

CITY OF SEAGOVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
OCTOBER 1, 2011 – SEPTEMBER 30, 2012



CITY OF SEAGOVILLE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

As Prepared By
Finance Department
City of Seagoville, Texas

Seagoville ★

CONTENTS

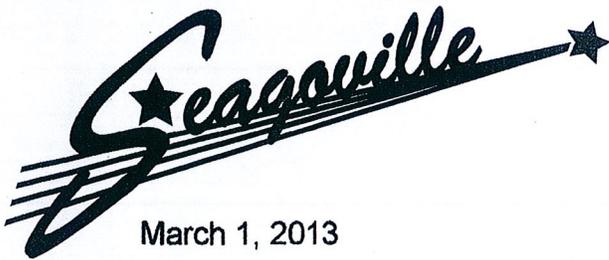
	Exhibit	Page
I. INTRODUCTORY SECTION		
Letter of Transmittal		i
Certificate of Achievement		v
Organizational Chart		vi
Principal City Officials		vii
II. FINANCIAL SECTION		
Independent Auditor's Report		1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS		5
B. BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements		
Statement of Net Position	1	21
Statement of Activities	2	22
Fund Financial Statements		
Governmental Fund Financial Statements		
Balance Sheet	3	29
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	4	30
Statement of Revenues, Expenditures and		
Changes in Fund Balances	5	31
Reconciliation of the Statement of Revenues,		
Expenditures and Changes in Fund Balances		
of Governmental Funds to the Statement		
of Activities	6	32
Proprietary Fund Financial Statements		
Statement of Net Position	7	35
Statement of Revenues, Expenses and Changes		
In Net Position	8	36
Statement of Cash Flows	9	37
Notes to Financial Statements		41

CONTENTS

	Exhibit	Page
C. REQUIRED SUPPLEMENTARY INFORMATION		
Budgetary Comparison Schedule – General Fund	A-1	75
Notes to Required Supplementary Information		77
Schedule of Funding Progress- Texas Municipal Retirement System	A-2	78
D. COMBINING SCHEDULES AND STATEMENTS		
Non-Major Governmental Funds		81
Combining Balance Sheet – Non Major Governmental Funds	B-1	82
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Non Major Governmental Funds	B-2	84
Budgetary Comparison Schedule – Debt Service Fund	B-3	86
	Table	Page
III. STATISTICAL SECTION		
Net Assets by Component	1	89
Changes in Net Assets	2	90
Fund Balances, Governmental Funds	3	92
Changes in Fund Balances, Governmental Funds	4	94
Assessed and Estimated Actual Value of Taxable Property	5	96
Direct and Overlapping Property Tax Rates	6	97
Principal Property Tax Payers	7	98
Ad Valorem Tax Levies and Collections	8	99
Ratio of Outstanding Bonded Debt by Type	9	100
Ratio of General Bonded Debt Outstanding	10	101
Direct and Overlapping Governmental Activities Debt	11	102
Pledged Revenue Coverage	12	103
Demographic and Economic Statistics	13	104
Principal Employers	14	105
Full-Time City Govt. Employees by Function/Program	15	107
Operating Indicators by Function/Program	16	108
Capital Asset Statistics by Function/Program	17	110

INTRODUCTORY SECTION

Seagoville ★



March 1, 2013

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

The comprehensive annual financial report ("CAFR") of the City of Seagoville, Texas, for the fiscal year ending September 30, 2012 is hereby submitted. The City accepts full responsibility for the accuracy of the data, as well as, the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City charter requires an annual audit to be conducted of the financial records by an independent public accountant. This requirement has been fulfilled and the report of the independent auditor is included in this report. Fox, Byrd and Company, P.C, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City of Seagoville's financial statements as of and for the year ended September 30, 2012. The independent auditors' report is located at the front of the financial section of this report.

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

Reporting Entity

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

This report includes the financial statements of the funds required to account for those activities, as well as organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth in Governmental Accounting Standards Board (GASB) Statements. Based on these criteria, all municipal services listed are included in the City's 2012 financial statements.

The City of Seagoville

Seagoville, Texas, incorporated in 1926, sits at the southeast corner of Dallas County, bordering the Southern Pacific line ten miles from Mesquite, with Kaufman County to the east, and the City of Dallas on the northwest. The City of Seagoville has grown from a small rural town of 8,969 in 1990 to a suburban city with approximately 15,000 citizens.

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



The City provides a full range of services, general administrative services, public safety services, to include: police and fire protection, communications, ambulance services, an animal shelter and code enforcement; community services: municipal court, library, senior center, health and sanitation; community development: building inspection, planning, streets, parks and recreation; additionally, water and sewer utility services.

The City of Seagoville is a Home rule city which operates under a Council/City Manager form of government. The Council consists of the Mayor and five Council members. Council members serve two- year terms and are responsible for appointing the City Manager, Municipal Judge and City Secretary. The City Manager serves as the administrative head of the government and is responsible for implementing and carrying out the goals and objectives set forth by the City Council; responsible for the overall operations of the entire city.

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

Economic Outlook and Conditions

The City of Seagoville is expected to reach build-out in 2025 has experienced planned and sustainable growth. Prudent financial planning, oversight, and flexibility have enabled the City to weather the economic slowdown in a comparably favorable or better position than many other cities in the Dallas/Fort Worth Metropolitan Statistical Area. The homebuilding market in Seagoville mirrors the overall slowing economy.

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

In order to provide for orderly growth and aggressively improve on the City's infrastructure, the City Council approved a multi-year Capital Improvement Program (CIP). The CIP funding has resulted in significant infrastructure improvements over the last three years with both tax-supported and self-supported debt. Working in concert with accurate five year revenue and expense projections has enabled the City to plan for and meet the need for infrastructure improvements. With the City's first CIP in 2006, the City of Seagoville received a rating upgrade from Baa2 to A1, reflecting the City's growing tax base, favorable tax position, and solid financial operation. The rating upgrade was maintained through Moody's Investor Service with the subsequent 2008 \$3,250,000 bond issue.

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

Major Initiatives

The City of Seagoville under the directive of the City Council undertook a number of initiatives during the fiscal year to provide for and improve the quality of governmental services, the citizens of Seagoville have come to expect. These improvements were identified after a systematic review of all activities of the City in which each program was analyzed to ensure that it was needed and wanted by the community and that it was being provided with maximum efficiency at the lowest cost possible.

Park improvements have been at the forefront of improving the quality of life for the residents. This year, the city with funding from the Seagoville Economic Development Corporation, opened the much anticipated 1500 sq. ft. Spray Park. The fenced park will provide a refuge for Seagoville families from the summer heat.

One major initiative was the deal reached with Ace Hardware to open a 20,000 sq. ft. facility in the heart of the city. The mega store will cover diverse products and cater to those interested in home improvements, renovations, and independent contractors. The project will bring an influx of new jobs, as well as increasing property and sales tax. Construction is expected to begin soon.

This year's budget allowed the acquisition of three public safety vehicles and the upgrade of one. In addition, the police department upgraded its emergency communications and fingerprinting system. The acquired vehicles are part of the beginning stages of the city's fleet maintenance plan. Throughout the year the City operated with an extremely lean budget and reduced service costs without sacrificing quality or impacting critical core areas.

Long-Term Financial Planning

Unassigned fund balance in the general fund (31 % of total general fund expenditures) falls within the policy guidelines set by the Council for budgetary and planning purposes (approximately 16.7 % of total general fund expenditures).

Other Information

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Seagoville for its Comprehensive Annual Financial Report for the Fiscal Year ended September 30, 2011. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

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

Respectfully Submitted,


Larry Graves
City Manager


Patrick Harvey
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Seagoville
Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

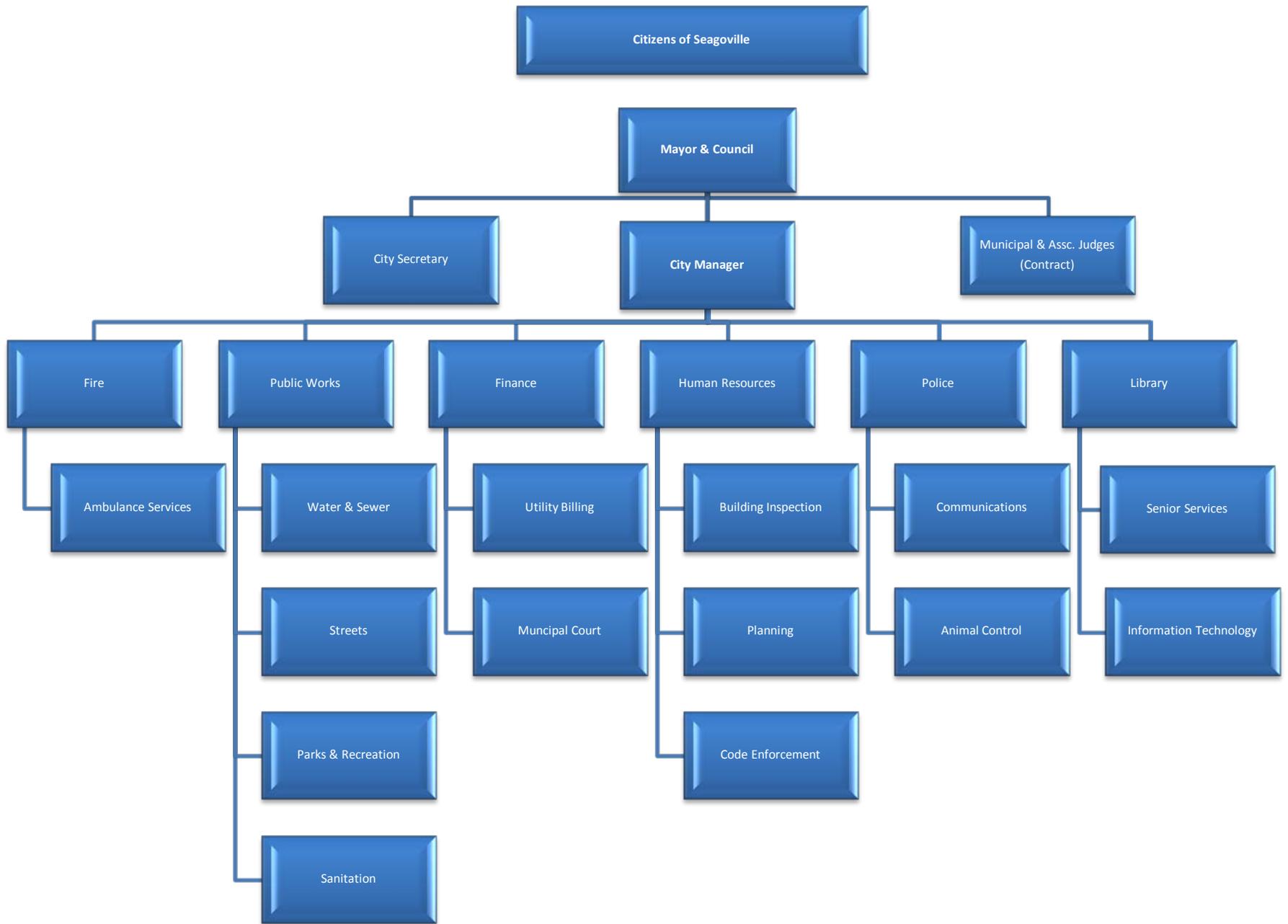


Christopher P. Moirrell

President

Jeffrey R. Emer

Executive Director



City of Seagoville, Texas

Principal City Officials

2011-2012

City Council

Sidney M. Sexton	Mayor	Term Expires May, 2013
Harold Magill	Mayor Pro-Tem, Place 1	Term Expires May, 2014
Terri Ashmore	Council Member, Place 2	Term Expires May, 2013
Lee Landess	Council Member, Place 3	Term Expires May, 2014
Dennis Childress	Council Member, Place 4	Term Expires May, 2013
Peggy Day	Council Member, Place 5	Term Expires May, 2014

City Executive Staff

Larry Graves	City Manager
Patrick J. Harvey	Director of Finance
Patrick Stallings	Police Chief
Tommy Lemond	Fire Chief
Cindy Brown	Director of Human Resources
Dara Crabtree	City Secretary
Liz Gant	Director of Library
Jim Berman	Public Works Director

FINANCIAL SECTION

Seagoville ★

INDEPENDENT AUDITOR'S REPORT

To the Mayor and City Council
City of Seagoville, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seagoville, Texas (the City) as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Seagoville, Texas as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (pages 5-16), General Fund budgetary comparison schedule (pages 75-77), and schedule of funding progress for participation in the Texas Municipal Retirement System (page 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial

statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Tox, Byrd + Company, P.C.

Dallas, Texas
March 1, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

As management of the City of Seagoville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities and position of the City of Seagoville for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report. Management's Discussion and Analysis has comparative data for the current year with the prior year.

Financial Highlights

- The assets of the City of Seagoville exceeded its liabilities at the close of the fiscal year ended September 30, 2012 by \$29,528,985 (net position). Of this amount, \$5,412,215 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City of Seagoville's governmental funds reported combined ending fund balances of \$2,888,417. Approximately 81% of this amount, \$2,342,501 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$2,342,501 or 34% of the general fund expenditures.

Overview of Financial Statements

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

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

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

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

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

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

The government-wide financial statements can be found on pages 21-23 of this report.

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

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

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

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

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

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

The basic governmental fund financial statements can be found on pages 29-32 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 35-38 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

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

financial statements. The notes to the financial statements can be found on pages 41-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City of Seagoville's (1) General Fund budgetary compliance, and (2) progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 75-78 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining fund statements and schedules can be found on pages 82-85 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Seagoville, assets exceeded liabilities by \$29,528,985 as compared to net position for the prior year of \$28,224,369.

A large portion of the City of Seagoville's net position, \$23,428,432 (79 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City of Seagoville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Seagoville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table presents a comparative summary of the City's assets, liabilities, and net position as of September 30, 2012 and September 30, 2011.

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

	City of Seagoville's Net Position					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 3,777,254	\$ 3,765,348	\$ 4,676,873	\$ 4,898,789	\$ 8,454,127	\$ 8,664,137
Capital assets	14,785,483	14,160,243	13,453,537	13,364,868	28,239,020	27,525,111
Total assets	<u>18,562,737</u>	<u>17,925,591</u>	<u>18,130,410</u>	<u>18,263,657</u>	<u>36,693,147</u>	<u>36,189,248</u>
Long-term liabilities	2,631,403	2,924,837	3,794,608	4,120,839	6,426,011	7,045,676
Other liabilities	318,638	343,465	419,513	575,738	738,151	919,203
Total liabilities	<u>2,950,041</u>	<u>3,268,302</u>	<u>4,214,121</u>	<u>4,696,577</u>	<u>7,164,162</u>	<u>7,964,879</u>
Net position:						
Invested in capital assets, net of related debt	13,131,435	12,211,638	10,296,997	10,050,136	23,428,432	22,261,774
Restricted for capital projects	255,171		-		255,171	
Restricted for debt service	238,483	82,539	87,972	87,687	326,455	170,226
Restricted for community development	9,458	-	-		9,458	
Restricted for public safety	16,228	-	-		16,228	
Restricted for other	81,026	43,512	-	-	81,026	43,512
Unrestricted	1,880,895	2,319,600	3,531,320	3,429,257	5,412,215	5,748,857
Total net position	<u>\$ 15,612,696</u>	<u>\$ 14,657,289</u>	<u>\$ 13,916,289</u>	<u>\$ 13,567,080</u>	<u>\$ 29,528,985</u>	<u>\$ 28,224,369</u>

An additional portion of the City's net position (2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net position* (\$5,412,215) may be used to meet the government's ongoing obligations to citizens and creditors.

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

Governmental activities. Governmental activities increased the City of Seagoville's net position by \$955,407. The following table presents a comparative summary of the City's operations for the years ended September 30, 2012 and September 30, 2011.

**CITY OF SEGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

City of Seagoville Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	\$ 1,311,609	\$ 1,478,423	\$ 4,100,458	\$ 4,237,841	\$ 5,412,067	\$ 5,716,264
Operating grants and contributions	92,997	255,705	-	-	92,997	255,705
Capital grants and contributions	894,854	-	401,995	-	1,296,849	-
General revenues:						
Property taxes	3,219,875	2,857,199	-	-	3,219,875	2,857,199
Sales taxes	1,945,982	1,998,294	-	-	1,945,982	1,998,294
Other	628,922	659,978	2,973	3,606	631,895	663,584
Total revenues	8,094,239	7,249,599	4,505,426	4,241,447	12,599,665	11,491,046
Expenses:						
General government	1,023,213	1,175,176	-	-	1,023,213	1,175,176
Public safety	3,842,926	3,889,013	-	-	3,842,926	3,889,013
Community services	1,137,186	1,095,077	-	-	1,137,186	1,095,077
Community development	1,228,934	1,271,429	-	-	1,228,934	1,271,429
Interest on long-term debt	126,691	143,485	-	-	126,691	143,485
Water and sewer	-	-	3,936,099	3,693,774	3,936,099	3,693,774
Total expenses	7,358,950	7,574,180	3,936,099	3,693,774	11,295,049	11,267,954
Increase (decrease) in net position before transfers	735,289	(324,581)	569,327	547,673	1,304,616	223,092
Transfers	220,118	226,783	(220,118)	(226,783)	-	-
Increase (Decrease) in net assets	955,407	(97,798)	349,209	320,890	1,304,616	223,092
Net position - Beginning	14,657,289	14,807,099	13,567,080	13,246,190	28,224,369	28,053,289
Prior period adjustment	-	(52,012)	-	-	-	(52,012)
Net position - Ending	\$ 15,612,696	\$ 14,657,289	\$ 13,916,289	\$ 13,567,080	\$ 29,528,985	\$ 28,224,369

Total key elements in Governmental Activities revenues for 2012 are as follows:

- Property taxes of \$3,247,285 were recognized on a tax base of \$428,302,305 in gross taxable valuations at a rate of 69.0 cents per each \$100 of property value.
- Other tax revenues were \$1,945,982, representing 24 percent of governmental program revenues and other governmental revenues.
- Franchise taxes were \$624,731, or 8 percent of governmental program revenues and other governmental revenues.

Total key elements in expenses for 2012 are as follows:

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

- Public safety expenses totaled \$3,842,926, of which \$2,948,028 (77 percent) was for personnel services. The decrease in expenses can be attributed to compensated absences and prior year disposition of capital equipment.
- The City of Seagoville contracts with Republic Services for its sanitation services, which accounts for all of the \$630,636 of expenses in Sanitation Department.
- General Government expenses of \$1,023,213 include costs for City Council, City Manager/Human Resources, City Secretary, Finance, and non-departmental activities. The decrease in expenses is attributed to a freeze in hiring of approved personnel, savings in personnel replacement, workers compensation costs and professional fees.
- Community Services expenses of \$1,137,186 include costs for Municipal Court, Library, Senior Center and Sanitation. The increase in expenses is due to third party contractor payments for sanitation services.

Business-type activities. Business-type activities net position increased by \$349,209, the result of donated infrastructure contributions from developers. Including a \$955,407 net position increase for governmental activities, the total increase in net position for the City was \$1,304,616. Key elements of the business-type activities are as follows:

- Charges for services for business-type activities account for a significant portion of the revenue sources. The water and sewer utilities total charges for service, \$4,100,458, represents 91 percent of the total business-type revenue.
- Likewise, the expenses for the water and sewer utilities total, \$3,936,099, which is 100 percent of the overall business-type expenditures. The increase in expenses is primarily due to increased sewer treatment costs from the North Texas Municipal Water District.
- Revenues exceeded expenses, before net transfers, by \$569,327.

Financial Analysis of the Government's Funds

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

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

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

As of the end of the current fiscal year, the City of Seagoville's governmental funds reported combined ending fund balances of \$2,888,417, an increase of \$66,800 in comparison with the prior year. The Capital Projects fund balance decreased by \$359,359, the result of planned transfers to the Debt Service fund. Approximately 81 percent of the total combined fund balance (\$2,342,501) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been allocated (1) to pay debt service (\$184,033), (2) for initiatives in compliance with legal requirements (\$16,593), (3) for improvements to municipal court technology applications and court security (\$47,898), (4) for police operations (\$4,679) and animal shelter operations and future facilities (\$9,203), and (5) for capital acquisition of equipment for local broadcasting of public, educational and governmental programs (\$28,339). Approximately 9% (\$255,171) of governmental fund balance is assigned for capital expenditures.

The general fund is the chief operating fund of the City of Seagoville. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,342,501. 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. Unreserved fund balance represents 34 percent of total general fund expenditures.

The general fund balance of the City of Seagoville increased by \$269,119 during the current fiscal year, as a result of revenues exceeding prior year by \$274,417 and expenses increasing from the prior year by \$186,275. The overall increase in fund balance was largely generated by increases in property tax revenues, sanitation services and intergovernmental revenue from public safety grants. Expenditure increases were the result of staff turnover and the addition of an additional code enforcement officer in Building Inspection (Community Services), and increased expenses from sanitation services (Community Development).

Proprietary funds. The City of Seagoville's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. The unrestricted net position of the City of Seagoville's Enterprise Fund at the end of the year is \$3,531,320, an increase of \$102,063 to the unrestricted net position at September 30, 2011. Other factors concerning the finances of this fund have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There was a budget amendment to the original budget approved by the Seagoville City Council. The budget ordinance passed allows the City Manager to authorize budget

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

changes within funds, which does not affect the overall amount allocated to a specific fund.

Actual revenues exceeded budgeted revenues by \$341,672, due to property taxes, improved local demand for utility services (franchise fees), new school construction (licenses, permits and fees), and intergovernmental public safety equipment acquisition grants. Actual expenses were below budgeted appropriations by \$153,814, from unfilled positions and attrition, with citywide strong budgetary controls over program operations resulting in multiple other departments having gone under budget as well.

Capital Asset and Debt Administration

Capital assets. The City of Seagoville's investment in capital assets for its governmental and business-type activities, net of accumulated depreciation, as of September 30, 2012 amounts to \$28,239,020. This investment in capital assets includes land, buildings, system expansion, improvements, machinery and equipment, park facilities, streets and drainage. The capital assets, net of depreciation, for governmental activities totaled \$14,785,483 and for the business-type activities totaled \$13,453,537.

There were a few capital assets and projects acquired during the year. For governmental activities, a security fence was installed at police headquarters for \$17,705, three public safety vehicles were acquired and one upgraded in the amount of \$115,022. Additionally, for the police department an air conditioner was installed, emergency communications equipment was upgraded and a fingerprinting system was acquired in the amount of \$75,891. The fire department acquired equipment and a security system was installed for public works in the amount of \$98,180. In the infrastructure category, the City repaired the roadway leading to the main park (\$46,879). The City also added a spray park contributed by the Seagoville Economic Development Corporation (\$200,457). Developer contributions to infrastructure were in the amount of \$473,047 and land of \$85,263. For the business type activities, a jetter truck pump was acquired in the amount of \$18,664, two vehicles and a security system was acquired in the amount of \$31,223. Developer contributions to infrastructure were in the amount of \$394,275 and the Bowers Road lift station was repaired in the amount of \$5,859. The following table presents a comparative summary of the City's capital assets as of September 30, 2012 and September 30, 2011.

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

City of Seagoville's Capital Assets, net of depreciation

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land (not depreciated)	\$ 2,609,805	\$ 2,524,542	\$ 97,912	\$ 54,792	\$ 2,707,717	\$ 2,579,334
Buildings	1,227,099	1,269,806	86,604	89,208	1,313,703	1,359,014
Improvements other than buildings	174,092	174,116	25,149	15,343	199,241	189,459
Machinery and Equipment	870,221	767,198	262,789	295,316	1,133,010	1,062,514
Infrastructure	9,904,266	9,424,581	12,981,083	12,910,209	22,885,349	22,334,790
	<u>\$ 14,785,483</u>	<u>\$ 14,160,243</u>	<u>\$ 13,453,537</u>	<u>\$ 13,364,868</u>	<u>\$ 28,239,020</u>	<u>\$ 27,525,111</u>

Additional information on the City of Seagoville's capital assets can be found in note 3 on pages 58-59 of this report.

Long-term debt. At the end of the current fiscal year, the City of Seagoville had total bonded debt outstanding of \$5,462,691. Of this amount, \$2,341,666 comprises general certificates of obligation and \$3,121,025 is for proprietary fund debt. The following table presents a comparative summary of the city long term bonded debt for September 30, 2012 and September 30, 2011

City of Seagoville Outstanding Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Certificates of obligation	\$ 2,341,666	\$ 2,633,888	\$ -	\$ -	\$ 2,341,666	\$ 2,633,888
Combination tax and revenue refunding bonds	-	-	3,121,027	3,283,571	3,121,027	3,283,571
	<u>\$ 2,341,666</u>	<u>\$ 2,633,888</u>	<u>\$ 3,121,027</u>	<u>\$ 3,283,571</u>	<u>\$ 5,462,693</u>	<u>\$ 5,917,459</u>

The City of Seagoville's total bonded debt decreased by \$454,766 during the current fiscal year generated by the scheduled principal payments of \$454,766 during the fiscal year.

Additional information on the City of Seagoville's long-term debt can be found in note 4 on pages 60-62 of this report.

**CITY OF SEAGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Economic Factors and Next Year's Budgets and Rates

These and other factors were considered in preparing the City of Seagoville's budget for the 2012-2013 fiscal year.

Charges for services are the City's largest revenue source, representing 44% of total budgeted revenues. They consist of revenue earned by the City in exchange for specific types of services provided. Examples of services include water sales, sewer service charges, sanitation fees, and delinquent payment penalty fees. Water sales are budgeted conservatively, due to the continued uncertainty in the local economy. The increase in sewer revenue and sanitation revenue reflects an expected minimal increase in consumption.

Property Taxes represent 29% of total budgeted revenues. Property taxes are levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located within the City. Assessed values represent the appraised value less applicable exemptions. Appraised values are established by the Dallas Central Appraisal District and the Kaufman County Appraisal District at 100% of market value and certified by the Chief Appraisers of each district. The 2012 certified taxable value of \$456,595,534 is a 6.61% increase from the 2011 certified taxable value of \$428,302,305. This is primarily due to the end of multi-year tax abatement for a local automobile parts distributor. The City has adopted a property tax rate of \$0.690853 per \$100 of valuation. This is the same rate as the prior fiscal year. There are two components of the tax rate. The first component is for maintenance and operations (M&O) while the second component relates to debt service interest and sinking fund requirements. The City has adopted a tax rate of \$0.671784 for operations and maintenance, which is a 2.3 cent increase over the previous fiscal year. The operations and maintenance portion of the property tax is collected through the General Fund. The City has adopted a tax rate of \$0.019066 for debt service interest and sinking fund requirements, which is collected through the Debt Service Fund. This represents a decrease of 2.31 cents from last year to service recent debt issues generated by the City's recently completed capital improvements program.

Sales Taxes represent 18% of total budgeted revenues. With the continuing lag in the local economy, sales taxes are conservatively estimated to remain flat in FY 2013.

Franchise Fees are charged to specific businesses that conduct business in the City of Seagoville. Utilities (electric, water, sanitation, telephone, gas and cable) that operate in the City pay this fee for their use of the City's right of way to conduct their business. Franchise fees for the 2013 fiscal year are estimated to be virtually unchanged from the FY 2012 budget of \$570,600.

**CITY OF SEGOVILLE, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

CITY EXPENDITURES - BY CATEGORY

Description	2011 Actual	2012 Budget	2012 Projected	2013 Budget	\$ Increase (Decrease)	% Change
Personnel	5,350,829	5,538,009	5,539,880	5,700,861	162,852	3%
Supplies	603,746	835,010	722,550	780,127	(54,883)	-7%
Contractual Services	4,525,355	4,522,980	4,526,087	4,666,850	143,870	3%
Capital Outlay	385,369	152,200	60,872	63,900	(88,300)	-58%
Debt Service	944,195	937,990	937,990	790,657	(147,333)	-16%
Total Expenditures	11,809,494	11,986,189	11,787,379	12,002,395	16,206	0%

Total fiscal year 2013 expenditures increase \$16,206, virtually unchanged from the previous fiscal year. Personnel and Contractual Services increased \$162,852 and \$143,870 respectively, reflecting a 3% increase in each category. Supplies, Capital Outlay and Debt Service decreased \$54,883 (7%), \$88,300 (58%) and \$147,443 (16%) respectively.

A summary of City-wide expenditure highlights appears below:

The increase in **Personnel** reflects a 16% increase in group health insurance premiums, and an increase in the employer contribution to the municipal retirement system from 9.59% to 9.96%.

To assist in mitigating the increase in operating costs caused by the increase in health insurance premiums, City staff postponed **Capital Outlay** acquisitions and reduced **Supplies**.

The increase in **Contractual Services** reflects an increase imposed in water purchases and sewer treatment services imposed on the City by Dallas Water Utilities.

Debt Service expenditures have decreased due to the City's final payment of debt on the Series 1997 Certificates of Obligation in fiscal year 2012.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Seagoville ★

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2012**

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	
ASSETS				
Cash and cash equivalents	\$ 2,557,700	\$ 3,443,971	\$ 6,001,671	\$ 562,502
Restricted assets				
Cash and cash equivalents	-	671,394	671,394	34,555
Receivables				
Taxes, net of allowance	855,345	-	855,345	109,836
Accounts, net of allowance	7,734	478,616	486,350	-
Due from component unit	296,819	-	296,819	-
Assets held for incentive	-	-	-	108,597
Deferred charges (net)	59,656	82,892	142,548	5,132
Capital assets, net of accumulated depreciation:				
Non-depreciable	2,609,805	97,912	2,707,717	269,213
Depreciable (net)	12,175,678	13,355,625	25,531,303	-
TOTAL ASSETS	\$ 18,562,737	\$ 18,130,410	\$ 36,693,147	\$ 1,089,835
LIABILITIES				
Accounts payable	\$ 176,278	\$ 100,607	\$ 276,885	\$ 5,741
Accrued expenses	142,360	28,158	170,518	-
Due to primary government	-	-	-	296,819
Customer deposits	-	290,748	290,748	-
Noncurrent liabilities:				
Due within one year	192,572	384,451	577,023	55,646
Due in more than one year	2,438,831	3,410,157	5,848,988	803,561
Total liabilities	2,950,041	4,214,121	7,164,162	1,161,768
NET POSITION				
Net investment in capital assets	13,131,435	10,296,997	23,428,432	-
Restricted for:				
Capital projects	255,171	-	255,171	-
Debt service	238,483	87,972	326,455	-
Community development	9,458	-	9,458	-
Public safety	16,228	-	16,228	-
Other	81,026	-	81,026	-
Unrestricted	1,880,895	3,531,320	5,412,215	(71,933)
Total net position	\$ 15,612,696	\$ 13,916,289	\$ 29,528,985	\$ (71,933)

The Notes to Basic Financial Statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
STATEMENT OF ACTIVITIES
September 30, 2012

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 1,023,213	\$ 11,448	\$ -	\$ -
Public safety	3,842,926	318,220	58,523	136,087
Community services	1,137,186	829,979	34,474	-
Community development	1,228,934	151,962	-	758,767
Interest on long term debt	126,691	-	-	-
Total governmental activities	7,358,950	1,311,609	92,997	894,854
Business-type activities				
Water and sewer	3,936,099	4,100,458	-	401,995
Total business-type activities	3,936,099	4,100,458	-	401,995
Total primary government	11,295,049	5,412,067	92,997	1,296,849
Component unit:				
Economic Development Corporation	1,182,447	-	-	-
Total component units	\$ 1,182,447	\$ -	\$ -	\$ -

General Revenues:

Taxes:

 Ad valorem

 Other Local Taxes

 Franchise taxes

 Investment income

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

The Notes to Basic Financial Statements are an integral part of this statement.

Net (Expenses) Revenue and Changes in Net Position			
Governmental Activities	Business - type Activities	Total	Component Unit
\$ (1,011,765)	\$ -	\$ (1,011,765)	\$ -
(3,330,096)	-	(3,330,096)	-
(272,733)	-	(272,733)	-
(318,205)	-	(318,205)	-
(126,691)	-	(126,691)	-
<u>(5,059,490)</u>	<u>-</u>	<u>(5,059,490)</u>	<u>-</u>
-	566,354	566,354	-
-	566,354	566,354	-
<u>(5,059,490)</u>	<u>566,354</u>	<u>(4,493,136)</u>	<u>-</u>
-	-	-	(1,182,447)
-	-	-	(1,182,447)
3,219,875	-	3,219,875	-
1,945,982	-	1,945,982	648,307
624,731	-	624,731	-
4,191	2,973	7,164	3,104
220,118	(220,118)	-	-
<u>6,014,897</u>	<u>(217,145)</u>	<u>5,797,752</u>	<u>651,411</u>
<u>955,407</u>	<u>349,209</u>	<u>1,304,616</u>	<u>(531,037)</u>
<u>14,657,289</u>	<u>13,567,080</u>	<u>28,224,369</u>	<u>459,104</u>
<u>\$ 15,612,696</u>	<u>\$ 13,916,289</u>	<u>\$ 29,528,985</u>	<u>\$ (71,933)</u>

Seagoville ★

FUND FINANCIAL STATEMENTS

Seagoville ★

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
BALANCE SHEET -
GOVERNMENTAL FUNDS
September 30, 2012**

	<u>General</u>	<u>Capital Projects</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,997,636	\$ 255,171	\$ 304,893	\$ 2,557,700
Receivables				
Ad valorem taxes	460,229	-	65,608	525,837
Sales taxes	329,508	-	-	329,508
Other	7,734	-	-	7,734
Due from other funds	36,454	-	-	36,454
Due from component unit	296,819	-	-	296,819
TOTAL ASSETS	<u>\$ 3,128,380</u>	<u>\$ 255,171</u>	<u>\$ 370,501</u>	<u>\$ 3,754,052</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 171,818	\$ -	\$ 4,460	\$ 176,278
Accrued liabilities	131,169	-	2,056	133,225
Due to other funds	-	-	36,454	36,454
Deferred revenue	454,553	-	65,125	519,678
Total liabilities	<u>757,540</u>	<u>-</u>	<u>108,095</u>	<u>865,635</u>
Fund balances				
Restricted for debt service	-	-	184,033	184,033
Restricted for other	-	-	16,593	16,593
Restricted for court improvements	-	-	47,898	47,898
Restricted for police operations	-	-	4,679	4,679
Restricted for animal shelter	-	-	9,203	9,203
Restricted for capital expenditures	28,339	-	-	28,339
Assigned for capital expenditures	-	255,171	-	255,171
Unassigned:				
General fund	2,342,501	-	-	2,342,501
Total fund balances	<u>2,370,840</u>	<u>255,171</u>	<u>262,406</u>	<u>2,888,417</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,128,380</u>	<u>\$ 255,171</u>	<u>\$ 370,501</u>	<u>\$ 3,754,052</u>

The Notes to Basic Financial Statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
September 30, 2012

Total fund balances - governmental funds	\$ 2,888,417
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.	14,785,483
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.	(9,135)
Revenues earned but not available within sixty days of the year end are not recognized as revenue in the fund financial statements.	519,678
Costs associated with the issuance of long-term debt are expensed when incurred in the governmental funds financial statements. These costs are capitalized and amortized over the life of the debt in the government-wide financial statements.	59,656
Compensated absences are not due and payable in the current period and therefore are not reported in the fund financial statements.	(252,368)
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements.	<u>(2,379,035)</u>
Net position of governmental activities	<u><u>\$ 15,612,696</u></u>

The Notes to Basic Financial Statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
September 30, 2012

	<u>General</u>	<u>Capital Projects</u>	<u>Non Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Taxes				
Ad valorem	\$ 3,041,955	\$ -	\$ 205,330	\$ 3,247,285
Sales	1,929,721	-	-	1,929,721
Franchise	624,731	-	-	624,731
Hotel/motel	-	-	16,261	16,261
Sanitation collection charges	817,194	-	-	817,194
Licenses, permits and fees	169,028	-	-	169,028
Municipal court fines	283,198	-	14,759	297,957
Intergovernmental	170,561	-	58,523	229,084
Investment income	3,406	677	108	4,191
Miscellaneous	19,973	-	7,457	27,430
Total revenues	<u>7,059,767</u>	<u>677</u>	<u>302,438</u>	<u>7,362,882</u>
Expenditures:				
Current:				
General government	949,173	-	39,318	988,491
Public safety	3,469,782	-	193,715	3,663,497
Community services	1,123,512	-	11,372	1,134,884
Community development	937,297	2,046	-	939,343
Nondepartmental	17,717	-	-	17,717
Debt Service:				
Principal	-	-	292,222	292,222
Interest	-	-	126,369	126,369
Capital outlay	353,677	-	-	353,677
Total expenditures	<u>6,851,158</u>	<u>2,046</u>	<u>662,996</u>	<u>7,516,200</u>
Excess (deficiency) of revenues over expenditures	<u>208,609</u>	<u>(1,369)</u>	<u>(360,558)</u>	<u>(153,318)</u>
Other financing sources (uses):				
Transfers in	220,118	-	517,598	737,716
Transfers out	<u>(159,608)</u>	<u>(357,990)</u>	<u>-</u>	<u>(517,598)</u>
Total other financing sources (uses)	<u>60,510</u>	<u>(357,990)</u>	<u>517,598</u>	<u>220,118</u>
Net change in fund balances	269,119	(359,359)	157,040	66,800
Fund Balances - beginning	<u>2,101,721</u>	<u>614,530</u>	<u>105,366</u>	<u>2,821,617</u>
Fund Balances - ending	<u>\$ 2,370,840</u>	<u>\$ 255,171</u>	<u>\$ 262,406</u>	<u>\$ 2,888,417</u>

The Notes to Basic Financial Statements are an integral part of this statement.

CITY OF SEAGOVILLE, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
September 30, 2012

Net change in fund balances - total governmental funds	\$ 66,800
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. This is the amount of capital assets recorded in the current period.	353,677
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(487,206)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds	
o Change in deferred revenue	(27,410)
The issuance of long-term debt (e.g. bonds and capital lease) 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 assets. Also, governmental funds report the effect of issuance costs, premiums, and deferred losses on refunding when debt is first issued; however the amounts are deferred and amortized in the government-wide financial statements. This amount represents the net effect of the the following items:	
o Amortization on Bond Premium - 2,335	
o Repayments on Bonds and capital lease - 292,222	
o Amortization of Bond issuance costs - (3,927)	290,630
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
o Change in accrued compensated absences	(1,122)
The effect of transactions involving contributions of capital assets, increasing net assets	758,767
Current year changes in accrued interest payable do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	1,271
Change in net position of governmental activities	\$ 955,407

The Notes to Basic Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS FINANCIAL STATEMENTS

Seagoville ★

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2012**

	Enterprise	Internal Service
	Water and Sewer Fund	Insurance Trust
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,443,971	\$ -
Receivables		
Accounts receivable, net	478,615	-
Total current assets	3,922,586	-
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	671,394	-
Deferred charges, net	82,893	-
Capital assets		
Land	97,912	-
Buildings	129,763	-
Improvements other than buildings	198,496	-
Machinery and equipment	648,950	-
Infrastructure	22,310,038	-
Accumulated depreciation	(9,931,622)	-
Total noncurrent assets	14,207,824	-
TOTAL ASSETS	\$ 18,130,410	\$ -
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 100,607	\$ -
Accrued expenses	28,158	-
Customer deposits	290,748	-
Compensated absences-current	3,805	-
Bonds payable-current	380,646	-
Total current liabilities	803,964	-
NONCURRENT LIABILITIES:		
Bonds payable	3,375,910	-
Compensated absences	34,247	-
Total noncurrent liabilities	3,410,157	-
TOTAL LIABILITIES	4,214,121	-
NET POSITION		
Net investment in capital assets	10,296,997	-
Restricted for debt service	87,972	-
Unrestricted	3,531,320	-
TOTAL NET POSITION	13,916,289	-
TOTAL LIABILITIES AND NET POSITION	\$ 18,130,410	\$ -

The Notes to Basic Financial Statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
September 30, 2012**

	<u>Enterprise</u>	<u>Internal Service</u>
	<u>Water and Sewer Fund</u>	<u>Insurance Trust</u>
OPERATING REVENUES		
Charges for service:		
Water sales	\$ 1,909,251	\$ -
Sewer sales	2,009,957	-
Tap fees	10,075	-
Penalties and interest	115,482	-
Reconnect fees	38,940	-
Miscellaneous	16,753	-
Insurance premiums collected	-	449,064
Total operating revenue	<u>4,100,458</u>	<u>449,064</u>
OPERATING EXPENSES		
Water operations	1,102,543	-
Sewer operations	1,619,746	-
Water and sewer administration	211,276	-
Customer service operations	203,573	-
Other expenses	182,514	-
Depreciation	404,472	-
Insurance premiums paid	-	449,064
Total operating expenses	<u>3,724,124</u>	<u>449,064</u>
Operating income	<u>376,334</u>	<u>-</u>
NONOPERATING REVENUES (EXPENSES)		
Interest income	2,973	-
Interest expense	(211,975)	-
Total nonoperating revenues (expenses)	<u>(209,002)</u>	<u>-</u>
Income before capital contributions and transfers	<u>167,332</u>	<u>-</u>
Capital contributions	401,995	
Transfers out	(220,118)	-
Change in net position	<u>349,209</u>	<u>-</u>
NET POSITION, beginning	<u>13,567,080</u>	<u>-</u>
NET POSITION, ending	<u>\$ 13,916,289</u>	<u>\$ -</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
September 30, 2012**

	<u>Enterprise</u>	<u>Internal Service</u>
	<u>Water and Sewer Fund</u>	<u>Insurance Trust</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 4,248,254	\$ -
Cash received for insurance premiums	-	449,064
Cash paid to employees	(792,358)	-
Cash paid to suppliers	(2,686,319)	-
Cash paid for insurance premiums	-	(449,064)
Net cash provided by operating activities	<u>769,577</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers to other funds	(186,065)	-
Net cash used in noncapital financing activities	<u>(186,065)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Principal paid on debt	(387,777)	-
Capital grants	401,995	-
Capital expenditures	(493,138)	-
Interest paid on debt	(132,356)	-
Net cash used in capital and related financing activities	<u>(611,276)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	2,973	-
Net cash provided by investing activities	<u>2,973</u>	<u>-</u>
Net decrease in cash	(24,791)	-
Cash and cash equivalents, beginning of year	4,140,156	-
Cash and cash equivalents, end of year	<u>\$ 4,115,365</u>	<u>\$ -</u>
Cash and cash equivalents	\$ 3,443,971	\$ -
Restricted cash and cash equivalents	671,394	-
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 4,115,365</u>	<u>\$ -</u>

The Notes to Basic Financial Statements are an integral part of this statement.

**CITY OF SEAGOVILLE, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
September 30, 2012**

	Enterprise	Internal Service
	Water and Sewer Fund	Insurance Trust
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	\$ 376,334	\$ -
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	404,472	-
Decrease in accounts receivable	148,954	-
Increase in prepaid expenses	7,345	-
Decrease in accounts payable	(153,234)	-
Decrease in accrued expenses	(1,832)	-
Decrease in customer deposits	(1,160)	-
Decrease in compensated absences	(11,302)	-
Net cash provided by operating activities	\$ 769,577	\$ -

The Notes to Basic Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Seagoville ★

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the City has elected not to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

Financial Reporting Entity

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity-Continued

Under GASB 14 component units are organizations for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability exists if the City appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on, the City. The City may be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or a jointly appointed board that is fiscally dependent on the City. The financial statements of the component unit may be discretely presented in a separate column from the primary government or blended with the financial statements of the primary government.

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

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

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

The Seagoville Economic Development Corporation (Corporation) promotes and develops industrial and manufacturing enterprises to promote and

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Financial Reporting Entity-Continued

encourage employment and the public welfare within the City and the State of Texas. There are seven directors, all of whom are appointed by the City Council. The Corporation provides financial benefits to the City in the form of an annual cash payment. The Corporation is authorized to sell bonds or other forms of indebtedness for any purpose authorized by Section 4B of the Development Corporation Act of 1979, Article 5190.6, Vernon's Revised Civil Statutes of Texas as amended. In the event of the dissolution of the Corporation, the assets of the Corporation shall be distributed to the City. Copies of the Corporation's financial statement may be obtained from the Corporation's office at 1512-A N. Highway 175, Seagoville, Texas, 75159.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Financial Statements-Continued

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

Governmental Funds

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

The government reports the following major governmental funds:

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

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

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

Special Revenue Funds:

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

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation-Continued

The ***Special Fire Fund*** accounts for resources required to be utilized by the fire department.

The ***Building Maintenance Fund*** was established to account for repairs of City buildings.

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

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

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

Proprietary Funds

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

The City reports the following major proprietary funds:

Water and Sewer Enterprise Fund

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Water and Sewer Enterprise Fund-Continued

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

In addition, the City reports the following proprietary fund as an internal service fund:

Group Insurance Trust

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

Measurement Focus and Basis of Accounting

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

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned,

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting-Continued

including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available.

“Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

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

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

Cash, Cash Equivalents and Investments

City funds are deposited in an authorized depository bank. All deposits are fully collateralized (100%) with depository insurance; direct obligations of the United States of America backed by its full faith and credit; obligations guaranteed by the United States of America; evidence of indebtedness guaranteed by Federal Intermediate Credit Banks, Federal Land Banks, Banks for Cooperative, Federal Farm Credit System, Federal Home Loan Banks, Federal National Mortgage Association; or any general or special obligation (approved by the Attorney General of Texas) issued by a State of

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash, Cash Equivalents and Investments-Continued

Texas public agency payable from taxes, revenues, either or both, provided all of such obligations are rated A or better by a generally recognized national bank-rating agency. The collateral is held in a bank other than the one in which the deposit was made.

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

Property Taxes

The City's property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and certain personal property located within the City. Appraised values are established by the Dallas Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the tax year 2011 levy was based was \$428,302,305. Taxes are due on October 1 and are delinquent after the following January 31.

The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to \$2.50 per \$100 of assessed valuation for general government services, including the payment of principal and interest on general obligation long-term debt. The combined tax rate to finance general governmental services including the payment of principal and interest on long-term debt for the year ended September 30, 2012 was \$0.690853 per \$100 of assessed valuation.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Property Taxes-Continued

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the rate for the previous year by more than 8%, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than 8% above the tax rate of the previous year.

Interfund Receivables and Payables

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

Transactions Between Funds

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

Restricted Assets

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Restricted Resources

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

Capital Assets

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

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

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

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

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid sick leave since the City does not have a policy to pay any amounts when employees

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Compensated Absences-Continued

separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for this amount is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Policies-Continued

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fund Balance Flow Assumptions-Continued

any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Estimates

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

Subsequent Events

The City has evaluated all events or transactions that occurred after September 30, 2012 up through March 1, 2013, the date the financial statements were issued. During this period there were no subsequent events requiring disclosure.

NOTE 2. CASH AND INVESTMENTS

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

At September 30, 2012 the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts included as cash and cash equivalents) was \$6,673,065 and the bank balance was

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 2. CASH AND INVESTMENTS - CONTINUED

\$6,669,038. The City's cash deposits at September 30, 2012 and during the year ended September 30, 2012 were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

Legal and contractual provisions governing deposits and investments:

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

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

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

Cash and investments as of September 30, 2012 are classified in the accompanying financial statements as follows:

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Statement of net position:

Primary Government	
Cash and cash equivalents	\$ 6,001,671
Restricted cash and cash equivalents	<u>671,394</u>
Total Primary Government	6,673,065
Component Unit:	
Cash and cash equivalents	562,502
Restricted cash and cash equivalents	<u>34,555</u>
Total Component Unit	597,057
Total cash and investments	<u><u>\$ 7,270,122</u></u>

Cash and cash equivalents as of September 30, 2012 consist of the following:

Cash on hand	\$ 1,681
Deposits with financial institutions	3,059,520
Investments	<u>4,208,921</u>
Total cash and investments	<u><u>\$ 7,270,122</u></u>

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days thus reducing the interest rate risk. The City monitors the interest rate

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 2. CASH AND INVESTMENTS - CONTINUED

risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2012, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
Texpool	\$ 4,208,921	40 days
Total	<u>\$ 4,208,921</u>	

As of September 30, 2012 the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

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

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>
Texpool	<u>4,208,921</u>	N/A	AAAM
Total	<u>\$ 4,208,921</u>		

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2012 other than external investment pools the City did not have 5% or more of its investment with one issuer.

Custodial Credit Risk

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

As of September 30, 2012 the City deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Investment in State Investment Pools

The City is a voluntary participant in TexPool. The State Comptroller of Public Accounts exercises responsibility over TexPool. This oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 2. CASH AND INVESTMENTS - CONTINUED

Investment in State Investment Pools-Continued

in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized costs rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

NOTE 3. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 2,524,542	\$ 85,263	\$ -	\$ 2,609,805
	<u>2,524,542</u>	<u>85,263</u>	<u>-</u>	<u>2,609,805</u>
Capital assets being depreciated:				
Buildings	2,314,857	-	-	2,314,857
Improvements other than buildings	893,622	17,705	-	911,327
Machinery & equipment	2,227,750	289,093	-	2,516,843
Infrastructure	17,883,211	720,383	-	18,603,594
	<u>23,319,440</u>	<u>1,027,181</u>	<u>-</u>	<u>24,346,621</u>
Accumulated depreciation:				
Buildings	1,045,051	42,707	-	1,087,758
Improvements other than buildings	719,506	17,729	-	737,235
Machinery & equipment	1,460,552	186,070	-	1,646,622
Infrastructure	8,458,630	240,698	-	8,699,328
	<u>11,683,739</u>	<u>487,204</u>	<u>-</u>	<u>12,170,943</u>
Capital assets being depreciated, net	<u>11,635,701</u>	<u>539,977</u>	<u>-</u>	<u>12,175,678</u>
Governmental activities capital assets, net	<u>\$ 14,160,243</u>	<u>\$ 625,240</u>	<u>\$ -</u>	<u>\$ 14,785,483</u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 3. CAPITAL ASSETS - CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital Assets not being depreciated:				
Land	\$ 54,792	\$ 43,120	\$ -	\$ 97,912
	<u>54,792</u>	<u>43,120</u>	<u>-</u>	<u>97,912</u>
Capital Assets Being Depreciated:				
Buildings	129,763		-	129,763
Improvements Other Than Buildings	179,832	18,664	-	198,496
Machinery & Equipment	617,728	31,223	-	648,951
Infrastructure	21,909,904	400,134	-	22,310,038
	<u>22,837,227</u>	<u>450,021</u>	<u>-</u>	<u>23,287,248</u>
Fixed Assets Including Land	<u>22,892,019</u>	<u>493,141</u>	<u>-</u>	<u>23,385,160</u>
Accumulated Depreciation:				
Buildings	40,555	2,604	-	43,159
Improvements Other Than Buildings	164,489	8,858	-	173,347
Machinery & Equipment	322,412	63,750	-	386,162
Infrastructure	8,999,695	329,260	-	9,328,955
	<u>9,527,151</u>	<u>404,472</u>	<u>-</u>	<u>9,931,623</u>
Capital Assets Being Depreciated, Net	<u>13,310,076</u>	<u>45,549</u>	<u>-</u>	<u>13,355,625</u>
Business Type Activities Capital Assets, Net	<u>\$ 13,364,868</u>	<u>\$ 88,669</u>	<u>\$ -</u>	<u>\$ 13,453,537</u>

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

Governmental activities:

General government	\$ 31,018
Public safety	175,516
Community development	<u>280,670</u>

Total depreciation expense- governmental activities	<u>\$ 487,204</u>
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Business-type activities:

Water and sewer	<u>\$ 404,472</u>
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CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 4. LONG-TERM DEBT

The City issues certificates of obligation and combination tax and revenue bonds to provide for the acquisition and construction of major capital facilities and infrastructure. Certificates of obligation pledge the full faith and credit of the City. Combination tax and revenue bonds are payable from the net revenues of the water and sewer system and general debt service tax. Details of long-term debt outstanding as of September 30, 2012 are as follows:

Primary Government:

Description	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/12
Governmental activities:					
Certificates of obligation					
Improvements	\$ 1,000,000	1996	2016	5.20%-7.50%	\$ 265,000
Improvements	1,250,000	2006	2026	4.00%-5.50%	991,666
Improvements	1,250,000	2008	2028	3.50%-5.125%	<u>1,085,000</u>
Total governmental activities					<u>\$ 2,341,666</u>
Business-type activities:					
Combination tax and revenue refunding bonds					
Refunding	\$ 5,380,396	1993	2015	2.60%-5.60%	\$ 327,694
Improvements	1,000,000	2006	2026	4.00%-5.50%	793,333
Improvements	2,000,000	2008	2028	4.50%-5.125%	<u>2,000,000</u>
Total business-type activities					<u>\$ 3,121,027</u>

Component Unit:

Description	Original Amount	Year of Issue	Final Maturity	Interest Rate	Balance 9/30/12
Note payable -					
Project funding	\$ 872,770	2012	2027	2.60%	<u>\$ 859,207</u>

Effective May 11, 2012, the Seagoville EDC refunded its existing debt from an interest rate of 4.93% to 2.60% in the amount of \$622,770. Additionally, the EDC borrowed an additional \$250,000 at a rate of 2.60% to purchase a facility in downtown Seagoville. There was no gain or loss required to be recorded on the refunding of debt.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 4. LONG-TERM DEBT – CONTINUED

The following is a summary of long-term transactions for the year ended September 30, 2012:

Primary Government:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due Within One year
Governmental activities:					
Certificates of obligation	\$ 2,633,888	\$ -	\$ (292,222)	\$ 2,341,666	\$ 165,000
Premium on bonds	39,704	-	(2,335)	37,369	2,335
Compensated absences	251,245	38,962	(37,839)	252,368	25,237
Total governmental activities	<u>\$ 2,924,837</u>	<u>\$ 38,962</u>	<u>\$ (332,396)</u>	<u>\$ 2,631,403</u>	<u>\$ 192,572</u>
Business-type activities:					
Combination tax and revenue refunding bonds	\$ 3,283,572	\$ -	\$ (162,545)	\$ 3,121,027	\$ 155,316
Accreted interest	756,751	68,493	(225,232)	600,012	229,684
Premium on bonds	63,524	-	(3,737)	59,787	3,737
Deferred loss on refunding	(32,361)	-	8,091	(24,270)	(8,091)
Total bonds payable	4,071,486	68,493	(383,423)	3,756,556	380,646
Compensated absences	49,354	2,430	(13,732)	38,052	3,805
Total business-type activities	<u>\$ 4,120,840</u>	<u>\$ 70,923</u>	<u>\$ (397,155)</u>	<u>\$ 3,794,608</u>	<u>\$ 384,451</u>

Component Unit:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount due Within One year
Notes payable	<u>\$ 685,096</u>	<u>\$872,770</u>	<u>\$ (698,659)</u>	<u>\$ 859,207</u>	<u>\$ 55,646</u>

Compensated absences are liquidated in the governmental fund to which each employee's payroll is allocated.

Annual debt service requirements as of September 30, 2012 are as follows:

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 4. LONG-TERM DEBT – CONTINUED

Primary Government:

Year Ending September 30,	Governmental Activities		Business-Type Activities	
	Bonds Payable		Bonds Payable	
	Principal	Interest	Principal	Interest
2013	165,000	109,613	155,316	359,228
2014	177,778	100,596	151,342	363,224
2015	185,556	91,487	147,699	367,242
2016	153,333	82,170	156,667	123,719
2017	116,111	74,726	163,889	116,352
2018-2022	683,333	288,545	926,667	458,680
2023-2027	765,555	117,951	1,154,447	220,206
2028-2029	95,000	4,275	265,000	11,925
	<u>\$ 2,341,666</u>	<u>\$ 869,363</u>	<u>\$ 3,121,027</u>	<u>\$ 2,020,576</u>

Component Unit:

Year Ending September 30,	Notes Payable	
	Principal	Interest
2013	\$ 55,646	\$ 24,955
2014	57,346	23,213
2015	59,170	21,389
2016	61,035	19,524
2017	63,018	17,541
2018-2022	339,005	56,244
2023-2027	223,987	14,048
	<u>\$ 859,207</u>	<u>\$ 176,914</u>

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables balances at September 30, 2012 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General	Non major (Special Fire)	\$ 36,454	To eliminate negative cash balance
	Totals	<u>\$ 36,454</u>	

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund transfers for fiscal year 2012 were as follows:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Water & Sewer	\$ 74,826	In lieu of franchise fees - water
General Fund	Water & Sewer	79,034	In lieu of franchise fees - sewer
General Fund	General	66,258	General and admin - indirect costs
Debt Service Fund	General	21,600	To provide resources for debt service
Debt Service Fund	Capital Projects	190,935	To provide resources for debt service
Building Maintenance	General	27,389	To close out fund
Fire Special	General	97,514	City matching requirement - fire grant
Storm Drainage	General	13,105	To close out fund
	Totals	<u>\$ 570,660</u>	

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 6. RETIREMENT PLAN

Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the system. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; additionally, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the City Council, within the available options in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2011	Plan Year 2012
Employee deposit rate	7%	7%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 6. RETIREMENT PLAN - CONTINUED

Contributions

The contribution rate for the employees is 7%, and the City matching ratio is currently 2 to 1, both as adopted by the City Council. Under the state law governing TMRS, the actuary annually determines the City contribution rate, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan's 25 year closed period amortization period, using the level percent of payroll amortization method. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2011 valuation is effective for rates beginning January 2013).

A summary of the City's net pension obligation (NPO) and annual required contributions for the last three fiscal years is as follows:

	Fiscal Year Ended September 30		
	2012	2011	2010
NPO at the beginning of the period	\$ -	\$ -	\$ -
Annual required contribution	401,314	408,532	440,856
Contributions made (100%)	<u>401,314</u>	<u>408,532</u>	<u>440,856</u>
NPO at the end of the period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The required contribution rates for fiscal year 2012 were determined as part of the December 31, 2009 and 2010 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 6. RETIREMENT PLAN - CONTINUED

Contributions – Continued

Valuation Date	12/31/2009	12/31/2010	12/31/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	23.0 years; closed period	22.1 years; closed period	21.1 years; closed period
Amortization Period for new Gains/Losses	25 years	25 years	25 years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial Assumptions:			
Investment Rate of Return	7.5%	7.0%	7.0%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%
Cost of Living Adjustments	0%	0%	0%

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 6. RETIREMENT PLAN - CONTINUED

Funded Status and Funding Progress

The funded status as of December 31, 2011, the most recent actuarial date, is presented as follows:

Actuarial Valuation Date	Actuarial Valuation of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/2011	\$ 9,472,245	\$10,845,293	87.3%	\$ 1,373,048	\$ 3,915,927	35.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

Other Post Employment Benefits

Supplemental Death Benefits Plan

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal

NOTE 6. RETIREMENT PLAN - CONTINUED

Supplemental Death Benefits Plan - Continued

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.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an “other postemployment benefit,” or OPEB.

The City offers supplemental death to:	Plan Year 2011	Plan Year 2012
Active employees	Yes	Yes
Retirees	Yes	Yes

Contributions

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 employee’s entire careers.

The City’s contributions to the TMRS SDBF for the years ended 2012, 2011 and 2010 were \$808, \$803 and \$843, respectively, which equaled the required contributions each year.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 7. COMMITMENTS AND CONTINGENCIES

In 2005, the City entered into a contract with the North Texas Municipal Water District (the "District") for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed of. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During 2012, the City's share of these costs was \$1,194,821.

NOTE 8. RISK FINANCING AND INSURANCE

The City places all of its property, liability, and workers' compensation coverage with Texas Municipal League, a public entity risk pool currently operating as a common risk management and insurance program for over 1,869 members. The City pays an annual premium to Texas Municipal League for its general insurance coverage. The risk pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$1,000,000 for workers' compensation, \$250,000 for property, and \$1,000,000 for liability damages. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in each of the past three fiscal years.

CITY OF SEAGOVILLE
Notes to Financial Statements
September 30, 2012

NOTE 8. RISK FINANCING AND INSURANCE - CONTINUED

The limits of liability and deductible are:

	Limit	Deductible
General Liability	\$ 1,000,000 Each Occurrence \$ 2,000,000 Annual	\$ 1,000
Auto Liability	\$ 1,000,000 Each Occurrence	\$ -
Law Enforcement Liability	\$ 1,000,000 Annual \$ 2,000,000	\$ 1,000
Errors and Omissions Liability	\$ 2,000,000 Each Occurrence \$ 4,000,000 Annual	\$ 1,000
Auto Physical Damage	A. C. V. Per Vehicle Each Occurrence	\$ 500 \$ 10,000
Real and Personal Property	\$12,948,052	\$ 500
Mobile Equipment	\$ 621,332	\$ 500
Workers' Compensation	Statutory	

REQUIRED SUPPLEMENTARY INFORMATION

Seagoville ★

BUDGETARY COMPARISON GENERAL FUND

Seagoville ★

**CITY OF SEGOVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2012**

	<u>Budgeted amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Ad valorem	\$ 2,953,780	\$ 2,953,780	\$ 3,041,955	\$ 88,175
Sales	1,972,035	1,972,035	1,929,721	(42,314)
Franchise	570,600	570,600	624,731	54,131
Sanitation collection charges	784,000	784,000	817,194	33,194
Licenses, permits and fees	119,930	119,930	169,028	49,098
Municipal court fines	250,000	250,000	283,198	33,198
Intergovernmental	48,500	48,500	170,561	122,061
Investment income	1,750	1,750	3,406	1,656
Miscellaneous revenues	17,500	17,500	19,973	2,473
Total revenues	6,718,095	6,718,095	7,059,767	341,672
Expenditures:				
Current				
General government				
City council	8,020	8,020	4,076	3,944
City manager	126,571	131,571	131,374	197
City secretary	96,908	96,908	92,370	4,538
Finance	307,094	307,094	297,968	9,126
Human Resources	105,932	105,932	97,571	8,361
Non-departmental	341,204	341,204	307,791	33,413
Communications/IT	44,640	44,640	35,740	8,900
Total general government	1,030,369	1,035,369	966,890	68,479
Public safety				
Police	1,714,374	1,714,374	1,635,464	78,910
Fire	1,183,966	1,183,966	1,144,524	39,442
EMS	164,080	164,080	164,080	0
Communications	452,555	452,555	431,010	21,545
Animal Control	101,132	101,132	94,704	6,428
Total public safety	\$ 3,616,107	\$ 3,616,107	\$ 3,469,782	\$ 146,325

**CITY OF SEAGOVILLE, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2012**

	Budgeted amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Community Services				
Municipal court	169,384	169,384	156,736	12,648
Library	153,423	153,423	152,291	1,132
Senior center	187,403	187,403	183,849	3,554
Sanitation	605,000	631,000	630,636	364
Total community services	1,115,210	1,141,210	1,123,512	17,698
Community development				
Building inspection	353,741	353,741	321,093	32,648
Streets	408,976	408,976	347,787	61,189
Parks	224,834	224,834	190,223	34,611
Planning	94,735	94,735	78,194	16,541
Total community development	1,082,286	1,082,286	937,297	144,989
Capital Outlay	130,000	130,000	353,677	(223,677)
Total expenditures	6,973,972	7,004,972	6,851,158	153,814
Excess (deficiency) of revenues over expenditures	(255,877)	(286,877)	208,609	495,486
Other financing sources (uses)				
Transfers in	220,118	220,118	220,118	-
Transfers out	(66,376)	(66,376)	(159,608)	(93,232)
Total other financing sources (uses)	153,742	153,742	60,510	(93,232)
Net change in fund balance	(102,135)	(133,135)	269,119	402,254
Fund Balances - beginning	2,101,721	2,101,721	2,101,721	-
Fund Balances - ending	<u>\$ 1,999,586</u>	<u>\$ 1,968,586</u>	<u>\$ 2,370,840</u>	<u>\$ 402,254</u>

**CITY OF SEAGOVILLE, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2012**

Budgetary Data

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

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

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

CITY OF SEAGOVILLE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS FOR
PARTICIPATION IN TEXAS MUNICIPAL RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Unit Credit (b)	Unfunded AAL (UAAAL)		Covered Payroll (c)	UAAAL (Excess) as a Percentage of Covered Payroll		Average City Rate (d / c)
			(Excess of Assets over AAL) (b - a)	Funded Ratio (a / b)		City Contribution (d)	((b - a) / c)	
12/31/02	3,053,033	3,348,643	295,610	91.2%	2,351,648	12.6%	117,016	4.98%
12/31/03	3,310,242	3,610,313	300,071	91.7%	2,456,384	12.2%	145,925	5.94%
12/31/04	3,475,587	4,600,826	1,125,239	75.5%	2,724,608	41.3%	260,873	9.57%
12/31/05	3,957,144	5,102,953	1,145,809	77.5%	3,023,550	37.9%	297,131	9.83%
12/31/06	4,618,603	6,443,130	1,824,527	71.7%	3,401,950	53.6%	296,199	8.71%
12/31/07	4,996,695	6,836,484	1,839,789	73.1%	3,622,340	50.8%	376,490	10.39%
12/31/08	5,487,445	7,347,266	1,859,821	74.7%	3,993,787	46.6%	452,446	11.33%
12/31/09	6,344,356	8,273,715	1,929,359	76.7%	4,178,736	46.2%	440,856	10.55%
12/31/10	8,551,609	10,147,941	1,596,332	84.3%	4,101,364	38.9%	408,532	9.96%
12/31/11	9,472,245	10,845,293	1,373,048	87.3%	3,915,927	35.1%	440,102	11.24%

COMBINING SCHEDULES AND STATEMENTS

Seagoville ★

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

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

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

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

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

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

Special Fire Fund – Established to account for resources required to be utilized by the fire department.

Building Maintenance Fund – Established to account for repairs of the City's building.

Animal Shelter – Established to account for donations received and utilized for the operations of the City's animal shelter.

Storm Water Grant Fund – Established to account for contributions received for storm water drainage.

DEBT SERVICE FUND

The Debt Service Fund is utilized to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs arising from the issuance of bonds.

**CITY OF SEAGOVILLE, TEXAS
COMBINING BALANCE SHEET -
NON MAJOR GOVERNMENTAL FUNDS
September 30, 2012**

	<u>Special Revenue</u>			
	<u>Hotel/Motel Occupancy Tax</u>	<u>Special Police</u>	<u>Miscellaneous Grants</u>	<u>Municipal Court Technology</u>
ASSETS				
Cash and cash equivalents	\$ 4,789	\$ 7,725	\$ 9,458	\$ 47,898
Accounts receivable:				
Grant	-	-	-	-
Ad valorem taxes	-	-	-	-
TOTAL ASSETS	<u>\$ 4,789</u>	<u>\$ 7,725</u>	<u>\$ 9,458</u>	<u>\$ 47,898</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	990	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued liabilities	-	2,056	-	-
Deferred revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>3,046</u>	<u>-</u>	<u>-</u>
Fund balances				
Restricted for debt service	-	-	-	-
Restricted for other	4,789	-	9,458	-
Restricted for court improvements	-	-	-	47,898
Restricted for police operations	-	4,679	-	-
Restricted for animal shelter	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>4,789</u>	<u>4,679</u>	<u>9,458</u>	<u>47,898</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,789</u>	<u>\$ 7,725</u>	<u>\$ 9,458</u>	<u>\$ 47,898</u>

EXHIBIT B-1

<u>Special Fire</u>	<u>Building Maintenance</u>	<u>Animal Shelter</u>	<u>Storm Water Grant</u>	<u>Total Special Revenue Funds</u>	<u>Debt Service</u>	<u>Total Non Major Governmental Funds</u>
\$ 42,270	\$ -	\$ 9,203	\$ -	\$ 121,343	\$ 183,550	\$ 304,893
-	-	-	-	-	-	-
-	-	-	-	-	65,608	65,608
<u>\$ 42,270</u>	<u>\$ -</u>	<u>\$ 9,203</u>	<u>\$ -</u>	<u>\$ 121,343</u>	<u>\$ 249,158</u>	<u>\$ 370,501</u>
\$ 3,470	\$ -	\$ -	\$ -	\$ 4,460	\$ -	\$ 4,460
36,454	-	-	-	36,454	-	36,454
-	-	-	-	2,056	-	2,056
-	-	-	-	-	65,125	65,125
<u>39,924</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,970</u>	<u>65,125</u>	<u>108,095</u>
-	-	-	-	-	184,033	184,033
2,346	-	-	-	16,593	-	16,593
-	-	-	-	47,898	-	47,898
-	-	-	-	4,679	-	4,679
-	-	9,203	-	9,203	-	9,203
-	-	-	-	-	-	-
<u>2,346</u>	<u>-</u>	<u>9,203</u>	<u>-</u>	<u>78,373</u>	<u>184,033</u>	<u>262,406</u>
<u>\$ 42,270</u>	<u>\$ -</u>	<u>\$ 9,203</u>	<u>\$ -</u>	<u>\$ 121,343</u>	<u>\$ 249,157</u>	<u>\$ 370,501</u>

**CITY OF SEAGOVILLE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - NON MAJOR
GOVERNMENTAL FUNDS
September 30, 2012**

	<u>Special Revenue</u>			
	<u>Hotel/Motel Occupancy Tax</u>	<u>Special Police</u>	<u>Miscellaneous Grants</u>	<u>Municipal Court Technology</u>
Revenues				
Taxes:				
Hotel/ motel taxes	\$ 16,261	\$ -	\$ -	\$ -
Ad valorem	-	-	-	-
Municipal court fines	-	-	-	14,759
Investment income	-	-	-	-
Donations	-	1,641	1,816	-
Grant revenue	-	-	-	-
Total revenues	<u>16,261</u>	<u>1,641</u>	<u>1,816</u>	<u>14,759</u>
Expenditures:				
Current:				
General government	11,929	-	-	-
Public safety	-	28,118	-	9,916
Community development	-	-	1,109	-
Debt service:				
Principal	-	-	-	-
Interest and Service Charges	-	-	-	-
Total expenditures	<u>11,929</u>	<u>28,118</u>	<u>1,109</u>	<u>9,916</u>
Excess (deficiency) of revenues over expenditures	<u>4,332</u>	<u>(26,477)</u>	<u>707</u>	<u>4,843</u>
Other financing sources (uses):				
Transfer In	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	4,332	(26,477)	707	4,843
Fund Balances - beginning	<u>457</u>	<u>31,156</u>	<u>8,751</u>	<u>43,055</u>
Fund Balances - ending	<u>\$ 4,789</u>	<u>\$ 4,679</u>	<u>\$ 9,458</u>	<u>\$ 47,898</u>

Special Fire	Building Maintenance	Animal Shelter	Storm Water Grant	Total Special Revenue Funds	Debt Service	Total Non Major Governmental Funds
\$ -	\$ -	-	\$ -	\$ 16,261	\$ -	\$ 16,261
-	-	-	-	-	205,330	205,330
-	-	-	-	14,759	-	14,759
-	-	-	-	-	108	108
-	-	4,000	-	7,457	-	7,457
<u>58,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,523</u>	<u>-</u>	<u>58,523</u>
<u>58,523</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>97,000</u>	<u>205,438</u>	<u>302,438</u>
-	27,389	-	-	39,318	-	39,318
153,691	-	1,990	-	193,715	-	193,715
-	-	-	10,263	11,372	-	11,372
-	-	-	-	-	292,222	292,222
-	-	-	-	-	126,369	126,369
<u>153,691</u>	<u>27,389</u>	<u>1,990</u>	<u>10,263</u>	<u>244,405</u>	<u>418,591</u>	<u>662,996</u>
<u>(95,168)</u>	<u>(27,389)</u>	<u>2,010</u>	<u>(10,263)</u>	<u>(147,405)</u>	<u>(213,153)</u>	<u>(360,558)</u>
<u>97,514</u>	<u>27,389</u>	<u>-</u>	<u>13,105</u>	<u>138,008</u>	<u>379,590</u>	<u>517,598</u>
<u>97,514</u>	<u>27,389</u>	<u>-</u>	<u>13,105</u>	<u>138,008</u>	<u>379,590</u>	<u>517,598</u>
2,346	-	2,010	2,842	(9,397)	166,437	157,040
-	-	7,193	(2,842)	87,770	17,596	105,366
<u>\$ 2,346</u>	<u>\$ -</u>	<u>\$ 9,203</u>	<u>\$ -</u>	<u>\$ 78,373</u>	<u>\$ 184,033</u>	<u>\$ 262,406</u>

**CITY OF SEAGOVILLE, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2012**

EXHIBIT B-3

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Taxes	\$ 192,286	205,330	\$ 13,044
Interest Income	150	108	(42)
Total revenues	192,436	205,438	13,002
Expenditures:			
Debt Service			
Principal	292,222	292,222	(0)
Interest and Service Charges	126,368	126,369	(1)
Total Expenditures	418,590	418,591	(1)
Excess (deficiency) of revenues over expenditures	(226,154)	(213,153)	13,001
Other financing sources (uses)			
Transfers in	226,155	379,590	153,435
Net change in fund balance	1	166,437	166,436
Fund Balances - beginning of year	17,596	17,596	-
Fund Balances - end of year	\$ 17,597	\$ 184,033	\$ 166,436

STATISTICAL SECTION

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

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

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2004: tables presenting government-wide information include information beginning in that year.

Seagoville ★

NET ASSETS BY COMPONENT
 Last Nine Fiscal Years
 (accrual basis of accounting)
 (Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities									
Invested in capital assets, net of related debt	\$ 7,223,435	\$ 9,344,983	\$ 11,096,269	\$ 12,280,692	\$ 10,989,258	\$ 11,976,087	\$ 12,031,436	\$ 12,211,638	\$ 13,131,435
Restricted for debt service	89,340	90,971	101,309	116,316	120,590	133,609	102,826	82,539	600,366
Unrestricted	2,099,410	3,175,764	3,083,194	2,841,049	4,250,738	2,555,649	2,672,837	2,319,600	1,880,895
Restricted for other	-	-	-	-	-	-	-	43,512	-
Total governmental activities net assets	<u>\$ 9,412,185</u>	<u>\$ 12,611,718</u>	<u>\$ 14,280,772</u>	<u>\$ 15,238,057</u>	<u>\$ 15,360,586</u>	<u>\$ 14,665,345</u>	<u>\$ 14,807,099</u>	<u>\$ 14,657,289</u>	<u>\$ 15,612,696</u>
Business-type activities									
Invested in capital assets, net of related debt	\$ 8,830,465	\$ 10,559,863	\$ 11,370,891	\$ 11,821,765	\$ 9,788,858	\$ 9,692,891	\$ 9,694,536	\$ 10,050,136	\$ 10,296,997
Restricted	223,584	226,292	223,129	222,719	158,103	161,694	87,821	87,687	87,972
Unrestricted	3,036,714	2,981,293	3,378,839	3,342,263	3,275,618	3,332,715	3,463,834	3,429,257	3,531,320
Total business-type activities net assets	<u>\$ 12,090,763</u>	<u>\$ 13,767,448</u>	<u>\$ 14,972,859</u>	<u>\$ 15,386,747</u>	<u>\$ 13,222,579</u>	<u>\$ 13,187,300</u>	<u>\$ 13,246,191</u>	<u>\$ 13,567,080</u>	<u>\$ 13,916,289</u>
Primary government									
Invested in capital assets, net of related debt	\$ 16,053,900	\$ 19,904,846	\$ 22,467,160	\$ 24,102,457	\$ 20,778,116	\$ 21,668,978	\$ 21,725,972	\$ 22,261,774	\$ 23,428,432
Restricted for debt service	312,924	317,263	324,438	339,035	278,693	295,303	190,647	170,226	688,338
Unrestricted	5,136,124	6,157,057	6,462,033	6,183,312	7,526,356	5,888,364	6,136,671	5,748,857	5,412,215
Restricted for other	-	-	-	-	-	-	-	43,512	-
Total primary governmental net assets	<u>\$ 21,502,948</u>	<u>\$ 26,379,166</u>	<u>\$ 29,253,631</u>	<u>\$ 30,624,804</u>	<u>\$ 28,583,165</u>	<u>\$ 27,852,645</u>	<u>\$ 28,053,290</u>	<u>\$ 28,224,369</u>	<u>\$ 29,528,985</u>

Source: Comprehensive Annual Financial Report

Note: Accrual-basis financial information for the city as a whole is only available back to 2004, the year GASB Statement 34 was implemented.

CHANGES IN NET ASSETS, LAST NINE FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses									
Governmental activities:									
General government	\$ 832,425	\$ 906,251	\$ 1,044,553	\$ 1,073,921	\$ 1,214,815	\$ 1,331,400	\$ 1,531,896	\$ 1,175,176	\$ 1,023,213
Public safety	2,461,299	2,766,543	3,091,888	3,350,968	3,500,767	3,653,761	3,598,398	3,889,013	3,842,926
Community services	728,160	799,633	844,118	919,770	969,199	1,060,379	1,059,095	1,095,077	1,137,186
Community development	1,339,066	1,363,014	1,619,816	1,475,536	1,457,928	1,923,442	1,336,002	1,271,429	1,228,934
Interest on long-term debt	104,853	94,930	86,524	127,778	123,459	169,274	84,276	143,485	126,691
Total governmental activities expenses	5,465,803	5,930,371	6,686,899	6,947,973	7,266,168	8,138,256	7,609,667	7,574,180	7,358,950
Business-type activities:									
Water and sewer	2,803,787	2,801,820	3,162,630	3,503,216	3,972,794	3,942,737	3,769,705	3,693,774	3,936,099
Total business-type activities expenses	2,803,787	2,801,820	3,162,630	3,503,216	3,972,794	3,942,737	3,769,705	3,693,774	3,936,099
Total primary government expenses	\$ 8,269,590	\$ 8,732,191	\$ 9,849,529	\$ 10,451,189	\$ 11,238,962	\$ 12,080,993	\$ 11,379,372	\$ 11,267,954	\$ 11,295,049
Program Revenues									
Governmental activities:									
General Government								65,271	11,448
Public Safety	43,935	53,987	56,149	62,578	59,746	60,578	61,636	303,064	318,220
Community Services	872,015	854,634	922,695	968,543	963,167	946,664	994,133	858,254	829,979
Community Development	388,843	205,976	206,257	199,254	124,514	61,999	169,086	251,834	151,962
Charges for services	\$ 1,304,793	\$ 1,114,597	\$ 1,185,101	\$ 1,230,375	\$ 1,147,427	\$ 1,069,241	\$ 1,224,855	\$ 1,478,423	\$ 1,311,609
Operating grants and contributions	73,622	119,044	81,736	167,532	70,258	117,005	304,485	255,705	92,997
Capital grants and contributions	227,012	420,905	1,796,428	824,102	104,051	201,965	25,160	-	894,854
Total governmental activities program revenues	1,605,427	1,654,546	3,063,265	2,222,009	1,321,736	1,388,211	1,554,500	1,734,128	2,299,460
Business-type activities:									
Charges for services	3,289,692	3,415,328	3,564,455	3,402,082	3,631,160	4,036,498	4,082,833	4,237,841	4,100,458
Capital grants and contributions	-	1,025,000	845,268	450,548	-	-	-	-	401,995
Total business-type activities program revenues	3,289,692	4,440,328	4,409,723	3,852,630	3,631,160	4,036,498	4,082,833	4,237,841	4,502,453
Total primary government program revenues	\$ 4,895,119	\$ 6,094,874	\$ 7,472,988	\$ 6,074,639	\$ 4,952,896	\$ 5,424,709	\$ 5,637,333	\$ 5,971,969	\$ 6,801,913

CHANGES IN NET ASSETS, LAST NINE FISCAL YEARS
(accrual basis of accounting)
(Unaudited)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expenses) Revenue									
Governmental activities	\$ (3,860,376)	\$ (4,275,825)	\$ (3,623,634)	\$ (4,725,964)	\$ (5,944,432)	\$ (6,750,045)	\$ (6,055,167)	\$ (5,840,052)	\$ (5,059,490)
Business-type activities	485,905	1,638,508	1,247,093	349,414	(341,634)	93,761	313,128	544,067	566,354
Total primary government net expenses	<u>\$ (3,374,471)</u>	<u>\$ (2,637,317)</u>	<u>\$ (2,376,541)</u>	<u>\$ (4,376,550)</u>	<u>\$ (6,286,066)</u>	<u>\$ (6,656,284)</u>	<u>\$ (5,742,039)</u>	<u>\$ (5,295,985)</u>	<u>\$ (4,493,136)</u>
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes:									
Property taxes	\$ 2,065,570	\$ 2,242,524	\$ 2,539,587	\$ 2,819,773	\$ 3,019,148	\$ 3,164,449	\$ 3,136,646	\$ 2,857,199	\$ 3,219,875
Sales taxes	1,216,575	1,642,191	1,793,598	1,786,791	2,058,226	2,001,793	1,967,218	1,998,294	1,945,982
Other taxes	651,132	792,313	586,896	599,534	589,119	614,469	605,005	655,294	624,731
Investment income	19,754	69,259	160,025	236,308	146,798	42,116	6,759	4,684	4,191
Miscellaneous revenues	74,700	57,006	70,323	54,860	40,876	60,129	220,175	226,783	220,118
Transfers	451,336	165,000	174,099	185,985	181,943	171,848	261,118	-	-
Total governmental activities	<u>4,479,067</u>	<u>4,968,293</u>	<u>5,324,528</u>	<u>5,683,251</u>	<u>6,036,110</u>	<u>6,054,804</u>	<u>6,196,921</u>	<u>5,742,254</u>	<u>6,014,897</u>
Business-type activities:									
Other	30,226	86,586	132,417	250,459	127,098	42,808	6,880	3,606	2,973
Special Items					(1,790,333)				
Transfers	(75,000)	(165,000)	(174,099)	(185,985)	(181,943)	(171,848)	(261,118)	(226,783)	(220,118)
Total business-type activities	<u>(44,774)</u>	<u>(78,414)</u>	<u>(41,682)</u>	<u>64,474</u>	<u>(1,845,178)</u>	<u>(129,040)</u>	<u>(254,238)</u>	<u>(223,177)</u>	<u>(217,145)</u>
Total primary government	<u>\$ 4,434,293</u>	<u>\$ 4,889,879</u>	<u>\$ 5,282,846</u>	<u>\$ 5,747,725</u>	<u>\$ 4,190,932</u>	<u>\$ 5,925,764</u>	<u>\$ 5,942,683</u>	<u>\$ 5,519,077</u>	<u>\$ 5,797,752</u>
Change in Net Assets									
Governmental activities	\$ 618,691	\$ 692,468	\$ 1,700,894	\$ 957,287	\$ 91,678	\$ (695,241)	\$ 141,754	\$ (97,798)	\$ 955,407
Business-type activities	441,131	1,560,094	1,205,411	413,888	(2,186,812)	(35,279)	58,890	320,890	349,209
Total primary government	<u>\$ 1,059,822</u>	<u>\$ 2,252,562</u>	<u>\$ 2,906,305</u>	<u>\$ 1,371,175</u>	<u>\$ (2,095,134)</u>	<u>\$ (730,520)</u>	<u>\$ 200,644</u>	<u>\$ 223,092</u>	<u>\$ 1,304,616</u>

Source: Comprehensive Annual Financial Report

Note: Accrual-basis financial information for the city as a whole is only available back to 2004, the year GASB Statement 34 was implemented.

CITY OF SEAGOVILLE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005^b</u>
General Fund			
Reserved ^a	\$ 57,354	\$ 102,720	\$ 145,883
Unreserved	1,163,432	1,680,633	2,310,253
Nonspendable			
Unassigned			
Total general fund	<u>\$ 1,220,786</u>	<u>\$ 1,783,353</u>	<u>\$ 2,456,136</u>
All Other Governmental Funds			
Reserved for:			
Tourism & Promotion	\$ 2,000	\$ -	\$ -
Crime prevention	2,024	-	-
Construction	-	-	226,333
Debt service	47,650	48,925	50,681
Restricted for:			
Debt Service	-	-	-
Other	-	-	-
Court improvements	-	-	-
Police operations	-	-	-
Animal shelter	-	-	-
Capital Expenditures	-	-	-
Assigned for Capital projects	-	-	-
Unassigned:			
Special revenue funds	-	6,609	103,800
Capital projects funds	-	136,612	-
General funds			
Total all other governmental funds	<u>\$ 51,674</u>	<u>\$ 192,146</u>	<u>\$ 380,814</u>

Source: Comprehensive Annual Financial Report

Notes: ^a Includes encumbrances

^b Fund balance for General Fund, restated

^c Changes as reflected in GASB 54

Table 3

<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$ 25,674	\$ 47,805	\$ -	\$ -	\$ -	\$ -	\$ -
2,139,866	1,919,427	1,963,454	1,611,850	1,851,626	-	-
					38,108	-
					2,063,613	2,342,501
<u>\$ 2,165,540</u>	<u>\$ 1,967,232</u>	<u>\$ 1,963,454</u>	<u>\$ 1,611,850</u>	<u>\$ 1,851,626</u>	<u>\$ 2,101,721</u>	<u>\$ 2,342,501</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
1,724,205	1,471,738	2,770,492	1,103,150	910,874	-	-
59,391	70,841	75,456	74,694	42,154	-	-
-	-	-	-	-	17,596	184,033
-	-	-	-	-	9,208	16,593
-	-	-	-	-	43,055	47,898
-	-	-	-	-	31,156	4,679
-	-	-	-	-	7,193	9,203
-	-	-	-	-	-	28,339
-	-	-	-	-	614,530	255,171
42,479	57,264	72,313	37,490	63,798	(2,842)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,826,075</u>	<u>\$ 1,599,843</u>	<u>\$ 2,918,261</u>	<u>\$ 1,215,334</u>	<u>\$ 1,016,826</u>	<u>\$ 719,896</u>	<u>\$ 545,916</u>

CITY OF SEAGOVILLE, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(modified accrual basis of accounting)
(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
REVENUES					
Ad valorem taxes	\$ 2,149,620	\$ 2,041,640	\$ 2,268,023	\$ 2,493,768	\$ 2,747,656
Sales taxes	620,199	1,216,575	1,642,191	1,793,598	1,786,791
Franchise taxes	597,909	633,568	532,397	569,449	631,199
Hotel/motel	17,010	17,564	16,166	17,447	14,713
Sanitation collection charges	569,484	599,113	619,985	636,097	661,123
Licenses, permits & fees	334,699	451,439	267,424	275,048	269,704
Municipal Court Fines	318,776	249,891	219,111	272,007	287,890
Inter-governmental ^a	76,926	269,789	295,199	45,435	48,532
Contributions	-	-	175,000	-	-
Investment Income	17,785	19,754	69,259	160,025	236,308
Grant revenue	-	-	69,750	35,301	119,000
Miscellaneous	26,916	109,895	65,084	107,404	62,344
Total revenues	4,729,324	5,609,228	6,239,589	6,405,579	6,865,260
EXPENDITURES					
Current:					
General government	733,956	767,288	854,268	950,866	1,021,403
Public safety	2,346,652	2,351,445	2,902,614	3,097,115	3,256,449
Community services	388,238	719,250	788,952	836,656	913,635
Community development	920,340	811,246	961,743	1,122,396	1,301,901
Non-Departmental					
Other services	-	-	-	-	-
Debt Service:					
Principal	178,113	186,743	198,938	251,037	193,889
Interest	115,004	105,420	94,595	84,340	127,684
Capital Outlay	18,147	416,133	292,196	332,603	660,824
Total expenditures	4,700,450	5,357,525	6,093,306	6,675,013	7,475,785
Excess (deficiency) of revenues over expenditures	28,874	251,703	146,283	(269,434)	(610,525)
OTHER FINANCING SOURCES (USES)					
Proceeds from capital lease obligation	-	-	-	-	-
Proceeds from certificates of obligations	-	-	-	1,250,000	-
Transfer from other funds	227,462	743,772	487,765	852,424	485,985
Transfer to other funds	-	(292,436)	(322,765)	(678,325)	(300,000)
Total other financing sources (uses)	227,462	451,336	165,000	1,424,099	185,985
NET CHANGE IN FUND BALANCES	\$ 256,336	\$ 703,039	\$ 311,283	\$ 1,154,665	\$ (424,540)
Debt service as a percentage of non-capital expenditures	8.02%	7.53%	6.31%	6.63%	5.88%

Footnote ^a: FY 2004 and prior Intergovernmental revenue includes any grants received.

Table 4

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$	2,979,862	\$ 3,115,546	\$ 3,123,007	\$ 3,113,710	\$ 3,247,285
	2,058,226	2,001,793	1,967,218	1,982,766	1,929,721
	598,896	600,359	590,509	655,294	624,731
	13,726	14,110	14,496	15,528	16,261
	684,831	707,250	718,481	778,197	817,194
	190,793	135,816	236,736	231,432	169,028
	259,828	222,434	266,774	283,779	297,957
	49,431	251,497	76,473	116,481	229,084
	-	-	-	-	-
	146,798	42,116	6,759	4,684	4,191
	18,436	66,374	247,910	255,705	-
	135,789	64,969	102,704	68,534	27,430
	<u>7,136,616</u>	<u>7,222,264</u>	<u>7,351,067</u>	<u>7,506,110</u>	<u>7,362,882</u>
	1,157,665	1,240,817	1,231,869	1,071,946	988,491
	3,438,030	3,774,950	3,714,197	3,683,103	3,663,497
	964,943	994,267	1,028,645	1,087,615	1,134,884
	1,195,937	1,217,567	1,084,295	950,490	939,343
	-	-	-	65,615	17,717
	-	-	-	-	-
	203,889	246,667	264,445	310,419	292,222
	117,645	171,301	153,701	139,007	126,369
	222,519	1,887,781	219,362	419,521	353,677
	<u>7,300,628</u>	<u>9,533,350</u>	<u>7,696,514</u>	<u>7,727,716</u>	<u>7,516,200</u>
	(164,012)	(2,311,086)	(345,447)	(221,606)	(153,318)
	-	84,707	125,597	-	-
	1,250,000	-	-	-	-
	261,943	187,207	304,068	323,938	737,716
	(80,000)	(15,359)	(42,950)	(97,155)	(517,598)
	<u>1,431,943</u>	<u>256,555</u>	<u>386,715</u>	<u>226,783</u>	<u>220,118</u>
\$	<u>1,267,931</u>	<u>\$ (2,054,531)</u>	<u>\$ 41,268</u>	<u>\$ 5,177</u>	<u>\$ 66,800</u>
	5.74%	5.26%	5.58%	6.15%	5.84%

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Year
 (Unaudited)

Fiscal Year	Estimated Market Value			Total Taxable Assessed Value	Total Direct Tax Rate
	Real Property	Personal Property	Less: Tax- Exempt Property		
2003	257,294,180	55,609,710	35,450,180	277,453,710	0.65000
2004	291,000,580	58,197,210	37,804,735	311,393,055	0.65000
2005	340,618,160	57,598,580	43,710,706	354,506,034	0.63500
2006	386,552,840	52,112,700	69,014,372	369,651,168	0.63500
2007	424,562,430	76,645,170	78,172,552	423,035,048	0.63500
2008	471,831,740	82,831,090	87,304,227	467,358,603	0.63500
2009	490,774,910	88,393,450	92,120,970	487,047,390	0.63500
2010	496,150,600	97,531,130	104,323,800	489,357,930	0.65000
2011	486,260,080	88,750,660	102,291,317	472,719,423	0.66500
2012	464,610,530	55,928,240	92,236,415	428,302,305	0.69085

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

DIRECT AND OVERLAPPING PROPERTY TAX RATES (per \$100 of assessed value)
 Last Ten Fiscal Year
 (Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates					
	Operating/ General Rate	General obligation Debt Service	Total Direct	Dallas Independent School District	Dallas County School Equalization	Dallas County Community College	Dallas County Hospital District	Total	
2003	0.569302	0.080698	0.650000	1.587530	0.005500	0.060000	0.196000	0.254000	\$2.753030
2004	0.578040	0.071960	0.650000	1.639500	0.005460	0.077800	0.203900	0.254000	\$2.830660
2005	0.595668	0.039332	0.635000	1.669400	0.005460	0.080300	0.203900	0.254000	\$2.848060
2006	0.576491	0.058509	0.635000	1.688360	0.005300	0.081600	0.213900	0.254000	\$2.878160
2007	0.558905	0.076095	0.635000	1.502640	0.005034	0.081000	0.213900	0.254000	\$2.691574
2008	0.566701	0.068299	0.635000	1.199643	0.004714	0.080400	0.228100	0.254000	\$2.401857
2009	0.549700	0.085300	0.635000	1.183402	0.004928	0.089400	0.228100	0.254000	\$2.394830
2010	0.569798	0.080202	0.650000	1.271343	0.005212	0.094900	0.228100	0.274000	\$2.523555
2011	0.580650	0.084350	0.665000	1.237811	0.010000	0.099230	0.243100	0.271000	\$2.526141
2012	0.648722	0.042131	0.690853	1.290347	0.010000	0.099670	0.243100	0.271000	\$2.604970

Source: Dallas County Appraisal District Ad Valorem Rates

PRINCIPAL PROPERTY TAX PAYERS
Current Fiscal Year and Ten Years Ago
(Unaudited)

2012			2003		
Taxpayer	Assessed Value	Percentage of Total City Assessed Value ^b	Taxpayer	Assessed Value	Percentage of Total City Assessed Value
OREILLY/HI LO AUTOMOTIVE INC.	\$ 34,664,930	8.09%	HI LO AUTOMOTIVE INC.	\$ 16,093,180	5.14%
WALMART	\$ 16,925,340	3.95%	TEXAS UTILITIES	\$ 6,752,670	2.16%
ONCOR ELECTRIC DELIVERY	10,688,160	2.50%	SOUTHWESTERN BELL	6,226,240	1.99%
EQUITY DEVELOPMENT CORP.	5,558,430	1.30%	ARC SPEII LLC	4,116,370	1.32%
TSCA 50 LP	5,000,000	1.17%	EQUITY DEVELOPMENT CORP.	3,611,400	1.15%
ARC SPEII LLC	4,912,400	1.15%	SEAGOVILLE PARTNERS	3,299,990	1.05%
AT & T COMMUNICATIONS	3,766,130	0.88%	BEACON INDUSTRIES	2,951,800	0.94%
ARC DEALERSHIP, LLC	3,670,200	0.86%	MTEK INTERNATIONAL LTD.	2,833,880	0.91%
WALTRUST PROPERTIES	2,864,140	0.67%	SEAGOVILLE BUSINESS PARK	2,563,580	0.82%
VILLAS OF SEAGOVILLE LP	2,800,000	0.65%	ECONO FUEL INC.	2,525,630	0.81%
Total	\$ 90,849,730	21.21%	Total	\$ 50,974,740	16.29%
Total Assessed Valuation	428,302,305	100.00%	Total Assessed Valuation	312,903,890	100.00%

Source: Tax Office

Notes:

^bTaxpayers are assessed, 2011 tax year, for the 2012 fiscal year.

AD VALOREM TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years
 (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections	
		Amount	Percentage of levy		Amount	Percentage of levy
2003	1,803,449	\$ 1,732,937.00	96.09 %	\$ 63,749	\$ 1,796,686.00	99.62 %
2004	2,024,055	\$ 1,930,076.00	95.36 %	\$ 70,049	\$ 2,000,125.00	98.82 %
2005	2,251,113	\$ 2,140,320.00	95.08 %	\$ 82,889	\$ 2,223,209.00	98.76 %
2006	2,448,520	\$ 2,368,864.00	96.75 %	\$ 71,750	\$ 2,440,614.00	99.68 %
2007	2,711,878	\$ 2,600,008.00	95.87 %	\$ 91,005	\$ 2,691,013.00	99.23 %
2008	2,996,338	\$ 2,855,106.00	95.29 %	\$ 68,839	\$ 2,923,945.00	97.58 %
2009	3,123,704	\$ 2,984,584.55	95.55 %	\$ 74,699	\$ 3,059,283.40	97.94 %
2010	3,183,565	\$ 3,012,455.48	94.63 %	\$ 72,831	\$ 3,085,286.43	96.91 %
2011	3,147,944	\$ 3,001,957.46	95.36 %	\$ 66,280	\$ 3,068,237.51	97.47 %
2012	2,962,976	\$ 3,110,157.65	104.97 %	\$ 83,045	\$ 3,193,202.81	107.77 %

Source: Tax Office

RATIO OF OUTSTANDING BONDED DEBT BY TYPE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities Certificates of Obligation	Business-Type Combination Water and Sewer Tax and Revenue Bonds	Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
2003	1,785,000	2,650,396	4,435,396	N/A	\$ 387
2004	1,655,000	2,430,396	4,085,396	2.25	\$ 342
2005	1,515,000	2,140,396	3,655,396	1.92	\$ 297
2006	2,575,000	2,845,396	5,420,396	2.75	\$ 432
2007	2,381,111	2,509,285	4,890,396	2.29	\$ 369
2008	3,427,221	4,168,174	7,595,395	3.35	\$ 571
2009	3,180,554	3,814,841	6,995,395	3.08	\$ 505
2010	2,912,110	3,454,285	6,366,395	2.27	\$ 429
2011	2,633,888	3,283,570	5,917,458	2.11	\$ 398
2012	2,341,667	3,121,025	5,462,691	2.01	\$ 366

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

^aSee Table 13 for personal income and population data.

RATIO OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Certificates of Obligation	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
2003	1,785,000	0.64%	\$ 156
2004	1,655,000	0.53%	\$ 138
2005	1,515,000	0.43%	\$ 123
2006	2,575,000	0.70%	\$ 205
2007	2,381,111	0.56%	\$ 180
2008	3,427,221	0.73%	\$ 258
2009	3,180,554	0.65%	\$ 230
2010	2,912,110	0.60%	\$ 196
2011	2,633,888	0.56%	\$ 177
2012	2,341,667	0.55%	\$ 157

Note: ^a Property values are from table 5.

^b Populations are from table 13.

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of September 30, 2012

(Unaudited)

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Area	Seagoville Share of Overlapping Debt
Debt repaid with property taxes			
Crandall ISD	\$ 51,937,793	0.71%	\$ 368,758
Dallas County	143,932,642	0.21%	302,259
Dallas County Community College District	396,140,000	0.21%	831,894
Dallas County Hospital District	705,000,000	0.31%	2,185,500
Dallas ISD	2,612,410,000	0.57%	14,890,737
Kaufman County	15,500,000	0.04%	6,200
Mesquite ISD	428,170,979	0.04%	171,268
Subtotal, overlapping debt			18,585,348
City of Seagoville (direct debt)	2,341,667	100.00%	2,341,667
Total direct and overlapping debt			\$ 20,927,015

Source: Municipal Advisory Council of Texas

PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Water and Sewer System Revenue Bonds				
	Total Revenues	Less: Operating Expenses	Net Available Revenue	Annual Requirement ^a	Times Coverage
2003	3,133,306	2,489,655	643,651	351,198	1.83 %
2004	3,319,918	2,627,054	692,864	340,920	2.03 %
2005	3,501,914	2,611,356	890,558	341,303	2.61 %
2006	3,698,247	2,972,767	725,480	382,030	1.90 %
2007	4,072,721	3,636,189	436,532	348,155	1.25 %
2008	3,758,258	4,154,737	(396,479)	444,624	(0.89) %
2009	4,036,498	3,620,040	416,458	420,630	0.99 %
2010	4,082,833	3,460,230	622,603	397,618	1.57 %
2011	4,237,841	3,471,136	766,705	373,307	2.05 %
2012	4,100,458	3,724,124	376,334	349,003	1.08 %

Note: ^aAverage Principal and Interest requirements for next ten years.

DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Calendar Years
 (Unaudited)

<u>Year</u>	<u>Estimated Population^a</u>	<u>Total Households^a</u>	<u>Per Household Personal Income^b</u>	<u>Total Personal Income</u>
2003	11,450	N/A	N/A	N/A
2004	11,950	4,111	44,187	181,652,757
2005	12,300	4,193	45,513	190,836,009
2006	12,550	4,246	46,424	197,116,304
2007	13,250	4,493	47,585	213,799,405
2008	13,300	4,648	48,775	226,706,200
2009	13,850	4,752	47,737	226,846,224
2010	14,835	4,770	58,824	280,590,480
2011	14,850	4,770	58,824	280,590,480
2012	14,920	4,513	60,074	271,113,962

Sources: ^aTotal Households provided by NCTCOG
^bPer Household Income provided by Seagoville Economic
 Development Corporation

PRINCIPAL EMPLOYERS
Current year and Five years Ago
(Unaudited)

2012			2007		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
HI LO AUTO. / O'REILLY	450	8.05%	HI LO AUTO. / O'REILLY	450	8.05%
WALMART	450	8.05%	WALMART	450	8.05%
FEDERAL CORRECTIONAL INSTITUTE	350	6.26%	FEDERAL CORRECTIONAL INSTITUTE	325	5.81%
CITY OF SEAGOVILLE	91	1.63%	OAK GROVE CARE CENTER	100	1.79%
GREEN FOREST	80	1.43%	CITY OF SEAGOVILLE	84	1.50%
BROOKSHIRES FOOD STORES	75	1.34%	MINYARDS FOOD STORE	83	1.48%
SEAGO MANOR NURSING CENTER	60	1.07%	BROOKSHIRES FOOD STORE	75	1.34%
SHAR TRUCKING	60	1.07%	SEAGO MANOR NURSING CENTER	60	1.07%
ROCKWELL AMERICAN MFG. CO.	55	0.98%	ROCKWELL AMERICAN MFG. CO	55	0.98%
BEACON INDUSTRIES	48	0.86%	BEACON INDUSTRIES	48	0.86%
Total	1,719	30.73%		1,730	30.93%

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

Seagoville ★

FULL-TIME CITY GOVT. EMPLOYEES BY FUNCTION/PROGRAM
 Last Nine Fiscal Years
 (Unaudited)

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government and Administration	6.00	6.00	6.00	7.00	8.00	8.00	9.00	7.00	6.00
Public Safety	39.00	44.00	47.00	48.00	50.00	53.00	54.00	51.00	51.00
Community Services	4.00	5.00	5.00	6.00	6.00	6.00	6.00	9.00	8.00
Community Development	10.00	11.00	11.00	11.00	12.00	12.00	11.00	11.00	10.00
Water and Sewer	13.00	14.00	15.00	15.00	15.00	15.00	16.00	13.00	16.00
Total	72.00	80.00	84.00	87.00	91.00	94.00	96.00	91.00	91.00

Source: City Budget

CITY OF SEAGOVILLE, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

(Unaudited)

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public Safety				
Police				
Number of stations	1	1	1	1
Number of police personnel	17	17	19	20
Number of arrests	996	1,026	1,009	859
Number of traffic violations	4,557	3,477	2,831	3,590
Fire				
Number of stations	1	1	1	1
Number of fire personnel	13	13	15	16
Number of calls answered	1,748	1,791	2,055	2,207
Developmental				
Miles of streets ^a	0	17	0	3
Cultural/Recreational Changes				
Parks	0	0	0	0
Park acreage	0	0	0	0
Library	0	0	0	0
Water				
Number of water connections	3,546	4,226	4,526	4,651
Average daily water consumption (gallons)	1,877,655	1,709,532	1,905,989	1,989,635
Sewer				
Number of sewer connections	3,337	3,478	3,580	3,752
Average daily sewer flow (gallons)	1,267,673	1,321,237	1,359,985	1,425,325

Note:

^a Actual inventory not performed until GASB 34 requirement (prior to 2004 - estimates)

Table 16

<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
1	1	1	1	1	1
21	21	21	23	23	24
820	859	913	914	731	668
3,535	2,805	2,603	1,981	1,403	1,201
1	1	1	1	1	1
16	16	19	20	19	19
2,275	2,396	2,378	1,043	2,533	2,435
1	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
4,786	4,875	4,897	4,945	4,945	3,850
1,510,427	1,684,989	1,639,285	1,706,000	1,729,161	1,769,000
3,915	3,987	4,002	4,050	4,050	3,575
1,474,300	1,501,414	1,460,689	1,100,000	934,907	963,827

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
Last Ten Fiscal Years
(Unaudited)

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	9	9	9	9	9	9	9	9	10	18
Fire Stations	1	1	1	1	1	1	1	1	1	1
Development Services										
Streets-Paved (miles) ^a	96	113	113	116	116	116	116	116	116	116
Recreational Services										
Parks	7	7	7	7	7	7	7	7	7	7
Park acreage	93	93	93	93	93	93	93	93	93	93
Baseball/softball field	1	1	1	1	1	1	1	1	1	1
Tennis Court	2	2	2	2	1	1	1	1	1	1
Basketball Court	0	0	0	0	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Library volumes	29,324	29,749	28,886	29,352	29,654	29,401	30,127	32,024	30,520	28,500
Water and Sewer										
Water Mains (miles)	N/A	104.2	104.2	106.9	107.7	107.7	107.7	108	108	108
Fire Hydrants	362	364	364	392	436	436	436	463	463	464
Sanitary Sewers (miles)	N/A	94.7	94.7	97.6	98.4	98.4	98.4	98.4	98.4	98.4
Storm Sewer Lines (miles)	N/A	11.5	13.0	13.0	13.2	13.2	13.2	13.2	13.2	13.2

Notes: ^a Actual inventory not performed until GASB 34 requirement (prior to 2004 - estimates)