Items	77,324	56,446
<i>Total Current Assets</i>	<u>56,130,670</u>	<u>63,415,937</u>
Net Present Value of Lease Financing	374,510	419,861
Note Receivable (Net of Current)	1,661,614	-
Capital Assets	171,463,210	159,130,835
Accumulated Depreciation	<u>(72,262,057)</u>	<u>(67,115,224)</u>
<b>Total Assets</b>	<u>157,367,947</u>	<u>155,851,409</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension/ OPEB Related Outflows	2,130,537	966,491
Deferred Charge on Refundings	<u>206,472</u>	<u>122,119</u>
<b>Total Deferred Outflows of Resources</b>	<u>\$ 2,337,009</u>	<u>\$ 1,088,610</u>

*Continued*

CITY OF SEGUIN, TEXAS  
 COMPARATIVE STATEMENTS OF NET POSITION (CONTINUED)  
 UTILITY FUND  
 SEPTEMBER 30, 2019 AND 2018

<b>LIABILITIES</b>	<u>2019</u>	<u>2018</u>
<i>Current Liabilities:</i>		
Accounts Payable	\$ 3,831,954	\$ 2,983,167
Accrued Expenses	798,983	417,276
Unearned Revenue	260,314	169,223
Customer Deposits	593,985	626,296
<i>Payable from Restricted Assets:</i>		
Accrued Interest Payable	301,833	333,918
Revenue Bonds Due Within One Year	2,033,084	2,003,248
<i>Total Current Liabilities</i>	<u>7,820,153</u>	<u>6,533,128</u>
Compensated Absences	207,006	193,556
Net Other Post Employment Benefit Obligation	543,622	549,490
Net Pension Liability	9,451,335	7,357,164
Revenue Bonds Payable (Net of Current Maturities)	55,479,143	57,528,179
<i>Total Noncurrent Liabilities</i>	<u>65,681,106</u>	<u>65,628,389</u>
<b>Total Liabilities</b>	<u>73,501,259</u>	<u>72,161,517</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension/ OPEB Related Inflows	<u>6,458</u>	554,507
<b>Total Deferred Inflows of Resources</b>	<u>6,458</u>	<u>554,507</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	50,781,752	50,116,822
Restricted for:		
Debt Service	531,597	474,501
Impact Fees	2,816,023	2,579,319
Unrestricted	32,067,867	31,053,353
<b>Total Net Position</b>	<u>\$ 86,197,239</u>	<u>\$ 84,223,995</u>

CITY OF SEGUIN, TEXAS  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
UTILITY FUND  
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

<b>OPERATING REVENUES</b>	<u>2019</u>	<u>2018</u>
Charges for Services:		
Electric	\$ 30,515,235	\$ 30,634,896
Water	13,044,152	11,615,949
Sewer	8,433,374	8,009,778
Miscellaneous Revenues	1,467,050	2,000,048
<b>Total Operating Revenues</b>	<u>53,459,811</u>	<u>52,260,671</u>
 <b>OPERATING EXPENSES</b>		
Administration	2,374,934	2,371,580
Operation and Maintenance:		
Electric Distribution	20,917,643	20,980,876
Utility Services	1,375,623	1,183,237
Water Production	6,545,119	5,755,115
Water/Sewer Maintenance	5,619,238	4,951,145
Sewer Plant	1,705,233	1,913,487
Economic Development	308,175	320,749
Facilities Maintenance	807,432	767,016
Information Technology	583,508	462,229
City Attorney	119,959	96,839
Nondepartmental	5,316,850	1,001,165
Indirect Cost Allocation	4,968,672	4,819,725
<b>Total Operating Expenses</b>	<u>50,642,386</u>	<u>44,623,163</u>
Operating Income (Loss)	<u>2,817,425</u>	<u>7,637,508</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest Income	1,202,045	764,923
Gain (Loss) on Sale of Assets	9,432	660
Interest and Fiscal Charges	(1,818,986)	(1,707,309)
Bond Issue Costs	(137,585)	(317,722)
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(745,094)</u>	<u>(1,259,448)</u>
Net Income (Loss) before Contributions and Transfers	<u>2,072,331</u>	<u>6,378,060</u>
 Capital Contributions	69,004	-
Transfers In (Out)	(168,091)	(101,297)
	<u>(99,087)</u>	<u>(101,297)</u>
 Change in Net Position	1,973,244	6,276,763
Net Position at Beginning of Year	84,223,995	77,947,232
Net Position at End of Year	<u>\$ 86,197,239</u>	<u>\$ 84,223,995</u>

CITY OF SEGUIN, TEXAS  
COMPARATIVE STATEMENTS OF CASH FLOWS  
UTILITY FUND  
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities:</b>		
Cash Received From Customers	\$ 54,166,068	\$ 51,534,264
Cash Paid for Employee Wages and Benefits	(7,839,231)	(7,938,168)
Cash Paid to Suppliers for Goods and Services	(31,319,776)	(27,701,461)
Cash Paid General Fund for Indirect Costs	(4,968,672)	(4,819,725)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>10,038,389</u>	<u>11,074,910</u>
<b>Cash Flows From Noncapital Financing Activities:</b>		
Transfers From (To) Other Funds	<u>(168,091)</u>	<u>(101,297)</u>
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>(168,091)</u>	<u>(101,297)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>		
Purchase/Construction of Capital Assets	(12,299,010)	(6,506,784)
Proceeds from Revenue and Refunding Bonds	6,200,000	9,900,000
Premiums Received on Bonds	1,208,874	367,722
Payments to Refunding Agent	(7,357,649)	-
Principal Payments on Long-Term Bonds	(2,003,248)	(1,773,378)
Interest and Fiscal Charges Paid	(2,002,601)	(1,739,935)
Bond Issue Costs	(137,585)	(317,722)
Principal Payments on Capital Leases	-	(36,120)
Proceeds from Sale of Capital Assets	9,432	660
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(16,381,787)</u>	<u>(105,557)</u>
<b>Cash Flows From Investing Activities:</b>		
Sale/(Purchase) of Investment Securities	7,904,305	(12,203,510)
Investment Interest Received	1,202,045	764,923
Lease Financing - Principal Payments Received	45,351	42,111
Long-term Loan to Component Unit	(1,911,614)	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>7,240,087</u>	<u>(11,396,476)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>728,598</u>	<u>(528,420)</u>
<b>Cash and Equivalents at Beginning of Year:</b>		
Cash and Cash Equivalents	731,075	1,259,918
Restricted Cash and Cash Equivalents	58,444	58,021
	<u>789,519</u>	<u>1,317,939</u>
<b>Cash and Equivalents at End of Year:</b>		
Cash and Cash Equivalents	1,504,051	731,075
Restricted Cash and Cash Equivalents	14,066	58,444
	<u>\$ 1,518,117</u>	<u>\$ 789,519</u>

CITY OF SEGUIN, TEXAS  
 COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)  
 UTILITY FUND  
 YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
<b>Reconciliation of Operating Income to Net Cash</b>		
<b>Provided by Operating Activities:</b>		
Operating Income	\$ 2,817,425	\$ 7,637,508
Adjustments to reconcile Operating Income to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	5,182,472	4,845,356
(Increase) Decrease in Operating Assets:		
Accounts Receivable	647,477	(452,198)
Inventory/Prepaid Items	(287,917)	(84,281)
Deferred Pension Related Outflows	(1,164,046)	631,392
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	848,787	(706,190)
Accrued Expenses	395,157	462
Unearned Revenue	91,091	(280,705)
Customer Deposits	(32,311)	6,496
Net Other Postemployment Benefit Obligation	(5,868)	18,598
Net Pension Liability	2,094,171	(1,096,035)
Deferred Pension/OPEB Related Inflows	(548,049)	554,507
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 10,038,389</b>	<b>\$ 11,074,910</b>
<b>Transactions Not Affecting Cash and Cash Equivalents:</b>		
Capital and Related Financing Activities:		
Developer Contributions - Capital Assets	\$ 69,004	\$ -



CITY OF SEGUIN, TEXAS  
 COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT  
 UTILITY FUND  
 YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<i>Administration:</i>		
Personnel Services	\$ 2,120,071	\$ 2,134,813
Contracted Services	139,144	125,851
Supplies and Materials	75,294	78,911
Other Charges	34,033	26,949
Depreciation	6,392	5,056
<i>Total Administration</i>	<u>2,374,934</u>	<u>2,371,580</u>
<i>Electric Production and Distribution:</i>		
Personnel Services	1,264,089	1,240,382
Contracted Services	1,780,267	1,337,821
Supplies and Materials	16,915,273	16,970,475
Other Charges	74,910	71,306
Depreciation	883,104	1,360,892
<i>Total Electric Production and Distribution</i>	<u>20,917,643</u>	<u>20,980,876</u>
<i>Utility Services</i>		
Personnel Services	1,200,652	1,010,429
Contracted Services	132,321	138,770
Supplies and Materials	32,495	26,008
Other Charges	10,155	8,030
<i>Total Utility Services</i>	<u>1,375,623</u>	<u>1,183,237</u>
<i>Water Production:</i>		
Personnel Services	827,604	752,795
Contracted Services	4,479,756	4,220,291
Supplies and Materials	106,379	91,347
Other Charges	8,014	7,118
Depreciation	1,123,366	683,564
<i>Total Water Production</i>	<u>6,545,119</u>	<u>5,755,115</u>
<i>Water/Sewer Maintenance:</i>		
Personnel Services	1,159,651	1,061,277
Contracted Services	1,723,556	1,553,494
Supplies and Materials	92,030	64,893
Other Charges	444,489	338,241
Depreciation	2,199,512	1,933,240
<i>Total Water/Sewer Maintenance</i>	<u>5,619,238</u>	<u>4,951,145</u>
<i>Sewer Plant:</i>		
Personnel Services	648,771	551,793
Contracted Services	698,578	780,959
Supplies and Materials	93,752	95,784
Other Charges	3,184	4,731
Depreciation	260,948	480,220
<i>Total Sewer Plant</i>	<u>\$ 1,705,233</u>	<u>\$ 1,913,487</u>

CITY OF SEGUIN, TEXAS  
 COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)  
 UTILITY FUND  
 YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
<i>Economic Development:</i>		
Personnel Services	\$ 262,595	\$ 272,432
Contracted Services	23,063	24,041
Supplies and Materials	1,995	1,864
Other Charges	20,522	22,412
<i>Total Economic Development</i>	308,175	320,749
 <i>Facilities Maintenance:</i>		
Personnel Services	668,903	648,467
Contracted Services	96,496	71,780
Supplies and Materials	35,352	37,051
Other Charges	314	524
Depreciation	6,367	9,194
<i>Total Facilities Maintenance</i>	807,432	767,016
 <i>Information Technology:</i>		
Personnel Services	353,305	280,309
Contracted Services	220,131	177,416
Supplies and Materials	1,954	1,381
Other Charges	8,118	3,123
<i>Total Information Technology</i>	583,508	462,229
 <i>City Attorney:</i>		
Personnel Services	104,955	94,395
Contracted Services	12,097	886
Supplies and Materials	41	98
Other Charges	2,866	1,460
<i>Total City Attorney</i>	119,959	96,839
 <i>Nondepartmental:</i>		
Contracted Services	4,301,185	293,693
Supplies and Materials	47,110	25,926
Other Charges	265,773	308,356
Depreciation	702,782	373,190
<i>Total Nondepartmental</i>	5,316,850	1,001,165
Indirect Cost Allocation	4,968,672	4,819,725
Total Operating Expenses	\$ 50,642,386	\$ 44,623,163

CITY OF SEGUIN, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS  
 SEPTEMBER 30, 2019  
 (With Comparative Amounts for 2018)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2019	2018
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 242,250	\$ 45,533	\$ 14,374	\$ 302,157	\$ 400,381
Investments	227,002	636,328	50,611	913,941	795,803
Miscellaneous Receivables	3,561	14,086	-	17,647	13,564
Due from Other funds	-	-	-	-	-
<b>Total Assets</b>	<u>472,813</u>	<u>695,947</u>	<u>64,985</u>	<u>1,233,745</u>	<u>1,209,748</u>
<b>LIABILITIES</b>					
Accounts Payable	3,618	-	-	3,618	8,086
<b>Total Liabilities</b>	<u>3,618</u>	<u>-</u>	<u>-</u>	<u>3,618</u>	<u>8,086</u>
<b>NET POSITION</b>					
Unrestricted	469,195	695,947	64,985	1,230,127	1,201,662
<b>Total Net Position</b>	<u>\$ 469,195</u>	<u>\$ 695,947</u>	<u>\$ 64,985</u>	<u>\$1,230,127</u>	<u>\$ 1,201,662</u>

CITY OF SEGUIN, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
 NET POSITION – INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (With Comparative Amounts for 2018)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2019	2018
<b>OPERATING REVENUES</b>					
Charges for Premiums	\$ 2,993,637	\$ 136,254	\$ 174,869	<b>\$3,304,760</b>	\$ 3,309,048
Miscellaneous Revenues	1,088	-	6,105	<b>7,193</b>	481
<b>Total Operating Revenues</b>	<u>2,994,725</u>	<u>136,254</u>	<u>180,974</u>	<u><b>3,311,953</b></u>	<u>3,309,529</u>
<b>OPERATING EXPENSES</b>					
Premiums	3,060,865	115,769	185,492	<b>3,362,126</b>	3,504,760
Administration	37,500	-	-	<b>37,500</b>	41,000
<b>Total Operating Expenses</b>	<u>3,098,365</u>	<u>115,769</u>	<u>185,492</u>	<u><b>3,399,626</b></u>	<u>3,545,760</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(103,640)</u>	<u>20,485</u>	<u>(4,518)</u>	<u><b>(87,673)</b></u>	<u>(236,231)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest Income	8,642	15,862	102	<b>24,606</b>	14,344
<b>Total Nonoperating Revenues (Expenses)</b>	<u>8,642</u>	<u>15,862</u>	<u>102</u>	<u><b>24,606</b></u>	<u>14,344</u>
<b>Net Income (Loss) Before Contributions and Transfers</b>	(94,998)	36,347	(4,416)	<b>(63,067)</b>	(221,887)
<b>Transfers In (Out)</b>	<u>-</u>	<u>91,532</u>	<u>-</u>	<u><b>91,532</b></u>	<u>-</u>
<b>Change in Net Position</b>	(94,998)	127,879	(4,416)	<b>28,465</b>	(221,887)
<b>Net Position At Beginning of Year</b>	<u>564,193</u>	<u>568,068</u>	<u>69,401</u>	<u><b>1,201,662</b></u>	<u>1,423,549</u>
<b>Net Position at End of Year</b>	<u>\$ 469,195</u>	<u>\$ 695,947</u>	<u>\$ 64,985</u>	<u><b>\$1,230,127</b></u>	<u>1,201,662</u>

CITY OF SEGUIN, TEXAS  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019  
 (With Comparative Amounts for 2018)

	Internal	Retirees	Workers	Totals	
	Insurance Fund	Insurance Fund	Compensation Fund	2019	2018
<b>Cash Flows From Operating Activities:</b>					
Cash Received from Interfund Services	\$ 2,221,203	\$ 135,732	\$ 174,869	<b>\$ 2,531,804</b>	\$ 2,542,277
Cash Paid from Users	769,961	-	-	<b>769,961</b>	772,264
Cash Paid for Employee Benefits	(3,102,833)	(115,769)	(179,387)	<b>(3,397,990)</b>	(3,541,652)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(111,669)</u>	<u>19,963</u>	<u>(4,518)</u>	<b><u>(96,224)</u></b>	<u>(227,111)</u>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Operating Transfers from/to Other Funds	-	91,532	-	<b>91,532</b>	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>91,532</u>	<u>-</u>	<b><u>91,532</u></b>	<u>-</u>
<b>Cash Flows From Investing Activities:</b>					
Sale/(Purchase) of Investments	(41,272)	(67,659)	(9,207)	<b>(118,138)</b>	335,333
Investment Interest Received	8,642	15,862	102	<b>24,606</b>	14,344
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(32,630)</u>	<u>(51,797)</u>	<u>(9,105)</u>	<b><u>(93,532)</u></b>	<u>349,677</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(144,299)	59,698	(13,623)	<b>(98,224)</b>	122,566
<b>Cash and Equivalents at Beg of Year</b>	<u>386,549</u>	<u>(14,165)</u>	<u>27,997</u>	<b><u>400,381</u></b>	<u>277,815</u>
<b>Cash and Equivalents at End of Year</b>	<u>\$ 242,250</u>	<u>\$ 45,533</u>	<u>\$ 14,374</u>	<b><u>\$ 302,157</u></b>	<u>\$ 400,381</u>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>					
Operating Income (Loss)	\$ (103,640)	\$ 20,485	\$ (4,518)	<b>\$ (87,673)</b>	\$ (236,231)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:					
(Increase) Decrease in					
Miscellaneous Receivables	(3,561)	(522)	-	<b>(4,083)</b>	4,518
Advances to Other Funds	-	-	-	-	494
Prepaid Items	-	-	-	-	3,423
Increase (Decrease) in					
Accounts Payable	(4,468)	-	-	<b>(4,468)</b>	685
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (111,669)</u>	<u>\$ 19,963</u>	<u>\$ (4,518)</u>	<b><u>\$ (96,224)</u></b>	<u>\$ (227,111)</u>

CITY OF SEGUIN, TEXAS  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY (PRIVATE PURPOSE TRUST) FUNDS  
 SEPTEMBER 30, 2019

	Riverside Cemetery Fund	Industrial Development Fund	DARE Scholarship Fund	<b>Total Private Purpose Trusts</b>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ -	\$ 5,291	\$ 37	\$ 5,328
Investments	10,332	257,163	2,950	270,445
Inventory	-	359,431	-	359,431
<b>Total Assets</b>	<u>10,332</u>	<u>621,885</u>	<u>2,987</u>	<u>635,204</u>
<b>LIABILITIES</b>				
Due to Others	-	-	500	500
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>500</u>	<u>500</u>
<b>Net Position Held in Trust</b>	<u>\$ 10,332</u>	<u>\$ 621,885</u>	<u>\$ 2,487</u>	<u>\$ 634,704</u>

CITY OF SEGUIN, TEXAS  
 COMBINING STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY (PRIVATE PURPOSE TRUST) FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Riverside Cemetery Fund	Industrial Development Fund	DARE Scholarship Fund	Total Private Purpose Trusts
<b>ADDITIONS</b>				
Interest	\$ 320	\$ 6,308	\$ 77	\$ 6,705
Scholarships	-	-	2,500	2,500
<b>Total Additions</b>	<u>320</u>	<u>6,308</u>	<u>2,577</u>	<u>9,205</u>
<b>DEDUCTIONS</b>				
Distribution to Participants	5,000	-	1,050	6,050
<b>Total Deductions</b>	<u>5,000</u>	<u>-</u>	<u>1,050</u>	<u>6,050</u>
<b>Change in Net Position</b>	(4,680)	6,308	1,527	3,155
<b>Net Position, Beginning of Year</b>	<u>15,012</u>	<u>615,577</u>	<u>960</u>	<u>631,549</u>
<b>Net Position, End of Year</b>	<u>\$ 10,332</u>	<u>\$ 621,885</u>	<u>\$ 2,487</u>	<u>\$ 634,704</u>



**It's real.**



CITY OF SEGUIN, TEXAS  
STATISTICAL SECTION  
SEPTEMBER 30, 2019

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			
	2010	2011	2012	2013
<i>Governmental Activities:</i>				
Net Investment in Capital Assets	\$ 19,035,061	\$ 22,058,500	\$ 21,979,540	\$ 21,518,984
Restricted	1,243,295	2,399,602	2,793,614	3,323,527
Unrestricted	12,804,348	13,476,007	24,998,610	26,172,941
<i>Total Governmental Activities</i>				
<i>Net Position</i>	<u>\$ 33,082,704</u>	<u>\$ 37,934,109</u>	<u>\$ 49,771,764</u>	<u>\$ 51,015,452</u>
<i>Business-Type Activities:</i>				
Net Investment in Capital Assets	\$ 26,030,163	\$ 26,908,429	\$ 27,668,999	\$ 29,869,105
Restricted	1,884,617	2,916,398	3,239,558	3,594,942
Unrestricted	19,735,076	29,660,618	30,740,418	30,205,790
<i>Total Business-Type Activities</i>				
<i>Net Position</i>	<u>\$ 47,649,856</u>	<u>\$ 59,485,445</u>	<u>\$ 61,648,975</u>	<u>\$ 63,669,837</u>
<i>Primary Government:</i>				
Net Investment in Capital Assets	\$ 45,065,224	\$ 48,966,929	\$ 49,648,539	\$ 51,388,089
Restricted	3,127,912	5,316,000	6,033,172	6,918,469
Unrestricted	32,539,424	43,136,625	55,739,028	56,378,731
<i>Total Primary Government</i>				
<i>Net Position</i>	<u>\$ 80,732,560</u>	<u>\$ 97,419,554</u>	<u>\$ 111,420,739</u>	<u>\$ 114,685,289</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						
2014*	2015	2016	2017 ^	2018	2019	
\$ 21,780,455	\$ 25,657,965	\$ 28,065,213	\$ 30,491,009	\$ 28,797,978	\$ 30,433,349	
3,352,071	3,306,292	2,912,376	2,806,714	3,098,632	3,325,349	
24,028,627	2,882,554	(1,309,424)	(3,141,355)	(367,714)	(2,656,756)	
<u>\$ 49,161,153</u>	<u>\$ 31,846,811</u>	<u>\$ 29,668,165</u>	<u>\$ 30,156,368</u>	<u>\$ 31,528,896</u>	<u>\$ 31,101,942</u>	
\$ 36,385,747	\$ 39,946,492	\$ 44,783,121	\$ 49,099,409	\$ 50,116,822	\$ 50,781,752	
3,558,479	3,651,700	2,713,233	2,975,869	3,053,820	3,347,620	
32,360,850	22,809,054	24,439,018	26,265,507	31,053,353	32,067,867	
<u>\$ 72,305,076</u>	<u>\$ 66,407,246</u>	<u>\$ 71,935,372</u>	<u>\$ 78,340,785</u>	<u>\$ 84,223,995</u>	<u>\$ 86,197,239</u>	
\$ 58,166,202	\$ 65,604,457	\$ 72,848,334	\$ 79,590,418	\$ 78,914,800	\$ 81,215,101	
6,910,550	6,957,992	5,625,609	5,782,583	6,152,452	6,672,969	
56,389,477	25,691,608	23,129,594	23,124,152	30,685,639	29,411,111	
<u>\$ 121,466,229</u>	<u>\$ 98,254,057</u>	<u>\$ 101,603,537</u>	<u>\$ 108,497,153</u>	<u>\$ 115,752,891</u>	<u>\$ 117,299,181</u>	

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

Expenses	Fiscal Year			
	2010	2011	2012	2013
<i>Governmental Activities:</i>				
General Government	\$ 1,859,525	\$ 2,077,927	\$ 1,482,333	\$ 1,617,167
Public Safety	9,494,381	10,057,294	10,617,994	11,147,424
Public Service	6,636,986	6,912,623	7,849,643	8,269,202
Interest on Long-Term Debt	1,444,828	2,017,079	1,778,567	1,685,881
<i>Total Governmental Activities</i>	<u>19,435,720</u>	<u>21,064,923</u>	<u>21,728,537</u>	<u>22,719,674</u>
<i>Business-Type Activities:</i>				
Utility	36,430,136	37,928,870	39,484,763	39,212,917
<i>Total Business-Type Activities</i>	<u>36,430,136</u>	<u>37,928,870</u>	<u>39,484,763</u>	<u>39,212,917</u>
<b>Total Primary Government Expenses</b>	<u><u>\$ 55,865,856</u></u>	<u><u>\$ 58,993,793</u></u>	<u><u>\$ 61,213,300</u></u>	<u><u>\$ 61,932,591</u></u>
<b>Program Revenues</b>				
<i>Governmental Activities:</i>				
<i>Charges for Services:</i>				
General Government	\$ 2,419,222	\$ 2,423,729	\$ 2,617,386	\$ 2,616,261
Public Safety	2,957,157	3,337,034	2,940,217	3,053,799
Public Service	2,228,708	2,393,691	2,464,152	2,435,778
Operating Grants and Contributions	965,782	719,700	985,512	658,404
Capital Grants and Contributions	567,658	222,703	221,193	140,973
<i>Total Governmental Activities</i>	<u>9,138,527</u>	<u>9,096,857</u>	<u>9,228,460</u>	<u>8,905,215</u>
<i>Business-Type Activities:</i>				
Charges for Services	39,290,331	43,211,099	41,463,853	40,827,258
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	87,917	257,571	40,454	215,212
<i>Total Business-Type Activities</i>	<u>39,378,248</u>	<u>43,468,670</u>	<u>41,504,307</u>	<u>41,042,470</u>
<b>Total Primary Government Program Revenues</b>	<u><u>\$ 48,516,775</u></u>	<u><u>\$ 52,565,527</u></u>	<u><u>\$ 50,732,767</u></u>	<u><u>\$ 49,947,685</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.

Comparative information has not been restated.

TABLE 2

Fiscal Year					
2014*	2015	2016	2017 ^	2018	2019
\$ 1,891,420	\$ 6,354,347	\$ 7,500,656	\$ 8,757,882	\$ 7,973,726	\$ 8,799,350
11,757,015	13,399,458	14,279,914	15,578,523	15,581,434	16,703,296
8,464,114	8,043,970	10,077,096	9,644,071	11,044,845	11,603,192
2,516,964	2,343,340	2,560,726	2,864,443	2,871,456	2,850,813
<u>24,629,513</u>	<u>30,141,115</u>	<u>34,418,392</u>	<u>36,844,919</u>	<u>37,471,461</u>	<u>39,956,651</u>
36,900,786	38,627,413	37,882,970	41,090,227	41,828,470	47,630,285
<u>36,900,786</u>	<u>38,627,413</u>	<u>37,882,970</u>	<u>41,090,227</u>	<u>41,828,470</u>	<u>47,630,285</u>
<u>\$ 61,530,299</u>	<u>\$ 68,768,528</u>	<u>\$ 72,301,362</u>	<u>\$ 77,935,146</u>	<u>\$ 79,299,931</u>	<u>\$ 87,586,936</u>
\$ 2,888,748	\$ 3,381,353	\$ 3,209,656	\$ 3,647,445	\$ 3,306,325	\$ 4,907,833
3,524,917	3,641,594	3,515,320	3,478,473	3,897,134	3,123,547
3,081,696	3,005,082	3,072,719	3,493,086	3,883,079	3,969,566
841,529	801,179	546,156	618,406	760,164	589,086
197,027	2,014,336	656,203	2,868,007	2,952,449	228,219
<u>10,533,917</u>	<u>12,843,544</u>	<u>11,000,054</u>	<u>14,105,417</u>	<u>14,799,151</u>	<u>12,818,251</u>
42,017,948	42,645,590	46,502,423	49,979,572	52,260,672	53,459,811
-	-	-	-	-	-
2,961,261	749,579	975,222	1,845,532	-	69,004
<u>44,979,209</u>	<u>43,395,169</u>	<u>47,477,645</u>	<u>51,825,104</u>	<u>52,260,672</u>	<u>53,528,815</u>
<u>\$ 55,513,126</u>	<u>\$ 56,238,713</u>	<u>\$ 58,477,699</u>	<u>\$ 65,930,521</u>	<u>\$ 67,059,823</u>	<u>\$ 66,347,066</u>

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

	Fiscal Year			
	2010	2011	2012	2013
<b>Net (Expense)/Revenue</b>				
Governmental Activities	\$ (10,297,193)	\$ (11,968,066)	\$ (12,500,077)	\$ (13,814,459)
Business-Type Activities	2,948,112	5,539,800	2,019,544	1,829,553
Total Primary Government Net (Expense)	<u>\$ (7,349,081)</u>	<u>\$ (6,428,266)</u>	<u>\$ (10,480,533)</u>	<u>\$ (11,984,906)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<i>Governmental Activities:</i>				
General Property Taxes	\$ 5,694,180	\$ 6,363,981	\$ 7,032,068	\$ 7,123,720
Franchise Taxes	920,524	833,019	853,330	897,556
Sales Taxes	4,473,399	4,472,305	5,512,435	5,833,464
Occupancy Taxes	550,999	809,377	869,409	762,465
Interest and Investment Earnings	55,460	35,855	63,548	49,726
Miscellaneous	-	500,000	505,000	510,000
Gain (Loss) on Sale of Capital Assets	-	-	-	-
Special Items	-	3,000,000	9,585,200	-
Transfers	72,034	804,934	(83,258)	(118,784)
<i>Total Governmental Activities</i>	<u>11,766,596</u>	<u>16,819,471</u>	<u>24,337,732</u>	<u>15,058,147</u>
<i>Business-Type Activities Charges for Services:</i>				
Interest and Investment Earnings	42,731	37,921	67,211	39,696
Gain (Loss) on Sale of Capital Assets	-	62,802	(6,483)	32,829
Special Items	-	7,000,000	-	-
Transfers	(72,034)	(804,934)	83,258	118,784
<i>Total Business-Type Activities</i>	<u>(29,303)</u>	<u>6,295,789</u>	<u>143,986</u>	<u>191,309</u>
<b>Total Primary Government</b>	<u>\$ 11,737,293</u>	<u>\$ 23,115,260</u>	<u>\$ 24,481,718</u>	<u>\$ 15,249,456</u>
<b>Change in Net Position</b>				
Governmental Activities	\$ 1,469,403	\$ 4,851,405	\$ 11,837,655	\$ 1,243,688
Business-Type Activities	2,918,809	11,835,589	2,163,530	2,020,862
Total Primary Government	<u>\$ 4,388,212</u>	<u>\$ 16,686,994</u>	<u>\$ 14,001,185</u>	<u>\$ 3,264,550</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 2 (CONT.)

Fiscal Year					
2014*	2015	2016	2017 ^	2018	2019
\$(14,095,596)	\$(13,107,247)	\$ (19,065,346)	\$ (18,098,213)	\$(17,852,585)	\$ (22,169,728)
8,078,423	577,432	5,241,683	6,093,588	5,612,477	929,858
<u>\$ (6,017,173)</u>	<u>\$ (12,529,815)</u>	<u>\$ (13,823,663)</u>	<u>\$ (12,004,625)</u>	<u>\$ (12,240,108)</u>	<u>\$ (21,239,870)</u>
\$ 6,952,798	\$ 7,516,954	\$ 7,922,023	\$ 9,362,955	\$ 10,126,201	\$ 11,037,342
913,296	986,176	1,252,005	1,096,104	1,187,699	1,273,009
5,841,830	6,089,793	6,232,146	6,271,333	6,729,041	6,760,360
726,361	825,433	830,356	842,217	861,218	833,720
36,602	40,371	183,931	400,790	678,954	930,252
515,000	520,000	546,645	531,294	535,000	740,000
-	-	-	-	-	-
(2,209,258)	-	-	-	-	-
(535,332)	(100,149)	(80,406)	81,723	101,297	168,091
<u>12,241,297</u>	<u>15,878,578</u>	<u>16,886,700</u>	<u>18,586,416</u>	<u>20,219,410</u>	<u>21,742,774</u>
20,456	34,353	191,925	389,947	764,923	1,202,045
1,028	483	14,112	3,601	660	9,432
-	-	-	-	-	-
535,332	100,149	80,406	(81,723)	(101,297)	(168,091)
<u>556,816</u>	<u>134,985</u>	<u>286,443</u>	<u>311,825</u>	<u>664,286</u>	<u>1,043,386</u>
<u>\$ 12,798,113</u>	<u>\$ 16,013,563</u>	<u>\$ 17,173,143</u>	<u>\$ 18,898,241</u>	<u>\$ 20,883,696</u>	<u>\$ 22,786,160</u>
\$ (1,854,299)	\$ 2,771,331	\$ (2,178,646)	\$ 488,203	\$ 2,366,825	\$ (426,954)
8,635,239	712,417	5,528,126	6,405,413	6,276,763	1,973,244
<u>\$ 6,780,940</u>	<u>\$ 3,483,748</u>	<u>\$ 3,349,480</u>	<u>\$ 6,893,616</u>	<u>\$ 8,643,588</u>	<u>\$ 1,546,290</u>

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

	Fiscal Year			
	2010	2011	2012	2013
<i>General Fund:</i>				
Nonspendable	\$ 56,899	\$ 73,101	\$ 66,104	\$ 2,037,347
Restricted	-	22,800	22,800	20,100
Committed	-	-	2,208,762	2,163,385
Assigned	-	-	-	157,464
Unassigned	8,655,304	8,773,457	17,454,678	15,568,700
<i>Total General Fund</i>	<u>\$ 8,712,203</u>	<u>\$ 8,869,358</u>	<u>\$ 19,752,344</u>	<u>\$ 19,946,996</u>
<i>All other Governmental Funds:</i>				
Nonspendable	\$ 4,295	\$ -	\$ 22,852	\$ 12,803
Restricted - Special Revenue	1,065,039	1,389,762	1,701,526	1,748,490
Restricted - Capital Projects	3,749,080	11,920,110	14,004,274	13,155,149
Restricted - Debt Service	1,068,598	945,380	1,019,857	1,510,096
Committed - Special Revenue	23,413	31,331	11,113	10,726
Assigned - Capital Projects	1,940,052	2,059,875	2,183,206	2,860,482
<i>Total Other Governmental Funds</i>	<u>\$ 7,850,477</u>	<u>\$ 16,346,458</u>	<u>\$ 18,942,828</u>	<u>\$ 19,297,746</u>



TABLE 3

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 70,386	\$ 98,698	\$ 107,383	\$ 120,838	\$ 135,453	\$ 154,001
20,100	25,300	5,300	7,905	5,300	28,154
2,165,441	2,167,774	2,018,494	1,536,104	2,202,612	2,151,739
151,582	126,887	52,312	3,440	129,946	210,949
16,586,852	15,571,620	12,974,522	11,505,167	10,529,800	10,796,436
<u>\$ 18,994,361</u>	<u>\$ 17,990,279</u>	<u>\$ 15,158,011</u>	<u>\$ 13,173,454</u>	<u>\$ 13,003,111</u>	<u>\$ 13,341,279</u>
\$ 5,874	\$ 15,570	\$ 1,163	\$ 43,326	\$ 17,869	\$ 3,476
1,752,872	1,854,260	1,942,693	1,915,334	2,066,025	2,076,086
30,155,607	17,309,757	11,643,846	15,335,309	12,857,421	8,979,338
1,645,809	1,467,186	982,371	893,141	1,093,814	1,296,867
24,192	24,208	24,237	214,185	299,414	389,686
3,220,890	4,067,387	5,045,454	4,763,452	6,686,974	5,794,947
<u>\$ 36,805,244</u>	<u>\$ 24,738,368</u>	<u>\$ 19,639,764</u>	<u>\$ 23,164,747</u>	<u>\$ 23,021,517</u>	<u>\$ 18,540,400</u>

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

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 11,586,011	\$ 12,413,070	\$ 14,250,325	\$ 14,653,908
Licenses and Permits	329,009	325,496	404,953	384,153
Intergovernmental	2,253,478	1,462,440	1,842,006	1,062,026
Charges for Services	5,127,519	5,071,986	5,375,293	5,364,318
Fines and Forfeits	1,366,173	1,534,392	1,422,147	1,446,373
Interest	54,851	35,283	63,074	378,958
Miscellaneous	129,349	741,762	721,692	778,174
<b>Total Revenues</b>	<u>20,846,390</u>	<u>21,584,429</u>	<u>24,079,490</u>	<u>24,067,910</u>
<b>Expenditures</b>				
General Government	3,043,817	3,271,912	2,970,433	2,995,289
Public Safety	8,862,366	9,919,756	9,946,852	10,421,044
Public Service	4,541,940	4,562,336	5,877,185	5,996,218
Nondepartmental	1,491,764	1,809,481	1,620,181	1,949,011
Indirect Cost Allocation (Recovery)	(2,952,855)	(3,288,861)	(3,430,197)	(3,674,342)
Capital Projects/ Outlay	5,751,957	3,792,747	2,702,978	2,305,774
Debt Service:				
Principal	1,466,258	1,584,205	1,973,707	1,977,394
Interest and Fiscal Charges	1,428,424	1,678,851	1,686,787	1,628,268
Bond Issue Costs	-	328,000	146,006	45,636
<b>Total Expenditures</b>	<u>23,633,671</u>	<u>23,658,427</u>	<u>23,493,932</u>	<u>23,644,292</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(2,787,281)</u>	<u>(2,073,998)</u>	<u>585,558</u>	<u>423,618</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	631,000	1,386,102	1,264,924	2,496,336
Transfers Out	(711,428)	(1,763,058)	(1,435,973)	(2,615,120)
Issuance of Debt	-	11,104,090	6,455,635	4,549,100
Payments to Refunding Bond Escrow Agent	-	-	(2,975,988)	(4,304,364)
<b>Total Other Financing Sources (Uses)</b>	<u>(80,428)</u>	<u>10,727,134</u>	<u>3,308,598</u>	<u>125,952</u>
<b>Special Items</b>	<u>-</u>	<u>-</u>	<u>9,585,200</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>\$ (2,867,709)</u>	<u>\$ 8,653,136</u>	<u>\$ 13,479,356</u>	<u>\$ 549,570</u>
Debt Service as a percentage of Noncapital Expenditures	15.7%	16.4%	17.5%	17.4%

TABLE 4

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 14,396,360	\$ 15,437,258	\$ 16,237,296	\$ 17,492,007	\$ 19,006,626	\$ 19,871,923
688,637	1,242,939	740,076	1,062,336	766,525	869,052
1,692,199	3,397,057	1,891,931	2,151,733	4,507,057	1,614,031
5,724,792	5,846,015	6,047,893	6,852,536	7,008,229	7,665,838
1,894,219	1,899,976	1,695,053	1,909,706	1,819,248	1,362,160
36,579	40,290	181,889	394,487	664,608	905,661
1,080,418	979,661	958,334	920,641	994,103	2,071,301
<u>25,513,204</u>	<u>28,843,196</u>	<u>27,752,472</u>	<u>30,783,446</u>	<u>34,766,396</u>	<u>34,359,966</u>
3,291,439	3,469,890	4,029,991	5,002,392	4,955,952	5,553,483
11,099,683	11,847,542	12,595,423	13,497,928	13,917,286	13,982,502
6,087,470	6,523,397	7,075,027	7,191,996	7,242,165	7,525,058
2,202,136	2,047,626	2,251,191	2,726,158	2,377,784	2,735,975
(3,848,566)	(4,190,324)	(4,352,992)	(4,641,289)	(4,819,725)	(4,968,672)
5,466,886	17,192,358	21,967,537	10,730,592	13,490,692	7,603,803
2,370,179	2,680,967	2,602,766	2,860,858	3,466,099	3,859,954
2,011,346	2,164,212	2,249,581	2,705,449	2,785,378	2,848,546
363,655	193,604	379,187	216,893	159,158	118,964
<u>29,044,228</u>	<u>41,929,272</u>	<u>48,797,711</u>	<u>40,290,977</u>	<u>43,574,789</u>	<u>39,259,613</u>
<u>(3,531,024)</u>	<u>(13,086,076)</u>	<u>(21,045,239)</u>	<u>(9,507,531)</u>	<u>(8,808,393)</u>	<u>(4,899,647)</u>
3,536,891	4,178,395	4,668,304	3,377,486	3,299,109	2,429,216
(4,185,763)	(4,356,879)	(4,820,473)	(3,304,663)	(3,197,812)	(2,352,657)
22,944,017	8,817,821	23,070,779	10,975,135	8,393,523	10,689,209
-	(8,624,217)	(9,804,242)	-	-	(10,009,070)
<u>22,295,145</u>	<u>15,120</u>	<u>13,114,368</u>	<u>11,047,958</u>	<u>8,494,820</u>	<u>756,698</u>
<u>(2,209,258)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 16,554,863</u>	<u>\$ (13,070,956)</u>	<u>\$ (7,930,871)</u>	<u>\$ 1,540,427</u>	<u>\$ (313,573)</u>	<u>\$ (4,142,949)</u>
18.1%	19.4%	17.1%	18.6%	21.0%	20.6%

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

TABLE 5

Fiscal Year	Property	Sales & Use	Occupancy	Franchise	Total
2010	\$ 5,641,089	\$ 4,473,399	\$ 550,999	\$ 920,524	\$ 11,586,011
2011	6,298,369	4,495,098	786,585	833,018	12,413,070
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

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
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	536,741,553	629,614,703	181,755,812	655,592,928	1,554,809,696	0.5256
2015	810,622,634	523,445,251	587,892,017	148,519,377	598,745,708	1,471,733,571	0.5244
2014	738,143,976	489,211,189	576,499,288	136,133,611	570,260,123	1,369,727,941	0.5173
2013	738,982,849	465,714,399	785,423,174	152,396,679	713,834,301	1,428,682,800	0.5073
2012	723,441,220	431,521,993	550,501,805	150,003,452	467,115,554	1,388,352,916	0.5073
2011	716,337,690	381,012,529	344,847,282	220,121,445	334,238,078	1,328,080,868	0.4893
2010	668,475,414	383,484,507	330,139,839	209,183,412	312,223,664	1,279,059,508	0.4600

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 2018 tax roll was \$1,807,765,216.

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
2010	\$ 0.2325	\$ 0.2275	\$ 0.4600	\$ 1.2498	\$ 0.3895
2011	0.2693	0.2200	0.4893	1.2498	0.3999
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

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

TABLE 8

Taxpayer	Fiscal Year 2019 (2018 Tax Levy)			Fiscal Year 2010 (2009 Tax Levy)		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Temec Automotive (Motorola)	\$ 165,888,756	1	5.67%	\$ 33,865,156	2	--
Niagara Bottling LLC	53,933,338	2	1.84%	--	--	--
Helmerich & Payne International	44,545,958	3	1.52%	--	--	--
8th Street Properties	33,218,998	4	1.14%	--	--	--
Hexcel Reinforcements Corp	17,021,347	5	0.58%	14,231,137	3	1.11%
Wonder Properties LTD	14,132,300	6	0.48%	--	--	--
Ranch @ SH123 Loop	13,000,000	7	0.44%	--	--	--
American Pipe & Products LLC	12,192,349	8	0.42%	6,731,801	8	0.53%
ET Seguin Dist LLC	11,402,600	9	0.39%	--	--	--
Seguin Walnut Grove Apts	10,245,900	10	0.35%	--	--	--
Rio Nogales Power Project LP	--	--	--	68,399,281	1	5.35%
Tyson Foods, Inc.	--	--	--	11,160,255	4	0.87%
ITW MiniGrip Inc	--	--	--	10,946,752	5	0.86%
Wal-Mart Real Estate Business Trust	--	--	--	7,436,059	6	0.58%
Frontier Land Limited	--	--	--	7,076,106	7	0.55%
Wesco, Inc.	--	--	--	6,640,415	9	0.52%
Mojave & 395 LLC/Malibu	--	--	--	5,911,107	10	0.46%
Total	<u>\$ 375,581,546</u>		<u>12.83%</u>	<u>\$ 172,398,069</u>		<u>10.83%</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
2010	\$ 5,987,710	\$ 5,829,714	97.4%	\$ 147,528	\$ 5,977,242	99.8%
2011	6,243,006	6,056,865	97.0%	175,402	6,232,267	99.8%
2012	6,766,524	6,577,230	97.2%	177,128	6,754,358	99.8%
2013	6,971,685	6,842,125	98.1%	114,928	6,957,053	99.8%
2014	6,676,209	6,529,859	97.8%	119,673	6,649,532	99.6%
2015	7,438,963	7,320,383	98.4%	89,291	7,409,674	99.6%
2016	7,811,018	7,649,611	97.9%	125,782	7,775,393	99.5%
2017	9,263,759	8,999,501	97.1%	214,633	9,214,134	99.5%
2018	10,054,136	9,893,628	98.4%	78,384	9,972,012	99.2%
2019	10,847,274	10,709,472	98.7%	-	10,709,472	98.7%

*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^	Notes Payable	Capital Leases	Revenue and GO Bonds^	Capital Leases					
2010	\$ 29,540,000	\$ 1,772,520	\$ 77,683	\$ 15,570,000	\$ 164,547	\$ 47,124,750	\$ 1,279,059,508	3.7%	\$ 1,607	10.2%
2011	39,235,000	1,345,970	329,118	22,600,000	144,321	63,654,409	1,328,080,868	4.8%	2,528	16.1%
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%	4,514	20.7%
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%

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	Notes Payable					
2010	\$ 29,540,000	\$ 1,772,520	\$ (1,068,598)	\$ 30,243,922	\$ 1,279,059,508	2.4%	\$ 1,031
2011	39,325,000	1,345,970	(945,380)	39,725,590	1,328,080,868	3.0%	1,578
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

*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, 2019  
(Unaudited)

TABLE 12

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Guadalupe County	\$ 11,570,000	19.18%	\$ 2,219,126
Seguin Independent School District	134,904,104	49.68%	67,020,359
Subtotal, Overlapping Debt			69,239,485
Seguin Direct Debt			79,840,117
Total Direct and Overlapping Debt			\$ 149,079,602

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	\$ 2,117,411,174
* Debt limit (10% of assessed value)	211,741,117
Outstanding Debt <sup>[1]</sup>	79,840,117
Less amount set aside for repayment of general obligation debt	(1,296,867)
Total net debt applicable to limit	78,543,250
Economic Debt Margin	\$ 133,197,867

	Fiscal Year				
	2010	2011	2012	2013	2014
Debt Limit	\$ 127,905,951	\$ 132,808,087	\$ 138,835,292	\$ 142,868,280	\$ 136,972,794
Total net debt applicable to limit	(30,243,922)	(39,725,590)	(41,289,480)	(39,242,331)	(59,956,822)
Economic Debt Margin	\$ 97,662,029	\$ 93,082,497	\$ 97,545,812	\$ 103,625,949	\$ 77,015,972

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt Limit	\$ 147,173,357	\$ 155,480,970	\$ 179,855,871	\$ 195,746,751	\$ 211,741,117
Total net debt applicable to limit	(58,047,453)	(69,305,127)	(75,935,081)	(79,873,076)	(78,543,250)
Economic Debt Margin	\$ 89,125,904	\$ 86,175,843	\$ 103,920,790	\$ 115,873,675	\$ 133,197,867

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

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

TABLE 14

Fiscal Year	Utility Service Charges	Less: Operating Expenses*	Net Available Revenue	Debt Service Principal	Interest	Coverage
2010	\$ 39,290,331	\$ (33,098,744)	\$ 6,191,587	\$ 775,000	\$ 714,449	4.16
2011	43,211,099	(34,002,636)	9,208,463	805,000	961,171	5.21
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

\* 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
2010	22,011	29,325	38,060	15,730	32.4	7,562	6.4
2011	25,175	25,175	38,060	15,730	32.4	7,547	7.3
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

*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

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Texas Power Systems/CAT	2,000	1	14.50%	1,206	1	10.69%
Continental AG (Motorola)	1,500	2	10.88%	1,002	3	8.89%
Seguin Independent School District	1,045	3	7.58%	1,085	2	9.62%
CMC Steel	900	4	6.53%	847	4	7.51%
Guadalupe Regional Medical Center	765	5	5.55%	667	6	5.91%
Tyson Foods	750	6	5.44%	850	5	7.54%
Guadalupe County	650	7	4.71%	573	7	5.08%
Texas Lutheran University	440	8	3.19%	314	9	2.78%
City of Seguin	429	9	3.11%	338	10	3.00%
HEB	400	10	2.90%	--	--	--
Wal-Mart Super Center	--	--	--	400	8	3.55%
Total	<u>8,879</u>		<u>64.39%</u>	<u>7,282</u>		<u>64.57%</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				
	2019	2018	2017	2016	2015
<b>Police</b>					
Physical arrests	1,084	1,072	1,755	2,328	1,798
Traffic citations	6,632	12,616	12,206	11,068	12,740
Parking citations	919	1,249	1,324	70	265
<b>Fire/EMS</b>					
Emergency responses	4,506	4,308	3,842	4,130	3,682
Non-emergency response/Service Calls	1,239	1,279	1,424	1,366	1,126
Inspections	787	1,334	1,252	1,467	1,065
<b>Refuse collection (by private contractor)</b>					
# of customers	8,162	9,025	8,796	8,623	8,400
<b>Parks and Recreation</b>					
Park and sport facility rentals	701	575	732	763	701
Sport league participants	-	-	3,614	3,352	2,358
Program participants	3,441	3,517	3,359	3,769	4,539
Wave Pool admissions	14,301	12,436	11,430	12,801	13,447
<b>Library</b>					
Volumes in collection	76,559	76,490	73,137	69,055	56,276
Total volumes borrowed	308,802	260,766	269,824	168,429	183,771
<b>Electric</b>					
# of customers	8,541	8,549	8,538	8,438	8,500
Sales (millions of \$)	30.1	30.5	29.7	27.3	28.5
<b>Water</b>					
# of customers	7,518	7,516	7,393	7,298	7,250
Average daily production (millions of gal.)					
Surface water	4.08	3.81	3.20	3.73	2.84
Well water	2.98	3.22	3.06	2.71	2.92
Total	7.06	7.03	6.26	6.44	5.76
Water main repairs (main sizes from 3/4" to 16")	178	133	175	126	455
<b>Wastewater</b>					
Average daily sewage treatment (millions of gal.)	4.33	4.65	5.40	4.57	4.05

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				
2014	2013	2012	2011	2010
1,605	1,138	1,509	1,548	1,444
15,988	8,911	12,349	15,040	13,027
308	291	176	44	517
3,748	3,903	3,162	3,692	3,578
804	588	1,837	1,435	74
379	482	831	289	654
8,079	7,945	7,850	7,739	7,609
639	622	624	734	721
740	2,251	2,815	2,670	2,611
4,640	3,509	5,172	4,822	4,782
13,077	13,126	13,126	14,015	10,504
64,366	62,220	69,563	76,126	76,440
197,204	205,281	210,820	229,389	233,609
8,314	8,293	8,191	8,210	8,011
25.7	25.3	25.8	26.5	26.4
7,120	7,116	7,088	7,060	7,019
2.69	2.35	2.77	2.88	2.14
3.04	3.01	3.17	3.40	3.16
5.73	5.36	5.94	6.28	5.30
403	127	74	56	97
3.29	3.74	4.13	3.96	3.33

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

Function	Fiscal Year				
	2019	2018	2017	2016	2015
<b>Police</b>					
Stations	1	1	1	1	1
Police vehicles	87	87	84	73	70
Fire stations	3	3	3	3	3
<b>Public works</b>					
Streets (miles of paved)	179.64	179.64	179.64	178.48	178.48
<b>Parks and Recreation</b>					
Number of parks	12	12	12	12	12
Acreage	346.91	346.91	346.91	346.91	346.91
<b>Water</b>					
Water mains (miles)	165.73	165.73	165.73	164.00	164.00
Fire hydrants	1,317	1,311	1,306	1,293	1,284
Storage capacity (millions of gallons)	8.64	8.64	8.64	8.64	8.64
<b>Wastewater</b>					
Sanitary sewers (miles)	179.88	179.88	179.88	178.00	178.00

TABLE 18

Fiscal Year				
2014	2013	2012	2011	2010
1	1	1	1	1
67	66	62	62	62
3	3	3	3	3
178.48	178.48	178.48	178.48	174.91
11	11	11	10	10
299.91	299.91	299.91	289.41	289.41
161.00	161.00	117.00	118.90	118.63
1,100	1,085	1,081	978	978
7.79	7.79	7.79	7.79	7.79
175.00	152.00	118.00	129.00	124.27

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

TABLE 19

Function	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General Government</b>										
Financial Administration	8	8	8	8	8	8	8	8	7	7
City Manager	3	3	3	4	4	4	3	3	3	3
Human Resources	6	6	6	6	5	5	5	5	5	5
Planning and Zoning	13	13	12	12	11	11	11	10	10	9
City Secretary	1	1	1	1	1	1	1	1	1	1
Information Systems	8	7	6	5	5	4	3	3	3	2
Facilities and Grounds	5	5	4	4	4	4	3	3	12	11
<b>Public Safety</b>										
Police	81	81	81	79	78	76	72	72	68	68
Fire/EMS	62	62	58	57	56	56	53	51	51	49
Legal & Judicial	6	6	6	6	5	5	5	5	5	4
Animal Control	7	7	7	5	5	4	4	4	3	3
<b>Public Service</b>										
Public Works	40	33	34	32	29	27	26	28	24	18
Vehicle Maintenance	3	3	3	3	3	3	3	3	3	3
Library	13	13	14	13	8	8	8	8	8	8
Parks and Recreation	21	19	19	19	19	16	18	17	10	8
Golf Course	8	8	8	9	9	9	9	9	9	9
DownTown & Main St. Program	2	2	2	2	2	2	2	2	2	2
Coliseum	2	2	2	2	1	1	1	1	1	1
<b>Utility Fund</b>										
Administration	2	3	3	3	3	2	2	2	2	2
Electric Production/Distribution	15	15	15	15	15	11	10	10	20	17
Utility Services	14	13	12	12	10	10	10	10	0	0
Water Production	11	11	11	11	11	11	10	11	11	17
Water/Sewer Maintenance	17	16	16	15	11	10	10	11	11	10
Sewer Plant	10	9	9	8	8	8	7	8	8	8
Economic Development	3	3	4	4	4	4	4	3	3	3
Facilities Maintenance	13	13	13	11	8	14	13	13	12	13
Utility Billing	6	6	6	6	5	6	5	6	6	6
CVB	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>0</u>
<b>Total</b>	<u><u>383</u></u>	<u><u>371</u></u>	<u><u>366</u></u>	<u><u>355</u></u>	<u><u>331</u></u>	<u><u>323</u></u>	<u><u>308</u></u>	<u><u>308</u></u>	<u><u>299</u></u>	<u><u>287</u></u>

Source: City Human Resources Department

## COMPLIANCE SECTION



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, 2019, 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 February 12, 2020. The financial statements of the discretely-presented component unit, Seguin Economic Development Corporation, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

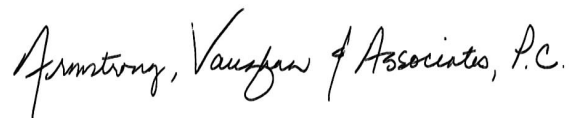
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given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

## Compliance and Other Matters

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

### **Purpose of this Report**

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



Armstrong, Vaughan & Associates, P.C.

February 12, 2020



**It's real.**