

City of Saginaw, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022



City of Saginaw

City of Saginaw, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022

Prepared By
The City of Saginaw, Texas
Finance Department



City of Saginaw

City of Saginaw, Texas
 Annual Comprehensive Financial Report
 For the Fiscal Year Ended September 30, 2022
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Introductory Section



City of Saginaw



City of Saginaw

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Saginaw, Texas 76179
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Fax 817-232-4644
www.ci.saginaw.tx.us

City of Saginaw

January 17, 2023
Honorable Mayor Todd Flippo,
Members of the City Council,
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Annual Comprehensive Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2022. 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 unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2022. 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 2000 Census was 12,374; the 2010 Census was 19,806; and the 2020 Census was 24,860 (a 26% increase in the last ten years).

The City was incorporated in 1949 and is operating under a Charter adopted on January 19, 1988 and amended May 4, 2019. 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 2021-2022 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 City Council 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

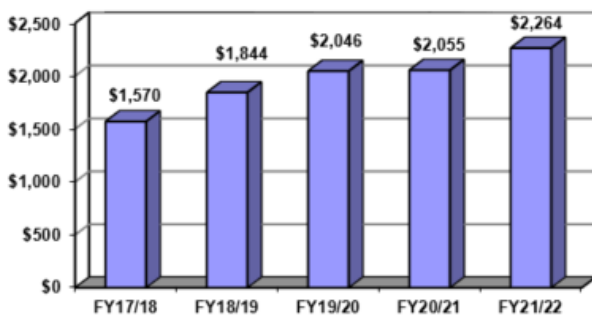
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records 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

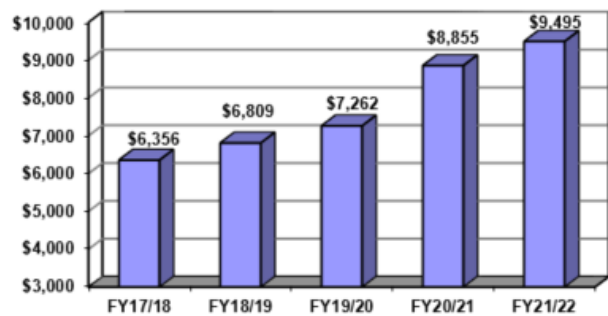
Summary of Local Economy

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections have continued to grow and commercial and residential development continues. Our industrial base is composed of food manufacturer/processors, building material suppliers, transportation, flour milling and other essential businesses. The real estate market continues to be strong. For 2022/2023 the City had \$44.9 million (\$20M multi-family and \$17M commercial) in added value from new construction. New businesses include five new restaurants, a skilled nursing rehabilitation facility, and three commercial/industrial equipment suppliers. The Prose Apartments, the multi-family component of the UCD development opened, as well as, the Edition, a senior living complex. Sales tax collections for the current fiscal year to date are 8% higher than last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Three mixed used developments, All Storage climate controlled mini warehouses, an office complex, and a 7-11 convenience store are under construction. A bulk food transportation company is in the design phase of a warehouse/distribution facility which will begin construction this year. A fourth mixed use development is in the planning stages. The redevelopment of the current Fire Station 1 site is also in the planning stage and will include three restaurants and an outdoor entertainment venue. These projects which include residential, office, commercial, retail, and restaurants will continue to add to 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 and Emergency Reserve Fund balance in the General Fund of 25% of the operating budget.” The Enterprise Fund Emergency Reserve needs to be sufficient to operate the Water Department for 90 days. 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 was updated and approved by the City Council on March 1, 2022. The five-year Capital Improvements Plan was updated as part of the budget process. The plan focuses on completing infrastructure to support development, rehabilitating aging infrastructure, and maintaining existing infrastructure. The capital improvements plan is funded with 2020 Certificate of Obligations, the 2021 voter approved General Obligation bond program, fund balances, and revenues from the Street Maintenance Fund, and the Drainage Utility Fund. Voters approved all three bond propositions (Street and Roadway improvements, Parks improvements and new Senior Center, and a new Library) in the May, 2021 election.

Certificates of Obligation (\$20.5 million) were issued in 2020 for the design and construction of a new central fire station, and design for Knowles Drive and Old Decatur Road North. The Fire Station is under construction and is on schedule to be completed in early 2023. Design for Phase 1 of Knowles Drive is complete and construction has begun. Design for Phases 2 and 3 of Knowles Drive is nearing completion and expected to begin construction this year, as are park improvements. Design continues for the Library and Senior Activity Center. Construction is expected to begin this year. As design is finalized, the operating impact of these projects will be refined and considered in the budget process.

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 one hundred eighty 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021 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 2021-2022 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 Annual Comprehensive 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.

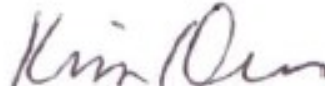
In closing, we would also like to thank the Mayor and City Council for their leadership and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Gabe Reaume, City Manager

Respectfully submitted,



Kim Quin, Finance Director

City of Saginaw, Texas

Principal Officials
September 30, 2022

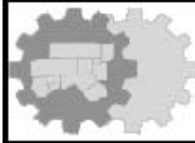
GOVERNING BODY

Todd Flippo..... Mayor
Valerie Junkersfeld..... Mayor Pro-Tem, Councilmember, Place 3
Paul Felegy Councilmember, Place 1
Nicky Lawson Councilmember, Place 2
Charles Tucker Councilmember, Place 4
Cindy Bighorse Councilmember, Place 5
Mary Copeland Councilmember, Place 6

ADMINISTRATION

Gabriel Reaume City Manager
Lee Howell Assistant City Manager
Kim Quin Finance Director
Janice England City Secretary
Lorraine Irby Municipal Court Judge
Russell Ragsdale Police Chief
Doug Spears Fire Chief
Randy Newsom Director of Public Works
Keith Rinehart Director of Community and Economic Development
Ellen Ritchie Library Director
Greg Clayton Director of Information Technology
Melanie McManus Director of Human Resources
Bryn Meredith City Attorney
Trenton Tidwell 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**

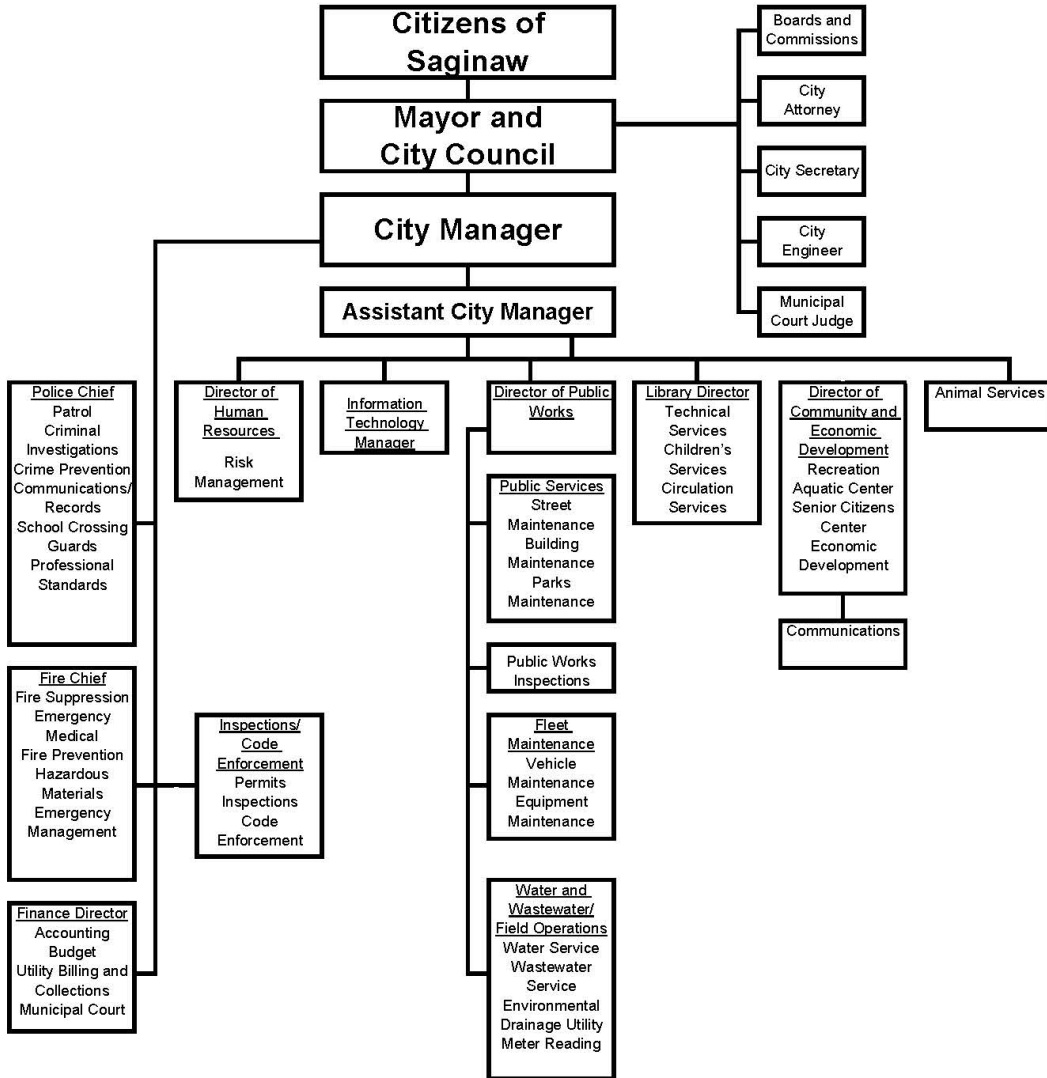
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

**CITY OF SAGINAW
ORGANIZATIONAL CHART**





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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Saginaw, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 7 through 14 and 65 through 68 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

Supplementary 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 combining and individual fund financial statements and schedules 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 and schedules are the responsibility of management and was derived from and relates 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 and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 16, 2023



City of Saginaw

**CITY OF SAGINAW, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2022
(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, 2022. 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.

IN BRIEF

- The assets and deferred outflows of resources of the City of Saginaw exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$137,985,023 (net position). This number must be viewed in the context that the vast majority of the City's net position is net investment in capital assets of \$114,726,483 (83%) and that most capital assets of a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals \$10,819,712 (8%). The remaining \$12,438,828 (9%) is the unrestricted net position and 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 \$4,807,804. Increased current assets include general obligation bond proceeds, increased capital assets are due to the construction of the fire station, the Knowles Drive reconstruction project, and the design of the Library/Senior Center facility. Increased deferred outflows are related to pension. Increased liabilities are due to increased bonds payable and unearned revenue related to American Rescue Act funds. Increased deferred inflows are related to pension and leased assets.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$60,667,083. Within this total \$47,830,662 is restricted by specific legal requirements or non-spendable and \$1,371,751 has been committed or assigned for specific types of expenditures. About 19% of this total amount, or \$11,463,870 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 of \$11,463,870 is 58% 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, emergency management, public services, parks, library, community services, fleet maintenance, inspections, animal services, information technology, communications, 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 19-21 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 ten 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, seven Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 24-27.

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 31-34 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 35-61.

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, 2022, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,985,023.

The largest portion of the City's net position (83%) 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 71,455,564	\$ 54,213,575	\$ 12,895,642	\$ 10,802,690	\$ 84,351,206	\$ 65,016,265
Capital assets	122,339,087	114,716,232	30,560,303	30,055,542	152,899,390	144,771,774
Total assets	193,794,651	168,929,807	43,455,945	40,858,232	237,250,596	209,788,039
Deferred outflows of resources	2,338,530	1,694,296	255,445	183,960	2,593,975	1,878,256
Long term liabilities	83,876,714	64,983,416	1,624,768	1,952,228	85,501,482	66,935,644
Other liabilities	10,804,002	8,220,687	2,108,917	1,630,431	12,912,919	9,851,118
Total liabilities	94,680,716	73,204,103	3,733,685	3,582,659	98,414,401	76,786,762
Deferred inflows of resources	3,118,498	1,510,240	326,649	192,074	3,445,147	1,702,314
Net Position						
Net Investment in capital assets	85,015,778	84,992,122	29,710,705	29,067,806	114,726,483	114,059,928
Restricted	10,632,299	9,112,393	187,413	185,657	10,819,712	9,298,050
Unrestricted	2,685,890	1,805,245	9,752,938	8,013,996	12,438,828	9,819,241
Total net position	\$ 98,333,967	\$ 95,909,760	\$ 39,651,056	\$ 37,267,459	\$ 137,985,023	\$ 133,177,219

An additional portion of the City's net position \$10,819,712 (8%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$12,438,828 (9%) may be used to meet the City's ongoing obligation to citizens and creditors.

The \$4,807,804 increase in net position is a result of increased investment in capital assets, general obligation bond proceeds, and increased deferred outflows related to pension. Long term liabilities increased due to the increased debt and other liabilities increased due to unearned revenue related to federal American Rescue Act distributions partially offset by a decrease in net pension liability. The increase in the deferred inflows of resources are related to pension and leased assets. As of September 30, 2022, 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, 2022. Overall the City had an increase in net position of \$4,807,804. Total City revenues decreased by \$98,785 compared to 2021. Governmental activity revenue decreases of \$2,627,024 are partially offset by business-type activity revenue increases of \$2,528,239. Governmental fees, fines, and charges for services decreases are due to decreased collections of construction inspection fees, building permits, and traffic citations which are partially offset by increases in rental inspection fees and Aquatic Center revenues. Increases in charges for services for business-type activities are due to increased water sales and wastewater treatment. Capital contributions are down from the previous year due to Tarrant County contributions for the Bailey Boswell Bridge in 2021; the decrease is partially offset by water line developer contributions related to the Prose Apartments, Saginaw Skilled Nursing, Bright Living, and the Grand at Beltmill. General revenues are higher due to ad valorem tax collections, a result of increased property values and tax rates, and strong sales tax collections. Higher interest rates resulted in increased interest income for governmental and business-type activities from the previous year.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Fees, fines and charges for services	\$ 2,942,588	\$ 3,376,592	\$ 12,285,560	\$ 10,672,524	\$ 15,228,148	\$ 14,049,116
Operating grants and contributions	269,618	276,878	-	-	269,618	276,878
Capital grants and contributions	657,170	5,422,862	870,159	43,434	1,527,329	5,466,296
General revenues						
Ad valorem taxes	11,782,661	10,451,254	-	-	11,782,661	10,451,254
Sales taxes	9,494,855	8,855,456	-	-	9,494,855	8,855,456
Franchise taxes	1,629,409	1,561,343	-	-	1,629,409	1,561,343
Other taxes	129,131	109,813	-	-	129,131	109,813
Penalties and interest	33,148	10,590	120,533	90,214	153,681	100,804
Interest income	446,409	22,000	72,329	4,846	518,738	26,846
Miscellaneous	373,271	298,496	49,640	58,964	422,911	357,460
Total revenues	27,758,260	30,385,284	13,398,221	10,869,982	41,156,481	41,255,266
Expenses						
General administrative office	3,111,631	2,660,420	-	-	3,111,631	2,660,420
Municipal court	204,415	187,686	-	-	204,415	187,686
Fire	4,080,989	3,833,378	-	-	4,080,989	3,833,378
Police	5,461,474	5,290,475	-	-	5,461,474	5,290,475
Public works	6,134,668	5,033,117	-	-	6,134,668	5,033,117
Parks	466,233	468,390	-	-	466,233	468,390
Community services	1,427,930	802,551	-	-	1,427,930	802,551
Library	707,863	645,186	-	-	707,863	645,186
Inspections	835,781	698,321	-	-	835,781	698,321
Animal services	477,232	396,348	-	-	477,232	396,348
Fleet maintenance	632,167	492,762	-	-	632,167	492,762
Economic development	224,361	140,178	-	-	224,361	140,178
Information technology	384,253	389,186	-	-	384,253	389,186
Interest on long term debt	1,885,591	1,403,680	-	-	1,885,591	1,403,680
Water and wastewater	-	-	10,314,089	9,679,904	10,314,089	9,679,904
Total expenses	26,034,588	22,441,678	10,314,089	9,679,904	36,348,677	32,121,582
Increases (decreases) in net position						
before transfers	1,723,672	7,943,606	3,084,132	1,190,078	4,807,804	9,133,684
Transfers	700,535	625,300	(700,535)	(625,300)	-	-
Increase in net position	2,424,207	8,568,906	2,383,597	564,778	4,807,804	9,133,684
Net position - October 1	95,909,760	87,340,854	37,267,459	36,702,681	133,177,219	124,043,535
Net position - September 30	\$ 98,333,967	\$ 95,909,760	\$ 39,651,056	\$ 37,267,459	\$ 137,985,023	\$ 133,177,219

Total City expenses increased by \$4,227,095 compared to 2021. The increase in General Administration is due to an additional Human Resource position, city-wide salary plan increases, and no vacancy savings. Increases in the Fire and Police Departments are due to salary and benefits increases. The Police Department also had increases in overtime due to staffing shortages which are offset by vacancy savings. Public Works increases are due to the engineering costs associated with the Green Ribbon grant matching requirement and intersection improvements at Saginaw and Saginaw Square Boulevards. Community Services increases are due to staffing changes and the addition of a Recreation Coordinator as well as the maintenance/repairs and operations of the Aquatic Center. The Aquatics Center has been closed for the previous two years. A Management Analyst position was added to the Library. Inspections increases are due to the addition of a Deputy Building Official and a Permit Technician. Animal Services increases are due to full year funding of the Adoption & Rescue Coordinator position, fewer vacancies, and increases in supplies due to the large number of animals cared for at the animal shelter. Fleet maintenance increases are due to the increased cost of fuel and parts for machinery and vehicles. Economic Development increases are related to the Beltram Public Improvement District creation. Increases for Enterprise Fund are due to mixers for the elevated water tanks, Palomino Street water line repairs, a system risk and resiliency study, increased water purchase due to both volume and rates and increased wastewater treatment costs, due to volume and rates.

Although revenues are down and expenses are up compared to the previous year, city governmental activities increased net position by \$2,424,207 and enterprise activities increased net position by \$2,383,597.

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 \$60,667,083. Approximately 19% of this total (\$11,463,870) constitutes unassigned 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 increased by \$204,514. The planned use of fund balance for the Square Developer's agreement, intersection improvements at Saginaw Boulevard and Saginaw Square Boulevard, and other capital items was less than originally budgeted due to increased sales tax collections and projects not being completed this fiscal year. The \$98,549 increase of fund balance in the Debt Service Fund reflects increased ad valorem tax collections and accrued interest as a result of the 2022 bond issue. The increase of \$12,464,176 in the Capital Projects Fund reflects the use of previously issued debt for fire station construction, design and construction for the first phase of Knowles Drive and design of the Library and Senior Activity Center partially offset by the issuance of general obligation bonds for the construction of the library/senior citizens center. The planned use of Crime Control and Prevention District fund balance for the replacement of patrol vehicles was not necessary to due to increased sales tax collections; instead the fund balance increased by \$595,812. The Drainage Utility fund balance increased by 589,398. Cash balances in the Drainage Utility Fund will be used in the coming years for the East Cement Creek Drainage Project. The Street Maintenance Fund balance increase of \$406,236 is due to the delay of the Burlington Road reconstruction project and increased sales tax collections. There was an increase in the General Escrow Fund balance of \$137,434 due to developer contributions for future sidewalks along Knowles Drive and West McLeroy Boulevard.

Proprietary Fund – The City's proprietary fund statements provide the same type of information found in the government-wide statements. Unrestricted net position of the Enterprise Fund is \$9,752,938. Total net position of the Enterprise Fund increased by \$2,383,597 from fiscal year 2021 to fiscal year 2022. The increase is due to increased water sales and wastewater fees which are partially offset by the increased cost of water and wastewater service and developer contributed water lines.

Budgetary Highlights – The City Council approved revisions to the original budget appropriations. General Fund revenues were increased by \$1,670,445 or 10.3%. Increased revenues were due to increased sales tax collections, ad valorem tax collections, interest earnings, and recreation. Tax collections were higher than originally budgeted due to favorable Appraisal Review Board judgements and recreation fees were related to the large crowds drawn by the Aquatics Center. These increases were partially offset by a decrease in building permits. General Fund expenditure appropriations decreased by \$120,855 or 0.6%. Increases related to mid-year personnel changes, increased fuel and parts for vehicle repairs, increased maintenance and opening costs related to the Aquatics Center were offset by Police, Fire, and Animal Services vacancies. Other savings are related to the mowing contractor not maintaining the mowing schedule, the delay of Police Department equipment, and a delay in Saginaw Boulevard redevelopment.

CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2022 amounts to \$152,899,390 (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:

- Completion of the Bailey Boswell Overpass (\$1,147,201).
- City owned facility improvements (\$222,686).
- Construction of the Saginaw Boulevard 16" water line Phase 2 (\$94,116).
- Design completion and construction of the NW and Belt Mill booster pump stations (\$542,991).
- Continued design for East Cement Creek Drainage Phase 2 (\$22,900).
- Construction of traffic signal at Bailey Boswell and Knowles (\$136,770).
- Design of the Library/Senior Citizens Center facility (\$1,075,334).
- Intersection improvements at WJ Boaz & Old Decatur Road (\$39,573).
- Traffic signal at Bailey Boswell & Knowles Drive (\$196,441).
- Design for North Old Decatur Road improvements (\$38,748)
- Design and construction for Knowles Drive improvements (\$2,966,246).
- Additions to the holiday light display (\$55,548).
- City-wide equipment replacement (\$171,068).
- Developer contributed drainage system improvements (\$74,912).
- Developer contributed water/wastewater system improvements (\$770,926).
- Sidewalk improvements (\$66,500).
- Fairmount sewer rehabilitation and sewer lines at the Square (\$65,426).
- Construction of the new fire station (\$6,545,078).

**Capital Assets at Year End
Net of Accumulated Depreciation**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 19,229,654	\$ 19,229,293	\$ 16,657	\$ 16,657	\$ 19,246,311	\$ 19,245,950
Improvements	4,219,538	2,906,510	-	-	4,219,538	2,906,510
Buildings	19,857,944	19,784,753	154,587	154,587	20,012,531	19,939,340
Equipment	11,515,187	11,397,955	1,651,361	1,621,137	13,166,548	13,019,092
Infrastructure	137,541,488	121,918,215	43,044,057	42,188,854	180,585,545	164,107,069
Construction in progress	16,014,271	20,767,124	1,899,629	1,231,522	17,913,900	21,998,646
Accumulated depreciation	(86,038,995)	(81,287,618)	(16,205,988)	(15,157,215)	(102,244,983)	(96,444,833)
Total	\$ 122,339,087	\$ 114,716,232	\$ 30,560,303	\$ 30,055,542	\$ 152,899,390	\$ 144,771,774

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 45-46.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$75,910,633.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligations	\$ 51,315,000	\$ 31,890,000	\$ 790,000	\$ 1,010,000	\$ 52,105,000	\$ 32,900,000
Certificates of obligation	17,210,000	17,310,000	-	-	17,210,000	17,310,000
Revenue bonds payable	-	-	-	-	-	-
Tax notes	935,000	1,160,000	-	-	935,000	1,160,000
Premiums on bonds	5,660,633	4,270,201	-	-	5,660,633	4,270,201
Total	\$ 75,120,633	\$ 54,630,201	\$ 790,000	\$ 1,010,000	\$ 75,910,633	\$ 55,640,201

During the fiscal year, the City's total debt increased by \$20,270,432 or 36%. Enterprise Fund principal payments of \$220,000 and General Fund principal payments of \$3,160,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 47-49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2022-2023 budget, General Fund revenues and transfers in are budgeted to increase by \$634,305 (3%) from the 2021-2022 revised budget due to American Rescue Act funding for a portion of a fire engine, Police Station roof repairs, and a generator for the Recreation Center. General Fund revenues are comprised of 35% property tax, 33% sales tax, and 33% fees and transfers. Estimated net taxable value increased 9.9% from the preceding year with \$44.9 million in added value. Budgeted property tax revenues are \$7,166,080 in the General Fund and \$6,162,085 in the Debt Service Fund. General Fund expenditures and transfers increased by \$1,254,655 or 6.2% due salary increases, health insurance increases, and full year funding for positions added mid-year in FY21/22: 2 dispatchers, a deputy building official, a permit technician, and a Recreation Services Coordinator. Funding is provided for salary adjustments to remain competitive in the labor market; most employees will receive a 5% salary increase. One-time expenses include an inspection vehicle, security fencing at Fire Station 2, the replacement of 2 sets of rescue tools, a backhoe, a trailer, Community Center renovations, Phase 4B of the Americans with Disabilities Act plan update, park improvements, a resident satisfaction survey, air conditioner replacement at the Animal Shelter, and replacement of the digital sign on Saginaw Boulevard.

The 2022-2023 budget includes a 4% increase in water rates and an 11% increase in wastewater rates based on the change in rates charged by our water and wastewater service provider, the City of Fort Worth. The Enterprise Fund budget has been balanced with the use of \$1,401,110 from fund balance for completion of the Belmill pump station, upgrade to the SCADA system, and replacement of a sewer cleaning truck.

Drainage Utility fees were increased as part of the 2022-2023 approved budget. Residential fees will increase \$1 per month to \$6 and non-residential accounts will increase \$0.66 per unit per month. The Drainage Utility Fund is balanced with the use of \$1,717,725 fund balance for the replacement of the skid loader and the East Cement Creek drainage project.

Fiscal year 2022-2023 includes budgets for the Belmill Public Improvement District and the Tax Increment Reinvestment Zone 1.

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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	\$ 30,571,061	\$ 10,437,474	\$ 41,008,535
Receivables:			
Taxes, net of allowance	1,742,132	-	1,742,132
Accounts, net of allowance	94,424	1,535,791	1,630,215
Leases	397,084	-	397,084
Other	238,981	-	238,981
Prepaid	800	-	800
Notes receivable	1,000	-	1,000
Restricted assets:			
Deposits and investments	38,410,082	922,377	39,332,459
Capital assets:			
Land	19,229,654	16,657	19,246,311
Improvements	4,219,538	-	4,219,538
Buildings	19,857,944	154,587	20,012,531
Equipment	11,515,187	1,651,361	13,166,548
Infrastructure	137,541,488	43,044,057	180,585,545
Construction in progress	16,014,271	1,899,629	17,913,900
Accumulated depreciation	(86,038,995)	(16,205,988)	(102,244,983)
Total assets	193,794,651	43,455,945	237,250,596
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	142,979	16,698	159,677
Related to TMRS pension	2,100,999	226,773	2,327,772
Related to TMRS OPEB	94,552	11,974	106,526
Total deferred outflows of resources	2,338,530	255,445	2,593,975
LIABILITIES			
Accounts payable and accrued liabilities	2,359,873	1,222,649	3,582,522
Accrued interest payable	475,009	1,304	476,313
Unearned revenue	6,307,699	-	6,307,699
Payable from restricted assets:			
Contracts payable	1,661,421	-	1,661,421
Current portion of revenue bonds payable	-	150,000	150,000
Customer deposits	-	734,964	734,964
Noncurrent liabilities:			
Debt due within one year	3,425,000	-	3,425,000
Debt due in more than one year	71,695,633	640,000	72,335,633
Net pension liability	8,269,542	925,069	9,194,611
Total OPEB liability	486,539	59,699	546,238
Total liabilities	94,680,716	3,733,685	98,414,401
DEFERRED INFLOWS OF RESOURCES			
Related to leased assets	397,084	-	397,084
Related to TMRS pension	2,702,075	324,342	3,026,417
Related to TMRS OPEB	19,339	2,307	21,646
Total deferred inflows of resources	3,118,498	326,649	3,445,147
NET POSITION			
Net investment in capital assets	85,015,778	29,710,705	114,726,483
Restricted for:			
Debt service	730,981	187,413	918,394
Street maintenance	2,152,478	-	2,152,478
Crime prevention	1,461,350	-	1,461,350
Drainage	3,769,042	-	3,769,042
Public improvements	22,746	-	22,746
Other special revenue	2,495,702	-	2,495,702
Unrestricted	2,685,890	9,752,938	12,438,828
TOTAL NET POSITION	\$ 98,333,967	\$ 39,651,056	\$ 137,985,023

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, 2022

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative offices	\$ 3,111,631	\$ 142,250	\$ 10,514	\$ -
Municipal court	204,415	427,608	-	-
Fire	4,080,989	100,755	104,035	-
Police	5,461,474	3,414	155,069	-
Public works	6,134,668	835,850	-	657,170
Parks	466,233	-	-	-
Community services	1,427,930	656,095	-	-
Library	707,863	6,506	-	-
Inspection	835,781	741,666	-	-
Animal services	477,232	28,444	-	-
City garage	632,167	-	-	-
Economic development	224,361	-	-	-
Information technology	384,253	-	-	-
Interest on long term debt	1,885,591	-	-	-
Total governmental activities	<u>26,034,588</u>	<u>2,942,588</u>	<u>269,618</u>	<u>657,170</u>
Business-type activities:				
Water and wastewater	10,314,089	12,285,560	-	870,159
Total business-type activities	<u>10,314,089</u>	<u>12,285,560</u>	<u>-</u>	<u>870,159</u>
TOTAL GOVERNMENT	<u>\$ 36,348,677</u>	<u>\$ 15,228,148</u>	<u>\$ 269,618</u>	<u>\$ 1,527,329</u>

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

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**

<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
\$ (2,958,867)	\$ -	\$ (2,958,867)
223,193	-	223,193
(3,876,199)	-	(3,876,199)
(5,302,991)	-	(5,302,991)
(4,641,648)	-	(4,641,648)
(466,233)	-	(466,233)
(771,835)	-	(771,835)
(701,357)	-	(701,357)
(94,115)	-	(94,115)
(448,788)	-	(448,788)
(632,167)	-	(632,167)
(224,361)	-	(224,361)
(384,253)	-	(384,253)
(1,885,591)	-	(1,885,591)
(22,165,212)	-	(22,165,212)
-	2,841,630	2,841,630
-	2,841,630	2,841,630
\$ (22,165,212)	\$ 2,841,630	\$ (19,323,582)
\$ 11,782,661	\$ -	\$ 11,782,661
9,494,855	-	9,494,855
1,629,409	-	1,629,409
129,131	-	129,131
33,148	120,533	153,681
446,409	72,329	518,738
373,271	49,640	422,911
700,535	(700,535)	-
24,589,419	(458,033)	24,131,386
2,424,207	2,383,597	4,807,804
95,909,760	37,267,459	133,177,219
\$ 98,333,967	\$ 39,651,056	\$ 137,985,023



City of Saginaw

Fund Financial Statements Governmental Funds

City of Saginaw, Texas
 Balance Sheet - Governmental Funds
 September 30, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 19,237,390	\$ 1,180,684	\$ -	\$ 10,152,987	\$ 30,571,061
Receivables:					
Taxes, net of allowance	1,312,967	25,306	-	403,859	1,742,132
Accounts	94,424	-	-	-	94,424
Leases	397,084	-	-	-	397,084
Other	103,696	-	-	135,285	238,981
Prepaid items	800	-	-	-	800
Note receivable	1,000	-	-	-	1,000
Restricted assets:					
Deposits and investments	-	-	38,410,082	-	38,410,082
TOTAL ASSETS	\$ 21,147,361	\$ 1,205,990	\$ 38,410,082	\$ 10,692,131	\$ 71,455,564
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 2,187,314	\$ -	\$ -	\$ 172,559	\$ 2,359,873
Payable from restricted assets:					
Contracts payable	-	-	1,661,421	-	1,661,421
Unearned revenue	6,275,571	-	-	32,128	6,307,699
Total liabilities	8,462,885	-	1,661,421	204,687	10,328,993
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leased assets	397,084	-	-	-	397,084
Unavailable revenue - property taxes	37,097	25,307	-	-	62,404
Total deferred inflows of resources	434,181	25,307	-	-	459,488
FUND BALANCES					
Nonspendable:					
Prepays items	800	-	-	-	800
Restricted:					
Debt service	-	1,180,683	-	-	1,180,683
Capital projects	-	-	36,748,661	-	36,748,661
Street maintenance	-	-	-	2,152,478	2,152,478
Crime prevention	-	-	-	1,461,350	1,461,350
Drainage	-	-	-	3,769,042	3,769,042
Public improvements	-	-	-	22,746	22,746
Other special revenue	-	-	-	2,495,702	2,495,702
Committed:					
Donations	-	-	-	586,126	586,126
Assigned	785,625	-	-	-	785,625
Unassigned	11,463,870	-	-	-	11,463,870
Total fund balances	12,250,295	1,180,683	36,748,661	10,487,444	60,667,083
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 21,147,361	\$ 1,205,990	\$ 38,410,082	\$ 10,692,131	\$ 71,455,564

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, 2022

TOTAL FUND BALANCE - GOVERNMENTAL FUND	\$ 60,667,083
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	122,339,087
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.	(475,009)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	62,404
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of \$142,979 is reflected as a deferred outflow of resources on the Statement of Net Position.	(74,977,654)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$8,269,542, a deferred resource outflow related to TMRS of \$1,715,525, and a deferred resource inflow related to TMRS of \$2,316,601. This resulted in a decrease in net position.	(8,870,618)
Included in noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of \$486,539, a deferred resource outflow related to TMRS of \$94,552, and a deferred resource inflow related to TMRS of \$19,339. This resulted in a decrease in net position.	(411,326)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 98,333,967</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, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 15,824,110	\$ 4,775,758	\$ -	\$ 2,465,119	\$ 23,064,987
Licenses and permits	502,521	-	-	-	502,521
Charges for services	100,755	-	-	835,850	936,605
Fines and fees	682,650	-	-	22,467	705,117
Interest income	102,447	24,627	257,040	62,295	446,409
Recreation income	344,113	-	-	-	344,113
Intergovernmental	216,784	-	582,257	3,146	802,187
Miscellaneous revenues	198,132	3,455	-	649,740	851,327
Total revenues	17,971,512	4,803,840	839,297	4,038,617	27,653,266
EXPENDITURES					
Current:					
General administrative office	2,324,967	-	-	849,551	3,174,518
Municipal court	212,097	-	-	-	212,097
Fire	4,158,484	-	-	-	4,158,484
Police	5,363,151	-	-	58,586	5,421,737
Public works	2,579,899	-	-	-	2,579,899
Parks	319,152	-	-	-	319,152
Community services	1,309,153	-	-	-	1,309,153
Library	708,877	-	-	-	708,877
Inspection	906,530	-	-	-	906,530
Animal services	483,263	-	-	-	483,263
City garage	665,366	-	-	-	665,366
Economic development	224,361	-	-	-	224,361
Information technology	398,691	-	-	-	398,691
Capital outlay	-	-	12,075,121	113,238	12,188,359
Principal retirement	-	3,160,000	-	-	3,160,000
Interest charges	-	1,536,376	-	-	1,536,376
Fiscal agent's fees and debt issuance costs	-	8,915	281,952	-	290,867
Total expenditures	19,653,991	4,705,291	12,357,073	1,021,375	37,737,730
Excess (deficiency) of revenues over (under) expenditures	(1,682,479)	98,549	(11,517,776)	3,017,242	(10,084,464)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,119,143	-	-	232,150	2,351,293
Transfers out	(232,150)	-	-	(1,418,608)	(1,650,758)
Issuance of debt	-	-	22,260,000	-	22,260,000
Premium on bond issuance	-	-	1,721,952	-	1,721,952
Total other financing sources (uses)	1,886,993	-	23,981,952	(1,186,458)	24,682,487
Net change in fund balances	204,514	98,549	12,464,176	1,830,784	14,598,023
Fund Balance, beginning	12,045,781	1,082,134	24,284,485	8,656,660	46,069,060
FUND BALANCE, ending	\$ 12,250,295	\$ 1,180,683	\$ 36,748,661	\$ 10,487,444	\$ 60,667,083

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, 2022

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$ 14,598,023
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.	12,437,757
Governmental funds do not recognize assets contributed by developers or grantors, or donated to the City. 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.	104,766
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.	(4,915,679)
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.	(3,989)
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 an issuance in the amount of \$22,260,000, premium on issuance of \$1,721,952, repayments of \$3,160,000 and amortization of \$282,301 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.	(20,539,651)
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.	1,120,952
Current year changes in the total OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.	(41,540)
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.	(340,649)
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	4,217
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	\$ 2,424,207

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



City of Saginaw

Fund Financial Statements Proprietary Funds



City of Saginaw

City of Saginaw, Texas
Statement of Net Position
Proprietary Funds
September 30, 2022

	Enterprise Fund
	<hr/>
ASSETS	
Current assets:	
Deposits and investments	\$ 10,437,474
Deposits and investments-restricted	187,413
Receivables:	
Accounts receivable, net of allowance of \$89,963	841,784
Unbilled accounts	694,007
Total current assets	<hr/> 12,160,678
Noncurrent assets:	
Capital assets, at cost:	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	43,044,057
Machinery and equipment	1,651,361
Construction in progress	1,899,629
Accumulated depreciation	<hr/> (16,205,988)
Total capital assets, net of accumulated depreciation	30,560,303
Deposits and investments-restricted	<hr/> 734,964
Total noncurrent assets	<hr/> 31,295,267
Total assets	43,455,945
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	16,698
Related to the TMRS pension	226,773
Related to the TMRS OPEB	<hr/> 11,974
Total deferred outflows of resources	255,445
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	1,222,649
Accrued interest	1,304
Revenue bonds payable	<hr/> 150,000
Total current liabilities	1,373,953
Noncurrent liabilities:	
Revenue bonds payable	640,000
Customer deposits	734,964
Net pension liability	925,069
Total OPEB liability	<hr/> 59,699
Total noncurrent liabilities	<hr/> 2,359,732
Total liabilities	3,733,685
DEFERRED INFLOWS OF RESOURCES	
Related to the TMRS pension	324,342
Related to the TMRS OPEB	<hr/> 2,307
Total deferred inflows of resources	326,649
NET POSITION	
Net investment in capital assets	29,710,705
Restricted for revenue bond retirement	187,413
Unrestricted	<hr/> 9,752,938
TOTAL NET POSITION	<hr/> <hr/> \$ 39,651,056

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, 2022

	Enterprise Fund
OPERATING REVENUES	
Water and sewer sales	\$ 10,514,996
Penalties	120,533
Surcharges	1,770,564
Miscellaneous	49,640
	<hr/>
Total operating revenue	12,455,733
OPERATING EXPENSES	
Cost of sales and services	6,946,920
Administrative	2,292,824
Depreciation	1,048,773
	<hr/>
Total operating expenses	10,288,517
	<hr/>
Operating income	2,167,216
NONOPERATING REVENUES (EXPENSES)	
Investment income	72,329
Intergovernmental	59,103
Gain on sale of machinery and equipment	-
Interest expense and agent fees	(25,572)
	<hr/>
Total nonoperating revenues (expenses)	105,860
	<hr/>
Income before capital contributions and transfers	2,273,076
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	770,926
Impact and tap fees	40,130
Transfers out	(799,580)
Transfers in	99,045
	<hr/>
Total capital contributions and transfers	110,521
	<hr/>
Change in net position	2,383,597
Net position, beginning of year	37,267,459
	<hr/>
NET POSITION, end of year	\$ 39,651,056

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, 2022

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 12,253,895
Cash paid to employees	(1,215,979)
Cash paid to suppliers	(7,606,177)
	<hr/>
Net cash provided by operating activities	3,431,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental revenues	59,103
Transfers out to other funds	(799,580)
Transfers from other funds	99,045
	<hr/>
Net cash used in noncapital financing activities	(641,432)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of machinery and equipment	-
Impact and tap fees	40,130
Principal paid on bonds	(220,000)
Purchase of capital assets	(782,608)
Interest and fees paid on debt issuance	(20,369)
	<hr/>
Net cash used in capital and related financing activities	(982,847)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	72,329
	<hr/>
Net cash provided by investing activities	72,329
	<hr/>
Net change in cash	1,879,789
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 9,480,062
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 11,359,851</u>

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, 2022

	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	\$ 8,570,766	\$ 185,657	\$ 723,639	\$ 9,480,062
Net increase (decrease)	<u>1,866,708</u>	<u>1,756</u>	<u>11,325</u>	<u>1,879,789</u>
Cash and cash equivalents - ending	<u>\$ 10,437,474</u>	<u>\$ 187,413</u>	<u>\$ 734,964</u>	<u>\$ 11,359,851</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				\$ 2,167,216
Adjustments to reconcile operating income to net cash				
Depreciation				1,048,773
(Increase) Decrease in accounts receivable				(213,163)
(Increase) Decrease in deferred outflows of resources-pension				(77,275)
(Increase) Decrease in deferred outflows of resources-OPEB				224
Increase (Decrease) in accounts payable and accrued expenses				537,524
Increase (Decrease) in customer deposits				11,325
Increase (Decrease) in net pension liability				(182,409)
Increase (Decrease) in total OPEB liability				4,949
Increase (Decrease) in deferred inflows of resources-pension				<u>134,575</u>
Net cash provided by operating activities				<u>\$ 3,431,739</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				<u>\$ 770,926</u>

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

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 entities were found to be blended component units of the City and are included in the combined financial statements:

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.

The Beltmill Public Improvement District (PID) was created under Chapter 372 of the Texas Local Government Code to track funds that are received and are to be used for the Beltmill development, which benefits the primary government. The governing body of the Beltmill PID Fund is the same as that of the primary government and the primary government has operational responsibility. The Beltmill PID 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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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.

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, deferred outflows of resources, liabilities, and deferred inflows of resources 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, deferred outflows of resources, liabilities, and deferred inflows of resources (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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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.

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, Drainage Utility Fund, Street Maintenance Fund, Donations Funds, Beltmill PID Fund, Escrow Fund, and Debt Service Fund.

Budgets for the General Fund, Saginaw CCPD Fund, Drainage Utility Fund, Street Maintenance Fund, Donations Funds, Escrow 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, is 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. Lease Receivable – Lessor

The City is a lessor for noncancelable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

I. 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

City of Saginaw, Texas

Notes to the Basic Financial Statements

J. 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 \$46,547 over the course of the fiscal year and ended September 30, 2022 with a liability of \$1,238,886.

K. 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.

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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

- 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.

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 25% of the subsequent year's General Fund appropriated operating 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.

L. 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 borrowings 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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

M. 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.

Pension liabilities are generally liquidated with resources of the general fund and enterprise fund.

N. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total 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 total 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 total 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.

OPEB liabilities are generally liquidated with resources of the general fund and enterprise fund.

O. 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, total 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, 2022 consist of the following:

Deposits with financial institutions	\$ 1,520,976
Investments	<u>78,820,018</u>
	<u>\$ 80,340,994</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, 2022, the City had the following investments:

<u>Investment Type</u>	<u>Weighted Average Amount</u>	<u>Maturity</u>
TexPool	\$ 78,820,018	25 days

As of September 30, 2022, 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, 2022</u>
TexPool	\$ 78,820,018	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, 2022, 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 fair 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, 2022, the carrying amount of the City's cash on hand and deposits were \$1,520,976 and the bank balance was \$2,341,328. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$2,091,328 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	\$	187,413
Refundable water and wastewater deposits		734,964
 Total	 \$	 <u><u>922,377</u></u>

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. As of September 30, 2022, 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, 2022, was as follows:

	Balance, October 1, 2021	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 19,229,293	\$ 361	\$ -	\$ 19,229,654
Construction in progress	20,767,124	12,042,036	(16,794,889)	16,014,271
Total capital assets, not being depreciated	39,996,417	12,042,397	(16,794,889)	35,243,925
Capital assets being depreciated:				
Buildings	19,784,753	73,191	-	19,857,944
Improvements	2,906,510	66,500	1,246,528	4,219,538
Infrastructure	121,918,215	74,912	15,548,361	137,541,488
Equipment	11,397,955	285,523	(168,291)	11,515,187
Total capital assets, being depreciated	156,007,433	500,126	16,626,598	173,134,157
Less accumulated depreciation for:				
Buildings	8,634,843	494,936	-	9,129,779
Improvements	1,243,910	155,563	-	1,399,473
Infrastructure	64,704,206	3,371,931	-	68,076,137
Equipment	6,704,659	893,249	(164,302)	7,433,606
Total accumulated depreciation	81,287,618	4,915,679	(164,302)	86,038,995
Total capital assets being depreciated, net	74,719,815	(4,415,553)	16,790,900	87,095,162
Governmental activities capital assets, net	\$ 114,716,232	\$ 7,626,844	\$ (3,989)	\$ 122,339,087

City of Saginaw, Texas
Notes to the Basic Financial Statements

	Balance, October 1, 2021	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2022
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	1,231,522	668,107	-	1,899,629
Total capital assets, not being depreciated	1,248,179	668,107	-	1,916,286
Capital assets, being depreciated:				
Buildings	154,587	-	-	154,587
Water and wastewater system	42,188,854	855,203	-	43,044,057
Equipment	1,621,137	30,224	-	1,651,361
Total capital assets, being depreciated	43,964,578	885,427	-	44,850,005
Less accumulated depreciation				
Buildings	82,528	3,540	-	86,068
Water and wastewater system	13,824,810	933,144	-	14,757,954
Equipment	1,249,877	112,089	-	1,361,966
Total accumulated depreciation	15,157,215	1,048,773	-	16,205,988
Total capital assets being depreciated, net	28,807,363	(163,346)	-	28,644,017
Business-type activities capital assets, net	\$ 30,055,542	\$ 504,761	\$ -	\$ 30,560,303

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

Governmental activities:	
General administrative office	\$ 114,615
Municipal court	2,163
Fire	252,633
Police	423,920
Public works	3,615,742
Community services	175,394
Library	44,492
Inspections/code enforcement	18,473
Animal services	25,002
Fleet maintenance	41,795
Parks	199,007
Information technology	2,443
	<u>\$ 4,915,679</u>
Business-type activities:	
Water and wastewater	<u>\$ 1,048,773</u>

The City has active construction projects as of September 30, 2022. Total accumulated commitments for capital projects are \$8,366,021 for the Capital Projects Fund and \$802,505 for the Enterprise Fund.

City of Saginaw, Texas
Notes to the Basic Financial Statements

Note 6. Long-Term Debt

At September 30, 2022, the City's bonds payable consisted of the following:

	<u>Governmental</u>	<u>Business-type</u>
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%.	\$ 5,160,000	\$ -
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	460,000	-
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%.	5,410,000	-
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	790,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	2,215,000	-
2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.	6,315,000	-
2019 Tax Notes, dated September 17, 2019, due in annual installments through March 1, 2026, bearing an interest rate of 1.40%.	935,000	-
2019 General Obligation Refunding Bonds, dated November 13, 2019, due in annual installments through September 1, 2025, bearing an interest rate of 1.63%.	640,000	-
2020 General Obligation Refunding Bonds, dated June 1, 2020, due in annual installments through September 1, 2030, bearing an interest rate of 1.11%.	920,000	-
2020 Certificates of Obligation Bonds, dated August 15, 2020, due in annual installments through September 1, 2040, bearing interest rates of 2% to 4%.	17,210,000	-
2021 General Obligation Bonds, dated August 1, 2021, due in annual installments through September 1, 2041, bearing an interest rate of 2% to 4%.	7,935,000	-
2022 General Obligation Bonds, dated June 1, 2022, due in annual installments through September 1, 2042, bearing an interest rate of 4% to 5%.	22,260,000	-
Premium on bonds	5,660,633	-
Total bonds payable	<u>\$ 75,120,633</u>	<u>\$ 790,000</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

During 2022, The City issued \$22,260,000 of Series 2022 General Obligation Bonds. The debt was issued to pay the costs of capital projects. The Bonds have an annual interest rate ranging from 4% to 5% and the obligations are payable over the next 20 years.

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2022:

	Balance, October 1, 2021	Increases	Decreases	Balance, September 30, 2022	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 31,890,000	\$ 22,260,000	\$ (2,835,000)	\$ 51,315,000	\$ 3,095,000
Certificates of obligation	17,310,000	-	(100,000)	17,210,000	100,000
Tax notes	1,160,000	-	(225,000)	935,000	230,000
Premiums on bonds	4,270,201	1,721,952	(331,520)	5,660,633	-
Net pension liability	9,911,218	-	(1,641,676)	8,269,542	-
Total OPEB liability	441,997	44,542	-	486,539	-
Total governmental activities	\$ 64,983,416	\$ 24,026,494	\$ (5,133,196)	\$ 83,876,714	\$ 3,425,000
Business-type activities:					
General obligation bonds	\$ 1,010,000	\$ -	\$ (220,000)	\$ 790,000	\$ 150,000
Net pension liability	1,107,478	-	(182,409)	925,069	-
Total OPEB liability	54,750	4,949	-	59,699	-
Total business-type activities	\$ 2,172,228	\$ 4,949	\$ (402,409)	\$ 1,774,768	\$ 150,000

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, 2022, are as follows:

Due Fiscal Year Ending September 30,	General Obligation Bonds		
	Governmental Activities		
	Principal	Interest	Total
2023	\$ 3,095,000	\$ 2,160,825	\$ 5,255,825
2024	2,825,000	1,810,323	4,635,323
2025	2,545,000	1,727,398	4,272,398
2026	2,490,000	1,650,320	4,140,320
2027	2,450,000	1,574,301	4,024,301
2028-2032	14,260,000	6,364,711	20,624,711
2032-2037	13,345,000	3,559,169	16,904,169
2038-2042	10,305,000	1,336,050	11,641,050
Totals	\$ 51,315,000	\$ 20,183,098	\$ 71,498,098

City of Saginaw, Texas
Notes to the Basic Financial Statements

Certificates of Obligation			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 100,000	\$ 637,700	\$ 737,700
2024	425,000	634,700	1,059,700
2025	800,000	626,200	1,426,200
2026	815,000	610,200	1,425,200
2027	840,000	585,750	1,425,750
2028-2032	4,645,000	2,479,750	7,124,750
2032-2037	5,635,000	1,484,000	7,119,000
2038-2042	3,950,000	320,000	4,270,000
Totals	\$ 17,210,000	\$ 7,378,300	\$ 24,588,300

Tax Notes			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2023	\$ 230,000	\$ 11,480	\$ 241,480
2024	230,000	8,260	238,260
2025	235,000	5,005	240,005
2026	240,000	1,680	241,680
Totals	\$ 935,000	\$ 26,425	\$ 961,425

General Obligation Bonds			
Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2023	\$ 150,000	\$ 15,642	\$ 165,642
2024	155,000	12,672	167,672
2025	160,000	9,603	169,603
2026	160,000	6,435	166,435
2027	165,000	3,267	168,267
Totals	\$ 790,000	\$ 47,619	\$ 837,619

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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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 (\$127,380 for the General Fund and \$109,982 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 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

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	7%
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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	95
Active employees	164
	<hr/>
	334
	<hr/> <hr/>

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1 (1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Saginaw were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 21.11% and 21.12% in calendar years 2021 and 2022, respectively. The city's contributions to TMRS for the year ended September 30, 2022, were \$2,060,541.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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 member 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 members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

City of Saginaw, Texas
Notes to the Basic Financial Statements

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	\$ 50,014,030	\$ 38,995,334	\$ 11,018,696
Changes for the year:			
Service cost	1,821,205	-	1,821,205
Interest	3,370,126	-	3,370,126
Change of benefit terms	-	-	-
Difference between expected and actual experience	797,877	-	797,877
Changes of assumptions	-	-	-
Contributions - employer	-	2,063,642	(2,063,642)
Contributions - employee	-	684,296	(684,296)
Net investment income	-	5,088,715	(5,088,715)
Benefit payments, including refunds of employee contributions	(1,993,694)	(1,993,694)	-
Administrative expense	-	(23,521)	23,521
Other changes	-	161	(161)
Net changes	<u>3,995,514</u>	<u>5,819,599</u>	<u>(1,824,085)</u>
Balance at December 31, 2021	<u><u>\$ 54,009,544</u></u>	<u><u>\$ 44,814,933</u></u>	<u><u>\$ 9,194,611</u></u>

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	\$ 17,289,236	\$ 9,194,611	\$ 2,601,093

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, 2022, the City recognized pension expense of \$984,147.

City of Saginaw, Texas

Notes to the Basic Financial Statements

At September 30, 2022, 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	\$ 638,937	\$ (428,306)
Changes in actuarial assumptions	65,216	-
Difference between projected and actual investment earnings	-	(2,598,111)
Contributions subsequent to the measurement date	1,623,619	-
Totals	\$ 2,327,772	\$ (3,026,417)

\$1,623,619 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, 2022 (i.e. recognized in the City's financial statements for the year ended September 30, 2023). 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,	
2022	\$ (510,369)
2023	(1,041,856)
2024	(440,803)
2025	(332,409)
2026	3,173
Totals	\$ (2,322,264)

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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	20
Active employees	164
	<hr/>
	245
	<hr/>

Total OPEB Liability

The City's total OPEB liability of \$546,238 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Overall payroll growth	3.5% to 11.5%, including inflation
Discount Rate	1.84%

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

Discount Rate

The discount rate used to measure the total OPEB liability was 1.84%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

	<u>Total OPEB Liability</u>
Balance at December 31, 2020	\$ 496,747
Changes for the year:	
Service cost	28,348
Interest	10,150
Change of benefit terms	-
Difference between expected and actual experience	150
Changes of assumptions or other inputs	17,686
Benefit payments	<u>(6,843)</u>
Net changes	<u>49,491</u>
Balance at December 31, 2021	<u>\$ 546,238</u>

Sensitivity of the Net OPEB liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	<u>1% Decrease in Discount Rate (0.84%)</u>	<u>Discount Rate (1.84%)</u>	<u>1% Increase in Discount Rate (2.84%)</u>
City's OPEB liability	\$ 676,388	\$ 546,238	\$ 447,329

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

For the year ended September 30, 2022, the City recognized OPEB expense of \$54,316.

At September 30, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ (21,646)
Changes in actuarial assumptions	100,376	-
Contributions subsequent to the measurement date	<u>6,150</u>	<u>-</u>
Total	<u>\$ 106,526</u>	<u>\$ (21,646)</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

\$6,150 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, 2022 (i.e., recognized in the City's financial statements for the year ended September 30, 2023). 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,		
2022	\$	15,817
2023		15,817
2024		14,014
2025		14,727
2026		14,124
Thereafter		4,231
Total	\$	78,730

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.

The City entered into an agreement in 2019, under Chapter 380 of the Texas Local Government Code, for the reimbursement of \$2,000,000 for the development costs for property development and roadway improvements. As of September 30, 2022, \$806,025 in costs have been incurred.

The City entered into an agreement in 2022 with a developer to build a booster pump at an estimated cost of \$1,313,255. As of September 30, 2022, \$539,514 in costs have been incurred.

Note 11. Interfund Balances and Transfers

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2022, there were no interfund balances outstanding.

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 799,580
General Fund	Crime Control and Prevention District	1,080,395
General Fund	Donations Fund	17,740
General Fund	Escrow Fund	116,258
General Fund	Drainage Utility Fund	105,170
Enterprise Fund	Drainage Utility Fund	99,045
Escrow Fund	General Fund	232,150
		\$ 2,450,338

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 Services 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 and a portion of Management Analyst.
- 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 Manager and Environmental Specialist.
- The General Fund to the Escrow Fund for the annual contribution to the equipment replacement escrow.

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. There were no property taxes abated under these programs in fiscal year 2022.

Note 14. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2022 and beyond are listed as follows:

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the City's 2022 financial statements with no impact to amounts reported under previous standards.

GASB Statement No. 91, *Conduit Debt Obligations* (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 92, *Omnibus 2020* (GASB 92), enhances comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB pronouncements. The requirements for parts of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 92 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 92 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* (GASB 93), addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The requirements of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 93 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 93 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

City of Saginaw, Texas

Notes to the Basic Financial Statements

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (GASB 97), increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. It also provides for 1) mitigation of costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and 2) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of paragraph 4 of this statement were effective immediately upon issuance in June 2020. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 97 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 99, Omnibus 2022 (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. These requirements were implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported. The requirements related to leases were implemented in the City's fiscal year 2022 financial statements in conjunction with GASB 87 as discussed in Note 1. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The requirements for GASB 99 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

City of Saginaw, Texas

Notes to the Basic Financial Statements

GASB Statement No. 100, Accounting Changes and Error Corrections (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

GASB Statement No. 101, Compensated Absences (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 will be implemented in the City's fiscal year 2025 financial statements and the impact has not yet been determined.

Note 15. Lease Receivable

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the term of the lease. The City receives monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases range from 3.0% to 5.0%. The City has \$397,084 remaining in lease receivables and \$397,084 remaining in deferred inflows as of September 30, 2022 recorded in the General Fund.

As of September 30, 2022, expectation of lease receipts through the expiration of all leases is as follows:

	Lease Principal	Lease Interest	Totals
2023	\$ 38,819	\$ 12,916	\$ 51,735
2024	42,627	10,898	53,525
2025	21,730	9,180	30,910
2026	7,421	8,817	16,238
2027	7,643	8,595	16,238
2028-2032	46,741	39,320	86,061
2033-2037	67,858	31,111	98,969
2038-2042	94,390	19,425	113,815
2043-2045	69,855	4,233	74,088
	<u>\$ 397,084</u>	<u>\$ 144,495</u>	<u>\$ 541,579</u>

Note 16. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2022 through January 16, 2023, 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	2018	2019	2020	2021
TOTAL PENSION LIABILITY								
Service cost	\$ 1,094,648	\$ 1,192,902	\$ 1,237,546	\$ 1,287,912	\$ 1,567,813	\$ 1,671,277	\$ 1,762,184	\$ 1,821,205
Interest (on the total pension liability)	2,004,340	2,134,257	2,224,580	2,372,294	2,777,269	2,979,679	3,152,810	3,370,126
Changes of benefit terms	-	-	-	-	3,431,070	-	-	-
Difference between expected and actual experience	(494,746)	(194,482)	(306,070)	(93,610)	(144,360)	(819,741)	(1,584)	797,877
Change of assumptions	-	89,204	-	-	-	147,074	-	-
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)	(752,837)	(1,232,910)	(1,043,059)	(1,464,519)	(1,453,169)	(1,993,694)
Net change in total pension liability	1,810,286	2,421,017	2,403,219	2,333,686	6,588,733	2,513,770	3,460,241	3,995,514
Total pension liability, beginning	28,483,078	30,293,364	32,714,381	35,117,600	37,451,286	44,040,019	46,553,789	50,014,030
TOTAL PENSION LIABILITY, ending (a)	\$ 30,293,364	\$ 32,714,381	\$ 35,117,600	\$ 37,451,286	\$ 44,040,019	\$ 46,553,789	\$ 50,014,030	\$ 54,009,544
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850	\$ 1,491,686	\$ 1,924,856	\$ 2,057,464	\$ 2,063,642
Contributions - employee	433,652	453,288	472,046	488,154	513,196	631,692	664,617	684,296
Net investment income	1,120,846	31,855	1,527,402	3,497,782	(880,810)	4,556,996	2,665,162	5,088,715
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)	(752,837)	(1,232,910)	(1,043,059)	(1,464,519)	(1,453,169)	(1,993,694)
Administrative expense	(11,699)	(19,398)	(17,251)	(18,123)	(17,017)	(25,732)	(17,230)	(23,521)
Other	(962)	(958)	(929)	(920)	(889)	(773)	(672)	161
Net change in plan fiduciary net position	1,995,352	1,015,476	2,632,767	4,161,833	63,107	5,622,520	3,916,172	5,819,599
Plan fiduciary net position, beginning	19,588,107	21,583,459	22,598,935	25,231,702	29,393,535	29,456,642	35,079,162	38,995,334
PLAN FIDUCIARY NET POSITION, ending (b)	\$ 21,583,459	\$ 22,598,935	\$ 25,231,702	\$ 29,393,535	\$ 29,456,642	\$ 35,079,162	\$ 38,995,334	\$ 44,814,933
NET PENSION LIABILITY/ (ASSET), ending (a) - (b)	\$ 8,709,905	\$ 10,115,446	\$ 9,885,898	\$ 8,057,751	\$ 14,583,377	\$ 11,474,627	\$ 11,018,696	\$ 9,194,611
Plan fiduciary net position as a percentage of total pension liability	71.25%	69.08%	71.85%	78.48%	66.89%	75.35%	77.97%	82.98%
Covered payroll	\$ 7,227,528	\$ 7,554,795	\$ 7,867,428	\$ 8,135,894	\$ 8,553,265	\$ 9,024,174	\$ 9,494,529	\$ 9,775,660
Net pension liability as a percentage of covered payroll	120.51%	133.89%	125.66%	99.04%	170.50%	127.15%	116.05%	94.06%

Other Information:

Notes

There were no benefit changes during the year.

Only eight 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	2019	2020	2021	2022
Actuarially determined contribution	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850	\$ 1,491,686	\$ 1,924,856	\$ 2,057,164	\$ 2,063,642
Contributions in relation to the actuarially determined contribution	1,327,755	1,416,758	1,437,537	1,488,506	1,819,055	1,943,565	2,060,541	2,248,369
Contribution deficiency (excess)	\$ (80,284)	\$ (65,205)	\$ (33,201)	\$ (60,656)	\$ (327,369)	\$ (18,709)	\$ (3,377)	\$ (184,727)
Covered payroll	\$ 7,431,617	\$ 8,101,429	\$ 8,085,355	\$ 8,444,346	\$ 8,911,253	\$ 9,003,652	\$ 9,609,280	\$ 10,558,419
Contributions as a percentage of covered payroll	17.87%	17.49%	17.78%	17.63%	20.41%	21.59%	21.44%	21.29%

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	24 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes There were no benefit changes during the year.

Only eight 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 Total OPEB Liability and Related Ratios Texas Municipal Retirement System

	Year Ended December 31				
	2017	2018	2019	2020	2021
TOTAL OPEB LIABILITY					
Service cost	\$ 14,645	\$ 17,962	\$ 17,146	\$ 22,787	\$ 28,348
Interest	11,297	11,619	12,605	11,104	10,150
Change of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(13,397)	(29,760)	2,855	150
Changes of assumptions or other inputs	27,069	(24,428)	63,993	69,040	17,686
Benefit payments*	(2,441)	(2,566)	(2,707)	(2,848)	(6,843)
Net change in total OPEB liability	50,570	(10,810)	61,277	102,938	49,491
Total OPEB liability, beginning	292,772	343,342	332,532	393,809	496,747
Total OPEB LIABILITY, ending	\$ 343,342	\$ 332,532	\$ 393,809	\$ 496,747	\$ 546,238
Covered-employee payroll	\$ 8,135,894	\$ 8,553,265	\$ 9,024,174	\$ 9,494,529	\$ 9,775,660
Total OPEB liability as a percentage of covered payroll	4.22%	3.89%	4.36%	5.23%	5.59%

Other Information:

Notes: GASB 75, Paragraph 97, requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of December 31, 2021 - the period from January 30, 2021 - December 31, 2021.

Only five years of data is presented in accordance with GASB 75 paragraph 245. "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."

There are no assets accumulated in a trust that meets the criteria for GASB codification P22.101 or P52.1010 to pay related benefits for the OPEB plan.

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, 2022

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Over / (Under)
	Original	Final		
REVENUES				
Taxes	\$ 14,199,160	\$ 15,751,760	\$ 15,824,110	\$ 72,350
Licenses and permits	653,000	479,460	502,521	23,061
Charges for services	97,020	102,000	100,755	(1,245)
Fines and fees	583,525	654,095	682,650	28,555
Interest income	2,400	92,100	102,447	10,347
Recreation income	250,000	336,020	344,113	8,093
Intergovernmental	221,295	231,925	216,784	(15,141)
Miscellaneous revenues	161,125	190,610	198,132	7,522
Total revenues	16,167,525	17,837,970	17,971,512	133,542
EXPENDITURES				
Current:				
General administrative office	2,166,255	2,282,715	2,324,967	42,252
Municipal court	206,540	211,830	212,097	267
Fire	4,120,955	4,094,335	4,158,484	64,149
Police	5,623,605	5,306,265	5,363,151	56,886
Public works	2,951,775	2,994,495	2,579,899	(414,596)
Parks	395,910	344,245	319,152	(25,093)
Community services	1,193,920	1,298,665	1,309,153	10,488
Library	699,280	703,595	708,877	5,282
Inspections/code enforcement	784,775	880,920	906,530	25,610
Animal services	491,185	466,995	483,263	16,268
City garage	577,105	642,885	665,366	22,481
Economic development	346,700	241,265	224,361	(16,904)
Information technology	451,310	420,250	398,691	(21,559)
Total expenditures	20,009,315	19,888,460	19,653,991	(234,469)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,841,790)	(2,050,490)	(1,682,479)	368,011
OTHER FINANCING SOURCES (USES)				
Transfers in	2,008,085	2,115,450	2,119,143	3,693
Transfers out	(67,720)	(230,235)	(232,150)	(1,915)
Total other financing sources (uses)	1,940,365	1,885,215	1,886,993	1,778
Net change in fund balance	(1,901,425)	(165,275)	204,514	369,789
FUND BALANCES, beginning of year	12,045,781	12,045,781	12,045,781	-
FUND BALANCES, end of year	\$ 10,144,356	\$ 11,880,506	\$ 12,250,295	\$ 369,789

Notes: Variance with final budget within public works expenditures is due to payment in relation to a developer's agreement which was not made until Fiscal Year 2023.

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, 2022

	<u>Special Revenue</u>							Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Bellmill PID Fund	Escrow Fund	
ASSETS								
Deposits and investments	\$ 19,404	\$ 1,146,299	\$ 3,711,170	\$ 2,050,881	\$ 608,747	\$ 24,246	\$ 2,592,240	\$ 10,152,987
Receivables								
Other	3,436	3,146	77,045	-	31,207	-	20,451	135,285
Taxes	-	297,536	-	106,323	-	-	-	403,859
TOTAL ASSETS	\$ 22,840	\$ 1,446,981	\$ 3,788,215	\$ 2,157,204	\$ 639,954	\$ 24,246	\$ 2,612,691	\$ 10,692,131
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 8,471	\$ 19,173	\$ 4,726	\$ 21,700	\$ 1,500	\$ 116,989	\$ 172,559
Unearned revenue	-	-	-	-	32,128	-	-	32,128
Total liabilities	-	8,471	19,173	4,726	53,828	1,500	116,989	204,687
Fund balances:								
Restricted:								
Street maintenance	-	-	-	2,152,478	-	-	-	2,152,478
Crime prevention	22,840	1,438,510	-	-	-	-	-	1,461,350
Drainage	-	-	3,769,042	-	-	-	-	3,769,042
Public improvements	-	-	-	-	-	22,746	-	22,746
Other special revenue	-	-	-	-	-	-	2,495,702	2,495,702
Committed:								
Donations	-	-	-	-	586,126	-	-	586,126
Total fund balances	22,840	1,438,510	3,769,042	2,152,478	586,126	22,746	2,495,702	10,487,444
TOTAL LIABILITIES AND FUND BALANCES	\$ 22,840	\$ 1,446,981	\$ 3,788,215	\$ 2,157,204	\$ 639,954	\$ 24,246	\$ 2,612,691	\$ 10,692,131

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, 2022

	Special Revenue							Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Beltmill PID Fund	Escrow Fund	
REVENUES								
Taxes	\$ -	\$ 1,732,282	\$ -	\$ 597,121	\$ -	35,000	\$ 100,716	\$ 2,465,119
Fines and fees	-	-	-	-	-	-	22,467	22,467
Intergovernmental	-	3,146	-	-	-	-	-	3,146
Miscellaneous	7,295	-	-	-	316,124	-	326,321	649,740
Interest income	135	7,180	24,115	12,479	3,263	191	14,932	62,295
Charges for services	-	-	835,850	-	-	-	-	835,850
Total revenues	7,430	1,742,608	859,965	609,600	319,387	35,191	464,436	4,038,617
EXPENDITURES								
Current:								
General administrative office	-	-	43,452	203,364	174,371	12,445	415,919	849,551
Police	-	58,586	-	-	-	-	-	58,586
Capital outlay	-	7,815	22,900	-	55,548	-	26,975	113,238
Total expenditures	-	66,401	66,352	203,364	229,919	12,445	442,894	1,021,375
EXCESS OF REVENUES OVER EXPENDITURES	7,430	1,676,207	793,613	406,236	89,468	22,746	21,542	3,017,242
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	232,150	232,150
Transfers out	-	(1,080,395)	(204,215)	-	(17,740)	-	(116,258)	(1,418,608)
Total other financing sources (uses)	-	(1,080,395)	(204,215)	-	(17,740)	-	115,892	(1,186,458)
Net change in fund balances	7,430	595,812	589,398	406,236	71,728	22,746	137,434	1,830,784
Fund balances, beginning of year	15,410	842,698	3,179,644	1,746,242	514,398	-	2,358,268	8,656,660
FUND BALANCES, end of year	\$ 22,840	\$ 1,438,510	\$ 3,769,042	\$ 2,152,478	\$ 586,126	\$ 22,746	\$ 2,495,702	\$ 10,487,444



City of Saginaw

Special Revenue Funds

The following funds have legally adopted budgets:

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

Drainage Utility Fund – Used to account for fees assessed on properties based on the amount of storm water runoff they produce and the costs of operating the storm drainage system.

Street Maintenance Fund – Used to account for the sales tax revenues restricted for the purpose of street maintenance and repairs.

Donations Fund – Used to account for donations received by the City committed for specific purposes.

Beltmill PID Fund – Used to account for funds that are received and are to be used for the Beltmill development.

Escrow Fund – Used to account for hotel/motel taxes, court technology and security fees, gas production proceeds, and insurance settlements received by the City.

City of Saginaw, Texas
 Comparative Balance Sheets
 Saginaw Crime Control and Prevention District Fund
 September 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
Deposits and investments	\$ 1,146,299	\$ 556,325
Receivables		
Other	3,146	1,290
Taxes, net of allowance	<u>297,536</u>	<u>290,939</u>
TOTAL ASSETS	<u>\$ 1,446,981</u>	<u>\$ 848,554</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 8,471</u>	<u>\$ 5,856</u>
Total liabilities	8,471	5,856
FUND BLANCES		
Restricted for crime prevention	<u>1,438,510</u>	<u>842,698</u>
Total fund balances	<u>1,438,510</u>	<u>842,698</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,446,981</u>	<u>\$ 848,554</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, 2022 and 2021

	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	GAAP	Final Budget	GAAP
			Basis	Positive (Negative)	Basis
					2021
REVENUE					
Taxes	\$ 1,390,080	\$ 1,725,685	\$ 1,732,282	\$ 6,597	\$ 1,618,874
Intergovernmental	-	-	3,146	3,146	1,290
Interest income	40	6,825	7,180	355	172
Total revenues	1,390,120	1,732,510	1,742,608	10,098	1,620,336
EXPENDITURES					
Uniforms	7,300	7,300	1,125	6,175	10,761
Data processing	51,000	51,000	39,360	11,640	61,119
Officer supplies and equipment	2,000	2,000	7,899	(5,899)	457
Books	4,300	4,300	4,471	(171)	4,202
Crime prevention supplies	2,000	2,000	709	1,291	1,667
Tactical employee training	13,500	13,500	5,022	8,478	6,503
Capital outlay	247,080	7,815	7,815	-	176,444
Total expenditures	327,180	87,915	66,401	21,514	261,153
EXCESS OF REVENUES OVER EXPENDITURES					
	1,062,940	1,644,595	1,676,207	31,612	1,359,183
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,080,395)	(1,080,395)	(1,080,395)	-	(1,034,065)
Total other financing sources (uses)	(1,080,395)	(1,080,395)	(1,080,395)	-	(1,034,065)
NET CHANGE IN FUND BALANCES					
	(17,455)	564,200	595,812	31,612	325,118
FUND BALANCES, beginning of year					
	842,698	842,698	842,698	-	517,580
FUND BALANCES, end of year					
	\$ 825,243	\$ 1,406,898	\$ 1,438,510	\$ 31,612	\$ 842,698

City of Saginaw, Texas
 Comparative Balance Sheets
 Drainage Utility Fund
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Deposits and investments	\$ 3,711,170	\$ 3,112,103
Receivables		
Other	<u>77,045</u>	<u>70,898</u>
TOTAL ASSETS	<u>\$ 3,788,215</u>	<u>\$ 3,183,001</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 19,173</u>	<u>\$ 3,357</u>
Total liabilities	19,173	3,357
FUND BALANCES		
Restricted for drainage	<u>3,769,042</u>	<u>3,179,644</u>
Total fund balances	<u>3,769,042</u>	<u>3,179,644</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,788,215</u>	<u>\$ 3,183,001</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual
Drainage Utility Fund
For the Fiscal Year Ended September 30, 2022 And 2021

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2021
	Original	Final			
REVENUE					
Interest income	\$ 360	\$ 23,140	\$ 24,115	\$ 975	\$ 1,284
Charges for services	820,000	835,310	835,850	540	823,078
Total revenues	820,360	858,450	859,965	1,515	824,362
EXPENDITURES					
Uniforms	1,600	1,600	2,098	(498)	691
Officer supplies and equipment	45,000	45,000	24,735	20,265	42,554
Disposal costs	10,000	10,000	7,520	2,480	240
Maintenance and repairs	-	-	2,700	(2,700)	10,500
Employee training	1,000	1,000	981	19	1,120
Other	1,500	1,500	5,418	(3,918)	3,793
Capital outlay	-	20,000	22,900	(2,900)	18,252
Total expenditures	59,100	79,100	66,352	12,748	77,150
EXCESS OF REVENUES OVER EXPENDITURES					
	761,260	779,350	793,613	14,263	747,212
OTHER FINANCING SOURCES (USES)					
Transfers out	(204,215)	(204,215)	(204,215)	-	(209,645)
Total other financing sources (uses)	(204,215)	(204,215)	(204,215)	-	(209,645)
NET CHANGE IN FUND BALANCES					
	557,045	575,135	589,398	14,263	537,567
FUND BALANCES, beginning of year					
	3,179,644	3,179,644	3,179,644	-	2,642,077
FUND BALANCES, end of year					
	\$ 3,736,689	\$ 3,754,779	\$ 3,769,042	\$ 14,263	\$ 3,179,644

City of Saginaw, Texas
 Comparative Balance Sheets
 Street Maintenance Fund
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Deposits and investments	\$ 2,050,881	\$ 1,646,846
Receivables		
Taxes	106,323	99,629
TOTAL ASSETS	<u>\$ 2,157,204</u>	<u>\$ 1,746,475</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,726	\$ 233
Total liabilities	4,726	233
FUND BALANCES		
Restricted for street maintenance	2,152,478	1,746,242
Total fund balances	2,152,478	1,746,242
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,157,204</u>	<u>\$ 1,746,475</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund
Balance – Budget and Actual
Street Maintenance Fund
For the Fiscal Year Ended September 30, 2022 And 2021

	<u>Budgeted Amounts</u>		<u>Actual GAAP Basis</u>	<u>Variance with Final Budget Positive (Negative)</u>	<u>Actual GAAP Basis 2021</u>
	<u>Original</u>	<u>Final</u>			
REVENUE					
Taxes	\$ 482,410	\$ 590,430	\$ 597,121	\$ 6,691	\$ 556,660
Interest income	180	12,000	12,479	479	741
Total revenues	482,590	602,430	609,600	7,170	557,401
EXPENDITURES					
Maintenance and repairs	280,000	279,000	203,364	75,636	61,675
Capital outlay	-	-	-	-	343,926
Total expenditures	280,000	279,000	203,364	75,636	405,601
EXCESS OF REVENUES OVER EXPENDITURES	202,590	323,430	406,236	82,806	151,800
FUND BALANCES, beginning of year	1,746,242	1,746,242	1,746,242	-	1,594,442
FUND BALANCES, end of year	<u>\$ 1,948,832</u>	<u>\$ 2,069,672</u>	<u>\$ 2,152,478</u>	<u>\$ 82,806</u>	<u>\$ 1,746,242</u>

City of Saginaw, Texas
 Comparative Balance Sheets
 Donations Fund
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Deposits and investments	\$ 608,747	\$ 526,434
Receivables		
Other	31,207	27,161
	<u>639,954</u>	<u>553,595</u>
TOTAL ASSETS	<u>\$ 639,954</u>	<u>\$ 553,595</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 21,700	\$ 11,116
Unearned revenue	32,128	28,081
	<u>53,828</u>	<u>39,197</u>
Total liabilities	53,828	39,197
FUND BALANCES		
Committed	586,126	514,398
	<u>586,126</u>	<u>514,398</u>
Total fund balances	586,126	514,398
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 639,954</u>	<u>\$ 553,595</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund

Balance – Budget and Actual

Donations Fund

For the Fiscal Year Ended September 30, 2022 and 2021

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2021
	Original	Final			
REVENUE					
Miscellaneous	\$ 295,360	\$ 314,870	\$ 316,124	\$ 1,254	\$ 292,768
Interest income	50	3,115	3,263	148	159
Total revenues	295,410	317,985	319,387	1,402	292,927
EXPENDITURES					
Contract services	69,250	69,250	47,280	21,970	58,779
Data processing	12,000	12,000	9,319	2,681	3,090
Animal services	6,500	6,500	-	6,500	-
Supplies and equipment	83,000	89,500	89,885	(385)	101,383
Special programs	10,000	26,360	26,633	(273)	15,540
Maintenance and repairs	4,500	4,500	-	4,500	-
Other	1,000	1,000	1,254	(254)	925
Capital outlay	25,000	80,195	55,548	24,647	89,431
Total expenditures	211,250	289,305	229,919	59,386	269,148
EXCESS OF REVENUES OVER EXPENDITURES	84,160	28,680	89,468	60,788	23,779
OTHER FINANCING SOURCES (USES)					
Transfers out	(17,740)	(17,740)	(17,740)	-	(16,120)
Total other financing sources (uses)	(17,740)	(17,740)	(17,740)	-	(16,120)
NET CHANGE IN FUND BALANCES	66,420	10,940	71,728	60,788	7,659
FUND BALANCES, beginning of year	514,398	514,398	514,398	-	506,739
FUND BALANCES, end of year	\$ 580,818	\$ 525,338	\$ 586,126	\$ 60,788	\$ 514,398

City of Saginaw, Texas

Comparative Balance Sheets – Beltmill PID Fund

For the Fiscal Year Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Deposits and investments	\$ 24,246	\$ -
TOTAL ASSETS	<u>\$ 24,246</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 1,500	\$ -
Total liabilities	1,500	-
FUND BALANCES		
Restricted for public improvements	22,746	-
Total fund balances	<u>22,746</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,246</u>	<u>-</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures, and Changes in Fund

Balance – Budget and Actual

Beltmill PID Fund

For the Fiscal Year Ended September 30, 2022 and 2021

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2021
	Original	Final			
REVENUE					
Taxes	\$ -	\$ 34,995	35,000	\$ 5	\$ -
Interest income	-	200	191	(9)	-
Total revenues	-	35,195	35,191	(4)	-
EXPENDITURES					
Contract services	-	12,445	12,445	-	-
Total expenditures	-	12,445	12,445	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	22,750	22,746	(4)	-
FUND BALANCES, beginning of year	-	-	-	-	-
FUND BALANCES, end of year	\$ -	\$ 22,750	\$ 22,746	\$ (4)	\$ -

City of Saginaw, Texas
 Comparative Balance Sheets
 Escrow Fund
 September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Deposits and investments	\$ 2,592,240	\$ 2,338,101
Receivables		
Other	20,451	29,101
TOTAL ASSETS	<u>\$ 2,612,691</u>	<u>\$ 2,367,202</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 116,989	\$ 8,934
Total liabilities	116,989	8,934
FUND BALANCES		
Restricted	2,495,702	2,358,268
Total fund balances	2,495,702	2,358,268
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,612,691</u>	<u>\$ 2,367,202</u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Escrow Fund For the Fiscal Year Ended September 30, 2022 and 2021

	Budgeted Amounts		Actual	Variance with	Actual
	Original	Final	GAAP	Final Budget	GAAP
			Basis	Positive (Negative)	Basis
					2021
REVENUE					
Taxes	\$ 74,015	\$ 96,505	\$ 100,716	\$ 4,211	\$ 82,924
Fines and fees	19,190	21,860	22,467	607	24,630
Miscellaneous revenues	40,125	492,305	326,321	(165,984)	583,134
Interest income	115	14,360	14,932	572	784
Total revenues	133,445	625,030	464,436	(160,594)	691,472
EXPENDITURES					
Data processing	-	-	-	-	405
Entertainment	10,000	25,000	1,690	23,310	11,000
Supplies and equipment	500	500	16,522	(16,022)	-
Maintenance and repairs	35,000	126,370	212,818	(86,448)	123,496
Other	30,000	30,145	184,889	(154,744)	37,066
Capital outlay	21,100	229,345	26,975	202,370	6,300
Total expenditures	96,600	411,360	442,894	(31,534)	178,267
EXCESS (DEFICENCY) OF REVENUES OVER (UNDER) EXPENDITURES	36,845	213,670	21,542	(192,128)	513,205
OTHER FINANCING SOURCES (USES)					
Transfers in	67,720	230,235	232,150	(1,915)	274,681
Transfers out	(5,200)	(112,565)	(116,258)	3,693	(71,383)
Total other financing sources (uses)	62,520	117,670	115,892	1,778	203,298
NET CHANGE IN FUND BALANCES	99,365	331,340	137,434	193,906	716,503
FUND BALANCES, beginning of year	2,358,268	2,358,268	2,358,268	-	1,641,765
FUND BALANCES, end of year	\$ 2,457,633	\$ 2,689,608	\$ 2,495,702	\$ 193,906	\$ 2,358,268

Notes: Variance with final budget within other and capital outlay expenditure categories is due to amount which was budgeted as capital outlay and appropriately reclassified to an other expenditure during Fiscal Year 2022.



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, 2022 and 2021

ASSETS	2022	2021
Deposits and investments	\$ 1,180,684	\$ 1,082,134
Receivables		
Taxes, net of allowance	25,306	22,356
TOTAL ASSETS	\$ 1,205,990	\$ 1,104,490
DEFERRED INFLOWS AND FUND BALANCES		
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	\$ 25,307	\$ 22,356
Total deferred inflows of resources	25,307	22,356
FUND BALANCES		
Restricted for debt service	1,180,683	1,082,134
Total fund balances	1,180,683	1,082,134
TOTAL DEFERRED INFLOWS AND FUND BALANCES	\$ 1,205,990	\$ 1,104,490

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, 2022 and 2021

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2021
	Original	Final			
REVENUES					
Current and delinquent general property tax - debt service portion	\$ 4,652,825	\$ 4,753,605	\$ 4,762,213	\$ 8,608	\$ 4,010,896
Penalties, interest and fees on delinquent taxes	6,000	6,000	13,545	7,545	3,970
Interest income	500	24,525	24,627	102	941
Miscellaneous	-	3,455	3,455	-	4,440
Total revenues	4,659,325	4,787,585	4,803,840	16,255	4,020,247
EXPENDITURES					
Bond principal payments	3,160,000	3,160,000	3,160,000	-	2,725,000
Total principal payments	3,160,000	3,160,000	3,160,000	-	2,725,000
Bond interest	1,577,725	1,536,385	1,536,376	9	1,391,033
Fiscal charges and debt issuance costs	16,000	16,000	8,915	7,085	7,481
Total interest payments	1,593,725	1,552,385	1,545,291	7,094	1,398,514
Total expenditures	4,753,725	4,712,385	4,705,291	7,094	4,123,514
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(94,400)	75,200	98,549	23,349	(103,267)
Fund balances, beginning of year	1,082,134	1,082,134	1,082,134	-	1,185,401
FUND BALANCES, end of year	\$ 987,734	\$ 1,157,334	\$ 1,180,683	\$ 23,349	\$ 1,082,134



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 Statements of Net Position
 Enterprise Fund
 September 30, 2022 and 2021

ASSETS	2022	2021
CURRENT ASSETS		
Deposits and investments	\$ 10,437,474	\$ 8,570,766
Deposits and investments-restricted	187,413	185,657
Receivables:		
Accounts receivable, net of allowance of \$89,963 in 2022 and \$58,722 in 2021	841,784	685,360
Unbilled accounts	694,007	637,268
Total current assets	<u>12,160,678</u>	<u>10,079,051</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	43,044,057	42,188,854
Machinery and equipment	1,651,361	1,621,137
Construction in progress	1,899,629	1,231,522
Accumulated depreciation	<u>(16,205,988)</u>	<u>(15,157,215)</u>
Total capital assets, net of accumulated depreciation	30,560,303	30,055,542
Deposits and investments-restricted	<u>734,964</u>	<u>723,639</u>
Total noncurrent assets	<u>31,295,267</u>	<u>30,779,181</u>
Total assets	<u>43,455,945</u>	<u>40,858,232</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	16,698	22,264
Related to the TMRS pension	226,773	149,498
Related to the TMRS OPEB	<u>11,974</u>	<u>12,198</u>
Total deferred outflows of resources	255,445	183,960
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	1,222,649	685,125
Accrued interest	1,304	1,667
Revenue bonds payable	<u>150,000</u>	<u>220,000</u>
Total current liabilities	1,373,953	906,792
NONCURRENT LIABILITIES		
Revenue bonds payable	640,000	790,000
Customer deposits	734,964	723,639
Net pension liability	925,069	1,107,478
Total OPEB liability	<u>59,699</u>	<u>54,750</u>
Total noncurrent liabilities	<u>2,359,732</u>	<u>2,675,867</u>
Total liabilities	3,733,685	3,582,659
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	324,342	189,209
Related to the TMRS OPEB	<u>2,307</u>	<u>2,865</u>
Total deferred inflows of resources	326,649	192,074
NET POSITION		
Net investment in capital assets	29,710,705	29,067,806
Restricted for		
Revenue bond retirement	187,413	185,657
Unrestricted	<u>9,752,938</u>	<u>8,013,996</u>
Total net position	<u>\$ 39,651,056</u>	<u>\$ 37,267,459</u>

City of Saginaw, Texas

Comparative Statements of Revenues, Expenses and Changes in Net Position

Enterprise Fund

For the Fiscal Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
OPERATING REVENUE		
Water and sewer sales	\$ 10,514,996	\$ 9,112,882
Penalties	120,533	90,214
Surcharges	1,770,564	1,559,642
Miscellaneous	49,640	58,964
	<hr/>	<hr/>
Total operating revenue	12,455,733	10,821,702
OPERATING EXPENSES		
Cost of sales and services	6,946,920	6,473,184
Administrative	2,292,824	2,146,607
Depreciation	1,048,773	1,029,835
	<hr/>	<hr/>
Total operating expenses	10,288,517	9,649,626
Operating income	2,167,216	1,172,076
NONOPERATING REVENUES (EXPENSES)		
Investment income	72,329	4,846
Intergovernmental	59,103	-
Gain on sale of machinery and equipment	-	3,960
Interest expense and agent fees	(25,572)	(34,238)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	105,860	(25,432)
Income before capital contributions and transfers	2,273,076	1,146,644
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions	770,926	-
Impact and tap fees	40,130	43,434
Transfers out	(799,580)	(716,430)
Transfers in	99,045	91,130
	<hr/>	<hr/>
Total capital contributions and transfers	110,521	(581,866)
Changes in net position	2,383,597	564,778
NET POSITION, beginning of year	<hr/>	<hr/>
	37,267,459	36,702,681
NET POSITION, end of year	<hr/>	<hr/>
	\$ 39,651,056	\$ 37,267,459

City of Saginaw, Texas

Comparative Statements of Cash Flows

Enterprise Fund

For the Fiscal Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 12,253,895	\$ 10,903,149
Cash paid to employees	(1,215,979)	(1,150,212)
Cash paid to suppliers	(7,606,177)	(7,497,670)
	<hr/>	<hr/>
Net cash provided by operating activities	3,431,739	2,255,267
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental revenues	59,103	-
Transfers out to other funds	(799,580)	(716,430)
Transfers from other funds	99,045	91,130
	<hr/>	<hr/>
Net cash used in noncapital financing activities	(641,432)	(625,300)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of machinery and equipment	-	3,960
Impact and tap fees	40,130	43,434
Principal paid on bonds	(220,000)	(210,000)
Purchase of capital assets	(782,608)	(1,694,387)
Interest	(20,369)	(29,019)
	<hr/>	<hr/>
Net cash used in capital and related financing activities	(982,847)	(1,886,012)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	72,329	4,846
	<hr/>	<hr/>
Net cash provided by investing activities	72,329	4,846
Net change in cash	1,879,789	(251,199)
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 9,480,062	<hr/> 9,731,261
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 11,359,851</u>	<hr/> <u>\$ 9,480,062</u>

City of Saginaw, Texas

Comparative Statements of Cash Flows – Continued

Enterprise Fund

For the Fiscal Years Ended September 30, 2022 and 2021

	Current Assets	Restricted Assets	2022 Statement of Cash Flows Totals	2021 Statement of Cash Flows Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents, beginning of year	\$ 8,570,766	\$ 909,296	\$ 9,480,062	\$ 9,731,261
Net increase (decrease)	1,866,708	13,081	1,879,789	(251,199)
CASH AND CASH EQUIVALENTS, end of year	\$ 10,437,474	\$ 922,377	\$ 11,359,851	\$ 9,480,062
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income			\$ 2,167,216	\$ 1,172,076
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation			1,048,773	1,029,835
(Increase) Decrease in accounts receivable			(213,163)	56,099
(Increase) Decrease in deferred outflows of resources-pension			(77,275)	6,065
(Increase) Decrease in deferred outflows of resources-OPEB			224	(5,845)
Increase (Decrease) in accounts payable and accrued expenses			537,524	53,435
Increase (Decrease) in customer deposits			11,325	25,348
Increase (Decrease) in net pension liability			(182,409)	(50,152)
Increase (Decrease) in total OPEB liability			4,949	11,323
Increase (Decrease) in deferred inflows of resources-pension			134,575	(42,917)
Net cash provided by operating activities			\$ 3,431,739	\$ 2,255,267
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers			\$ 770,926	\$ -



City of Saginaw

**Statistical Section
(Unaudited)**



City of Saginaw

City of Saginaw, Texas
Statistical Section (Unaudited)

This part of the City of Saginaw's annual comprehensive 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 Trends 102-111

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

Revenue Capacity 112-115

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

Debt Capacity 116-120

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 Information 121-122

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

Operating Information 123-125

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 annual comprehensive financial reports for the relevant year.

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

	<u>2013*</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 48,872,324	\$ 52,280,544	\$ 55,375,158	\$ 56,038,750
Restricted	1,828,513	1,596,119	1,416,987	1,267,190
Unrestricted	11,624,828	13,139,145	5,701,871	7,709,276
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	62,325,665	67,015,808	62,494,016	65,015,216
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	17,623,648	19,067,165	20,210,164	21,614,590
Restricted	420,735	420,905	421,162	444,944
Unrestricted	6,628,613	7,726,467	8,015,115	7,603,698
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	24,672,996	27,214,537	28,646,441	29,663,232
PRIMARY GOVERNMENT				
Net investment in capital assets	66,495,972	71,347,709	75,585,322	77,653,340
Restricted	2,249,248	2,017,024	1,838,149	1,712,134
Unrestricted	18,253,441	20,865,612	13,716,986	15,312,974
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 86,998,661	\$ 94,230,345	\$ 91,140,457	\$ 94,678,448

*2013 restated for GASB 65

**2017 restated for GASB 75

Table 1

2017**	2018	2019	2020	2021	2022
\$ 62,510,664	\$ 65,704,199	\$ 70,565,446	77,862,666	84,992,122	85,015,778
1,120,206	6,958,205	7,659,462	7,491,338	9,112,393	9,901,318
8,126,849	3,446,846	263,251	1,986,850	1,805,245	2,685,890
71,757,719	76,109,250	78,488,159	87,340,854	95,909,760	97,602,986
22,315,277	23,273,899	24,688,409	28,198,820	29,067,806	29,710,705
175,662	179,178	184,466	185,900	185,657	187,413
8,123,007	8,410,610	9,664,848	8,317,961	8,013,996	9,752,938
30,613,946	31,863,687	34,537,723	36,702,681	37,267,459	39,651,056
84,825,941	88,978,098	95,253,855	106,061,486	114,059,928	114,726,483
1,295,868	7,137,383	7,843,928	7,677,238	9,298,050	10,819,712
16,249,856	11,857,456	9,928,099	10,304,811	9,819,241	12,438,828
\$ 102,371,665	\$ 107,972,937	\$ 113,025,882	\$ 124,043,535	\$ 133,177,219	\$ 137,985,023

City of Saginaw, Texas
Changes in Net Position
Last Ten Fiscal Years

	2013	2014	2015	2016
EXPENSES				
Governmental activities:				
General administrative office	\$ 2,385,797	\$ 2,343,593	\$ 2,126,569	\$ 2,060,595
Municipal court	185,237	200,512	184,794	186,864
Fire	2,858,957	2,955,138	3,284,144	3,242,317
Police	3,860,896	4,038,792	4,230,644	4,434,955
Public works	3,465,002	2,895,713	3,422,440	3,435,053
Parks	195,900	208,076	226,152	294,992
Community services	969,556	985,348	1,076,881	1,076,293
Library	540,261	548,383	564,913	591,580
Inspections	583,930	603,213	716,049	824,509
Janitorial	-	-	-	-
Fleet maintenance	546,241	573,011	531,903	439,379
Economic development	64,779	35,860	19,363	50,197
Information technology	-	-	-	-
Interest on long term debt	1,162,182	916,082	942,168	994,113
	<u>16,818,738</u>	<u>16,303,721</u>	<u>17,326,020</u>	<u>17,630,847</u>
Business-type activities:				
Water and wastewater	7,241,735	7,068,008	7,469,979	8,355,662
	<u>7,241,735</u>	<u>7,068,008</u>	<u>7,469,979</u>	<u>8,355,662</u>
	<u>24,060,473</u>	<u>23,371,729</u>	<u>24,795,999</u>	<u>25,986,509</u>
PROGRAM REVENUES				
Governmental activities:				
Fines, fees and charges for services:				
General administrative office	-	-	40,118	63,426
Municipal court	459,209	543,001	561,382	441,298
Fire	80,226	80,000	80,000	83,000
Police	3,850	3,880	4,248	4,314
Public works	563,194	577,267	583,358	592,078
Community services	680,961	652,176	670,826	646,004
Library	18,668	20,499	18,982	16,260
Inspections	377,646	433,586	740,778	939,380
Animal services *	-	-	-	-
Operating grants and contributions:				
General administrative office	-	-	-	-
Municipal court	-	-	-	-
Fire	57,337	77,426	24,992	29,134
Police	75,477	97,557	209,835	150,845
Public works	-	-	-	-
Parks	-	-	-	-
Community services	-	-	-	-
Library	-	-	-	-
Inspection	-	-	-	-
Animal services	-	-	-	-
Information technology	-	-	-	-
Capital grants and contributions:				
Fire	-	-	-	-
Police	-	-	-	-
Public works	1,271,666	3,854,521	1,457,517	1,549,780
	<u>\$ 3,588,234</u>	<u>\$ 6,339,913</u>	<u>\$ 4,392,036</u>	<u>\$ 4,515,519</u>

* Prior to 2018 Animal services was included in Inspections

Table 2
(Page 1 of 2)

	2017	2018	2019	2020	2021	2022
\$	1,924,614	\$ 2,306,824	\$ 2,887,428	\$ 2,801,551	\$ 2,660,420	\$ 3,111,631
	190,521	167,338	237,810	187,789	187,686	204,415
	3,446,465	3,410,291	4,547,729	3,824,006	3,833,378	4,080,989
	4,616,528	4,732,436	6,404,221	5,419,054	5,290,475	5,461,474
	3,705,943	3,717,371	4,127,755	5,104,334	5,033,117	6,134,668
	348,531	345,716	393,026	356,963	468,390	466,233
	1,130,034	1,141,716	1,309,456	993,452	802,551	1,427,930
	624,921	610,243	787,531	607,455	645,186	707,863
	861,619	563,502	751,460	633,836	698,321	835,781
	-	322,993	415,695	374,204	396,348	477,232
	513,948	499,089	535,473	434,270	492,762	632,167
	46,520	567,431	285,028	176,295	140,178	224,361
	-	-	384,523	374,852	389,186	384,253
	883,962	1,017,739	915,915	892,956	1,403,680	1,885,591
	18,293,606	19,402,689	23,983,050	22,181,017	22,441,678	26,034,588
	9,167,424	10,295,498	9,727,920	10,969,259	9,679,904	10,314,089
	9,167,424	10,295,498	9,727,920	10,969,259	9,679,904	10,314,089
	27,461,030	29,698,187	33,710,970	33,150,276	32,121,582	36,348,677
	32,724	77,113	43,455	42,410	216,266	142,250
	493,172	416,477	387,843	348,604	464,072	427,608
	84,000	84,000	87,150	94,815	97,020	100,755
	3,822	4,439	6,574	3,075	3,174	3,414
	754,462	776,501	794,783	815,726	823,078	835,850
	665,004	692,897	811,469	443,782	455,009	656,095
	16,944	15,309	8,978	5,212	6,886	6,506
	961,945	1,025,588	959,843	923,088	1,278,968	741,666
	-	20,044	25,433	30,307	32,119	28,444
	-	-	-	23,844	-	10,514
	-	-	-	7,337	1,033	-
	54,529	30,833	53,987	519,191	100,690	104,035
	179,592	128,595	165,424	702,553	163,999	155,069
	-	-	-	431,927	3,982	-
	-	-	-	650	-	-
	-	-	-	33,959	1,739	-
	-	-	-	2,016	-	-
	-	-	-	9,599	-	-
	-	-	-	7,357	449	-
	-	-	-	22,956	4,986	-
	-	-	-	64,035	-	-
	-	-	-	15,623	-	-
	5,835,552	2,544,847	3,930,917	6,803,877	5,422,862	657,170
\$	9,081,746	\$ 5,816,643	\$ 7,275,856	\$ 11,351,943	\$ 9,076,332	\$ 3,869,376

City of Saginaw, Texas
Changes in Net Position
Last Ten Fiscal Years

	2013*	2014	2015	2016
BUSINESS-TYPE ACTIVITIES				
Charges for services:				
Water and wastewater	\$ 8,419,089	\$ 8,910,914	\$ 8,965,645	\$ 8,733,275
Capital grants and contributions	88,737	1,461,468	1,040,496	967,271
	<u>8,507,826</u>	<u>10,372,382</u>	<u>10,006,141</u>	<u>9,700,546</u>
Total business-type activities program revenues				
Total primary government program revenues	12,096,060	16,712,295	14,398,177	14,216,065
NET (EXPENSES) REVENUE				
Governmental activities	(13,230,504)	(9,963,808)	(12,933,984)	(13,115,328)
Business-type activities	<u>1,266,091</u>	<u>3,304,374</u>	<u>2,536,162</u>	<u>1,344,884</u>
Total primary governmental net expenses	(11,964,413)	(6,659,434)	(10,397,822)	(11,770,444)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes:				
Ad valorem	5,750,493	6,277,304	6,506,284	7,201,098
Sales	5,528,937	5,709,850	5,786,769	5,790,661
Franchise taxes	1,503,183	1,420,451	1,851,551	1,839,384
Other taxes	82,634	18,682	32,116	28,626
Penalties and interest	21,585	21,965	13,367	15,202
Interest income	16,172	7,587	11,883	84,200
Gain (Loss) on sale of assets	-	26,704	-	-
Miscellaneous revenues	201,147	206,735	110,595	125,952
Transfers	<u>909,829</u>	<u>964,673</u>	<u>564,120</u>	<u>551,405</u>
Total governmental activities	<u>14,013,980</u>	<u>14,653,951</u>	<u>14,876,685</u>	<u>15,636,528</u>
Business-type activities:				
Interest income	7,146	2,508	4,529	26,998
Gain on sale of assets	12,000	9,365	-	-
Miscellaneous revenues	152,392	189,967	213,116	196,314
Transfers	<u>(909,829)</u>	<u>(964,673)</u>	<u>(564,120)</u>	<u>(551,405)</u>
Total business-type activities	<u>(738,291)</u>	<u>(762,833)</u>	<u>(346,475)</u>	<u>(328,093)</u>
Total primary government	13,275,689	13,891,118	14,530,210	15,308,435
CHANGES IN NET POSITION				
Governmental activities	783,476	4,690,143	1,942,701	2,521,200
Business-type activities	<u>527,800</u>	<u>2,541,541</u>	<u>2,189,687</u>	<u>1,016,791</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 1,311,276</u>	<u>\$ 7,231,684</u>	<u>\$ 4,132,388</u>	<u>\$ 3,537,991</u>

Table 2
(Page 2 of 2)

2017	2018**	2019	2020	2021	2022
\$ 9,088,796	\$ 10,434,663	\$ 10,327,466	\$ 10,798,406	\$ 10,672,524	\$ 12,285,560
1,447,523	1,360,420	2,233,163	2,706,220	43,434	870,159
10,536,319	11,795,083	12,560,629	13,504,626	10,715,958	13,155,719
19,618,065	17,611,726	19,836,485	24,856,569	19,792,290	17,025,095
(9,211,860)	(13,586,046)	(16,707,194)	(10,829,074)	(13,365,346)	(22,165,212)
1,368,895	1,499,585	2,832,709	2,535,367	1,036,054	2,841,630
(7,842,965)	(12,086,461)	(13,874,485)	(8,293,707)	(12,329,292)	(19,323,582)
7,608,668	8,172,372	8,911,747	9,670,822	10,451,254	11,782,661
6,198,989	6,356,478	6,809,346	7,262,055	8,855,456	9,494,855
1,693,095	1,660,835	1,764,936	1,612,023	1,561,343	1,629,409
32,666	79,388	105,233	77,679	109,813	129,131
17,148	22,706	14,604	12,581	10,590	33,148
214,428	475,921	657,032	255,256	22,000	446,409
-	-	-	-	-	-
116,691	590,747	244,135	183,708	298,496	373,271
590,530	579,130	579,070	607,645	625,300	700,535
16,472,215	17,937,577	19,086,103	19,681,769	21,934,252	24,589,419
63,794	145,445	236,213	97,645	4,846	72,329
-	-	-	-	-	-
172,559	183,841	184,184	139,591	149,178	170,173
(590,530)	(579,130)	(579,070)	(607,645)	(625,300)	(700,535)
(354,177)	(249,844)	(158,673)	(370,409)	(471,276)	(458,033)
16,118,038	17,687,733	18,927,430	19,311,360	21,462,976	24,131,386
7,260,355	4,351,531	2,378,909	8,852,695	8,568,906	2,424,207
1,014,718	1,249,741	2,674,036	2,164,958	564,778	2,383,597
\$ 8,275,073	\$ 5,601,272	\$ 5,052,945	\$ 11,017,653	\$ 9,133,684	\$ 4,807,804

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted:				
Capital projects	403,681	403,681	-	-
Municipal court	142,419	146,224	-	-
Hotel/motel tax	17,385	18,723	-	-
Assigned	383,370	509,935	294,445	537,510
Unassigned	8,637,536	8,598,487	9,499,273	10,155,535
TOTAL GENERAL FUND	<u>\$ 9,584,391</u>	<u>\$ 9,677,050</u>	<u>\$ 9,793,718</u>	<u>\$ 10,693,045</u>
ALL OTHER GOVERNMENTAL FUNDS				
Restricted:				
Debt service	\$ 1,495,776	\$ 1,650,611	\$ 1,473,531	\$ 1,306,703
Capital projects	8,138,595	7,077,353	12,799,557	10,566,997
Street maintenance	721,837	900,917	1,137,598	1,283,877
Crime prevention	836,825	853,451	712,061	591,654
Drainage	1,139,878	1,234,069	826,712	1,142,095
Public improvements	-	-	-	-
Other special revenue	-	-	513,363	1,160,365
Committed:				
Donations	323,967	336,101	274,621	293,437
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 12,656,878</u>	<u>\$ 12,052,502</u>	<u>\$ 17,737,443</u>	<u>\$ 16,345,128</u>

Table 3

2017	2018	2019	2020	2021	2022
\$ -	\$ -	\$ -	\$ 137,534	\$ -	\$ 800
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,167,595	885,540	729,080	2,882,850	1,901,425	785,625
10,480,993	10,714,852	10,875,059	9,936,029	10,144,356	11,463,870
<u>\$ 11,648,588</u>	<u>\$ 11,600,392</u>	<u>\$ 11,604,139</u>	<u>\$ 12,956,413</u>	<u>\$ 12,045,781</u>	<u>\$ 12,250,295</u>

\$ 1,153,415	\$ 1,115,474	\$ 1,209,970	\$ 1,185,401	\$ 1,082,134	\$ 1,180,683
12,597,897	7,208,691	7,418,377	23,234,623	24,284,485	36,748,661
1,452,255	1,655,775	1,766,915	1,594,442	1,746,242	2,152,478
524,886	535,811	488,741	529,301	858,108	1,461,350
1,701,294	2,217,041	2,636,085	2,642,077	3,179,644	3,769,042
-	-	-	-	-	22,746
1,162,875	1,487,451	1,612,405	1,641,765	2,358,268	2,495,702
272,446	324,644	429,164	506,739	514,398	586,126
<u>\$ 18,865,068</u>	<u>\$ 14,544,887</u>	<u>\$ 15,561,657</u>	<u>\$ 31,334,348</u>	<u>\$ 34,023,279</u>	<u>\$ 48,416,788</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES				
Taxes	\$ 12,899,890	\$ 13,444,020	\$ 14,192,838	\$ 14,877,738
Licenses and permits	248,764	329,948	627,876	740,192
Charges for services	643,420	657,267	663,358	674,978
Fines and fees	606,759	667,138	693,266	656,746
Interest income	16,172	7,587	11,883	84,200
Recreation income	519,857	494,346	512,677	487,081
Intergovernmental	-	568,262	234,827	179,979
Miscellaneous revenues	1,770,581	376,048	321,110	1,010,725
	<u>16,705,443</u>	<u>16,544,616</u>	<u>17,257,835</u>	<u>18,711,639</u>
EXPENDITURES				
Current:				
General administrative office	2,343,521	2,301,845	2,191,774	1,963,039
Municipal court	184,091	199,451	185,158	184,973
Fire	2,671,135	3,694,807	2,932,965	3,177,233
Police	3,571,926	3,753,226	3,967,015	4,075,546
Public works	1,497,039	884,006	1,268,270	1,263,892
Parks	200,943	227,791	240,528	266,949
Community services	737,735	753,421	861,581	918,907
Library	488,445	496,461	520,281	537,893
Inspections	602,180	587,047	705,189	825,017
Animal services *	-	-	-	-
City garage	508,511	533,557	493,996	399,692
Economic development	64,779	35,860	19,363	50,197
Information technology**	-	-	-	-
Capital outlay	5,343,768	2,327,457	3,750,868	2,570,956
Debt service:				
Principal retirement	1,700,000	2,214,750	2,056,785	2,539,654
Interest charges	679,214	910,722	824,995	854,529
Debt issuance costs	183,823	44,188	132,294	203,483
	<u>20,777,110</u>	<u>18,964,589</u>	<u>20,151,062</u>	<u>19,831,960</u>
Excess (deficiency) of revenues over expenditures	(4,071,667)	(2,419,973)	(2,893,227)	(1,120,321)
Other financing sources (uses):				
Capital lease proceeds	-	944,294	-	-
Proceeds from issuance of debt	7,895,000	-	8,000,000	-
Proceeds on refunding bonds	1,180,000	2,130,000	-	5,910,000
Premium on bond issuance	302,597	-	130,716	-
Payments to refunded bond escrow agent	(1,221,742)	(2,130,711)	-	(5,834,072)
Transfers in	4,011,199	2,827,420	3,713,702	1,726,230
Transfers out	(3,101,370)	(1,862,747)	(3,149,582)	(1,174,825)
	<u>9,065,684</u>	<u>1,908,256</u>	<u>8,694,836</u>	<u>627,333</u>
Net change in fund balances	<u>\$ 4,994,017</u>	<u>\$ (511,717)</u>	<u>\$ 5,801,609</u>	<u>\$ (492,988)</u>
Debt service as a percentage of noncapital expenditures	15.50%	20.02%	17.86%	20.02%

* Prior to 2018 Animal services was included in Inspections

** Prior to 2019 Information technology was included in General administrative office

Table 4

2017	2018	2019	2020	2021	2022
\$ 15,540,413	\$ 16,287,689	\$ 17,610,628	\$ 18,632,475	\$ 20,976,412	\$ 23,064,987
929,188	951,542	858,901	773,813	668,169	502,521
838,362	860,401	881,933	910,541	920,098	936,605
542,873	525,876	529,770	536,473	1,117,050	705,117
214,428	475,921	657,032	255,256	22,000	446,409
496,969	520,798	524,686	162,412	163,056	344,113
234,122	159,428	219,411	2,661,433	5,326,134	802,187
326,507	1,091,494	555,747	509,849	1,054,895	851,327
19,122,862	20,873,149	21,838,108	24,442,252	30,247,814	27,653,266
2,075,890	2,217,124	2,536,360	2,692,380	3,073,314	3,174,518
187,886	168,421	212,743	187,064	191,718	212,097
3,280,597	3,982,620	3,826,258	3,965,267	3,864,642	4,158,484
4,273,272	4,638,904	5,358,286	5,072,762	5,103,232	5,421,737
1,354,767	1,609,303	1,835,898	2,330,346	1,652,954	2,579,899
352,766	339,015	379,478	538,609	337,404	319,152
990,618	959,782	998,499	811,155	645,986	1,309,153
568,246	569,005	601,026	568,571	626,724	708,877
849,217	579,082	600,849	625,717	716,646	906,530
-	398,633	329,854	389,122	471,758	483,263
471,007	456,219	434,837	392,030	457,527	665,366
46,520	567,978	243,050	176,840	140,178	224,361
-	-	327,680	427,319	398,731	398,691
6,349,590	5,761,665	2,276,933	6,464,727	16,290,487	12,188,359
2,667,570	2,555,536	2,495,000	3,015,000	2,725,000	3,160,000
763,613	1,012,169	886,610	741,720	1,391,033	1,536,376
144,905	5,200	53,300	376,873	193,968	290,867
24,376,464	25,820,656	23,396,661	28,775,502	38,281,302	37,737,730
(5,253,602)	(4,947,507)	(1,558,553)	(4,333,250)	(8,033,488)	(10,084,464)
-	-	-	-	-	-
7,830,000	-	2,000,000	17,345,000	8,435,000	22,260,000
-	-	-	3,015,000	-	-
308,555	-	-	3,414,982	751,487	1,721,952
-	-	-	(2,924,412)	-	-
1,697,052	1,705,322	1,840,082	1,957,493	4,831,194	2,351,293
(1,106,522)	(1,126,192)	(1,261,012)	(1,349,848)	(4,205,894)	(1,650,758)
8,729,085	579,130	2,579,070	21,458,215	9,811,787	24,682,487
\$ 3,475,483	\$ (4,368,377)	\$ 1,020,517	\$ 17,124,965	\$ 1,778,299	\$ 14,598,023
19.37%	19.07%	17.29%	17.60%	19.33%	18.56%

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
2012/13	5,739,750	5,704,489	99.4%	31,269	5,735,758	99.9%	3,992	0.1%
2013/14	6,223,951	6,184,458	99.4%	33,719	6,218,177	99.9%	5,774	0.1%
2014/15	6,484,972	6,448,230	99.4%	33,189	6,481,419	99.9%	3,553	0.1%
2015/16	7,175,560	7,141,585	99.5%	29,774	7,171,359	99.9%	4,201	0.1%
2016/17	7,557,636	7,513,508	99.4%	36,548	7,550,056	99.9%	7,580	0.1%
2017/18	8,075,537	8,027,316	99.4%	30,700	8,058,016	99.8%	17,520	0.2%
2018/19	8,893,539	8,850,081	99.5%	32,219	8,882,300	99.9%	11,239	0.1%
2019/20	9,671,868	9,625,725	99.5%	27,519	9,653,244	99.8%	18,624	0.2%
2020/21	10,438,401	10,380,213	99.4%	31,187	10,411,400	99.7%	27,001	0.3%
2021/22	11,695,914	11,633,510	99.5%	-	11,633,510	99.5%	62,404	0.5%

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	
2012/13	863,406,401	863,406,401	300,718,127	300,718,127	1,164,124,528	1,164,124,528	0.4900
2013/14	896,517,649	896,517,649	322,802,502	322,802,502	1,219,320,151	1,219,320,151	0.5100
2014/15	956,608,601	956,608,601	319,120,061	319,120,061	1,275,728,662	1,275,728,662	0.5100
2015/16*	962,111,241	962,111,241	354,242,308	354,242,308	1,316,353,549	1,316,353,549	0.5440
2016/17	1,061,912,257	1,061,912,257	379,440,615	379,440,615	1,441,352,872	1,441,352,872	0.5130
2017/18	1,205,160,927	1,205,160,927	365,041,273	365,041,273	1,570,202,200	1,570,202,200	0.4950
2018/19	1,453,373,020	1,453,373,020	390,558,650	390,558,650	1,843,931,670	1,843,931,670	0.4718
2019/20	1,628,809,088	1,628,809,088	417,203,024	417,203,024	2,046,012,112	2,046,012,112	0.4590
2020/21	1,634,542,012	1,634,542,012	420,221,179	420,221,179	2,054,763,191	2,054,763,191	0.461579
2021/22	1,811,505,128	1,811,505,128	452,536,472	452,536,472	2,264,041,600	2,264,041,600	0.479516

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
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
2018/19	0.291129	0.180671	0.471800	1.540000	0.594499	0.000000	2.606299
2019/20	0.281655	0.177345	0.459000	1.518000	0.588599	0.000000	2.565599
2020/21	0.284238	0.177341	0.461579	1.496400	0.588599	0.000000	2.546578
2021/22	0.285058	0.194458	0.479516	1.457500	0.583599	0.000000	2.520615

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

2022			2013		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Miller Milling Company LLC	\$ 60,890,666	2.69	Conagra Foods Inc	\$ 33,861,409	2.91
Ardent Mills/Cargill LLC	52,842,131	2.33	Ventura Foods LLC	24,205,868	2.08
Ventura Foods LLC	49,497,335	2.19	Wal-Mart Real Estate Business Tru	23,306,165	2.00
CTI Foods Inc	33,362,682	1.47	Horizon Milling LLC	21,154,474	1.82
Trinity Industries Inc	30,224,890	1.33	Farmland Industries	19,499,275	1.68
Gavilon Grain LLC	23,132,207	1.02	CTI Holdings LLC	13,624,630	1.17
Oncor Electric Delivery Co	22,047,750	0.97	BNSF Railway Company	11,901,446	1.02
United Forestry Products Saginaw LLC	21,984,820	0.97	Trinity Industries Inc	11,133,570	0.96
Wal-Mart Real Estate Business Trust	18,404,094	0.81	GE Credit Corp	10,788,176	0.93
Norton Metal Products Inc	11,963,617	0.53	Gavilon Grain LLC	10,720,239	0.92
		<u>14.31</u>			<u>15.49</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				Primary Government	% of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificates of Obligation Bonds	Capital Leases	Tax Notes	Premium/ Loss on Refundings	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Capital Leases	Premium/ Loss on Refundings	Total All Debt		
2012/13	18,570,000	7,200,000	-	-	217,131	3,895,000	-	235,490	(62,869)	30,054,752	5.56%	1,492
2013/14	17,010,000	6,830,000	704,544	-	429,375	2,915,000	520,000	-	22,482	28,431,401	5.20%	1,396
2014/15	23,515,000	6,440,000	532,760	-	518,798	2,490,000	465,000	-	17,294	33,978,852	5.85%	1,659
2015/16	25,310,000	2,440,000	358,106	-	477,503	380,000	2,000,000	-	12,106	30,977,715	5.44%	1,494
2016/17	30,980,000	2,110,000	180,535	-	729,335	150,000	1,810,000	-	6,918	35,966,788	6.10%	1,687
2017/18	28,765,000	1,950,000	-	-	672,612	100,000	1,615,000	-	1,730	33,104,342	4.79%	1,523
2018/19	26,435,000	1,785,000	-	2,000,000	615,889	50,000	1,420,000	-	-	32,305,889	4.77%	1,444
2019/20	25,735,000	17,345,000	-	1,570,000	3,764,136	-	1,220,000	-	-	49,634,136	7.10%	2,150
2020/21	31,890,000	17,310,000	-	1,160,000	4,270,201	-	1,010,000	-	-	55,640,201	7.96%	2,380
2021/22	51,315,000	17,210,000	-	935,000	5,660,633	-	790,000	-	-	75,910,633	9.08%	3,105

(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

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>Total General Bonded Debt</u>	<u>Less Amounts Available for Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
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
2018/19	22,380	1,843,931,670	30,835,889	1,155,633	29,680,256	1.67%	1,326
2019/20	23,090	2,046,012,112	48,414,136	1,028,491	47,385,645	2.37%	2,052
2020/21	23,380	2,054,763,191	54,630,201	970,131	53,660,070	2.66%	2,295
2021/22	24,450	2,264,041,600	75,120,633	730,981	74,389,652	3.32%	3,043

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, 2022

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	\$ 75,120,633	100.00%	\$ 75,120,633
Subtotal: City of Saginaw direct debt			75,120,633
Eagle Mountain-Saginaw Independent School District	1,152,791,538	18.66%	215,061,499
Tarrant County*	404,360,000	1.02%	4,141,300
Tarrant County Hospital District	23,165,000	1.02%	237,247
Tarrant County College District	668,151,975	1.02%	6,842,956
Subtotal: overlapping debt			226,283,002
Total direct and overlapping debt			\$ 301,403,635
Ratio of direct and overlapping funded debt to taxable assessed valuation			13.31%
Per capita direct and overlapping bonded debt			\$ 12,327

Source: Individual taxing entities and Tarrant Appraisal District

Note: Percentage of overlap based on net taxable value

* Tarrant County net outstanding debt is an estimate - actual amount not available

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
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	9,477,554	1,865,421	245,000	55,563	300,563	6.21
2018/19	11,225,184	8,903,304	2,321,880	245,000	52,841	297,841	7.80
2019/20	11,366,978	10,025,116	1,341,862	250,000	46,996	296,996	4.52
2020/21	10,873,942	8,619,791	2,254,151	210,000	34,238	244,238	9.23
2021/22	12,568,192	9,239,744	3,328,448	220,000	25,572	245,572	13.55

- 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

Table 13

Computation of Legal Debt Margin
Year Ended September 30, 2022

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 2022 was established at \$.479516 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)
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%
2018/19	22,380	677,285,940	30,263	21,027	3.20%
2019/20	23,090	698,772,670	30,263	21,378	6.30%
2020/21	23,380	749,399,140	32,053	22,382	4.50%
2021/22	24,450	835,921,050	34,189	23,145	3.50%

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 5,900.
3. Bureau of Labor Statistics

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

Table 15

2022			2013		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Eagle Mountain-Saginaw ISD	2,952	32%	Eagle Mountain-Saginaw ISD	2,176	25%
Ventura Foods	398	4%	Wal Mart	500	6%
Walmart Supercenter #5316	393	4%	Trinity North Amer. Freight Car	381	4%
Trinity North Amer. Freight Car	370	4%	Texas Army National Guard	245	3%
CTI Beanmaker&Chefco Foods	356	4%	Bana Box Incorporated	218	2%
Amazon.com Services LLC	320	3%	Ventura Foods	215	2%
Anchor Fabrication Corp.	290	3%	Russo Corporation	200	2%
Ranger Fire Inc	200	2%	CTI Chefco	200	2%
Russo Corporation	200	2%	Ranger Fire Inc	200	2%
United Forestry Products LLC	180	2%	DOS Project	189	2%

Source: City Economic Development Department.
 EMS ISD is for the district. Employment for schools within the City of Saginaw is 1,066.

City of Saginaw, Texas
 Full-Time Equivalent City Government
 Employees by Function/Program
 Last Ten Fiscal Years

Table 16

Function/Program	Full-time Equivalent Employees as of October 1									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General government:										
Administration	9.0	10.0	9.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0
Municipal court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information technology *	2.0	2.0	2.0	2.0	-	-	-	-	-	-
Public safety:										
Fire	29.0	30.0	30.0	28.0	27.0	27.0	27.0	27.0	27.0	27.0
Emergency Management	1.0	-	-	-	-	-	-	-	-	-
Police	55.5	53.0	53.0	50.0	46.5	46.5	45.5	44.5	44.5	44.5
Public works:										
Streets	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Parks maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building inspections	8.5	6.0	5.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
Code enforcement	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Animal services	6.0	6.0	4.5	4.5	4.5	4.5	4.5	3.5	3.0	3.0
City garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Economic development	-	-	-	1.0	-	-	-	-	-	-
Community services	8.5	7.5	7.5	7.5	7.5	7.0	7.0	6.0	6.0	6.0
Communications	1.0	-	-	-	-	-	-	-	-	-
Library	9.0	8.5	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0
Water/wastewater	20.0	19.0	18.0	18.0	17.0	17.0	16.0	16.0	16.0	16.0
Drainage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	168.5	161.0	156.0	150.0	141.5	141.0	139.0	136.0	133.5	134.5

Source: City Budgets/Human Resources

*Previously reported in Administration

City of Saginaw, Texas

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2022	2021	2020	2019
Police:				
Stations	1	1	1	1
Licensed officers	41	41	41	41
Patrol units on duty at any one time	4	4	4	4
Fire:				
Stations	2	2	2	2
Firefighter/paramedics	26	26	26	26
Library :				
Number of libraries	1	1	1	1
Volumes in collection	54,847	60,703	60,990	59,893
Average monthly circulation	6,148	5,558	5,541	7,438
Average monthly visitors	4,298	3,851	3,419	5,977
Public works:				
Streets (miles)	94.9	94.9	92.9	89.4
Streetlights*	1,321	1,321	1,321	1,223
Parks and recreation:				
Acreage	107.593	107.593	103.69	101
Parks	7	7	7	7
Recreation centers	1	1	1	1
Senior/community centers	1	1	2	2
Water:				
Number of water customers	8,402	8,383	8,347	8,052
Annual water consumption (1,000 gallons)	1,422,720	1,267,426	1,175,194	1,077,595
Daily consumption (1,000 gallons)	3,898	3,472	3,220	2,952
Water mains (miles)	123.9	122.3	122.3	119.0
Fire hydrants**	1,171	1,171	1,171	1,139
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250
Wastewater:				
Number of wastewater customers	8,201	8,184	8,164	7,878
Wastewater treated annually (1,000 gallons)	847,252	949,816	940,582	1,027,571
Sanitary sewers (miles)	90.1	90.1	90.1	87.3
Storm sewers (miles)	21.7	21.6	20.3	18.5

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

** Number of fire hydrants restated as a result of mapping update

Table 17

Fiscal Year						
2018	2017	2016	2015	2014	2013	
1	1	1	1	1	1	1
40	39	38	38	38	38	38
4	4	4	4	4	4	4
2	2	2	2	2	2	2
25	24	24	24	24	24	24
1	1	1	1	1	1	1
59,220	59,029	58,302	58,138	59,816	56,420	
7,599	7,358	7,522	8,280	10,895	11,590	
6,250	6,653	6,690	5,934	11,338	15,485	
86.6	85.4	83.4	82.8	81.7	79.2	
1,198	1,187	1,135	1,131	1,120	1084	
101	101	101	100	100	100	
7	7	7	7	7	7	
1	1	1	1	1	1	
2	2	2	2	2	2	
7,841	7,606	7,427	7,227	7,133	7,042	
1,106,653	1,020,550	967,332	1,008,306	1,083,712	1,032,241	
3,032	2,796	2,643	2,763	2,969	2,828	
116.4	114.9	113.7	113.3	112.2	109.5	
835	823	809	803	795	766	
4,250	4,250	4,250	4,250	4,250	4,250	
7,700	7,477	7,307	7,107	7,013	6,930	
838,637	804,134	915,347	825,789	739,594	750,644	
85.0	83.9	83.1	82.8	81.8	79.8	
17.9	17.1	17.0	16.8	16.7	15.9	

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, 2022. The last debt issue was sold in fiscal year ending September 30, 2022. 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

2021 Actual Total Appraised Value of Taxable Property (100% of Actual)*		\$ 2,818,468,845
Less Adjustments to Market Value:		
Agriculture Productivity Value Loss	7,311,039	
Abatement	-	
Disabled and Deceased Veterans' Exemptions	29,446,601	
Freeport Property	45,481,453	
Local, Option Over-65 / Disabled	73,596,808	
Pollution Control	121,026	
Solar/Wind/Other	9,494,760	
Totally Exempt Property	181,037,079	
Cases before ARB and Incomplete Accounts	207,938,479	
Total Adjustments to Market Value:	<u>554,427,245</u>	
2021 Certified Net Taxable Assessed Valuation		<u>\$ 2,264,041,600</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, 2022)

General Obligation Debt Principal Outstanding:

General Obligation Refunding and Improvement Bonds, Series 2013	\$ 5,160,000
General Obligation Refunding Bonds, Series 2014	<u>460,000</u>
General Obligation Bonds, Series 2015	<u>5,410,000</u>
General Obligation Refunding Bonds, Series 2015	<u>790,000</u>
General Obligation Refunding Bonds, Series 2016	<u>2,215,000</u>
General Obligation Bonds, Series 2017	<u>6,315,000</u>
2019 Tax Note	<u>935,000</u>
General Obligation Refunding Bonds, Series 2019	<u>640,000</u>
General Obligation Refunding Bonds, Series 2020	<u>920,000</u>
2020 Certificates of Obligation	<u>17,210,000</u>
General Obligation Bonds, Series 2021	<u>7,935,000</u>
General Obligation Bonds, Series 2022	<u>22,260,000</u>

Total Gross General Obligation Debt Principal Outstanding: \$ 70,250,000

Less: Self-Supporting General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2015	\$ 790,000
Total Self-Supporting General Obligation Debt	<u>\$ 790,000</u>

Total Net General Obligation Debt Principal Outstanding:

General Obligation Interest and Sinking Fund Balance as of September 30, 2022 \$ 1,180,683

Ratio of Gross General Obligation Debt Principal to 2021 Net Assessed Valuation 3.10%
 Ratio of Net General Obligation Debt Principal to 2021 Net Assessed Valuation 3.07%
 2021 Net Taxable Assessed Value \$ 2,264,041,600

Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) -	24,450
Per Capita 2021 Net Taxable Assessed Valuation -	<u>\$ 92,599</u>
Per Capita Gross General Obligation Debt Principal -	<u>\$ 2,873</u>
Per Capita Net General Obligation Debt Principal -	<u>\$ 2,841</u>

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, 2022.

FUND BALANCES

TABLE GO-4

(As of September 30, 2022)

General Operating Fund (Undesignated)	\$ 7,260,295
General Obligation Debt Service (I&S) Fund	1,180,683
Special Revenue Funds	10,487,444
Capital Projects Fund	36,748,661
Enterprise Fund (Undesignated)	5,446,266
Revenue Bond Reserve	159,704
Revenue Bond Debt Service (I&S) Reserve	30,495
General Fund Emergency Reserve	4,990,000
Enterprise Fund Emergency Reserve	2,450,000
Enterprise Fund (Designated)	1,853,886
Total	\$ 70,607,434

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

PRINCIPAL TAXPAYERS 2021-2022

TABLE GO-5

<u>Name</u>	<u>Type of Business</u>	<u>2021 Net Taxable Assessed Valuation</u>	<u>% of Total 2021 Net Taxable Assessed Valuation</u>
Miller Milling Company LLC	Food Processing Plant	\$ 60,890,666	2.69%
Ardent Mills/Cargill LLC	Food Processing Plant	52,842,131	2.33%
Ventura Foods LLC	Food Processing Plant	49,497,335	2.19%
CTI Foods Inc	Food Processing Plant	33,362,682	1.47%
Trinity Industries Inc	Manufacturing	30,224,890	1.33%
Gavilon Grain LLC	Food Processing Plant	23,132,207	1.02%
Oncor Electric Delivery Co	Energy	22,047,750	0.97%
United Forestry Products Saginaw LLC	Manufacturing	21,984,820	0.97%
Wal-Mart Real Estate Business Trust	Retail	18,404,094	0.81%
Norton Metal Products Inc	Energy	11,963,617	0.53%
Total		\$ 324,350,192	14.31%

2021 Net Taxable Assessed Valuation on September 2022 \$ 2,264,041,600

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>	
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.93%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.91%	9-30-14
2014	1,275,728,662	0.5100	6,484,972	99.43%	99.95%	9-30-15
2015	1,316,353,549	0.5440	7,175,560	99.53%	99.94%	9-30-16
2016	1,441,352,872	0.5130	7,557,636	99.42%	99.90%	9-30-17
2017	1,570,202,200	0.4950	8,075,537	99.40%	99.78%	9-30-18
2018	1,843,931,670	0.4718	8,893,539	99.51%	99.87%	9-30-19
2019	2,046,012,112	0.4590	9,671,868	99.52%	99.81%	9-30-20
2020	2,054,763,191	0.4616	10,438,401	99.44%	99.74%	9-30-21
2021	2,264,041,600	0.4795	11,695,914	99.47%	99.47%	9-30-22

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

TAX RATE DISTRIBUTION

TABLE GO-7

	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
General Fund	\$0.2851	\$0.2842	\$0.2817	\$0.2911	\$0.2842	\$0.2933	\$0.2919
I & S Fund	\$0.1945	\$0.1773	\$0.1773	\$0.1807	\$0.2108	\$0.2197	\$0.2521
TOTAL	\$0.4795	\$0.4616	\$0.4590	\$0.4718	\$0.4950	\$0.5130	\$0.5440

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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:						
Taxes	\$ 15,824,110	\$ 14,703,088	\$ 13,071,890	\$ 12,454,203	\$ 11,206,947	\$ 10,761,311
Licenses and Permits	502,521	668,169	773,813	858,901	951,542	929,188
Charges for Services	100,755	97,020	94,815	87,150	84,000	84,000
Fines and Fees	682,650	1,092,420	517,883	509,672	505,110	518,907
Interest Income	102,447	6,911	113,140	295,148	191,974	84,195
Recreation Income	344,113	163,056	162,412	524,686	520,798	496,969
Intergovernmental	216,784	229,848	1,423,032	216,779	135,821	156,018
Miscellaneous Revenues	198,132	170,872	182,049	224,606	601,504	122,222
Total Revenues	\$ 17,971,512	\$ 17,131,384	\$ 16,339,034	\$ 15,171,145	\$ 14,197,696	\$ 13,152,810
Expenditures:						
Current:						
General Administrative Office	\$ 2,324,967	\$ 2,601,057	\$ 1,798,896	\$1,846,648	\$1,774,678	\$1,647,854
Municipal Court	212,097	191,718	187,064	212,743	168,421	187,886
Fire	4,158,484	3,864,642	3,965,267	3,826,258	3,982,620	3,280,597
Police	5,363,151	5,018,523	5,001,254	5,284,720	4,546,478	4,144,841
Public Works	2,579,899	1,652,954	1,916,939	1,835,898	1,609,303	1,354,767
Parks	319,152	337,404	538,609	379,478	339,015	352,766
Community Services	1,309,153	645,986	811,155	998,499	959,782	990,618
Library	708,877	626,724	568,571	601,026	569,005	568,246
Inspection	906,530	716,646	625,717	600,849	579,082	849,217
Animal Services *	483,263	471,758	389,122	329,854	398,633	-
Fleet Maintenance	665,366	457,527	392,030	434,837	456,219	471,007
Economic Development	224,361	140,178	176,840	243,050	567,978	46,520
Information Technology **	398,691	398,731	427,319	327,680	-	-
Total Expenditures	\$19,653,991	\$17,123,848	\$16,798,783	\$16,921,540	\$15,951,214	\$13,894,319
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ (1,682,479)	\$ 7,536	\$ (459,749)	\$ (1,750,395)	\$ (1,753,518)	\$ (741,509)
Other Financing Sources (Uses):						
Transfers In	2,119,143	1,956,513	1,884,758	1,797,112	1,705,322	1,697,052
Transfers Out	(232,150)	(2,874,681)	(72,735)	(42,970)	-	-
Total Other Financing Sources (Uses)	\$ 1,886,993	\$ (918,168)	\$ 1,812,023	\$ 1,754,142	\$ 1,705,322	\$ 1,697,052
Excess (Deficit) of Revenues/Other Sources Over Expenditures/Other Uses	204,514	(910,632)	1,352,274	3,747	(48,196)	955,543
Fund Balance - Beginning of Year	12,045,781	12,956,413	11,604,139	11,600,392	11,648,588	10,693,045
Fund Balance - September 30	\$ 12,250,295	\$ 12,045,781	\$ 12,956,413	\$ 11,604,139	\$ 11,600,392	\$ 11,648,588

Source: The Issuer's Annual Comprehensive Financial Reports

* Prior to 2018 Animal Services was included in Inspections

** Prior to 2019 Information Technology was included in General Administrative Office

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

REVENUE BOND DEBT PRINCIPAL DATA

TABLE REV-1

(As of September 30, 2022)

Revenue Bond Debt Principal Outstanding:

Total Revenue Debt Principal Outstanding	\$ -
Plus: Waterworks and Sewer System General Obligation Debt Principal	
General Obligation Refunding Bonds, Series 2015	790,000
Total Waterworks and Sewer System General Obligation Debt	\$ 790,000
Total Revenue Debt Principal Outstanding	\$ 790,000

CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT

TABLE REV-2

	Fiscal Year Ending September 30				
	2022	2021	2020	2019	2018
Revenues ^(a)	\$ 12,568,192	\$ 10,868,948	\$ 11,169,272	\$ 10,924,433	\$ 10,951,857
Expenses	9,239,744	8,619,791	10,025,116	8,903,304	9,477,554
Net Revenue Available for Debt Service	\$ 3,328,448	\$ 2,249,157	\$ 1,144,156	\$ 2,021,129	\$ 1,474,303
Annual Revenue Bond Debt Service Requirements	\$ -	\$ -	\$ 51,500	\$ 53,000	\$ 54,500
Revenue Debt Service Coverage	- x	- x	22.22 x	38.13 x	27.05 x
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 240,006	\$ 234,171	\$ 279,637	\$ 280,005	\$ 285,372
Debt Service Coverage on all Bonds Paid from System Revenues	13.87 x	9.60 x	4.09 x	7.22 x	5.17 x
Customer Count :					
Water	8,402	8,383	8,347	8,052	7,841
Wastewater	8,201	8,184	8,164	7,878	7,700
^(a) Does not include Impact Fees of:	\$ -	\$ 4,994	\$ 197,706	\$ 300,751	\$ 391,118

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, 2022)

Fiscal Year 2022 Net Revenues Available for Debt Service	\$ 3,328,448
Following the Issuance of the Bonds:	
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt Coverage	\$ - - X
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2023) Coverage	\$ 165,642 20.09 X
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt Coverage	\$ - - X
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2023-2027) Coverage	\$ 167,524 19.87 X

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, 2022)

	<u>Principal Outstanding</u>	<u>Amount of Principal Self-Supporting</u>
General Obligation Refunding Bonds, Series 2015	\$ 790,000	\$ 790,000
Total	<u>\$ 790,000</u>	<u>\$ 790,000</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>
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>\$ 837,620</u>	<u>\$ -</u>	<u>\$ 837,620</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, 2021	
<u>Residential</u>	
First 2,000 Gallons	\$16.52 (minimum)
3,000 to 10,000 Gallons	5.12 /M Gallons
Over 10,000 Gallons	5.45 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$16.52 (minimum)
3,000 to 8,000 Gallons	5.45 /M Gallons
Over 8,000 Gallons	6.59 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$16.52 (minimum)
3,000 to 10,000 Gallons	5.45 /M Gallons
Over 10,000 Gallons	6.59 /M Gallons

PRINCIPAL WATER CUSTOMERS 2017-2018

TABLE REV-7

(As of September 30, 2022)

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	10,154,917	\$ 66,904.79
DOS Project	3,446,500	22,706.66
Ventura Foods	3,418,167	22,552.41
Eagle Mnt/Saginaw ISD	1,190,417	7,881.11
Fuel City Saginaw, LLC	1,045,333	6,871.41
The Ruston, LLC (apartments)	737,333	5,301.02
Miller Milling Company	673,667	4,516.05
IMO US West, LLC (car wash)	572,833	3,785.71
City of Saginaw	531,083	3,580.43
Alliance Residential Builders	513,583	3,440.08
Total	<u>22,283,833</u>	<u>\$ 147,539.66</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, 2021
<u>Residential</u>		
First 2,000 Gallons		\$17.36 (minimum)
Next 18,000 Gallons		2.73 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>		
First 2,000 Gallons		\$17.36 (minimum)
Over 2,000 Gallons		4.74 /M Gallons
<u>Commercial / Industrial (Non-Monitored)</u>		
First 2,000 Gallons		\$19.06 (minimum)
Over 2,000 Gallons		4.74 /M Gallons
<u>Commercial / Industrial (Monitored)</u>		
First 2,000 Gallons		Based on Formula
Over 2,000 Gallons		4.74 /M Gallons

PRINCIPAL WASTEWATER CUSTOMERS

TABLE REV-9

(As of September 30, 2022)

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
The Ruston, LLC (apartments)	\$ 4,535.81
Eagle Mnt/Saginaw ISD	4,317.27
Ashton Apartments	3,097.50
IMO US West, LLC (car wash)	2,724.81
Miller Milling Company	2,633.50
Saginaw Crossing Apartments	2,135.35
Zip's Car Wash, LLC	1,981.42
Ventura Foods, LLC	1,547.50
Saginaw Laundry Center	1,537.84
American Homes 4 Rent	1,462.62
Total	\$ 25,973.61

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>
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
2019	1,027,571	2,815	6.0 10-16-18
2020	940,582	2,577	6.0 03-16-20
2021	949,816	2,602	6.8 05-25-21
2022	847,252	2,321	5.6 8-22-22