

City of Saginaw, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2018



City of Saginaw

**Prepared By
The City of Saginaw, Texas
Finance Department**



City of Saginaw

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 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2018
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Introductory Section



City of Saginaw



City of Saginaw

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City of Saginaw

February 5, 2019
Honorable Mayor Todd Flippo,
Members of the City Council,
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Comprehensive Annual Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2018. The purpose of the report is to provide the Council, management, staff, public and other interested parties with detailed information reflecting the City's financial condition.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included. The financial statements included in the report were prepared by the General Administrative Office in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2018. The independent auditor’s report is located at the front of the financial section of this report.

The Financial Section includes the Management’s Discussion and Analysis (MD&A). The MD&A is a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

The Reporting Entity

The City of Saginaw sits solidly in the heart of the Dallas-Fort Worth Metroplex. Saginaw remains an agribusiness center for much of Texas with some of the largest grain storage facilities in the United States.

The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles. Saginaw's population from the 1990 Census was 8,551. The 2000 Census was 12,374 and the 2010 Census was 19,806. The 2018 population estimate is 21,730.

The City was incorporated in 1949 and is operating under a Charter adopted on January 19, 1988. The City has a Council/Manager form of government, with the City Council comprised of seven members including the Mayor. All seven Council members are elected by place number and at large for three year staggered terms. The City Council is responsible for adopting ordinances and regulations governing the City, adopting the budget, determining policies, and appointing the City Manager, City Attorney, City Secretary, and Judge of the Municipal Court, as well as members of boards and commissions. The City Manager is responsible to the Council, for appointing and supervising employees of the City (except for those appointed by the Council) and for preparing and administering the annual budget and capital improvements program.

Services Provided

The City provides a full range of municipal services including general government, police and fire protection, street maintenance, building inspection services, library services, recreation, animal services, parks operation and maintenance, and maintenance and operation of City-owned buildings. The City of Saginaw contracts with the City of Fort Worth for water purchase and wastewater treatment. A franchise has been granted to a privately-owned firm for solid waste collection, disposal, and recycling services. Commercial customers contract directly with the firm while residential customers contract through the City, with fees added to their municipal utility bills.

This report includes the financial statements of the funds required to account for those activities, 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 by the GASB. Based on these criteria, all municipal services listed are included in the City's 2017-2018 financial statements.

Basis of Accounting

The City's accounting records for general governmental operations are maintained on a modified accrual basis. Under this method of accounting, expenditures are recognized when the services or goods are received and the liability is incurred. Revenues are recognized when measurable and available. Accounting records for the City's Water and Wastewater Enterprise Fund are maintained on the accrual basis. Expenses are recognized when a commitment is made and revenues are recognized when they are earned and due to the City.

Budgetary Controls

The City Charter requires that the City Manager prepare and submit a proposed budget for the fiscal year beginning October 1st to the City Council at least 45 days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Public hearings are held, and the budget is adopted at a regular or special meeting prior to the first day of the fiscal year.

Following adoption of the budget by the City Council, the City Manager and department heads monitor expenditures and revenues throughout the year to ensure that the integrity of the budget is maintained. The Charter requires City Council approval for a transfer of funds from one department to another. Any revisions that alter the total expenditures of any fund must be approved by ordinance of the City Council.

Internal Controls

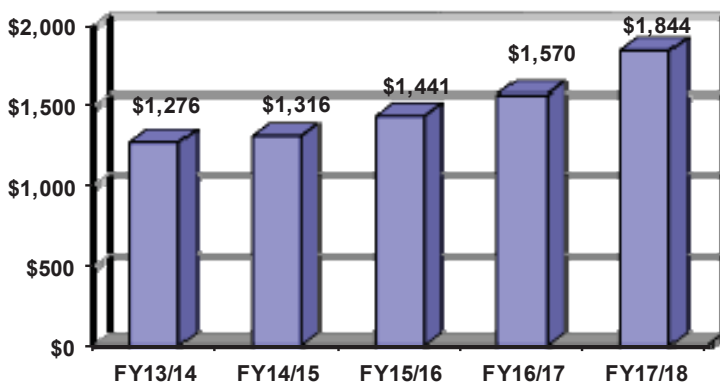
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

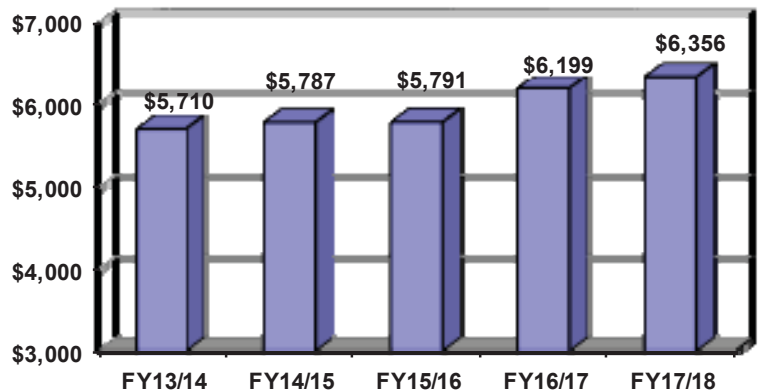
Summary of Local Economy

The local economy in Saginaw remains good. Unemployment in the area remains low and economic trends are optimistic but with a cautious outlook. The real estate market continues to see high demand with a tight inventory. The City continues to see new housing starts which adds to our tax base. Taxable values for 2018/2019 increased 17.4% and we saw \$59 million (\$25 million residential, \$6 million commercial, \$28 million industrial) in added value from new construction. Fuel City and Basswood Crossing Phase 1 residential development with 76 lots was completed. The expansion at Miller Milling is underway and the expansion of Aldi is complete. The AT&T retail store, the Tiger Spa Car wash, and RaceTrac were completed. Sales tax collections for the current fiscal year to date are tracking 4% higher than last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Bar C Ranch Phases 1 and 2 are substantially complete with a total of 146 residential lots. Willow Vista Estates Phase IIIC is under construction with 75 lots, and Basswood Crossing Phases 2 and 3 are substantially complete with a total of 341 residential lots. The Miller Milling expansion will be completed. The Ventura expansion is underway, as well as the construction of the Ryder Truck Maintenance Depot and the Dancer Shopping Center. These residential and commercial construction projects will continue to boost the City's tax base. Saginaw remains an attractive place for new homes and businesses due to our location, land availability, easy freeway access, good schools, low tax rates, and the general quality of life.

Long Term Financial Planning

The current General Fund Reserve Policy states "The City will maintain an Emergency Reserve Fund balance in the General Fund of between 15% and 20% of the operating budget." The Enterprise Fund Emergency Reserve needs to be sufficient to operate the Water Department for three months. Both of these funds are to be used only in an emergency and only with Council approval. We are currently in compliance with both of these policies.

The City's Comprehensive Master Plan and the five-year Capital Improvement Plan was updated in 2016. The plan's theme is "Preparing for Build-out". The plan focuses on completing infrastructure to support development, rehabilitating aging infrastructure, and maintaining existing infrastructure. The capital improvements plan is funded with cash on hand and revenues from the Street Maintenance Fund, and the Drainage Utility Fund. No significant additional operating costs are projected to be incurred related to these capital expenditures.

OTHER INFORMATION

Independent Audit

Article XII, Section 12.06 of the City Charter requires an annual audit by independent certified public accountants. The annual audit must be available for public inspection no later than ninety days after the close of the City's fiscal year. The accounting firm of Weaver and Tidwell, L.L.P. was selected by the City Council. The independent auditors' report on the general purpose financial statements and supplemental statements and schedules is included in the financial section of this report.

Certificate of Achievement

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017 from the Government Finance Officers Association of the United States and Canada (GFOA). This certificate is awarded to governmental units who publish easily readable and efficiently organized annual reports which satisfy both generally accepted accounting principles and applicable legal requirements. The Certificate is valid for a one year period. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to GFOA. The City also received GFOA's Award for Distinguished Budget Presentation for its 2017-2018 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories

including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the General Administrative Office and our independent auditors. We would like to express our sincere appreciation to all of our employees who contributed to the preparation.

In closing, we would also like to thank the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gabe Reaume". The signature is fluid and cursive, with the first name "Gabe" being more prominent than the last name "Reaume".

Gabe Reaume, City Manager

City of Saginaw, Texas

Principal Officials
September 30, 2018

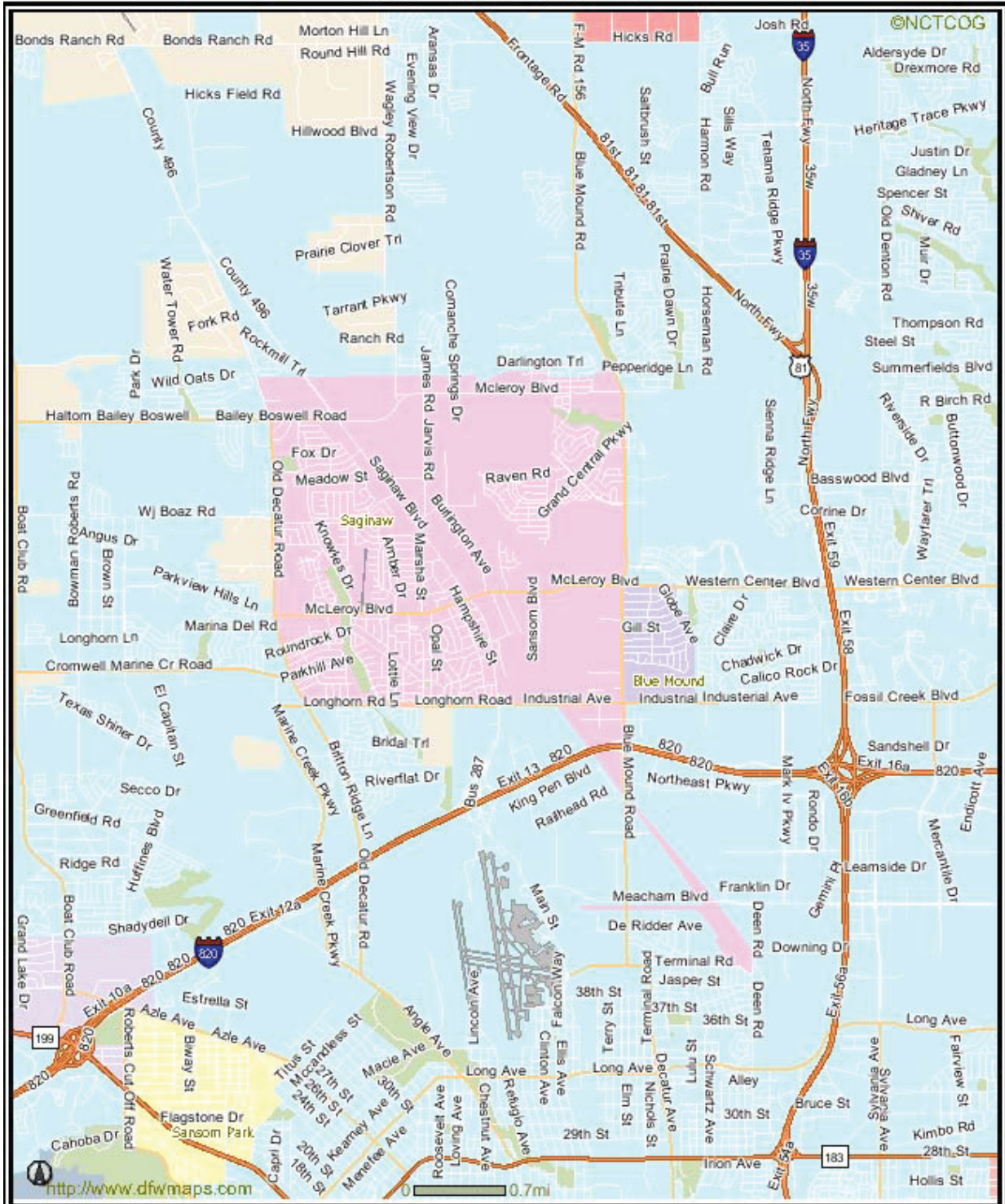
GOVERNING BODY

Todd Flippo.....Mayor
David Flory..... Mayor Pro-Tem
Patrick Farr..... Councilmember, Place 2
Valerie Tankersley..... Councilmember, Place 3
Charles Tucker Councilmember, Place 4
Cindy Bighorse Councilmember, Place 5
Mary Copeland..... Councilmember, Place 6

ADMINISTRATION

Gabriel Reaume..... City Manager
Dolph Johnson..... Assistant City Manager
Kim Quin..... Finance Director
Janice England.....City Secretary
Lorraine Irby.....Municipal Court Judge
Lee Howell.....Police Chief
Doug Spears..... Fire Chief
Rick Trice Director of Public Works
Keith Rinehart.....Director of Community Services
Ellen Ritchie Library Director
Greg Clayton.....Director of Information Technology
Alora Wachholz..... Director of Economic Development
Melanie McManus Director of Human Resources
Bryn Meredith.....City Attorney
Andrew Simonsen City Engineer

CITY OF SAGINAW



NCTCOG Maps
www.dfwmaps.com

DISCLAIMER

This data has been compiled for NCTCOG. Various official and unofficial sources were used to gather this information. Every effort was made to ensure the accuracy of this data, however, no guarantee is given or implied as to the accuracy of said data.





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Saginaw
Texas**

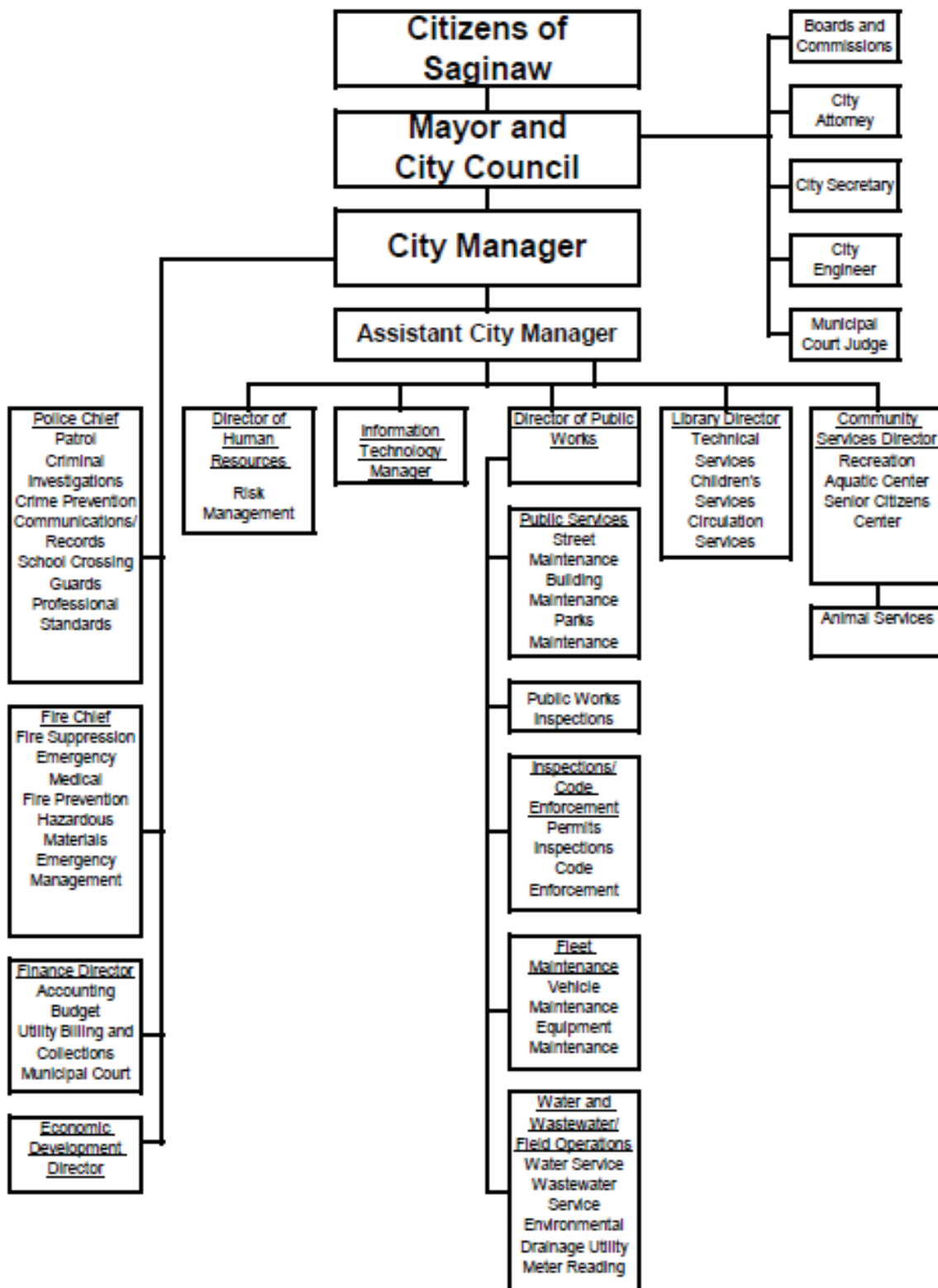
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF SAGINAW
ORGANIZATIONAL CHART
2018-2019**





City of Saginaw

Financial Section



City of Saginaw

Independent Auditor's Report

To the Honorable Mayor Todd Flippo
and Members of the City Council of the
City of Saginaw, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saginaw, Texas (the City) as of and for the year ended September 30, 2018, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The Honorable Mayor Todd Flippo
and the Members of the City Council of the
City of Saginaw, Texas

Emphasis of Matter

As discussed in Note 9 and 14 to the financial statements, the City adopted new accounting guidance GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 5 through 12, 60 through 61, 62 and 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 5, 2019

Weaver and Tidwell, L.L.P.
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**CITY OF SAGINAW, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2018
(UNAUDITED)**

As management of the City of Saginaw, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Saginaw exceeded its liabilities at the close of the most recent fiscal year by \$107,972,937 (net position). Of this amount, \$17,753,534 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$5,601,272.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$26,145,279. About 41% of this total amount, or \$10,714,092, is unassigned and available for use with the City's fund designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$10,714,092 or 67% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City'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 supplementary 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's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows/inflows, and liabilities, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when 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 the future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, municipal court, fire, police, public services, parks, library, community services, fleet maintenance, inspections, animal services and economic development. The business-type activities of the City include water and wastewater services. The government-wide financial statements can be found on pages 17-19 of this report.

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

Governmental Funds – Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses 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 financial requirements.

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

The City maintains nine governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, six Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 22-25.

Proprietary Funds – The City maintains one type of proprietary fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water and wastewater operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 28-31 of this report.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because those funds are not available to support the City's programs. The City is the trustee, or fiduciary, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The City does not currently have fiduciary activities to report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-57.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2018, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,972,937.

The largest portion of the City's net position (82%) reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Saginaw's Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 29,037,843	\$ 32,749,930	\$ 11,580,612	\$ 10,327,569	\$ 40,618,455	\$ 43,077,499
Capital assets	88,786,676	82,740,925	24,927,375	24,200,124	113,714,051	106,941,049
Total assets	\$ 117,824,519	\$ 115,490,855	\$ 36,507,987	\$ 34,527,693	\$ 154,332,506	\$ 150,018,548
Deferred outflows of resources	\$ 1,338,432	\$ 2,199,761	\$ 192,673	\$ 313,580	\$ 1,531,105	\$ 2,513,341
Long term liabilities	\$ 36,352,184	\$ 40,225,384	\$ 2,354,798	\$ 2,764,855	\$ 38,706,982	\$ 42,990,239
Other liabilities	5,469,951	4,856,511	2,333,924	1,361,257	7,803,875	6,217,768
Total liabilities	\$ 41,822,135	\$ 45,081,895	\$ 4,688,722	\$ 4,126,112	\$ 46,510,857	\$ 49,208,007
Deferred inflows of resources	\$ 1,231,566	\$ 592,076	\$ 148,251	\$ 69,213	\$ 1,379,817	\$ 661,289
Net Position						
Net Investment in capital assets	\$ 65,704,199	\$ 62,510,664	\$ 23,273,899	\$ 22,315,277	\$ 88,978,098	\$ 84,825,941
Restricted	1,062,127	1,120,206	179,178	175,662	1,241,305	1,295,868
Unrestricted	9,342,924	8,385,775	8,410,610	8,155,009	17,753,534	16,540,784
Total net position	\$ 76,109,250	\$ 72,016,645	\$ 31,863,687	\$ 30,645,948	\$ 107,972,937	\$ 102,662,593

An additional portion of the City's net position \$1,241,305 (1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$17,753,534 may be used to meet the City's ongoing obligation to citizens and creditors.

The \$5,601,465 increase in net position is a result of increased capital assets partially offset by a decrease in deferred outflows related to pension accounting, decreased long term liabilities, and increased deferred inflows related to pension accounting. There was a \$290,928 adjustment to net position to record the cumulative effect of accounting changes for other post-employment benefits. As of September 30, 2018, the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended September 30, 2018. Overall the City had an increase in net position of \$5,601,465. Total City revenues decreased by \$436,644. Governmental activities revenues decreased due to a decrease in contributed assets, operating grants and franchise fees. These decreases were partially offset by increases in: building permits due to continued residential and commercial construction, recreation fees due to the popularity of new programs and increased facility rentals, delinquent property tax collections, interest earnings due to increased interest rates, and the repayment of an economic development incentive loan. Ad valorem tax revenue increased due to higher property values and an increased tax rate to cover increased operating costs. Sales tax collections increased due to the improved economy and increased construction activity. Cable TV franchise fees decreased due to fewer subscribers. Enterprise Fund revenue increased due to increased water sales, wastewater service, wastewater surcharge revenue, and interest earnings. These increases were partially offset by a decrease in contributed assets from the previous year.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues						
Fees, fines and charges for services	\$ 3,112,368	\$ 3,012,073	\$ 10,434,663	\$ 9,088,796	\$ 13,547,031	\$ 12,100,869
Operating grants and contributions	159,428	234,121	-	-	159,428	234,121
Capital grants and contributions	2,544,847	5,835,552	1,360,420	1,447,523	3,905,267	7,283,075
General revenues						
Ad valorem taxes	8,172,372	7,608,668	-	-	8,172,372	7,608,668
Sales taxes	6,356,478	6,198,989	-	-	6,356,478	6,198,989
Franchise taxes	1,660,835	1,693,095	-	-	1,660,835	1,693,095
Other taxes	79,388	32,666	-	-	79,388	32,666
Penalties and interest	22,706	17,148	109,754	111,492	132,460	128,640
Interest income	475,921	214,428	145,445	63,794	621,366	278,222
Miscellaneous	590,747	116,691	74,087	61,067	664,834	177,758
Total revenues	\$ 23,175,090	\$ 24,963,431	\$ 12,124,369	\$ 10,772,672	\$ 35,299,459	\$ 35,736,103
Expenses						
General administrative office	\$ 2,306,824	\$ 2,183,540	\$ -	\$ -	\$ 2,306,824	\$ 2,183,540
Municipal court	167,338	190,521	-	-	167,338	190,521
Fire	3,410,291	3,446,465	-	-	3,410,291	3,446,465
Police	4,732,436	4,616,528	-	-	4,732,436	4,616,528
Public works	3,717,371	3,705,943	-	-	3,717,371	3,705,943
Parks	345,716	348,531	-	-	345,716	348,531
Community services	1,141,716	1,130,034	-	-	1,141,716	1,130,034
Library	610,243	624,921	-	-	610,243	624,921
Inspections	563,502	861,619	-	-	563,502	861,619
Animal services	322,993	-	-	-	322,993	-
Fleet maintenance	499,089	513,948	-	-	499,089	513,948
Economic development	567,431	46,520	-	-	567,431	46,520
Interest on long term debt	1,017,739	883,962	-	-	1,017,739	883,962
Water and Wastewater	-	-	10,295,498	9,199,426	10,295,498	9,199,426
Total expenses	\$ 19,402,689	\$ 18,552,532	\$ 10,295,498	\$ 9,199,426	\$ 29,698,187	\$ 27,751,958
Increases (decreases) in net position before transfers	\$ 3,772,401	\$ 6,410,899	\$ 1,828,871	\$ 1,573,246	\$ 5,601,272	\$ 7,984,145
Transfers	579,130	590,530	(579,130)	(590,530)	-	-
Increase in net position	\$ 4,351,531	\$ 7,001,429	\$ 1,249,741	\$ 982,716	\$ 5,601,272	\$ 7,984,145
Net position - October 1, as restated	71,757,719	65,015,216	30,613,946	29,663,232	102,371,665	94,678,448
Net position - September 30	\$ 76,109,250	\$ 72,016,645	\$ 31,863,687	\$ 30,645,948	\$ 107,972,937	\$ 102,662,593

Total City expenses increased by \$1,946,229. There were city wide increases related to increased salary and benefits. The increase in General Administration is due to the cost of services for the interim City Manager, increased legal fees expense, a planning consultant used to evaluate and recommend an overlay program, an information technology consultant to make recommendations on current and future needs, and a strategic planning consultant. The decrease in Municipal Court is due to employee turnover. Overtime for the Fire department decreased due to fewer vacancies than the previous year. Police Department increases are for salaries and benefits. Public Works salary and benefit increases are partially offset by lower building maintenance expense, mowing expense savings, and lower utility expense. The decrease in Library is due a vacant position for part of the year. Animal Services function was separated from Inspections. Community Services increases are due to additional programs such as "Concerts in the Park". An increase in gasoline expense in Fleet Maintenance is offset by savings for utilities, parts, and contract repairs. The increase in Economic Development reflects the economic development incentive loan and partial year funding for the enhanced economic development program. The increase in interest expense is due to new debt issued in 2017. The increased expenses in the Enterprise Fund is due to capital projects including the Park Center elevated storage tank rehabilitation. Other increases for salary, benefits, and water meter supplies are partially offset by savings in power to operate pumps and engineering expense.

City Governmental activities increased net position by \$4,351,531 and Enterprise Fund activities increased net position by \$1,249,741. Net position of the governmental activities has been decreased by \$258,926 and business-type activities by \$32,002 due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

At the end of the current fiscal year, the City of Saginaw's governmental funds reported combined ending fund balances of \$26,145,279. Approximately 41% of this total (\$10,714,092) constitutes unassigned fund balance and \$760 constitutes unspendable fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes. The General Fund decreased by \$48,196. The planned use of fund balance did not occur due increased sales tax, franchise fee, construction inspections fee, property tax, building permit, and interest earning revenues. In addition the following projects remain incomplete at the end of the fiscal year: the public safety radio system upgrade, the food truck/farmers market project, the crosswalk at Basswood, the signal light at Knowles and McLeroy, the court software upgrade, and the live streaming of City Council meetings. The fund balance decrease of \$37,941 in the Debt Service Fund was a planned drawdown using fund balance for a portion of debt service. The decrease of \$5,389,206 in the Capital Projects Fund reflects the use of previously issued bonds for the Bailey Boswell Road construction project. There was a planned increase in the Drainage Utility Fund balance for cash funding of future planned drainage projects. The increase is more than expected due to increased drainage fees and interest earnings. There was an increase of \$12,920 in the Crime Control and Prevention District Fund due to higher than budgeted sales tax collections. The Street Maintenance Fund balance increased by \$203,520 due to increased sales tax collections and the delay of a project due to construction in the area. There was an increase in the Donations Fund balance of \$52,198. Donation balances will be used for future Parks and Beautification projects. Escrow Fund balance increased due to a payment for the future widening of Old Decatur Road and an increase in Hotel/Motel Tax collections collected from the new Motel 6.

Proprietary Fund – The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Enterprise Fund is \$8,410,610. Total net position of the Enterprise Fund increased by \$1,249,741 from fiscal year 2017 to fiscal year 2018. The increase is due to increased sewer surcharge, a result of increased industrial activity, and contributed water and sewer lines for the Fuel City and Basswood Crossing Phase 1 developments.

Budgetary Highlights – The City, with City Council approval, made revisions to the original appropriations approved by the City Council. General Fund revenues were increased by \$904,620 or 6%. Increased revenues were due to increased property tax collections, building permits and construction inspection fees due to construction activity, the repayment of an economic development incentive loan, and interest earnings. These increases were partially offset by a decrease in court fines and fees. General Fund expenditures increased by \$1,722,640 or 11% for an economic development incentive loan, and additional staffing for the Police and Economic Development departments. The revised budget anticipated a drawdown of fund balance for the public safety radio system upgrade (\$652,800) and the food truck/farmer's market project (\$370,000). Both of these projects are ongoing at year end and are projected to be completed in the coming year.

The budgeted revenues of the Enterprise Fund were increased by \$1,050,000 or 11%. Water sales and wastewater surcharge revenue was increased due to weather, growth, and increased industrial activity. Expenditures increased by 9% for the purchase of water, the treatment of wastewater, the completion of the Blue Ridge Trail sewer line project that was not completed in the prior year, and engineering on the Fairmount sewer rehab project that was identified at mid-year.

The Capital Projects Fund budget was decreased, revenues by \$2,536,415 and expenditures by \$5,997,850 due to the construction delay of the Bailey Boswell Road improvements project.

The Crime Control and Prevention District budget was increased by \$23,607 for the grant funded purchase of rifle resistant vests.

The Drainage Fund budget was increased by \$30,000 for drainage improvements at Knowles and Silverbrook.

The Donations Fund expenditures were increased by \$47,125 for additions to the holiday light display and resurfacing of tennis courts at Willow Creek Park.

The budgeted revenues in the General Escrow Fund were increased by \$287,125 for increased insurance claims and the payment for future widening of Old Decatur Road. Expenditures increased by \$21,120 as a result of increased insurance claims.

CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2018 amounts to \$113,714,051 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

Major capital asset events during the fiscal year included the following:

- Willow Creek Park Restroom completion (\$7,771).
- Engineering for a crosswalk on Basswood Boulevard (\$5,400).
- Security gate at the Ridgecrest entrance of the Police Department (\$12,489).
- City Council agenda/live streaming project (\$18,376).
- Completion of the Blue Ridge Trail 8" sewer line (\$101,558).
- Cage remodel at Animal Services (\$34,163).
- Additions to the holiday light display (\$42,352).
- Continued construction of the East Bailey Boswell Road project (\$5,549,587).
- Fire Department pumper truck (\$650,015).
- Parking lot expansion at Willow Creek Park (\$38,556).
- City-wide equipment replacement (\$154,171).
- Public Safety equipment replacement (\$162,163).
- Public Safety radio system (\$149,696).
- Drainage improvements at Knowles & Silverbrook (\$42,970)
- Traffic signal at Bailey Boswell Road and Basswood Boulevard (\$212,429)
- Traffic signal at West McLeroy Boulevard and Knowles (\$57,885).
- Construction of the Saginaw Boulevard 12" water line Phase2 (\$219,613).
- Completion of the South Hampshire 16" water line (\$363,358).
- Donated streets, drainage, and water lines for the Fuel City (\$125,253).
- Donated land at 805 East McLeroy Boulevard (\$54,755).
- Donated streets, drainage, and ROW for Basswood Crossing Phase 1 (\$2,139,265).
- Donated water and sewer lines for Basswood Crossing Phase 1 (\$768,284).

Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 14,527,200	\$ 13,850,991	\$ 16,657	\$ 16,657	\$ 14,543,857	\$ 13,867,648
Improvements	1,937,259	1,898,703	-	-	1,937,259	1,898,703
Buildings	19,713,546	19,671,612	154,587	154,587	19,868,133	19,826,199
Equipment	7,623,973	7,448,530	1,418,367	1,394,658	9,042,340	8,843,188
Infrastructure	99,788,376	98,116,198	35,584,887	34,278,137	135,373,263	132,394,335
Construction in progress	14,783,021	8,139,633	277,420	116,807	15,060,441	8,256,440
Accumulated depreciation	(69,586,699)	(66,384,742)	(12,524,543)	(11,760,722)	(82,111,242)	(78,145,464)
Total	\$ 88,786,676	\$ 82,740,925	\$ 24,927,375	\$ 24,200,124	\$ 113,714,051	\$ 106,941,049

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 42-43.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$33,104,342. Of this amount, \$32,330,000 comprises bonded debt backed by the full faith and credit of the government and \$100,000 represents bonds secured solely by water and wastewater revenues.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligations	\$ 28,765,000	\$ 30,980,000	\$ 1,615,000	\$ 1,810,000	\$ 30,380,000	\$ 32,790,000
Certificates of obligation	1,950,000	2,110,000	-	-	1,950,000	2,110,000
Revenue bonds payable	-	-	100,000	150,000	100,000	150,000
Premiums on bonds	672,612	729,335	1,730	6,918	674,342	736,253
Total	\$ 31,387,612	\$ 33,819,335	\$ 1,716,730	\$ 1,966,918	\$ 33,104,342	\$ 35,786,253

During the fiscal year, the City's total debt decreased by \$2,681,911 or 7.5%. Enterprise Fund principal payments of \$245,000 and General Fund principal payments of \$2,375,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA/Stable and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA/Stable and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 44-46 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2018-2019 budget, General Fund revenues and transfers in are budgeted to increase by \$238,080 (1.5%) from the 2017-2018 revised budget year with property tax making up 34% and sales tax making up 30% of budgeted revenues. Certified assessed valuations increased 17.4% from the preceding year. The increased value has allowed the property tax rate to drop from .495 to .4718 with budgeted property tax revenues estimated at \$5,366,835 (\$3,330,595 for the Debt Service Fund). General Fund expenditures and transfers decreased by \$861,995 or 4.9%. The approved budget will be revised for the public safety radio system, signal light at Knowles and West McLeroy, food truck court/farmer's market projects that were not completed by fiscal year end. Funding is provided for a 1% increase in retirement benefits, two intern positions, a firefighter, a Management Analyst, a School Resource Officer, and a Jailer. One-time expenses include advertising and election expenses for charter revisions, replacement of 24 self-contained breathing apparatus, a replacement fire rescue vehicle, interview room recording equipment, the standardization of Police Department uniforms, two public service trucks, repairs and repainting of the Chamber of Commerce building, a matching donation for an all abilities playground, a park evaluation and improvement plan, renovations of the aquatic center, and computer replacements at the Library. The General Fund budget is balanced with the use of \$885,540 from the beginning fund balance for these one-time expenses.

The 2018-2019 budget includes an 8% increase in wastewater rates. The increase is due to the increase charged by our wastewater treatment provider, the City of Fort Worth. The Enterprise Fund budget has been balanced using \$1,707,525 from the fund balance. Fund balance is used to fund design costs of the Saginaw Boulevard 16" water line phase 2, construction costs of the Fairmount sewer project, phase 2 of the inflow and infiltration study and repairs, and the relocation of utilities in preparation of the Texas Department of Transportation FM 156 road widening project.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Finance Director at P.O. Box 79070, Saginaw, Texas 76179, or call (817) 232-4640.

Basic Financial Statements



City of Saginaw

Government-Wide Financial Statements



City of Saginaw

City of Saginaw, Texas
Statement of Net Position
September 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	\$ 19,368,948	\$ 9,485,977	\$ 28,854,925
Receivables:			
Taxes, net of allowance	1,150,876	-	1,150,876
Accounts, net of allowance	93,850	1,285,344	1,379,194
Other	239,087	-	239,087
Prepaid	760	190	950
Notes Receivable	1,000	-	1,000
Restricted assets:			
Deposits and investments	8,183,322	809,101	8,992,423
Capital assets:			
Land	14,527,200	16,657	14,543,857
Improvements	1,937,259	-	1,937,259
Buildings	19,713,546	154,587	19,868,133
Equipment	7,623,973	1,418,367	9,042,340
Infrastructure	99,788,376	35,584,887	135,373,263
Construction in progress	14,783,021	277,420	15,060,441
Accumulated depreciation	(69,586,699)	(12,524,543)	(82,111,242)
Total assets	117,824,519	36,507,987	154,332,506
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	260,239	63,254	323,493
Related to TMRS pension	1,055,591	126,625	1,182,216
Related to TMRS OPEB	22,602	2,794	25,396
Total deferred outflows of resources	1,338,432	192,673	1,531,105
LIABILITIES			
Accounts payable and accrued liabilities	1,567,145	1,454,355	3,021,500
Accrued interest payable	73,884	2,916	76,800
Unearned revenue	302,568	-	302,568
Payable from restricted assets:			
Contracts payable	974,631	-	974,631
Current portion of revenue bonds payable	-	246,730	246,730
Customer deposits	-	629,923	629,923
Noncurrent liabilities:			
Debt due within one year	2,551,723	-	2,551,723
Debt due in more than one year	28,835,889	1,470,000	30,305,889
Net pension liability	7,210,721	847,030	8,057,751
Net OPEB liability	305,574	37,768	343,342
Total liabilities	41,822,135	4,688,722	46,510,857
DEFERRED INFLOWS OF RESOURCES			
Related to TMRS pension	1,231,566	148,251	1,379,817
Total deferred inflows of resources	1,231,566	148,251	1,379,817
NET POSITION			
Net investment in capital assets	65,704,199	23,273,899	88,978,098
Restricted for:			
Debt service	1,062,127	179,178	1,241,305
Unrestricted	9,342,924	8,410,610	17,753,534
TOTAL NET POSITION	\$ 76,109,250	\$ 31,863,687	\$ 107,972,937

The Notes to Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2018

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative offices	\$ 2,306,824	\$ 77,113	\$ -	\$ -
Municipal court	167,338	416,477	-	-
Fire	3,410,291	84,000	30,833	-
Police	4,732,436	4,439	128,595	-
Public works	3,717,371	776,501	-	2,544,847
Parks	345,716	-	-	-
Community services	1,141,716	692,897	-	-
Library	610,243	15,309	-	-
Inspection	563,502	1,025,588	-	-
Animal services	322,993	20,044	-	-
City garage	499,089	-	-	-
Economic development	567,431	-	-	-
Interest on long term debt	1,017,739	-	-	-
Total governmental activities	19,402,689	3,112,368	159,428	2,544,847
Business-type activities:				
Water and wastewater	10,295,498	10,434,663	-	1,360,420
Total business-type activities	10,295,498	10,434,663	-	1,360,420
TOTAL GOVERNMENT	\$ 29,698,187	\$ 13,547,031	\$ 159,428	\$ 3,905,267

General revenues
Taxes
Ad valorem
Sales
Franchise taxes
Other taxes
Penalties and interest
Interest income
Miscellaneous revenues
Transfers

Total general revenues and transfers

Change in net position
Net position - beginning of year

Cumulative effect of change in accounting principle

Net position - end of year

The Notes to Basic Financial Statements are an integral part of these statements.

**Net (Expenses) Revenue and
Changes in Net Position**

Governmental Activities	Business- type Activities	Total
\$ (2,229,711)	\$ -	\$ (2,229,711)
249,139	-	249,139
(3,295,458)	-	(3,295,458)
(4,599,402)	-	(4,599,402)
(396,023)	-	(396,023)
(345,716)	-	(345,716)
(448,819)	-	(448,819)
(594,934)	-	(594,934)
462,086	-	462,086
(302,949)	-	(302,949)
(499,089)	-	(499,089)
(567,431)	-	(567,431)
(1,017,739)	-	(1,017,739)
<u>(13,586,046)</u>	<u>-</u>	<u>(13,586,046)</u>
-	1,499,585	1,499,585
-	1,499,585	1,499,585
<u>\$ (13,586,046)</u>	<u>\$ 1,499,585</u>	<u>\$ (12,086,461)</u>
\$ 8,172,372	\$ -	\$ 8,172,372
6,356,478	-	6,356,478
1,660,835	-	1,660,835
79,388	-	79,388
22,706	109,754	132,460
475,921	145,445	621,366
590,747	74,087	664,834
579,130	(579,130)	-
<u>17,937,577</u>	<u>(249,844)</u>	<u>17,687,733</u>
4,351,531	1,249,741	5,601,272
<u>72,016,645</u>	<u>30,645,948</u>	<u>102,662,593</u>
<u>(258,926)</u>	<u>(32,002)</u>	<u>(290,928)</u>
<u>\$ 76,109,250</u>	<u>\$ 31,863,687</u>	<u>\$ 107,972,937</u>



City of Saginaw

Fund Financial Statements Governmental Funds

City of Saginaw, Texas
 Balance Sheet - Governmental Funds
 September 30, 2018

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 12,366,858	\$ 1,115,473	\$ -	\$ 5,886,617	\$ 19,368,948
Receivables:					
Taxes, net of allowance	868,618	20,537	-	261,721	1,150,876
Accounts	93,850	-	-	-	93,850
Other	106,715	-	-	132,372	239,087
Prepaid items	760	-	-	-	760
Note receivable	1,000	-	-	-	1,000
Restricted assets					
Deposits and investments	-	-	8,183,322	-	8,183,322
TOTAL ASSETS	\$ 13,437,801	\$ 1,136,010	\$ 8,183,322	\$ 6,280,710	\$ 29,037,843
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,533,250	\$ -	\$ -	\$ 33,895	\$ 1,567,145
Payable from restricted assets:					
Contracts payable	-	-	974,631	-	974,631
Unearned revenue	276,475	-	-	26,093	302,568
Total liabilities	1,809,725	-	974,631	59,988	2,844,344
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	27,684	20,536	-	-	48,220
Total deferred inflows of resources	27,684	20,536	-	-	48,220
Fund balances:					
Nonspendable					
Prepays items	760	-	-	-	760
Restricted:					
Debt service	-	1,115,474	-	-	1,115,474
Capital projects	-	-	7,208,691	-	7,208,691
Street maintenance	-	-	-	1,655,775	1,655,775
Crime prevention	-	-	-	535,811	535,811
Drainage	-	-	-	2,217,041	2,217,041
Other	-	-	-	1,487,451	1,487,451
Committed:					
Donations	-	-	-	324,644	324,644
Assigned	885,540	-	-	-	885,540
Unassigned	10,714,092	-	-	-	10,714,092
Total fund balances	11,600,392	1,115,474	7,208,691	6,220,722	26,145,279
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,437,801	\$ 1,136,010	\$ 8,183,322	\$ 6,280,710	\$ 29,037,843

The Notes to Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2018

TOTAL FUND BALANCE - GOVERNMENTAL FUND	\$ 26,145,279
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	88,786,676
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.	(73,884)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	48,220
Long-term liabilities, including bonds payable and capital leases are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of \$260,239 is reflected as a deferred outflow of resources on the Statement of Net Position.	(31,127,373)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$7,210,721, a deferred resource outflow related to TMRS of \$1,055,591, and a deferred resource inflow related to TMRS of \$1,231,566. This resulted in a decrease in net position.	(7,386,696)
Included in noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB 75 in the amount of \$305,574 and a deferred resource outflow related to TMRS of \$22,602	(282,972)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 76,109,250</u>

The Notes to Basic Financial Statements are an integral part of these statements.

City Of Saginaw, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2018

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 11,206,947	\$ 3,488,544	\$ -	\$ 1,592,198	\$ 16,287,689
Licenses and permits	951,542	-	-	-	951,542
Charges for services	84,000	-	-	776,401	860,401
Fines and fees	505,110	-	-	20,766	525,876
Interest income	191,974	46,420	160,379	77,148	475,921
Recreation income	520,798	-	-	-	520,798
Intergovernmental	135,821	-	-	23,607	159,428
Miscellaneous revenues	601,504	-	-	489,990	1,091,494
Total revenues	<u>14,197,696</u>	<u>3,534,964</u>	<u>160,379</u>	<u>2,980,110</u>	<u>20,873,149</u>
EXPENDITURES					
Current:					
General administrative office	1,774,678	-	-	442,446	2,217,124
Municipal court	168,421	-	-	-	168,421
Fire	3,982,620	-	-	-	3,982,620
Police	4,546,478	-	-	92,426	4,638,904
Public works	1,609,303	-	-	-	1,609,303
Parks	339,015	-	-	-	339,015
Community services	959,782	-	-	-	959,782
Library	569,005	-	-	-	569,005
Inspection	579,082	-	-	-	579,082
Animal services	398,633	-	-	-	398,633
City garage	456,219	-	-	-	456,219
Economic development	567,978	-	-	-	567,978
Capital outlay	-	-	5,549,585	212,080	5,761,665
Principal retirement	-	2,555,536	-	-	2,555,536
Interest charges	-	1,012,169	-	-	1,012,169
Fiscal agent's fees and debt issuance costs	-	5,200	-	-	5,200
Total expenditures	<u>15,951,214</u>	<u>3,572,905</u>	<u>5,549,585</u>	<u>746,952</u>	<u>25,820,656</u>
Excess (deficiency) of revenues over expenditures	(1,753,518)	(37,941)	(5,389,206)	2,233,158	(4,947,507)
OTHER FINANCING SOURCES (uses)					
Transfers in	1,705,322	-	-	-	1,705,322
Transfers out	-	-	-	(1,126,192)	(1,126,192)
Total other financing sources (uses)	<u>1,705,322</u>	<u>-</u>	<u>-</u>	<u>(1,126,192)</u>	<u>579,130</u>
Net change in fund balances	(48,196)	(37,941)	(5,389,206)	1,106,966	(4,368,377)
Fund Balance, beginning	<u>11,648,588</u>	<u>1,153,415</u>	<u>12,597,897</u>	<u>5,113,756</u>	<u>30,513,656</u>
FUND BALANCE, ending	<u><u>\$ 11,600,392</u></u>	<u><u>\$ 1,115,474</u></u>	<u><u>\$ 7,208,691</u></u>	<u><u>\$ 6,220,722</u></u>	<u><u>\$ 26,145,279</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended September 30, 2018

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND \$ (4,368,377)

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. 7,115,189

Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense. 2,304,723

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 an expenditure in the governmental funds. (3,367,287)

Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. (6,874)

The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of repayments of \$2,555,535 and amortization of \$21,407 for premiums and deferred charges on refundings, which is the net effect of these differences in the treatment of long-term debt and related items. 2,576,942

Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items increased net position. 138,947

Current year changes in the net OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position. (24,046)

Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds. (21,777)

Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. 4,091

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 4,351,531



City of Saginaw

Fund Financial Statements Proprietary Funds

City of Saginaw, Texas
Statement of Net Position
Proprietary Funds
September 30, 2018

	Enterprise Fund
	<hr/>
ASSETS	
Current assets:	
Deposits and investments	\$ 9,485,977
Deposits and investments-restricted	179,178
Receivables:	
Accounts receivable, net of allowance of \$70,137	798,377
Unbilled accounts	486,967
Prepaid	190
Total current assets	<hr/> 10,950,689
Noncurrent assets:	
Capital assets, at cost:	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	35,584,887
Machinery and equipment	1,418,367
Construction in progress	277,420
Accumulated depreciation	(12,524,543)
Total capital assets, net of accumulated depreciation	<hr/> 24,927,375
Deposits and investments-restricted	629,923
Total noncurrent assets	<hr/> 25,557,298
Total assets	<hr/> 36,507,987
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	63,254
Related to the TMRS pension	126,625
Related to the TMRS OPEB	2,794
Total deferred outflows of resources	<hr/> 192,673
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,454,355
Accrued interest	2,916
Revenue bonds payable	246,730
Total current liabilities	<hr/> 1,704,001
Noncurrent liabilities:	
Revenue bonds payable	1,470,000
Customer deposits	629,923
Net pension liability	847,030
Net OPEB liability	37,768
Total noncurrent liabilities	<hr/> 2,984,721
Total liabilities	<hr/> 4,688,722
DEFERRED INFLOWS OF RESOURCES	
Related to the TMRS pension	148,251
Total deferred inflows of resources	<hr/> 148,251
NET POSITION	
Net investment in capital assets	23,273,899
Restricted for revenue bond retirement	179,178
Unrestricted	8,410,610
TOTAL NET POSITION	<hr/> <hr/> \$ 31,863,687

The Notes to the Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended September 30, 2018

	Enterprise Fund
OPERATING REVENUES	
Water and sewer sales	\$ 8,604,460
Penalties	109,754
Surcharges	1,830,203
Miscellaneous	74,087
	<hr/>
Total operating revenue	10,618,504
OPERATING EXPENSES	
Cost of sales and services	6,464,089
Administrative	3,013,465
Depreciation	763,821
	<hr/>
Total operating expenses	10,241,375
	<hr/>
Operating income	377,129
NONOPERATING REVENUES (EXPENSES)	
Investment income	145,445
Gain (Loss) on sale of machinery and equipment	1,440
Interest expense and agent fees	(55,563)
	<hr/>
Total nonoperating revenues (expenses)	91,322
	<hr/>
Income before contributions and transfers	468,451
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	782,834
Impact and tap fees	577,586
Transfers out	(621,775)
Transfers in	42,645
	<hr/>
Total capital contributions and transfers	781,290
	<hr/>
Change in net position	1,249,741
Net position, beginning	30,613,946
	<hr/>
NET POSITION, ending	\$ 31,863,687
	<hr/> <hr/>

The Notes to the Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

	Enterprise Fund
	<hr/>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 10,507,024
Cash paid to employees	(930,771)
Cash paid to suppliers	(7,617,579)
	<hr/>
Net cash provided by operating activities	1,958,674
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out to other funds	(621,775)
Transfers from other funds	42,645
	<hr/>
Net cash used in noncapital financing activities	(579,130)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of machinery and equipment	1,440
Impact and tap fees	577,586
Principal paid on bonds	(245,000)
Purchase of capital assets	(708,238)
Interest and fees paid on debt issuance	(40,818)
Fiscal agent fees	(1,564)
	<hr/>
Net cash used in capital and related financing activities	(416,594)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	145,445
	<hr/>
Net cash provided by investing activities	145,445
	<hr/>
Net change in cash	1,108,395
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 9,186,683
CASH AND CASH EQUIVALENTS, end of year	<hr/> \$ 10,295,078 <hr/> <hr/>

The Notes to the Basic Financial Statements are an integral part of these statements.

City of Saginaw, Texas
Statement of Cash Flows – Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2018

	Current Assets	Enterprise Fund Restricted Assets		Statement of Cash Flows Totals
		Current	Noncurrent	
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - beginning	\$ 8,414,076	\$ 175,662	\$ 596,945	\$ 9,186,683
Net increase(decrease)	1,071,901	3,516	32,978	1,108,395
Cash and cash equivalents - ending	<u>\$ 9,485,977</u>	<u>\$ 179,178</u>	<u>\$ 629,923</u>	<u>\$ 10,295,078</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				\$ 377,129
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation				763,821
Increase in accounts receivable				(144,458)
Increase in prepaids				(190)
Decrease in deferred outflows of resources-pension				104,885
Increase in deferred outflows of resources-OPEB				(2,591)
Increase in accounts payable and accrued expenses				943,595
Increase in customer deposits				32,978
Decrease in net pension liability				(201,096)
Increase in net OPEB liability				5,563
Increase in deferred inflows of resources-pension				79,038
Net cash provided by operating activities				<u>\$ 1,958,674</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				<u>\$ 782,834</u>

The Notes to the Basic Financial Statements are an integral part of these statements.



City of Saginaw

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. General Statement

The City of Saginaw (the City) was incorporated in 1949. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: general government, court, police and fire protection, street maintenance, building inspection services, library services, animal services, recreation, parks operation and maintenance, and maintenance and operation of City-owned buildings. The City contracts with the City of Fort Worth for water purchases and wastewater service but owns the waterworks and wastewater systems within 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 more significant accounting policies of the City are described below.

B. Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either there is ongoing financial benefit or burden or operational responsibility. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has operational responsibility for an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.

A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization. Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. Complete financial statements for the individual component units may be obtained at the City's office.

City of Saginaw, Texas

Notes to the Basic Financial Statements

The following entity was found to be a component unit of the City and is included in the combined financial statements:

Blended Component Unit – The Saginaw Crime Control and Prevention District (CCPD) serves all the citizens of the City and is used to account for the accumulation and use of resources to add law enforcement officers and purchase additional equipment for law enforcement purposes. The governing body of the Saginaw CCPD Fund is the same as that of the primary government and the primary government has operational responsibility. The Saginaw CCPD is reported as a governmental activity in the government-wide financial statements and as a Special Revenue Fund in the governmental financial statements.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, have 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) operating or capital 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 and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The City has presented the following major governmental funds:

General Fund. The general fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. 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 is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund. The capital projects fund is used to account for funds received and expended for the construction and renovation of thoroughfares, arterial streets and drainage improvements in the City and construction, renovation, expansion and major improvement of various City facilities, acquisition of land and other large nonrecurring projects.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Proprietary Funds are those funds for activities supported by user fees and charges. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary fund:

Enterprise Fund. The Enterprise Fund is used to account for the provision of water and wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and wastewater system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of long-term debt principal and interest for water and wastewater debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

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 personal 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.

D. 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 resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and wastewater 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 receivables collected within

sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for services, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

City of Saginaw, Texas

Notes to the Basic Financial Statements

E. Budgetary Control

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to October 1, the City administration submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council amended the budget during the year.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Saginaw CCPD Fund, Enterprise Fund and Debt Service Fund. A budget is legally adopted for the General Fund, Saginaw CCPD Fund and Debt Service Fund.

Budgets for the General Fund, Saginaw CCPD Fund and Debt Service Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

All appropriations lapse on September 30 of the fiscal year.

Budgeted amounts are as originally adopted or as amended by the City Council.

F. Cash and Investments

Cash of all funds, including restricted cash, are pooled into common pooled accounts in order to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled cash and investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered "cash equivalents."

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

State statutes authorize the City to invest in obligations of the U.S. Government or its agencies; obligations of the State of Texas or its agencies; and certain other obligations, repurchase agreements, money market mutual funds and certificates of deposits within established criterion.

G. Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

City of Saginaw, Texas

Notes to the Basic Financial Statements

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are reported at acquisition value. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	40 Years
Water and Wastewater System	50 Years
Infrastructure	10-50 Years
Equipment	5-25 Years
Improvements	20 Years

I. Accumulated Vacation, Compensatory Time and Sick Leave

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Unused sick leave accumulated during the year is carried over into the next year with a maximum accrual of forty working days or twenty shifts. At the time of resignation or retirement, employees with ten or more years of service will be paid for unused sick leave. The compensated absences liability increased \$146,647 over the course of the fiscal year and ended September 30, 2018 with a liability of \$944,569.

J. Nature and Purpose of Designations of Fund Balance

The City follows Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) for classification of fund balances. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Fund balance categories under GASB 54 are Nonspendable and Spendable. Classifications under the Spendable category are Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

City of Saginaw, Texas

Notes to the Basic Financial Statements

In accordance with GASB 54, the City classifies governmental fund balances in its financial statements, as follows:

1. Nonspendable Fund Balance

Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.

2. Spendable Fund Balance

- a. Restricted Fund Balance – Includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
 - i. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
 - ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.
 - iii. The proceeds of specific revenue sources that is restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.
- b. Committed Fund Balance – Includes amounts that can be used only for the specific purposes as determined by the governing body by use of a resolution, recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but not specifically limited to, council action regarding construction, claims, and judgments, retirement of loans/notes payable, and capital expenditures. The City Council must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.
- c. Assigned Fund Balance – Includes amounts intended to be used by the City for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. Through a resolution, the City has delegated the City Manager to determine and define the amounts of those components of fund balance that are classified as Assigned. Examples take on the similar appearance as those enumerated for committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in next year's budget.
- d. Unassigned Fund Balance – Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the City has implicitly assigned the funds for the purposes of those particular funds.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be extended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

City of Saginaw, Texas

Notes to the Basic Financial Statements

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 15% of the subsequent year's General Fund appropriated expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

K. Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. In circumstances where an expense is to be made for a purpose for which amounts are available in multiple net position classifications, restricted position will be fully utilized first followed by unrestricted as necessary.

L. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions.

M. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on the City's actuary report. For this purpose, OPEB expense recognized each fiscal year is equal to the change in the net OPEB liability from the beginning of the year to the end of the year, adjusted for deferred recognition of certain changes in the liability. Benefit payments are treated as being equal to the employer's yearly contributions for retirees. Information regarding the City's net OPEB liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

N. Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The assumptions utilized for purposes of measuring the net pension liability, net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension/OPEB expense for a year can and does vary from actual results.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 2. Cash and Investments

Cash and investments as of September 30, 2018 consist of the following:

Deposits with financial institutions	\$ 1,461,554
Investments	<u>36,385,794</u>
	<u>\$ 37,847,348</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 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2018, the City had the following investments:

<u>Investment Type</u>	<u>Weighted Average Amount</u>	<u>Maturity</u>
TexPool	\$ 36,385,794	28 days

As of September 30, 2018, 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 September 30, 2018</u>
TexPool	\$ 36,385,794	AAA	AAAm

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, 2018, other than external investment pools, the City did not have 5% or more of its investments with one issuer.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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.

At September 30, 2018, the carrying amount of the City's cash on hand and deposits were \$1,461,554 and the bank balance was \$1,857,014. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$1,607,014 secured with securities held by pledging financial institutions.

Investment in State Investment Pools

The Texpool investment pool is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less and weighted average lives of 120 days or less, investments held are highly rated by nationally recognized statistical rating organizations, have no more than 5% of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. Texpool has a redemption notice period of one day and may redeem daily. The investment pool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity. Texpool is subject to regulatory oversight by the State Treasurer, although it is not registered with the Securities and Exchange Commission.

Note 3. Restricted Assets

Restricted assets in the Enterprise Fund are held for the following purposes in accordance with bond ordinances or other legal restrictions:

Debt Service - Interest and Sinking Fund	
Cash and investments	\$ 179,178
Refundable water and wastewater deposits	629,923
	<hr/>
Total	\$ 809,101
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City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 4. Notes Receivable

During the year ended September 30, 2018, the City loaned \$460,000 to a residential developer to construct the Mariposa Apartment Homes at Spring Hollow. The purpose of the Loan was to assist Spring Hollow in meeting the requirements for a federal tax credit. Payments totaling \$459,000 were received during the fiscal year. As of September 30, 2018, the outstanding balance was \$1,000. The remaining balance is due over a 15 year term, bearing an interest rate of 3%.

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

	Balance, October 1, 2017	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2018
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 13,850,991	\$ 676,209	\$ -	\$ 14,527,200
Construction in progress	8,139,633	6,643,388	-	14,783,021
Total capital assets, not being depreciate	21,990,624	7,319,597	-	29,310,221
Capital assets being depreciated:				
Buildings	19,671,612	41,934	-	19,713,546
Improvements	1,898,703	38,556	-	1,937,259
Infrastructure	98,116,198	1,672,178	-	99,788,376
Equipment	7,448,530	347,647	(172,204)	7,623,973
Total capital assets, being depreciated	127,135,043	2,100,315	(172,204)	129,063,154
Less accumulated depreciation for:				
Buildings	6,629,775	501,764	-	7,131,539
Improvements	844,088	89,533	-	933,621
Infrastructure	53,971,476	2,288,535	-	56,260,011
Equipment	4,939,403	487,455	(165,330)	5,261,528
Total accumulated depreciation	66,384,742	3,367,287	(165,330)	69,586,699
Total capital assets being depreciated, net	60,750,301	(1,266,972)	(6,874)	59,476,455
Governmental activities capital assets, net	\$ 82,740,925	\$ 6,052,625	\$ (6,874)	\$ 88,786,676

City of Saginaw, Texas
Notes to the Basic Financial Statements

	Balance, October 1, 2017	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2018
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	116,808	684,528	(523,916)	277,420
Total capital assets, not being depreciate	133,465	684,528	(523,916)	294,077
Capital assets, being depreciated:				
Buildings	154,587	-	-	154,587
Water and wastewater system	34,278,137	782,834	523,916	35,584,887
Equipment	1,394,657	23,710	-	1,418,367
Total capital assets, being depreciated	35,827,381	806,544	523,916	37,157,841
Less accumulated depreciation				
Buildings	68,358	3,540	-	71,898
Water and wastewater system	10,766,910	681,691	-	11,448,601
Equipment	925,454	78,590	-	1,004,044
Total accumulated depreciation	11,760,722	763,821	-	12,524,543
Total capital assets being depreciated, net	24,066,659	42,723	523,916	24,633,298
Business-type activities capital assets, net	\$ 24,200,124	\$ 727,251	\$ -	\$ 24,927,375

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

Governmental activities:	
General administrative office	\$ 119,275
Fire	168,130
Police	298,784
Public works	2,413,546
Community services	186,356
Library	46,088
Inspections/code enforcement	14,860
Animal services	4,429
Fleet maintenance	44,814
Parks	71,005
	<u>\$ 3,367,287</u>
Business-type activities:	
Water and wastewater	<u>\$ 763,821</u>

The City has active construction projects as of September 30, 2018. Total accumulated commitments for capital projects are \$489,016 for the Capital Projects Fund and \$77,863 for the Enterprise Fund.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 6. Long-Term Debt

At September 30, 2018, the City's bonds payable consisted of the following:

	<u>Governmental</u>	<u>Business-type</u>
2009 Certificates of Obligation Bonds, dated May 1, 2009, due in annual installments through September 1, 2025, bearing interest rates of 3.8% to 4.6%	\$ 700,000	\$ -
2010 Certificates of Obligation Bonds, dated August 1, 2010, due in annual installments through September 1, 2030, bearing interest rates of 2.5% to 4%	1,250,000	-
2010 Waterworks and Sewer System Refunding Revenue Bonds, dated August 1, 2010, due in annual installments through September 1, 2020, bearing interest rates of 2% to 3%	-	100,000
2012 General Obligation Refunding Bonds, dated April 1, 2012, due in annual installments through September 1, 2023, bearing interest rates of 2% to 3%.	1,500,000	-
2013 General Obligation Refunding Bonds, dated August 29, 2013, due in annual installments through September 1, 2033, bearing interest rates of 2% to 4.1%	6,935,000	-
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	1,335,000	275,000
2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%.	6,770,000	-
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	1,340,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	4,630,000	-
2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.	7,595,000	-
Premium on bonds	672,612	1,730
Total bonds payable	<u>\$ 31,387,612</u>	<u>\$ 1,716,730</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2018:

	Balance, October 1, 2017	Increases	Decreases	Balance, September 30, 2018	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 30,980,000	\$ -	\$ (2,215,000)	\$ 28,765,000	\$ 2,330,000
Certificates of obligation	2,110,000	-	(160,000)	1,950,000	165,000
Obligations under capital leases	180,535	-	(180,535)	-	-
Premiums on bonds	729,335	-	(56,723)	672,612	56,723
Total governmental activities	\$ 33,999,870	\$ -	\$ (2,612,258)	\$ 31,387,612	\$ 2,551,723
Business-type activities:					
Revenue bonds	\$ 150,000	\$ -	\$ (50,000)	\$ 100,000	\$ 50,000
General obligation bonds	1,810,000	-	(195,000)	1,615,000	195,000
Premiums on bonds	6,918	-	(5,188)	1,730	1,730
Total business-type activities	\$ 1,966,918	\$ -	\$ (250,188)	\$ 1,716,730	\$ 246,730

The City issues general obligation bonds and certificates of obligation. General obligation bonds and certificates of obligation are direct obligations of the City and pledge the full faith and credit of the City.

The annual requirements to amortize all debts outstanding as of September 30, 2018, are as follows:

General Obligation Bonds			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 2,330,000	\$ 810,619	\$ 3,140,619
2020	2,380,000	759,853	3,139,853
2021	2,065,000	704,128	2,769,128
2022	2,115,000	653,483	2,768,483
2023	2,160,000	601,569	2,761,569
2024-2028	7,935,000	2,295,708	10,230,708
2029-2033	6,840,000	1,189,561	8,029,561
2034-2038	2,940,000	199,420	3,139,420
Totals	\$ 28,765,000	\$ 7,214,341	\$ 35,979,341

City of Saginaw, Texas
Notes to the Basic Financial Statements

<u>Certificates of Obligation</u>			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 165,000	\$ 75,990	\$ 240,990
2020	175,000	70,190	245,190
2021	185,000	63,860	248,860
2022	195,000	56,945	251,945
2023	200,000	49,458	249,458
2024-2028	775,000	132,791	907,791
2029-2033	255,000	15,400	270,400
Totals	\$ 1,950,000	\$ 464,634	\$ 2,414,634
<u>General Obligation Bonds</u>			
Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 195,000	\$ 32,004	\$ 227,004
2020	200,000	28,138	228,138
2021	210,000	24,170	234,170
2022	220,000	20,004	240,004
2023	150,000	15,642	165,642
2024-2028	640,000	31,977	671,977
Totals	\$ 1,615,000	\$ 151,935	\$ 1,766,935
<u>Revenue Bonds</u>			
Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 50,000	\$ 3,000	\$ 53,000
2020	50,000	1,500	51,500
Totals	\$ 100,000	\$ 4,500	\$ 104,500

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 7. Property Tax

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business property located in the City. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the City Council.

Taxes are due on October 1, the levy date, and are delinquent after the following January 31. Tax assessments are automatic on January 1, each year. Penalties and interest are included for any payment received after January 31. Penalties start at 6% of the outstanding balance, respectively and increase to 12% for payments received after July 1. Interest increases 1% for each month the balance is outstanding after January 31.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes (\$141,447 for the General Fund and \$135,872 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

Note 8. Pension Plan

Plan Description

The City of Saginaw participates as one of 883 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.thrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the City are as follows:

Employee deposit rate	6%
Matching ratio (City to employee)	2-1
A member is vested after	5 years
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	70% of CPI Repeating

Members can retire at certain ages, based on the years of service with the City. The Service Retirement Eligibilities for the City are 5 years at 60 years of age or 20 years at any age.

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	53
Inactive employees entitled to but not yet receiving benefits	80
Active employees	141
	<hr/>
	274
	<hr/> <hr/>

Contributions

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

Employees for the City of Saginaw were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 17.55% and 17.44% in calendar years 2017 and 2018, respectively. The city's contributions to TMRS for the year ended September 30, 2018, were \$1,427,850, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Actuarial assumptions

The Total Pension Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and due to the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2017 valuation. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

City of Saginaw, Texas

Notes to the Basic Financial Statements

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2016	\$ 35,117,600	\$ 25,231,702	\$ 9,885,898
Changes for the year:			
Service cost	1,287,912	-	1,287,912
Interest	2,372,294	-	2,372,294
Change of benefit terms	-	-	-
Difference between expected and actual experience	(93,610)	-	(93,610)
Changes of assumptions	-	-	-
Contributions - employer	-	1,427,850	(1,427,850)
Contributions - employee	-	488,154	(488,154)
Net investment income	-	3,497,782	(3,497,782)
Benefit payments, including refunds of employee contributions	(1,232,910)	(1,232,910)	-
Administrative expense	-	(18,123)	18,123
Other changes	-	(920)	920
Net changes	2,333,686	4,161,833	(1,828,147)
Balance at December 31, 2017	\$ 37,451,286	\$ 29,393,535	\$ 8,057,751

City of Saginaw, Texas

Notes to the Basic Financial Statements

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 13,667,653	\$ 8,057,751	\$ 3,474,851

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2018, the City recognized pension expense of \$1,318,218.

At September 30, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (584,577)
Changes in actuarial assumptions	47,060	-
Difference between projected and actual investment earnings	-	(795,240)
Contributions subsequent to the measurement date	1,135,156	-
Totals	\$ 1,182,216	\$ (1,379,817)

City of Saginaw, Texas

Notes to the Basic Financial Statements

\$1,135,156 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	
2018	\$ (169,734)
2019	(219,801)
2020	(487,456)
2021	(429,731)
2022	(26,035)
Thereafter	-
Totals	\$ (1,332,757)

Note 9. Postemployment Benefits Other Than Pensions

Plan Description

The City participates in a single employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) administered by the Texas Municipal Retirement System (TMRS). The SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan.

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

Benefits

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). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

Employees covered by benefit terms

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	13
Active employees	141
	<hr/>
	198
	<hr/> <hr/>

City of Saginaw, Texas

Notes to the Basic Financial Statements

Net OPEB Liability

The City's net OPEB liability of \$343,342 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The net OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5% per year
Overall payroll growth	3.5% to 10.5% per year
Discount Rate	3.31%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103% and due to the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate

The discount rate used to measure the net OPEB liability was 3.31%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

	<u>Net OPEB Liability</u>
Balance at December 31, 2016	\$ 292,772
Changes for the year:	
Service cost	14,645
Interest	11,297
Change of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	27,069
Benefit payments	<u>(2,441)</u>
Net changes	<u>50,570</u>
Balance at December 31, 2017	<u>\$ 343,342</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

	1% Decrease in Discount Rate (2.31%)	Discount Rate (3.31%)	1% Increase in Discount Rate (4.31%)
City's OPEB liability	\$ 412,139	\$ 343,342	\$ 289,163

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

For the year ended September 30, 2018, the City recognized OPEB expense of \$29,551.

At September 30, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ -
Changes in actuarial assumptions	23,460	-
Contributions subsequent to the measurement date	1,936	-
Total	<u>\$ 25,396</u>	<u>\$ -</u>

\$1,936 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the measurement year ending December 30, 2018 (i.e. recognized in the City's financial statements for the year ended September 30, 2019). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:"

Year ended December 31,	
2018	\$ 3,609
2019	3,609
2020	3,609
2021	3,609
2022	3,609
2023 and thereafter	<u>5,415</u>
Total	<u>\$ 23,460</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 10. Commitments

The City renewed a twenty (20) year contract in 2017 with the City of Fort Worth for the treatment and transportation of wastewater. Payments under this contract are on a strength and volume basis per month. Also, there is a twenty-five dollar (\$25) per meter monthly service charge.

The City renewed a twenty (20) year contract in 2010 with the City of Fort Worth for the delivery of treated water. Payments under this contract are on a volume and rate of use basis per month. There is also a twenty-five dollar (\$25) per meter monthly service charge.

Note 11. Interfund Balances and Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 621,775
General Fund	Saginaw CCPD Fund	954,200
General Fund	Donations Fund	8,120
General Fund	Escrow Fund	5,717
General Fund	Drainage Utility Fund	115,510
Enterprise Fund	Drainage Utility Fund	42,645
		<u>\$ 1,747,967</u>

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for vehicle maintenance expenses and operating expenses.
- The Saginaw CCPD Fund to the General Fund for salaries and related expenses for ten Police Officers, one Public Safety Officer, one Dispatcher, and half (1/2) of one of the School Resource Officers.
- The Donations Fund to the General Fund for two seasonal part-time library pages.
- The Escrow Fund to the General Fund for police over-time for bailiff duty.
- The Drainage Utility Fund to the General Fund for salaries and related expenses.
- The Drainage Utility Fund to the Enterprise Fund for half (1/2) of the cost of the Environmental Specialist.

Note 12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City insures its buildings and contents, law enforcement liability, public officials' liability, general liability and auto liability under a renewable one year policy with the Texas Municipal League. The City insures its workers compensation risk by participating in the Texas Municipal League Intergovernmental Risk Pool which is a self-insurance policy mechanism for political subdivisions in Texas. Rates are set by the State Insurance Board. Each participant's contribution to the pool is adjusted based on its workers' compensation history. The City is responsible only to the extent of premiums paid and contributions made to Texas Municipal League and the Intergovernmental Risk Pool. There have been no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in each of the past three fiscal years.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 13. Tax Abatements and Economic Incentive Agreements

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under these programs were \$237,292 in fiscal year 2018.

Note 14. Cumulative Effect of Change in Accounting Principle

As a result of the implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits other than Pensions", an adjustment has been made to record the City's net OPEB liability as of October 1, 2017. As a result, beginning net position of the governmental activities has been decreased by \$258,926 and business-type activities has been decreased by \$32,002.

Note 15. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2018 and 2019 are listed as follows:

The GASB issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions, which was effective for fiscal year 2018. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This Statement applies to all state and governmental entities. See note 9 for OPEB disclosure.

The GASB issued Statement No. 82, Pension Issues- an amendment of GASB Statements No. 67, No. 68, and No. 73, which was effective for fiscal year 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement applies to all state and governmental entities. See note 8 for pension disclosure.

The GASB issued Statement No. 83, Certain Asset Retirement Obligations, which will be effective for periods beginning after June 15, 2018. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 85, Omnibus 2017, which was effective for fiscal year 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and

City of Saginaw, Texas

Notes to the Basic Financial Statements

application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement applies to all state and governmental entities. See note 9 for OPEB disclosure.

The GASB issued Statement No. 86, Certain Debt Extinguishment Issues, which was effective for fiscal year 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement applies to all state and governmental entities. The implementation of this statement did not impact the City's financial statements.

The GASB issued Statement No. 88, Certain Disclosures Related to debt, including Direct Borrowings and Direct Placements, which will be effective for periods beginning after June 15, 2018. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

Note 16. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2018 through February 5, 2019, the date the financial statements were issued.



City of Saginaw

Required Supplementary Information



City of Saginaw

City of Saginaw, Texas

Schedule of Changes in Net Pension Liability and Related Ratios

Texas Municipal Retirement System

	Year Ended December 31			
	2014	2015	2016	2017
TOTAL PENSION LIABILITY				
Service cost	\$ 1,094,648	\$ 1,192,902	\$ 1,237,546	\$ 1,287,912
Interest (on the total pension liability)	2,004,340	2,134,257	2,224,580	2,372,294
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(494,746)	(194,482)	(306,070)	(93,610)
Change of assumptions	-	89,204	-	-
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)	(752,837)	(1,232,910)
Net change in total pension liability	1,810,286	2,421,017	2,403,219	2,333,686
Total pension liability, beginning	28,483,078	30,293,364	32,714,381	35,117,600
TOTAL PENSION LIABILITY, ending (a)	\$ 30,293,364	\$ 32,714,381	\$ 35,117,600	\$ 37,451,286
PLAN FIDUCIARY NET POSITION				
Contributions - employer	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850
Contributions - employee	433,652	453,288	472,046	488,154
Net investment income	1,120,846	31,855	1,527,402	3,497,782
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)	(752,837)	(1,232,912)
Administrative expense	(11,699)	(19,398)	(17,249)	(18,123)
Other	(962)	(958)	(929)	(920)
Net change in plan fiduciary net position	1,995,352	1,015,476	2,632,769	4,161,831
Plan fiduciary net position, beginning	19,588,107	21,583,459	22,598,935	25,231,704
PLAN FIDUCIARY NET POSITION, ending (b)	\$ 21,583,459	\$ 22,598,935	\$ 25,231,704	\$ 29,393,535
NET PENSION LIABILITY/ (ASSET), ending (a) - (b)	\$ 8,709,905	\$ 10,115,446	\$ 9,885,896	\$ 8,057,751
Plan fiduciary net position as a percentage of total pension liability	71.25%	69.08%	71.85%	78.48%
Covered Payroll	\$ 7,227,528	\$ 7,554,795	\$ 7,867,428	\$ 8,135,894
Net pension liability as a percentage of covered payroll	120.51%	133.89%	125.66%	99.04%

Other Information:

Notes

Only four years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

City of Saginaw, Texas
 Schedule of Contributions
 Texas Municipal Retirement System

	Year Ended September 30			
	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850
Contributions in relation to the actuarially determined contribution	1,327,755	1,416,758	1,437,537	1,488,506
Contribution deficiency (excess)	<u>\$ (80,284)</u>	<u>\$ (65,205)</u>	<u>\$ (33,201)</u>	<u>\$ (60,656)</u>
Covered payroll	\$ 7,431,617	\$ 8,101,429	\$ 8,085,355	\$ 8,444,346
Contributions as a percentage of covered payroll	17.87%	17.49%	17.78%	17.63%

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method Level	Level Percentage of Payroll, Closed
Remaining Amortization Period	28 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with

Other Information:

Notes There were no benefit changes during the year.

Only four years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

City of Saginaw, Texas

Schedule of Changes in Net OPEB Liability and Related Ratios
Texas Municipal Retirement System

	Year Ended December 31
	2017
NET OPEB LIABILITY	
Service cost	\$ 14,645
Interest	11,297
Change of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions or other inputs	27,069
Benefit payments*	(2,441)
	<hr/>
Net change in total pension liability	50,570
Net OPEB liability, beginning	292,772
	<hr/>
NET OPEB LIABILITY, ending	\$ 343,342
	<hr/> <hr/>
Covered Payroll	\$ 8,135,894
Net OPEB liability as a percentage of covered payroll	4.22%

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund For the Fiscal Year Ended September 30, 2018

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Over / (Under)
	Original	Final		
REVENUES				
Taxes	\$ 10,808,920	\$ 10,931,000	\$ 11,206,947	\$ 275,947
Licenses and permits	685,000	870,470	951,542	81,072
Charges for services	84,000	84,000	84,000	-
Fines and fees	487,000	491,050	505,110	14,060
Interest income	80,000	185,000	191,974	6,974
Recreation income	490,000	490,000	520,798	30,798
Intergovernmental	124,910	135,740	135,821	81
Miscellaneous revenues	120,000	597,190	601,504	4,314
Total revenues	12,879,830	13,784,450	14,197,696	413,246
EXPENDITURES				
Current:				
General administrative office	1,632,215	1,838,940	1,774,678	(64,262)
Municipal court	225,060	225,060	168,421	(56,639)
Fire	3,960,830	3,973,330	3,982,620	9,290
Police	4,457,290	5,159,320	4,546,478	(612,842)
Public works	1,922,800	2,292,800	1,609,303	(683,497)
Parks	357,180	366,200	339,015	(27,185)
Community services	1,000,195	1,000,195	959,782	(40,413)
Library	593,220	593,220	569,005	(24,215)
Inspections/code enforcement	576,185	576,185	579,082	2,897
Animal services	416,660	416,660	398,633	(18,027)
City garage	554,695	469,695	456,219	(13,476)
Economic development	55,700	563,065	567,978	4,913
Total expenditures	15,752,030	17,474,670	15,951,214	(1,523,456)
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	(2,872,200)	(3,690,220)	(1,753,518)	1,936,702
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,704,605	1,704,605	1,705,322	717
Total other financing sources (uses)	1,704,605	1,704,605	1,705,322	717
Net change in fund balance	(1,167,595)	(1,985,615)	(48,196)	1,937,419
FUND BALANCES, beginning of year	11,648,588	11,648,588	11,648,588	-
FUND BALANCES, end of year	\$ 10,480,993	\$ 9,662,973	\$ 11,600,392	\$ 1,937,419

Combining and Individual Fund Statements and Schedules



City of Saginaw

Non-Major Governmental Funds

City of Saginaw, Texas
 Combining Balance Sheet
 Non-Major Governmental Funds
 September 30, 2018

	Special Revenue						
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	Total Other Governmental Funds
ASSETS							
Deposits and investments	\$ 10,638	\$ 335,137	\$ 2,138,125	\$ 1,585,697	\$ 351,471	\$ 1,465,549	\$ 5,886,617
Receivables							
Other	-	-	84,240	-	26,093	22,039	132,372
Taxes	-	191,643	-	70,078	-	-	261,721
TOTAL ASSETS AND OTHER DEBITS	\$ 10,638	\$ 526,780	\$ 2,222,365	\$ 1,655,775	\$ 377,564	\$ 1,487,588	\$ 6,280,710
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 1,607	\$ 5,324	\$ -	\$ 26,827	\$ 137	\$ 33,895
Unearned revenue	-	-	-	-	26,093	-	26,093
Total liabilities	-	1,607	5,324	-	52,920	137	59,988
Fund balances:							
Restricted:							
Street maintenance	-	-	-	1,655,775	-	-	1,655,775
Crime prevention	10,638	525,173	-	-	-	-	535,811
Drainage	-	-	2,217,041	-	-	-	2,217,041
Other	-	-	-	-	-	1,487,451	1,487,451
Committed:							
Donations	-	-	-	-	324,644	-	324,644
Total fund balances	10,638	525,173	2,217,041	1,655,775	324,644	1,487,451	6,220,722
TOTAL LIABILITIES, AND FUND BALANCES	\$ 10,638	\$ 526,780	\$ 2,222,365	\$ 1,655,775	\$ 377,564	\$ 1,487,588	\$ 6,280,710

City of Saginaw, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non-Major Governmental Funds For the Fiscal Year Ended September 30, 2018

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
REVENUES							
Taxes	\$ -	\$ 1,131,636	\$ -	\$ 401,911	\$ -	\$ 58,651	\$ 1,592,198
Fines and fees	-	-	-	-	-	20,766	20,766
Intergovernmental	-	23,607	-	-	-	-	23,607
Miscellaneous	560	-	-	-	172,099	317,331	489,990
Interest income	161	5,517	28,079	22,020	4,121	17,250	77,148
Charges for services	-	-	776,401	-	-	-	776,401
Total revenues	721	1,160,760	804,480	423,931	176,220	413,998	2,980,110
EXPENDITURES							
Current:							
General operating	-	-	53,181	220,411	85,149	83,705	442,446
Police	2,716	89,710	-	-	-	-	92,426
Capital outlay	-	103,930	77,397	-	30,753	-	212,080
Total expenditures	2,716	193,640	130,578	220,411	115,902	83,705	746,952
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	(1,995)	967,120	673,902	203,520	60,318	330,293	2,233,158
OTHER FINANCING SOURCES (USES)							
Transfers out	-	(954,200)	(158,155)	-	(8,120)	(5,717)	(1,126,192)
Total other financing sources (uses)	-	(954,200)	(158,155)	-	(8,120)	(5,717)	(1,126,192)
Net change in fund balances	(1,995)	12,920	515,747	203,520	52,198	324,576	1,106,966
Fund balances, beginning of year	12,633	512,253	1,701,294	1,452,255	272,446	1,162,875	5,113,756
FUND BALANCES, end of year	\$ 10,638	\$ 525,173	\$ 2,217,041	\$ 1,655,775	\$ 324,644	\$ 1,487,451	\$ 6,220,722



City of Saginaw

Special Revenue Fund

Saginaw Crime Control and Prevention District Fund – Used to account for funds to be used to address crime control and prevention.

City of Saginaw, Texas
 Comparative Balance Sheets
 Saginaw Crime Control and Prevention District Fund
 September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Deposits and investments	\$ 335,137	\$ 327,554
Receivables		
Taxes, net of allowance	<u>191,643</u>	<u>185,717</u>
TOTAL ASSETS	<u>\$ 526,780</u>	<u>\$ 513,271</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 1,607</u>	<u>\$ 1,018</u>
Total liabilities	1,607	1,018
FUND BLANCES		
Restricted for crime prevention	<u>525,173</u>	<u>512,253</u>
Total fund balances	<u>525,173</u>	<u>512,253</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 526,780</u>	<u>\$ 513,271</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual
Saginaw Crime Control and Prevention District Fund
For the Fiscal Year Ended September 30, 2018 And 2017

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2017
	Original	Final			
REVENUE					
Sales taxes	\$ 1,100,000	\$ 1,100,000	\$ 1,131,636	\$ 31,636	\$ 1,107,600
Intergovernmental	-	23,607	23,607	-	78,104
Interest income	2,500	2,500	5,517	3,017	2,747
Total revenues	1,102,500	1,126,107	1,160,760	34,653	1,188,451
EXPENDITURES					
Uniforms	6,300	6,300	2,091	4,209	5,725
Data processing	48,000	48,000	43,795	4,205	45,402
Officer supplies and equipment	2,000	2,000	931	1,069	1,603
Books	3,500	3,500	3,310	190	3,500
Crime prevention supplies	2,000	2,000	748	1,252	463
Maintenance and repairs	-	-	25,448	(25,448)	58,896
Tactical employee training	13,500	13,500	13,387	113	12,342
Capital outlay	106,000	129,607	103,930	25,677	207,011
Total expenditures	181,300	204,907	193,640	11,267	334,942
EXCESS (DEFICENCY) OR REVENUES OVER EXPENDITURES	921,200	921,200	967,120	45,920	853,509
OTHER FINANCING SOURCES (USES)					
Transfers out	(954,200)	(954,200)	(954,200)	-	(923,390)
Total other financing sources (uses)	(954,200)	(954,200)	(954,200)	-	(923,390)
NET CHANGE IN FUND BALANCES	(33,000)	(33,000)	12,920	45,920	(69,881)
FUND BALANCES, beginning of year	512,253	512,253	512,253	-	582,134
FUND BALANCES, end of year	\$ 479,253	\$ 479,253	\$ 525,173	\$ 45,920	\$ 512,253



City of Saginaw

Debt Service Fund

Used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

City of Saginaw, Texas
 Comparative Balance Sheets
 Debt Service Fund
 September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Deposits and investments	\$ 1,115,473	\$ 1,153,415
Receivables		
Taxes, net of allowance	20,537	18,898
TOTAL ASSETS	<u>\$ 1,136,010</u>	<u>\$ 1,172,313</u>
DEFERRED INFLOWS AND FUND BALANCES		
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	\$ 20,536	\$ 18,898
Total deferred inflows of resources	20,536	18,898
FUND BALANCE		
Restricted for debt service	1,115,474	1,153,415
Total fund balances	1,115,474	1,153,415
TOTAL DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 1,136,010</u>	<u>\$ 1,172,313</u>

City Of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund For the Fiscal Year Ended September 30, 2018 and 2017

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2017
	Original	Final			
REVENUES					
Current and delinquent general property tax - debt service portion	\$ 3,350,705	\$ 3,350,705	\$ 3,480,217	\$ 129,512	\$ 3,255,375
Penalties, interest and fees on delinquent taxes	7,000	7,000	8,327	1,327	7,172
Interest income	20,000	20,000	46,420	26,420	21,698
Total revenues	3,377,705	3,377,705	3,534,964	157,259	3,284,245
EXPENDITURES					
Bond principal payments	2,375,000	2,375,000	2,375,000	-	2,490,000
Capital lease principal payments	180,536	180,536	180,536	-	177,570
Total principal payments	2,555,536	2,555,536	2,555,536	-	2,667,570
Bond interest	1,009,155	1,009,155	1,009,154	1	751,847
Capital lease and note interest	3,015	3,015	3,015	-	11,766
Fiscal charges and debt issuance costs	10,000	10,000	5,200	4,800	6,350
Total interest payments	1,022,170	1,022,170	1,017,369	4,801	769,963
Total expenditures	3,577,706	3,577,706	3,572,905	4,801	3,437,533
Net change in fund balances	(200,001)	(200,001)	(37,941)	162,060	(153,288)
Fund balances, beginning of year	1,153,415	1,153,415	1,153,415	-	1,306,703
FUND BALANCES, end of year	\$ 953,414	\$ 953,414	\$ 1,115,474	\$ 162,060	\$ 1,153,415



City of Saginaw

Enterprise Fund

Used to account for operations of the City's water and wastewater activities that are financed and operated in a manner similar to those of private business enterprises. Services of this fund are intended to be self-supporting through user charges.

City of Saginaw, Texas
 Comparative Statement of Net Position
 Enterprise Fund
 September 30, 2018 and 2017

ASSETS	2018	2017
CURRENT ASSETS		
Deposits and investments	\$ 9,485,977	\$ 8,414,076
Deposits and investments-restricted	179,178	175,662
Receivables:		
Accounts receivable, net of allowance of \$70,137 in 2018 and \$58,215 in 2017	798,377	636,782
Unbilled accounts	486,967	500,234
Other	-	3,870
Prepaid	190	-
Total current assets	<u>10,950,689</u>	<u>9,730,624</u>
NONCURRENT ASSETS		
Capital assets, at cost:		
Land and land improvements	16,657	16,657
Buildings and improvements	154,587	154,587
Waterworks and wastewater system	35,584,887	34,278,137
Machinery and equipment	1,418,367	1,394,657
Construction in progress	277,420	116,808
Accumulated depreciation	<u>(12,524,543)</u>	<u>(11,760,722)</u>
Total capital assets, net of accumulated depreciation	24,927,375	24,200,124
Deposits and investments-restricted	<u>629,923</u>	<u>596,945</u>
Total noncurrent assets	<u>25,557,298</u>	<u>24,797,069</u>
Total assets	<u>36,507,987</u>	<u>34,527,693</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	63,254	82,070
Related to the TMRS pension	126,625	231,510
Related to the TMRS OPEB	2,794	203
Total deferred outflows of resources	<u>192,673</u>	<u>313,783</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,454,355	510,760
Accrued interest	2,916	3,364
Revenue bonds payable	<u>246,730</u>	<u>250,188</u>
Total current liabilities	1,704,001	764,312
NONCURRENT LIABILITIES		
Revenue bonds payable	1,470,000	1,716,729
Customer deposits	629,923	596,945
Net pension liability	847,030	1,048,126
Net OPEB liability	<u>37,768</u>	<u>32,205</u>
Total noncurrent liabilities	<u>2,984,721</u>	<u>3,394,005</u>
Total liabilities	4,688,722	4,158,317
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	<u>148,251</u>	<u>69,213</u>
Total deferred inflows of resources	148,251	69,213
NET POSITION		
Net investment in capital assets	23,273,899	22,315,277
Restricted for		
Revenue bond retirement	179,178	175,662
Unrestricted	<u>8,410,610</u>	<u>8,123,007</u>
Total net position	<u>\$ 31,863,687</u>	<u>\$ 30,613,946</u>

City of Saginaw, Texas

Comparative Statement of Revenues, Expenses and Changes in Net Position

Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
OPERATING REVENUE		
Water and sewer sales	\$ 8,604,460	\$ 7,636,193
Penalties	109,754	111,492
Surcharges	1,830,203	1,452,603
Miscellaneous	74,087	61,067
	<hr/>	<hr/>
Total operating revenue	10,618,504	9,261,355
OPERATING EXPENSES		
Cost of sales and services	6,464,089	5,540,812
Administrative	3,013,465	2,843,112
Depreciation	763,821	748,388
	<hr/>	<hr/>
Total operating expenses	10,241,375	9,132,312
	<hr/>	<hr/>
Operating income	377,129	129,043
NONOPERATING REVENUES (EXPENSES)		
Investment income	145,445	63,794
Gain (Loss) on sale of machinery and equipment	1,440	3,870
Interest expense and agent fees	(55,563)	(70,984)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	91,322	(3,320)
	<hr/>	<hr/>
Income before contributions and transfers	468,451	125,723
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions	782,834	814,640
Impact and tap fees	577,586	632,883
Transfers out	(621,775)	(632,070)
Transfers in	42,645	41,540
	<hr/>	<hr/>
Total capital contributions and transfers	781,290	856,993
	<hr/>	<hr/>
Changes in net position	1,249,741	982,716
NET POSITION, beginning of year (as restated)	<hr/> 30,613,946	<hr/> 29,631,230
NET POSITION, end of year	<hr/> <u>\$ 31,863,687</u>	<hr/> <u>\$ 30,613,946</u>

City of Saginaw, Texas

Comparative Statement of Cash Flows

Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 10,507,024	\$ 9,223,890
Cash paid to employees	(930,771)	(816,233)
Cash paid to suppliers	(7,617,579)	(7,943,486)
	<hr/>	<hr/>
Net cash provided by operating activities	1,958,674	464,171
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(621,775)	(632,070)
Transfer from other funds	42,645	41,540
	<hr/>	<hr/>
Net cash used in noncapital financing activities	(579,130)	(590,530)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of machinery and equipment	1,440	-
Impact and tap fees	577,586	632,883
Principal paid on bonds	(245,000)	(420,000)
Purchase of capital assets	(708,238)	(229,758)
Interest	(40,818)	(51,932)
Fiscal agent fees	(1,564)	(750)
	<hr/>	<hr/>
Net cash used in capital and related financing activities	(416,594)	(69,557)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	145,445	63,794
	<hr/>	<hr/>
Net cash provided by investing activities	145,445	63,794
Net change in cash	1,108,395	(132,122)
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 9,186,683	<hr/> 9,318,805
CASH AND CASH EQUIVALENTS, end of year	<hr/> <hr/> \$ 10,295,078	<hr/> <hr/> \$ 9,186,683

City of Saginaw, Texas

Comparative Statement of Cash Flows – Continued

Enterprise Fund

For the Fiscal Years Ended September 30, 2018 and 2017

	Current Assets	Restricted Assets	2018 Statement of Cash Flows Totals	2017 Statement of Cash Flows Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET				
Cash and cash equivalents, beginning of year	\$ 8,414,076	\$ 772,607	\$ 9,186,683	\$ 9,318,805
Net increase (decrease)	1,071,901	36,494	1,108,395	(132,122)
CASH AND CASH EQUIVALENTS, end of year	\$ 9,485,977	\$ 809,101	\$ 10,295,078	\$ 9,186,683
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income			\$ 377,129	\$ 129,043
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation			763,821	748,388
Increase in accounts receivable			(144,458)	(54,582)
Increase in prepaids			(190)	-
Decrease in deferred outflows of resources-pension			104,885	34,008
Increase in deferred outflows of resources-OPEB			(2,591)	-
Increase (Decrease) in accounts payable and accrued expenses			943,595	(402,056)
Increase in customer deposits			32,978	17,117
Decrease in net pension liability			(201,096)	(22,955)
Increase in net OPEB liability			5,563	-
Increase in deferred inflows of resources-pension			79,038	15,208
Net cash provided by operating activities			\$ 1,958,674	\$ 464,171
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers			\$ 782,834	\$ 814,640



City of Saginaw

**Statistical Section
(Unaudited)**



City of Saginaw

City of Saginaw, Texas
Statistical Section (Unaudited)

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

Contents:

Financial Trend.....88-97

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

Revenue Capacity98-101

These schedules contain information to help the reader assess one of the government's most significant local source revenues, property taxes.

Debt Capacity102-106

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information107-108

This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information109-111

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Saginaw, Texas
Net Position by Component
Last Ten Fiscal Years

	2009	2010	2011	2012
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 41,370,363	\$ 42,319,951	\$ 44,362,424	\$ 45,854,628
Restricted	852,265	1,300,786	1,348,022	1,384,617
Unrestricted	12,736,406	13,800,224	13,807,108	14,302,944
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	54,959,034	57,420,961	59,517,554	61,542,189
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	16,275,619	15,624,168	16,165,325	16,699,361
Restricted	518,066	577,205	436,461	437,166
Unrestricted	5,888,777	6,249,006	6,504,546	7,008,669
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	22,682,462	22,450,379	23,106,332	24,145,196
PRIMARY GOVERNMENT				
Net investment in capital assets	57,645,982	57,944,119	60,527,749	62,553,989
Restricted	1,370,331	1,877,991	1,784,483	1,821,783
Unrestricted	18,625,183	20,049,230	20,311,654	21,311,613
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 77,641,496	\$ 79,871,340	\$ 82,623,886	\$ 85,687,385

*2013 restated for GASB 65

**2017 restated for GASB 75

Table 1

2013*	2014	2015	2016	2017**	2018
\$ 48,872,324	\$ 52,280,544	\$ 55,375,158	\$ 56,038,750	\$ 62,510,664	\$ 65,704,199
1,828,513	1,596,119	1,416,987	1,267,190	1,120,206	1,062,127
11,624,828	13,139,145	5,701,871	7,709,276	8,126,849	9,342,924
62,325,665	67,015,808	62,494,016	65,015,216	71,757,719	76,109,250
17,623,648	19,067,165	20,210,164	21,614,590	22,315,277	23,273,899
420,735	420,905	421,162	444,944	175,662	179,178
6,628,613	7,726,467	8,015,115	7,603,698	8,123,007	8,410,610
24,672,996	27,214,537	28,646,441	29,663,232	30,613,946	31,863,687
66,495,972	71,347,709	75,585,322	77,653,340	84,825,941	88,978,098
2,249,248	2,017,024	1,838,149	1,712,134	1,295,868	1,241,305
18,253,441	20,865,612	13,716,986	15,312,974	16,249,856	17,753,534
<u>\$ 86,998,661</u>	<u>\$ 94,230,345</u>	<u>\$ 91,140,457</u>	<u>\$ 94,678,448</u>	<u>\$ 102,371,665</u>	<u>\$ 107,972,937</u>

City of Saginaw, Texas

Changes in Net Position

Last Ten Fiscal Years

	2009	2010	2011	2012
EXPENSES				
Governmental activities:				
General administrative office	\$ 1,913,944	\$ 2,262,203	\$ 2,401,322	\$ 2,214,653
Municipal court	220,745	225,191	200,323	193,082
Fire	2,735,528	2,672,742	2,713,654	2,864,618
Police	3,519,529	3,667,446	3,698,868	3,848,768
Public works	3,440,255	3,058,371	3,301,972	3,177,703
Parks *	-	-	-	-
Community services	1,269,148	1,086,742	1,168,490	1,078,909
Library	563,843	569,505	558,945	524,847
Inspections	542,983	579,670	589,130	565,326
Janitorial	-	-	-	-
Fleet maintenance	426,987	440,832	538,987	566,689
Economic development	30,808	12,439	142	14,504
Interest on long term debt	1,049,129	1,042,557	1,015,329	866,299
	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities	15,712,899	15,617,698	16,187,162	15,915,398
Business-type activities:				
Water and wastewater	6,265,358	6,784,699	6,464,532	6,972,839
	<hr/>	<hr/>	<hr/>	<hr/>
Total business-type activities	6,265,358	6,784,699	6,464,532	6,972,839
	<hr/>	<hr/>	<hr/>	<hr/>
Total primary government expenses	21,978,257	22,402,397	22,651,694	22,888,237
PROGRAM REVENUES				
Governmental activities:				
Fines, fees and charges for services:				
General administrative office	-	-	-	-
Municipal court	422,800	436,988	408,017	476,100
Fire	73,125	75,250	79,250	80,000
Police	5,536	4,359	3,889	4,814
Public works	446,975	421,802	430,697	431,564
Community services	650,111	640,832	659,004	669,578
Library	31,654	28,357	19,379	17,730
Inspections	344,831	346,402	311,149	296,414
Animal services **	-	-	-	-
Operating grants and contributions:				
General administrative office	-	-	-	-
Fire	541,018	310,411	151,412	76,328
Police	86,959	80,824	76,223	156,535
Public works	-	-	-	84,999
Capital grants and contributions:				
Public works	-	2,771,279	3,080,767	1,959,028
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES AND PROGRAM REVENUES	\$ 2,603,009	\$ 5,116,504	\$ 5,219,787	\$ 4,253,090

* Prior to 2013 Parks was included in Community services

** Prior to 2018 Animal Services was included in Inspections

Table 2
(Page 1 of 2)

2013*	2014	2015	2016	2017	2018
\$ 2,385,797	\$ 2,343,593	\$ 2,126,569	\$ 2,060,595	\$ 1,924,614	\$ 2,306,824
185,237	200,512	184,794	186,864	190,521	167,338
2,858,957	2,955,138	3,284,144	3,242,317	3,446,465	3,410,291
3,860,896	4,038,792	4,230,644	4,434,955	4,616,528	4,732,436
3,465,002	2,895,713	3,422,440	3,435,053	3,705,943	3,717,371
195,900	208,076	226,152	294,992	348,531	345,716
969,556	985,348	1,076,881	1,076,293	1,130,034	1,141,716
540,261	548,383	564,913	591,580	624,921	610,243
583,930	603,213	716,049	824,509	861,619	563,502
-	-	-	-	-	322,993
546,241	573,011	531,903	439,379	513,948	499,089
64,779	35,860	19,363	50,197	46,520	567,431
1,162,182	916,082	942,168	994,113	883,962	1,017,739
16,818,738	16,303,721	17,326,020	17,630,847	18,293,606	19,402,689
7,241,735	7,068,008	7,469,979	8,355,662	9,167,424	10,295,498
7,241,735	7,068,008	7,469,979	8,355,662	9,167,424	10,295,498
24,060,473	23,371,729	24,795,999	25,986,509	27,461,030	29,698,187
-	-	40,118	63,426	32,724	77,113
459,209	543,001	561,382	441,298	493,172	416,477
80,226	80,000	80,000	83,000	84,000	84,000
3,850	3,880	4,248	4,314	3,822	4,439
563,194	577,267	583,358	592,078	754,462	776,501
680,961	652,176	670,826	646,004	665,004	692,897
18,668	20,499	18,982	16,260	16,944	15,309
377,646	433,586	740,778	939,380	961,945	1,025,588
-	-	-	-	-	20,044
-	-	-	-	-	-
57,337	77,426	24,992	29,134	54,529	30,833
75,477	97,557	209,835	150,845	179,592	128,595
-	-	-	-	-	-
-	-	-	-	-	-
1,271,666	3,854,521	1,457,517	1,549,780	5,835,552	2,544,847
\$ 3,588,234	\$ 6,339,913	\$ 4,392,036	\$ 4,515,519	\$ 9,081,746	\$ 5,816,643

City of Saginaw, Texas

Changes in Net Position

Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
BUSINESS-TYPE ACTIVITIES				
Charges for services:				
Water and wastewater	\$ 6,550,174	\$ 6,802,875	\$ 7,973,010	\$ 8,374,910
Operating Grants and Contributions	-	-	-	-
Capital grants and contributions	94,633	564,691	76,931	389,921
	<u>6,644,807</u>	<u>7,367,566</u>	<u>8,049,941</u>	<u>8,764,831</u>
Total business-type activities program revenues				
Total primary government program revenues	9,247,816	12,484,070	13,269,728	13,017,921
NET (EXPENSES) REVENUE				
Governmental activities	(13,109,890)	(10,501,194)	(10,967,375)	(11,662,308)
Business-type activities	379,449	582,867	1,585,409	1,791,992
	<u>(12,730,441)</u>	<u>(9,918,327)</u>	<u>(9,381,966)</u>	<u>(9,870,316)</u>
Total primary governmental net expenses				
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes:				
Ad valorem	5,060,742	5,456,995	5,436,698	5,758,607
Sales	4,829,521	5,002,665	4,986,291	5,365,461
Franchise taxes	1,295,929	1,256,027	1,332,768	1,552,095
Other taxes	13,580	13,773	11,791	14,968
Penalties and interest	16,990	12,622	19,516	8,350
Interest income	145,855	39,895	23,208	20,389
Gain (Loss) on sale of assets	13,030	29,731	23,609	-
Miscellaneous revenues	211,380	185,473	200,262	120,803
Transfers	620,016	965,950	1,029,825	846,270
	<u>12,207,043</u>	<u>12,963,131</u>	<u>13,063,968</u>	<u>13,686,943</u>
Total governmental activities				
Business-type activities:				
Interest income	69,807	15,898	8,544	5,892
Gain on sale of assets	-	31,087	2,356	2,835
Miscellaneous revenues	44,796	104,015	89,469	84,415
Transfers	(620,016)	(965,950)	(1,029,825)	(846,270)
	<u>(505,413)</u>	<u>(814,950)</u>	<u>(929,456)</u>	<u>(753,128)</u>
Total business-type activities				
Total primary government	11,701,630	12,148,181	12,134,512	12,933,815
CHANGES IN NET POSITION				
Governmental activities	(902,847)	2,461,937	2,096,593	2,024,635
Business-type activities	(125,964)	(232,083)	655,953	1,038,864
	<u>(1,028,811)</u>	<u>2,229,854</u>	<u>2,752,546</u>	<u>3,063,499</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ (1,028,811)</u>	<u>\$ 2,229,854</u>	<u>\$ 2,752,546</u>	<u>\$ 3,063,499</u>

Source: Comprehensive Annual Financial Reports

* 2013 restated for GASB 65

** 2017 restated for GASB 75

Table 2
(Page 2 of 2)

2013*	2014	2015	2016	2017	2018
\$ 8,419,089	\$ 8,910,914	\$ 8,965,645	\$ 8,733,275	\$ 9,088,796	\$ 10,434,663
-	-	-	-	-	-
88,737	1,461,468	1,040,496	967,271	1,447,523	1,360,420
8,507,826	10,372,382	10,006,141	9,700,546	10,536,319	11,795,083
12,096,060	16,712,295	14,398,177	14,216,065	19,618,065	17,611,726
(13,230,504)	(9,963,808)	(12,933,984)	(13,115,328)	(9,211,860)	(13,586,046)
1,266,091	3,304,374	2,536,162	1,344,884	1,368,895	1,499,585
(11,964,413)	(6,659,434)	(10,397,822)	(11,770,444)	(7,842,965)	(12,086,461)
5,750,493	6,277,304	6,506,284	7,201,098	7,608,668	8,172,372
5,528,937	5,709,850	5,786,769	5,790,661	6,198,989	6,356,478
1,503,183	1,420,451	1,851,551	1,839,384	1,693,095	1,660,835
82,634	18,682	32,116	28,626	32,666	79,388
21,585	21,965	13,367	15,202	17,148	22,706
16,172	7,587	11,883	84,200	214,428	475,921
-	26,704	-	-	-	-
201,147	206,735	110,595	125,952	116,691	590,747
909,829	964,673	564,120	551,405	590,530	579,130
14,013,980	14,653,951	14,876,685	15,636,528	16,472,215	17,937,577
7,146	2,508	4,529	26,998	63,794	145,445
12,000	9,365	-	-	-	-
152,392	189,967	213,116	196,314	172,559	183,841
(909,829)	(964,673)	(564,120)	(551,405)	(590,530)	(579,130)
(738,291)	(762,833)	(346,475)	(328,093)	(354,177)	(249,844)
13,275,689	13,891,118	14,530,210	15,308,435	16,118,038	17,687,733
783,476	4,690,143	1,942,701	2,521,200	7,260,355	4,351,531
527,800	2,541,541	2,189,687	1,016,791	1,014,718	1,249,741
\$ 1,311,276	\$ 7,231,684	\$ 4,132,388	\$ 3,537,991	\$ 8,275,073	\$ 5,601,272

City of Saginaw, Texas
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
GENERAL FUND				
Unreserved	\$ 9,989,714	\$ 10,886,568	\$ -	\$ -
Restricted:				
Capital projects	-	-	403,681	403,681
Municipal court	-	-	177,709	178,379
Hotel/motel tax	-	-	22,280	24,814
Assigned	-	-	1,512,180	2,222,595
Unassigned	-	-	9,169,052	8,477,945
TOTAL GENERAL FUND	<u>\$ 9,989,714</u>	<u>\$ 10,886,568</u>	<u>\$ 11,284,902</u>	<u>\$ 11,307,414</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved for:				
Reserved for construction	\$ 4,239,749	\$ 4,277,000	\$ -	\$ -
Reserved for debt service	900,810	1,121,903	-	-
Reserved for police department	7,510	7,916	-	-
Reserved for Saginaw CCPD	1,056,041	989,063	-	-
Reserved for drainage projects	637,247	718,018	-	-
Reserved for street maintenance projects	451,055	403,583	-	-
Reserved for animal control	3,173	4,322	-	-
Reserved for parks	24,602	24,508	-	-
Reserved for library	111,469	141,204	-	-
Reserved for beautification	78,367	105,389	-	-
Reserved for senior center	-	670	-	-
Reserved for fire	603	2,970	-	-
Restricted:				
Debt service	-	-	1,184,312	1,350,299
Capital projects	-	-	1,795,653	1,802,072
Street maintenance	-	-	482,269	666,275
Crime prevention	-	-	948,234	838,641
Drainage	-	-	928,878	924,869
Other	-	-	-	-
Committed:				
Donations	-	-	319,242	357,682
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 7,510,626</u>	<u>\$ 7,796,546</u>	<u>\$ 5,658,588</u>	<u>\$ 5,939,838</u>

Note: The City adopted the provisions of GASB 54 in 2011. Therefore, the fund balances for 2011 were updated to conform with GASB 54.

Table 3

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
403,681	403,681	-	-	-	-
142,419	146,224	-	-	-	-
17,385	18,723	-	-	-	-
383,370	509,935	294,445	537,510	1,167,595	885,540
8,637,536	8,598,487	9,499,273	10,155,535	10,480,993	10,714,852
\$ 9,584,391	\$ 9,677,050	\$ 9,793,718	\$ 10,693,045	\$ 11,648,588	\$ 11,600,392
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,495,776	1,650,611	1,473,531	1,306,703	1,153,415	1,115,474
8,138,595	7,077,353	12,799,557	10,566,997	12,597,897	7,208,691
721,837	900,917	1,137,598	1,283,877	1,452,255	1,655,775
836,825	853,451	712,061	591,654	524,886	535,811
1,139,878	1,234,069	826,712	1,142,095	1,701,294	2,217,041
-	-	513,363	1,160,365	1,162,875	1,487,451
323,967	336,101	274,621	293,437	272,446	324,644
\$ 12,656,878	\$ 12,052,502	\$ 17,737,443	\$ 16,345,128	\$ 18,865,068	\$ 14,544,887

City of Saginaw, Texas

Changes in Fund Balances, Governmental Funds Last Ten Fiscal Years

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
REVENUES				
Taxes	\$ 11,395,798	\$ 11,759,167	\$11,796,561	\$ 12,695,493
Licenses and permits	305,000	303,744	208,259	263,964
Charges for services	520,100	497,052	509,947	511,564
Fines and fees	499,821	508,003	530,286	526,280
Interest income	145,855	39,895	23,208	20,389
Recreation income	544,513	487,707	526,158	530,051
Intergovernmental	-	-	-	-
Miscellaneous revenues	957,983	3,377,019	3,669,006	1,133,483
Total revenues	<u>14,369,070</u>	<u>16,972,587</u>	<u>17,263,425</u>	<u>15,681,224</u>
EXPENDITURES				
Current:				
General administrative office	1,855,477	2,202,389	2,412,083	2,648,603
Municipal court	216,990	219,898	196,849	191,515
Fire	2,552,394	2,540,632	2,419,816	2,615,170
Police	3,350,395	3,370,025	3,417,127	3,563,149
Public works	1,261,954	890,697	973,762	1,353,299
Parks *	-	-	-	-
Community services	1,051,504	841,511	927,060	848,830
Library	523,068	512,830	501,277	470,013
Inspections	524,837	555,629	572,152	554,909
Animal services **	-	-	-	-
City garage	422,368	435,274	522,760	525,903
Economic development	28,571	12,439	142	14,504
Capital outlay	1,227,084	4,476,313	5,582,508	979,538
Bond sale expense	-	-	-	-
Debt service:				
Principal retirement	1,907,758	1,452,094	1,524,223	1,610,000
Interest charges	1,004,545	993,891	977,169	836,587
Debt issuance costs	37,958	42,141	5,946	104,626
Total expenditures	<u>15,964,903</u>	<u>18,545,763</u>	<u>20,032,874</u>	<u>16,316,646</u>
Excess (deficiency) of revenues over expenditures	(1,595,833)	(1,573,176)	(2,769,449)	(635,422)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	-
Proceeds from issuance of debt	1,240,000	1,790,000	-	-
Proceeds on refunding bonds	-	-	-	92,914
Premium on bond issuance	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	1,835,464	2,013,286	1,980,360	1,813,360
Transfers out	(1,215,448)	(1,047,336)	(950,535)	(967,090)
Total other financing sources (uses)	<u>1,860,016</u>	<u>2,755,950</u>	<u>1,029,825</u>	<u>939,184</u>
Net change in fund balances	<u>\$ 264,183</u>	<u>\$ 1,182,774</u>	<u>\$ (1,739,624)</u>	<u>\$ 303,762</u>
Debt service as a percentage of noncapital expenditures	21.08%	18.11%	17.49%	16.56%

* Prior to 2013 Parks was included in Community services

* Prior to 2018 Animal services was included in Inspections

Table 4

2013	2014	2015	2016	2017	2018
\$ 12,899,890	\$ 13,444,020	\$ 14,192,838	\$ 14,877,738	\$ 15,540,413	\$ 16,287,689
248,764	329,948	627,876	740,192	929,188	951,542
643,420	657,267	663,358	674,978	838,362	860,401
606,759	667,138	693,266	656,746	542,873	525,876
16,172	7,587	11,883	84,200	214,428	475,921
519,857	494,346	512,677	487,081	496,969	520,798
-	568,262	234,827	179,979	234,122	159,428
1,770,581	376,048	321,110	1,010,725	326,507	1,091,494
16,705,443	16,544,616	17,257,835	18,711,639	19,122,862	20,873,149
2,343,521	2,301,845	2,191,774	1,963,039	2,075,890	2,217,124
184,091	199,451	185,158	184,973	187,886	168,421
2,671,135	3,694,807	2,932,965	3,177,233	3,280,597	3,982,620
3,571,926	3,753,226	3,967,015	4,075,546	4,273,272	4,638,904
1,497,039	884,006	1,268,270	1,263,892	1,354,767	1,609,303
200,943	227,791	240,528	266,949	352,766	339,015
737,735	753,421	861,581	918,907	990,618	959,782
488,445	496,461	520,281	537,893	568,246	569,005
602,180	587,047	705,189	825,017	849,217	579,082
-	-	-	-	-	398,633
508,511	533,557	493,996	399,692	471,007	456,219
64,779	35,860	19,363	50,197	46,520	567,978
5,343,768	2,327,457	3,750,868	2,570,956	6,349,590	5,761,665
-	-	-	-	-	-
1,700,000	2,214,750	2,056,785	2,539,654	2,667,570	2,555,536
679,214	910,722	824,995	854,529	763,613	1,012,169
183,823	44,188	132,294	203,483	144,905	5,200
20,777,110	18,964,589	20,151,062	19,831,960	24,376,464	25,820,656
(4,071,667)	(2,419,973)	(2,893,227)	(1,120,321)	(5,253,602)	(4,947,507)
-	944,294	-	-	-	-
7,895,000	-	8,000,000	-	7,830,000	-
1,180,000	2,130,000	-	5,910,000	-	-
302,597	-	130,716	-	308,555	-
(1,221,742)	(2,130,711)	-	(5,834,072)	-	-
4,011,199	2,827,420	3,713,702	1,726,230	1,697,052	1,705,322
(3,101,370)	(1,862,747)	(3,149,582)	(1,174,825)	(1,106,522)	(1,126,192)
9,065,684	1,908,256	8,694,836	627,333	8,729,085	579,130
\$ 4,994,017	\$ (511,717)	\$ 5,801,609	\$ (492,988)	\$ 3,475,483	\$ (4,368,377)
15.50%	20.02%	17.86%	20.02%	19.37%	19.07%

City Of Saginaw, Texas
 Property Tax Levies and Collections
 Last Ten Fiscal Years

Table 5

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	% of Delinquent Taxes to Tax Levy
2008/09	5,241,665	5,170,741	98.6%	64,003	5,234,744	99.9%	6,921	0.1%
2009/10	5,444,770	5,390,942	99.0%	44,812	5,435,754	99.8%	9,016	0.2%
2010/11	5,436,187	5,391,855	99.2%	37,900	5,429,755	99.9%	6,432	0.1%
2011/12	5,724,960	5,691,320	99.4%	28,856	5,720,176	99.9%	4,783	0.1%
2012/13	5,739,750	5,704,489	99.4%	29,507	5,733,996	99.9%	5,754	0.1%
2013/14	6,223,951	6,184,458	99.4%	31,332	6,215,790	99.9%	8,161	0.1%
2014/15	6,484,972	6,448,230	99.4%	30,373	6,478,603	99.9%	6,369	0.1%
2015/16	7,175,560	7,141,585	99.5%	24,443	7,166,028	99.9%	9,532	0.1%
2016/17	7,557,636	7,513,508	99.4%	27,024	7,540,532	99.8%	17,104	0.2%
2017/18	8,075,537	8,027,316	99.4%	-	8,027,316	99.4%	48,220	0.6%

City of Saginaw, Texas

Table 6

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Personal Property		Total		Property Tax Rate Per \$100
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2008/09	892,955,279	892,955,279	235,076,728	235,076,728	1,128,032,007	1,128,032,007	0.446
2009/10	873,263,617	873,263,617	264,608,841	264,608,841	1,137,872,458	1,137,872,458	0.449
2010/11	867,157,651	867,157,651	245,208,785	245,208,785	1,112,366,436	1,112,366,436	0.484
2011/12	889,390,320	889,390,320	303,309,705	303,309,705	1,192,700,025	1,192,700,025	0.480
2012/13	863,406,401	863,406,401	300,718,127	300,718,127	1,164,124,528	1,164,124,528	0.490
2013/14	896,517,649	896,517,649	322,802,502	322,802,502	1,219,320,151	1,219,320,151	0.510
2014/15	956,608,601	956,608,601	319,120,061	319,120,061	1,275,728,662	1,275,728,662	0.510
2015/16*	962,111,241	962,111,241	354,242,308	354,242,308	1,316,353,549	1,316,353,549	0.544
2016/17	1,061,912,257	1,061,912,257	379,440,615	379,440,615	1,441,352,872	1,441,352,872	0.513
2017/18	1,205,160,927	1,205,160,927	365,041,273	365,041,273	1,570,202,200	1,570,202,200	0.495

Note: Assessed values are established by a central appraisal district on the basis of 100% of its appraised value. 9/1 Certified Net Taxable Value

* For 2015/2016 used February tax roll total. The September certified values did not include \$98,175,368 in pending value due to delays caused by a software change at the appraisal district. All other years are September certified values.

City of Saginaw, Texas

Property Tax Rates – All Direct and Overlapping Governments
 Per \$100 Assessed Value
 Last Ten Fiscal Years

Table 7

Fiscal Year	General Fund	Debt Service Fund	Total	School	County (1)	State	Total
2008/09	0.222150	0.223850	0.446000	1.465800	0.629857	0.000000	2.541657
2009/10	0.263906	0.185209	0.449115	1.465800	0.629567	0.000000	2.544482
2010/11	0.285615	0.198385	0.484000	1.495800	0.629537	0.000000	2.609337
2011/12	0.287098	0.192902	0.480000	1.530000	0.640867	0.000000	2.650867
2012/13	0.300075	0.189925	0.490000	1.540000	0.640867	0.000000	2.670867
2013/14	0.289024	0.220976	0.510000	1.540000	0.641397	0.000000	2.691397
2014/15	0.298511	0.211489	0.510000	1.540000	0.641397	0.000000	2.691397
2015/16	0.291937	0.252063	0.544000	1.540000	0.641397	0.000000	2.725397
2016/17	0.293308	0.219692	0.513000	1.540000	0.626627	0.000000	2.679627
2017/18	0.284186	0.210814	0.495000	1.540000	0.608489	0.000000	2.643489

Note(1) Column includes Tarrant County, Tarrant County College District and Tarrant County Hospital District

City of Saginaw, Texas
Principal Taxpayers
Current Year and Ten Years Ago

Table 8

2018			2009		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Miller Milling Company LLC	\$ 42,818,803	2.73	Sem Materials LP	\$ 27,671,939	2.48
Ventura Foods	38,450,636	2.45	Walmart	23,760,963	2.13
Trinity Industries	30,663,640	1.95	Trinity Industries	22,706,694	2.03
CTI Holdings	23,650,658	1.51	Conagra Foods Flour Milling	18,521,556	1.66
Walmart	19,015,646	1.21	Norton Metal Products	15,811,430	1.42
BNSF Railway Company	15,398,384	0.98	Horizon Milling LLC	12,222,186	1.09
Trinity Tank Car Inc	14,505,393	0.92	Ventura Foods	10,908,533	0.98
Ardent Mills LLC	13,465,357	0.86	Txu Electric Delivery Co	10,649,250	0.95
Conagra Foods Inc	12,580,699	0.80	Universal Forest Products	10,239,606	0.92
Oncor Electric Delivery LLC	12,445,890	0.79	DOS Projects LP	9,371,004	0.84
		<u>14.20</u>			<u>14.50</u>

Source: Information obtained from Tarrant Appraisal District

City of Saginaw, Texas

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Table 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government		% of	
	General Obligation Bonds	Certificates of Obligation Bonds	Capital Leases	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Capital Leases	Premiums/ Loss on Refundings	Total All Debt	Personal Income (a)	Per Capita (b)
2008/09	12,715,000	9,595,000	107,745	5,945,000	-	848,700	(197,901)	29,013,544	5.62%	1,499
2009/10	11,870,000	10,865,000	19,223	5,510,000	-	901,489	(307,127)	28,858,585	5.54%	1,480
2010/11	10,920,000	10,310,000	-	4,990,000	-	682,544	(275,809)	26,626,735	5.01%	1,345
2011/12	10,925,000	8,665,000	-	4,455,000	-	463,036	(116,320)	24,391,716	4.54%	1,220
2012/13	18,570,000	7,200,000	-	3,895,000	-	235,490	154,262	30,054,752	5.56%	1,492
2013/14	17,010,000	6,830,000	704,544	2,915,000	520,000	-	451,857	28,431,401	5.20%	1,396
2014/15	23,515,000	6,440,000	532,760	2,490,000	465,000	-	536,092	33,978,852	5.85%	1,659
2015/16	25,310,000	2,440,000	358,106	380,000	2,000,000	-	489,609	30,977,715	5.44%	1,494
2016/17	30,980,000	2,110,000	180,535	150,000	1,810,000	-	736,253	35,966,788	6.10%	1,687
2017/18	28,765,000	1,950,000	-	100,000	1,615,000	-	674,342	33,104,342	4.79%	1,523

(a) See Schedule of Demographic Statistics on Table 14 for personal income data.

(b) See Schedule of Demographic Statistics on Table 14 for population data.

City of Saginaw, Texas

Table 10

Ratio of General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Estimated Population	Assessed Value	Total General Bonded Debt	Less Amounts Available for Debt Service	Net General Bonded Debt	Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2008/09	19,350	1,128,032,007	22,114,143	852,265	21,261,878	1.96%	1,099
2009/10	19,500	1,137,872,458	22,558,160	1,300,786	21,257,374	1.98%	1,090
2010/11	19,801	1,112,366,436	21,071,229	1,348,022	19,723,207	1.89%	996
2011/12	19,995	1,192,700,025	19,348,314	1,384,617	17,963,697	1.62%	898
2012/13	20,140	1,164,124,528	25,987,131	1,828,513	24,158,618	2.23%	1,200
2013/14	20,370	1,219,320,151	24,269,375	1,596,119	22,673,256	1.99%	1,113
2014/15	20,480	1,275,728,662	30,473,798	1,416,987	29,056,811	2.39%	1,419
2015/16	20,740	1,316,353,549	28,227,503	1,267,190	26,960,313	2.14%	1,300
2016/17	21,320	1,441,352,872	33,819,335	1,120,206	32,699,129	2.35%	1,534
2017/18	21,730	1,570,202,200	31,387,612	1,062,127	30,325,485	2.00%	1,396

General Bonded Debt total includes Premiums and Deferred Loss on Refunding Bonds.

City of Saginaw, Texas

Computation of Direct and Overlapping Bonded Debt
September 30, 2018

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	\$ 31,387,612	100.00%	\$ 31,387,612
Subtotal: City of Saginaw direct debt			31,387,612
Eagle Mountain-Saginaw Independent School District	573,099,397	19.80%	113,450,242
Tarrant County	307,996,000	0.95%	2,937,782
Tarrant County Hospital District	36,430,000	0.95%	347,483
Tarrant County College District	0	0.95%	-
Subtotal: overlapping debt			116,735,507
Total direct and overlapping debt			\$ 148,123,119
Ratio of direct and overlapping funded debt to taxable assessed valuation			9.43%
Per capita direct and overlapping bonded debt			\$ 6,816.53

Source: Individual taxing entities and Tarrant Appraisal District

Note: Percentage of overlap based on net taxable value

City of Saginaw, Texas
 Schedule of Revenue Bond Coverage
 Last Ten Fiscal Years

Table 12

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2008/09	6,791,480	5,373,031	1,418,449	430,000	302,633	732,633	1.94
2009/10	7,132,599	5,766,080	1,366,519	538,253	210,412	748,665	1.83
2010/11	8,150,310	5,603,937	2,546,373	520,000	216,832	736,832	3.46
2011/12	8,590,876	6,096,024	2,494,852	535,000	209,429	744,429	3.35
2012/13	8,679,364	6,294,404	2,384,960	560,000	195,146	755,146	3.16
2013/14	9,344,552	6,253,171	3,091,381	980,000	143,113	1,123,113	2.75
2014/15	9,637,603	6,617,157	3,020,446	480,000	128,904	608,904	4.96
2015/16	9,538,475	7,420,919	2,117,556	510,000	106,371	616,371	3.44
2016/17	9,961,902	8,383,924	1,577,978	420,000	70,984	490,984	3.21
2017/18	11,342,975	9,477,361	1,865,614	245,000	55,563	300,563	6.21

- Notes:
1. Operating revenues and nonoperating revenues of Enterprise Fund excluding contributed assets.
 2. Total operating expenses of Enterprise Fund exclusive of depreciation.

City of Saginaw, Texas

Computation of Legal Debt Margin

Year Ended September 30, 2018

Table 13

Article XI, Section 5 of the State of Texas Constitution states in part:

“ . . . no tax for any purpose shall ever be lawful for any one year, which shall exceed two and one-half percent of the taxable property of such city.”

As a home rule city, the City of Saginaw, Texas is not limited on the amount of debt it may issue. The City's Charter provides that general property taxes are limited to \$1.50 per \$100 of assessed valuation for general governmental services including the payment of principal and interest on general obligation bonds.

The rate for fiscal year 2018 was established at \$.495 per \$100 of assessed valuation based on 100% of appraised value.

City of Saginaw, Texas

Demographic Statistics

Last Ten Fiscal Years

Table 14

Fiscal Year	Population	Personal Income	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)
2008/09	19,350	516,586,950	26,697	16,087	8.30%
2009/10	19,500	520,591,500	26,697	16,663	8.40%
2010/11	19,801	531,538,044	26,844	17,180	8.30%
2011/12	19,995	536,745,780	26,844	17,600	7.80%
2012/13	20,140	540,638,160	26,844	18,132	6.00%
2013/14	20,370	546,812,280	26,844	18,580	5.00%
2014/15	20,480	580,587,520	28,349	19,198	4.00%
2015/16	20,740	569,416,700	27,455	19,582	4.10%
2016/17	21,320	589,839,120	27,666	19,293	3.40%
2017/18	21,730	691,818,010	31,837	20,050	3.20%

Sources:

1. US Census American Community Survey
2. Eagle Mountain-Saginaw Independent School District
Enrollment is for the district. Enrollment for schools within the City of Saginaw is 5,720.
3. Bureau of Labor Statistics

City of Saginaw, Texas
 Principal Employers
 Current Year and Ten Years Ago

Table 15

2018			2009		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Eagle Mountain-Saginaw ISD	2,541	30%	Eagle Mountain-Saginaw ISD	1,851	
CTI Beanmaker&Chefco Foods	440	5%	Wal Mart	463	
Ventura Foods	398	5%	Universal Forest Products	260	
Walmart Supercenter #5316	393	5%	Durham Transportation	217	
Trinity North Amer. Freight Car	370	4%	Anchor Fabrication	197	
Anchor Fabrication Corp.	320	4%	Ventura Foods	180	
BANA Incorporated	247	3%	Bana Box Inc.	160	
Texas Army National Guard	245	3%	Albertsons	130	
Ranger Fire Inc	200	2%	J. Reynolds & Company	125	
Russo Corporation	200	2%	Horizon Milling	95	

Source: City Economic Development Department.

Note: Percentage of Total City Employment not available for 2009

EMS ISD is for the district. Employment for schools within the City of Saginaw is 932.

City of Saginaw, Texas

Table 16

Full-Time Equivalent City Government
Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of October 1									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government:										
Administration	7.5	8.0	8.0	8.0	7.0	7.0	7.0	7.0	7.0	7.0
Municipal court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Information Technology (c)	2.0	-	-	-	-	-	-	-	-	-
Public Safety:										
Fire	28.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	26.0	26.0
Police	50.0	46.5	45.5	44.5	44.5	44.5	44.5	43.5	43.5	49.5
Public Works:										
Streets	9.0	9.0	9.0	9.0	9.0	9.0	9.0	11.0	9.0	9.0
Parks maintenance (a)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Building inspections	4.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0	4.0	3.5
Code enforcement (b)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Animal services	4.5	4.5	4.5	3.5	3.0	3.0	3.0	4.0	4.0	4.0
City garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Economic development	1.5	-	-	-	-	-	-	-	0.5	1.0
Community services	7.5	7.0	7.0	6.0	6.0	6.0	6.0	6.0	8.5	8.5
Library	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0	9.0	8.5
Water/wastewater	18.0	17.0	16.0	16.0	16.0	16.0	16.0	16.5	16.5	16.5
Drainage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5	2.5	2.5
Total	150.0	141.0	139.0	136.0	133.5	134.5	134.5	135.5	135.5	141.0

Source: City Budgets/Human Resources

(a) Previously reported in Streets

(b) Previously reported in Bldg Inspections

City of Saginaw, Texas

Operating Indicators by Function/Program

Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
Police:			
Stations	1	1	1
Licensed Officers	40	39	38
Patrol units on duty at any one time	4	4	4
Fire:			
Stations	2	2	2
Firefighter/paramedics	25	24	24
Library :			
Number of libraries	1	1	1
Volumes in collection	59,220	59,029	58,302
Average monthly circulation	7,599	7,358	7,522
Average monthly visitors	6,250	6,653	6,690
Public works:			
Streets (miles)	86.6	85.4	83.4
Streetlights*	1,198	1,187	1,135
Parks and recreation:			
Acreage	101	101	101
Parks	7	7	7
Recreation Centers	1	1	1
Senior/community Centers	2	2	2
Water:			
Number of water customers	7,841	7,606	7,427
Annual water consumption (1,000 gallons)	1,106,653	1,020,550	967,332
Daily consumption (1,000 gallons)	3,032	2,796	2,643
Water mains (miles)	116.4	114.9	113.7
Fire hydrants	835	823	809
Storage capacity (thousands of gallons)	4,250	4,250	4,250
Wastewater:			
Number of wastewater customers	7,700	7,477	7,307
Wastewater treated annually (1,000 gallons)	838,637	804,134	915,347
Sanitary sewers (miles)	85.0	83.9	83.1
Storm sewers (miles)	17.9	17.1	17.0

Sources: Various city departments.

Note: No capital asset indicators are available for the general government.

* Number of Streetlights restated in 2015 based on street light audit

Table 17

Fiscal Year						
2015	2014	2013	2012	2011	2010	2009
1	1	1	1	1	1	1
38	38	38	38	38	39	39
4	4	4	4	4	4	4
2	2	2	2	2	2	2
24	24	24	24	24	24	24
1	1	1	1	1	1	1
58,138	59,816	56,420	55,838	54,830	53,358	50,308
8,280	10,895	11,590	9,877	12,200	11,500	12,555
5,934	11,338	15,485	13,749	12,967	10,356	10,356
82.8	81.7	79.2	79.2	78.5	78.5	78.5
1,131	1,120	1,084	1,084	1,074	1,058	1,058
100	100	100	100	100	100	100
7	7	7	7	7	7	7
1	1	1	1	1	1	1
2	2	2	2	2	2	2
7,227	7,133	7,042	6,964	6,935	6,812	6,805
1,008,306	1,083,712	1,032,241	1,109,997	1,174,505	1,047,830	1,047,830
2,763	2,969	2,828	3,041	3,218	2,871	2,871
113.3	112.2	109.5	109.5	108.6	107.8	107.8
803	795	766	766	751	741	741
4,250	4,250	4,250	4,250	4,250	4,250	4,250
7,107	7,013	6,930	6,859	6,830	6,722	6,722
825,789	739,594	750,644	858,778	785,139	773,199	773,199
82.8	81.8	79.8	79.8	79.5	79.2	79.2
16.8	16.7	15.9	15.9	15.0	14.9	14.9

City of Saginaw, Texas

Continuing Financial Disclosure Tables

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2018. The last debt issue was sold in fiscal year ending September 30, 2017. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website www.emma.msrb.org.

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 General Obligation Tables

ASSESSED VALUATION

TABLE GO-1

2017 Actual Total Appraised Value of Taxable Property (100% of Actual)*		\$ 1,987,031,669
Less Adjustments to Market Value:		
Agriculture Productivity Value Loss	11,197,090	
Abatement	2,134,376	
Disabled and Deceased Veterans' Exemptions	9,770,666	
Freeport Property	48,758,513	
Local, Option Over-65 / Disabled	54,649,123	
Pollution Control	349,304	
Solar/Wind/Other	1,052,726	
Totally Exempt Property	172,861,126	
Cases before ARB and Incomplete Accounts	116,056,545	
Total Adjustments to Market Value:		<u>416,829,469</u>
2017 Certified Net Taxable Assessed Valuation		<u>\$1,570,202,200</u>

*See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE TEXAS TAX CODE" in the Official Statement for a description of the Issuer's taxation procedures.

Source: Tarrant County Appraisal District - September certified values

GENERAL OBLIGATION BONDED DEBT

TABLE GO-2

(As of September 30, 2018)

General Obligation Debt Principal Outstanding:

Combination Tax and Revenue Certificates of Obligation, Series 2009	\$ 700,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	1,250,000
General Obligation Refunding Bonds, Series 2012	1,500,000
General Obligation Refunding and Improvement Bonds, Series 2013	6,935,000
General Obligation Refunding Bonds, Series 2014	1,610,000
General Obligation Bonds, Series 2015	6,770,000
General Obligation Refunding Bonds, Series 2015	1,340,000
General Obligation Refunding Bonds, Series 2016	4,630,000
General Obligation Refunding Bonds, Series 2017	7,595,000
Total Gross General Obligation Debt Principal Outstanding:	<u>\$ 32,330,000</u>

Less: Self-Supporting General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2014	\$ 275,000
General Obligation Refunding Bonds, Series 2015	1,340,000
Total Self-Supporting General Obligation Debt	<u>\$ 1,615,000</u>

Total Net General Obligation Debt Principal Outstanding:

\$ 30,715,000

General Obligation Interest and Sinking Fund Balance as of September 30, 2018 \$ 1,115,474

Ratio of Gross General Obligation Debt Principal to 2017 Net Assessed Valuation 2.06%

Ratio of Net General Obligation Debt Principal to 2017 Net Assessed Valuation 1.96%

2017 Net Taxable Assessed Value \$ 1,570,202,200

Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) - 21,730

Per Capita 2017 Net Taxable Assessed Valuation - \$ 72,260

Per Capita Gross General Obligation Debt Principal - \$ 1,488

Per Capita Net General Obligation Debt Principal - \$ 1,413

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 General Obligation Tables

OTHER OBLIGATIONS

TABLE GO-3

Capital Lease Obligations

The City has no capital lease obligations at September 30, 2018.

FUND BALANCES

TABLE GO-4

(As of September 30, 2018)

General Operating Fund (Undesignated)	\$ 9,050,392
General Obligation Debt Service (I&S) Fund	<u>1,115,474</u>
Special Revenue Funds	<u>6,220,722</u>
Capital Projects Fund	<u>7,208,691</u>
Enterprise Fund (Undesignated)	<u>3,831,848</u>
Revenue Bond Reserve	<u>153,490</u>
Revenue Bond Debt Service (I&S) Reserve	<u>26,860</u>
General Fund Emergency Reserve	<u>2,550,000</u>
Enterprise Fund Emergency Reserve	<u>2,200,000</u>
Enterprise Fund (Designated)	<u>2,377,590</u>
Total	<u><u>\$ 34,735,067</u></u>

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 General Obligation Tables

PRINCIPAL TAXPAYERS 2017-2018

TABLE GO-5

<u>Name</u>	<u>Type of Business</u>	<u>2017 Net Taxable</u>	
		<u>Assessed Valuation</u>	<u>% of Total 2017 Net Taxable Assessed Valuation</u>
Miller Milling Company LLC	Food Processing Plant	\$ 42,818,803	2.73%
Ventura Foods	Food Processing Plant	38,450,636	2.45%
Trinity Industries	Manufacturing	30,663,640	1.95%
CTI Holdings	Food Processing Plant	23,650,658	1.51%
Walmart	Retail	19,015,646	1.21%
BNSF Railway Company	Transportation	15,398,384	0.98%
Trinity Tank Car Inc	Manufacturing	14,505,393	0.92%
Ardent Mills LLC	Food Processing Plant	13,465,357	0.86%
Conagra Foods Inc	Food Processing Plant	12,580,699	0.80%
Oncor Electric Delivery LLC	Commercial Utility	12,445,890	0.79%
	Total	\$222,995,106	14.20%

2017 Net Taxable Assessed Valuation \$ 1,570,202,200
 on September 2017

Source: Tarrant County Appraisal District

PROPERTY TAX RATES AND COLLECTIONS

TABLE GO-6

<u>Tax Year</u>	<u>Net Taxable Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>% Collections</u>		<u>Fiscal Year Ended</u>
				<u>Current</u>	<u>Total</u>	
2008	1,128,032,007	0.4460	5,241,665	98.65%	99.87%	9-30-09
2009	1,137,872,458	0.4491	5,444,770	99.01%	99.83%	9-30-10
2010	1,112,366,436	0.4840	5,436,187	99.18%	99.88%	9-30-11
2011	1,192,700,025	0.4800	5,724,960	99.41%	99.92%	9-30-12
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.90%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.87%	9-30-14
2014	1,275,728,662	0.5100	6,484,972	99.43%	99.90%	9-30-15
2015	1,316,353,549	0.5440	7,175,560	99.53%	99.87%	9-30-16
2016	1,441,352,872	0.5130	7,557,636	99.42%	99.77%	9-30-17
2017	1,570,202,200	0.4950	8,075,537	99.40%	99.40%	9-30-18

Source: Tarrant County Appraisal District, and the City's Comprehensive Annual Financial Reports.

TAX RATE DISTRIBUTION

TABLE GO-7

	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>
General Fund	\$0.2842	\$0.2933	\$0.2919	\$0.2985	\$0.2890	\$0.3001	\$0.2871
I & S Fund	<u>\$0.2108</u>	<u>\$0.2197</u>	<u>\$0.2521</u>	<u>\$0.2115</u>	<u>\$0.2210</u>	<u>\$0.1899</u>	<u>\$0.1929</u>
TOTAL	<u>\$0.4950</u>	<u>\$0.5130</u>	<u>\$0.5440</u>	<u>\$0.5100</u>	<u>\$0.5100</u>	<u>\$0.4900</u>	<u>\$0.4800</u>

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 General Obligation Tables

**GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCES**

TABLE GO-8

	Fiscal Year Ended September 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues:					
Taxes	\$11,206,947	\$10,761,311	\$10,124,958	\$10,089,566	\$ 9,355,084
Licenses and Permits	951,542	929,188	740,192	627,876	329,948
Charges for Services	84,000	84,000	83,000	80,000	80,000
Fines and Fees	505,110	518,907	635,652	665,378	667,138
Interest Income	191,974	84,195	32,068	5,183	3,380
Recreation Income	520,798	496,969	487,081	512,677	494,346
Intergovernmental	135,821	156,018	178,257	173,618	167,380
Miscellaneous Revenues	601,504	122,222	129,032	112,137	206,935
Total Revenues	<u>\$14,197,696</u>	<u>\$13,152,810</u>	<u>\$12,410,240</u>	<u>\$12,266,435</u>	<u>\$11,304,211</u>
Expenditures:					
Current:					
General Administrative Office	\$ 1,774,678	\$ 1,647,854	\$1,492,131	\$ 1,632,392	\$ 1,983,715
Municipal Court	168,421	187,886	184,973	185,158	199,451
Fire	3,982,620	3,280,597	3,177,233	2,932,965	3,694,807
Police	4,546,478	4,144,841	4,002,172	3,864,955	3,667,944
Public Works	1,609,303	1,354,767	1,263,892	1,268,270	884,006
Parks	339,015	352,766	266,949	240,528	227,791
Community services	959,782	990,618	918,907	861,581	753,421
Library	569,005	568,246	537,893	520,281	496,461
Inspection	579,082	849,217	825,017	705,189	587,047
Animal Services *	398,633	-	-	-	-
Fleet Maintenance	456,219	471,007	399,692	493,996	533,557
Economic Development	567,978	46,520	50,197	19,363	35,860
Total Expenditures	<u>\$15,951,214</u>	<u>\$13,894,319</u>	<u>\$13,119,056</u>	<u>\$12,724,678</u>	<u>\$13,064,060</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ (1,753,518)</u>	<u>\$ (741,509)</u>	<u>\$ (708,816)</u>	<u>\$ (458,243)</u>	<u>\$ (1,759,849)</u>
Other Financing Sources (Uses):					
Lease Proceeds	\$ -	\$ -	\$ -	\$ -	\$ 944,294
Transfers In	1,705,322	1,697,052	1,632,566	1,582,674	1,501,850
Transfers Out	-	-	(24,423)	(1,007,763)	(593,636)
Total Other Financing Sources (Uses)	<u>\$ 1,705,322</u>	<u>\$ 1,697,052</u>	<u>\$ 1,608,143</u>	<u>\$ 574,911</u>	<u>\$ 1,852,508</u>
Excess (Deficit) of Revenues/Other Sources Over Expenditures/Other Uses	(48,196)	955,543	899,327	116,668	92,659
Fund Balance - Beginning of Year	11,648,588	10,693,045	9,793,718	9,677,050	9,584,391
Fund Balance - September 30	<u>\$11,600,392</u>	<u>\$11,648,588</u>	<u>\$10,693,045</u>	<u>\$ 9,793,718</u>	<u>\$ 9,677,050</u>

Source: The Issuer's Comprehensive Annual Financial Reports

* Prior to 2018 Animal Services was included in Inspections

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 Revenue Debt Tables

REVENUE BOND DEBT PRINCIPAL DATA

TABLE REV-1

(As of September 30, 2018)

Revenue Bond Debt Principal Outstanding:

Waterworks and Sewer System Revenue Refunding Bonds, Series 2010	\$ 100,000
Total Revenue Debt Principal Outstanding	<u>\$ 100,000</u>

Plus: Waterworks and Sewer System General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2014	\$ 275,000
General Obligation Refunding Bonds, Series 2015	1,340,000
Total Waterworks and Sewer System General Obligation Debt	<u>\$ 1,615,000</u>

Total Revenue Debt Principal Outstanding

\$ 1,715,000

CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT

TABLE REV-2

	Fiscal Year Ending September 30				
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Revenues ^(a)	\$ 10,951,857	\$ 9,485,704	\$ 9,083,332	\$ 9,268,305	\$ 9,164,561
Expenses	<u>9,477,554</u>	<u>8,383,924</u>	<u>7,420,919</u>	<u>6,617,157</u>	<u>6,253,171</u>
Net Revenue Available for Debt Service	<u>\$ 1,474,303</u>	<u>\$ 1,101,780</u>	<u>\$ 1,662,413</u>	<u>\$ 2,651,148</u>	<u>\$ 2,911,390</u>
Annual Revenue Bond Debt Service Requirements	\$ 54,500	\$ 241,400	\$ 461,578	\$ 529,885	\$ 520,978
Revenue Debt Service Coverage	<u>27.05 x</u>	<u>4.56 x</u>	<u>3.60 x</u>	<u>5.00 x</u>	<u>5.59 x</u>
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 285,372	\$ 471,041	\$ 567,880	\$ 599,343	\$ 558,192
Debt Service Coverage on all Bonds Paid from System Revenues	<u>5.17 x</u>	<u>2.34 x</u>	<u>2.93 x</u>	<u>4.42 x</u>	<u>5.22 x</u>
Customer Count :					
Water	7,841	7,606	7,427	7,227	7,133
Wastewater	7,700	7,477	7,307	7,107	7,013

^(a) Does not include Impact Fees of: \$ 391,118 \$ 476,198 \$ 455,143 \$ 369,298 \$ 179,991
 Revenues include operating, interest income, and tap fees. Impact fees are not included in revenues and may be used for debt service, if required.

COVERAGE OF THE BONDS

TABLE REV-3

(As of September 30, 2018)

Fiscal Year 2018 Net Revenues Available for Debt Service	<u>\$ 1,474,303</u>
Following the Issuance of the Bonds:	
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2019) Coverage	<u>\$ 53,000</u> <u>27.82 X</u>
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2019) Coverage	<u>\$ 280,005</u> <u>5.27 X</u>
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2019-2020) Coverage	<u>\$ 52,250</u> <u>28.22 X</u>
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2019-2027) Coverage	<u>\$ 207,937</u> <u>7.09 X</u>

City of Saginaw, Texas

Continuing Financial Disclosure Tables

Revenue Debt Tables

SELF-SUPPORTING WATERWORKS AND WASTEWATER SYSTEM OBLIGATIONS

HISTORICALLY PAID FROM NET SYSTEM REVENUES

TABLE REV-4

(As of September 30, 2018)

	<u>Principal Outstanding</u>	<u>Amount of Principal Self-Supporting</u>
General Obligation Refunding Bonds, Series 2014	\$ 1,610,000	\$ 275,000
General Obligation Refunding Bonds, Series 2015	\$ 1,340,000	\$ 1,340,000
Total	<u>\$ 2,950,000</u>	<u>\$ 1,615,000</u>

<u>Fiscal Year Ending Sept. 30</u>	<u>Self-Supporting General Obligation Debt Requirements</u>	<u>Waterworks and Wastewater System Debt Service</u>	<u>Total Debt Service Being Supported by Net System Revenues</u>
2019	\$ 227,005	\$ 53,000	\$ 280,005
2020	228,137	51,500	279,637
2021	234,171	-	234,171
2022	240,006	-	240,006
2023	165,642	-	165,642
2024	167,672	-	167,672
2025	169,603	-	169,603
2026	166,435	-	166,435
2027	168,267	-	168,267
	<u>\$ 1,766,938</u>	<u>\$ 104,500</u>	<u>\$ 1,871,438</u>

REVENUE BONDS AUTHORIZED BUT UNISSUED

TABLE REV-5

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued To Date</u>	<u>Unissued</u>
06-30-51	Wastewater Improvements	\$ 100,000	\$ 20,000	\$ 80,000

Note: The City has no plans to issue these bonds.

City of Saginaw, Texas

Continuing Financial Disclosure Tables

Revenue Debt Tables

WATER RATES

TABLE REV-6

(Based on Monthly Billing)

Rates Effective October 1, 2017	
<u>Residential</u>	
First 2,000 Gallons	\$15.38 (minimum)
3,000 to 10,000 Gallons	4.77 /M Gallons
Over 10,000 Gallons	5.07 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$15.38 (minimum)
3,000 to 8,000 Gallons	5.07 /M Gallons
Over 8,000 Gallons	6.13 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$15.38 (minimum)
3,000 to 10,000 Gallons	5.07 /M Gallons
Over 10,000 Gallons	6.13 /M Gallons

PRINCIPAL WATER CUSTOMERS 2017-2018

TABLE REV-7

(As of September 30, 2018)

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	9,405,500	\$ 54,919
DOS Project	3,262,417	19,050
Ventura Foods	3,033,667	18,385
Eagle Mnt/Saginaw ISD	1,099,583	6,471
Williamsburg Village Apartments	875,833	5,802
Blueknight Energy Partners	566,417	3,318
DR Horton Homes	562,583	3,987
Camelot Square Apartments	539,083	3,785
Saginaw Crossing Apartments	454,333	3,080
Ardent Mills, LLC	386,083	2,353
Total	<u>20,185,500</u>	<u>\$ 121,150</u>

City of Saginaw, Texas
 Continuing Financial Disclosure Tables
 Revenue Debt Tables

WASTEWATER RATES

TABLE REV-8

(Based on Monthly Billing)

Rates Effective October 1, 2012	
<u>Residential</u>	
First 2,000 Gallons	\$16.07 (minimum)
Next 18,000 Gallons	2.53 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$16.07 (minimum)
Over 2,000 Gallons	4.39 /M Gallons
<u>Commercial / Industrial (Non-Monitored)</u>	
First 2,000 Gallons	\$17.65 (minimum)
Over 2,000 Gallons	4.39 /M Gallons
<u>Commercial / Industrial (Monitored)</u>	
First 2,000 Gallons	Based on Formula
Over 2,000 Gallons	4.39 /M Gallons

PRINCIPAL WASTEWATER CUSTOMERS 2017-2018

TABLE REV-9

(As of September 30, 2018)

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Williamsburg Village Apartments	\$ 4,977.11
Camelot Square Apartments	3,423.84
Saginaw Crossing Apartments	2,723.52
DR Horton Homes	2,258.44
Eagle Mnt/Saginaw ISD	2,242.45
Tiger Spa Car Wash	1,318.99
Argos - Southern Star Concrete	1,290.38
Qualwash, Inc	1,287.09
American Homes 4 Rent	1,138.35
Zip's Car Wash	1,087.98
Total	\$ 21,748.15

WASTEWATER SYSTEM PRODUCTION

TABLE REV-10

Volumes, average daily and peak daily flow for the Wastewater System for the past ten years are shown below.

<u>Fiscal Year</u>	<u>Annual Sewage Flow (000s Gallons)</u>	<u>Average Daily Flow (000s GPD)</u>	<u>Peak Daily Flow and Date (MGD)</u>
2009	773,199	2,118	5.3 06-11-09
2010	968,278	2,653	6.7 11-07-09
2011	785,139	2,178	6.5 04-15-11
2012	858,778	2,353	8.2 03-20-12
2013	750,644	2,057	6.6 09-25-13
2014	739,594	2,026	4.0 12-20-13
2015	825,789	2,262	6.3 05-29-15
2016	915,347	2,508	6.2 12-28-15
2017	804,134	2,203	6.3 09-14-17
2018	838,637	2,298	4.7 03-01-18