

**CITY OF SAGINAW, TEXAS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT  
FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2014**

**PREPARED BY**  
**THE CITY OF SAGINAW, TEXAS**  
**FINANCE DEPARTMENT**

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**City of Saginaw**

## **INTRODUCTORY SECTION**



**City of Saginaw**





## City of Saginaw

333 West McLeroy  
P.O. Box 79070  
Saginaw, Texas 76179  
817-232-4640  
Fax 817-232-4644  
[www.ci.saginaw.tx.us](http://www.ci.saginaw.tx.us)

February 4, 2015

Honorable Mayor Gary Brinkley,  
Members of the City Council,  
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Comprehensive Annual Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2014. 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, 2014. The independent auditor's report is located at the front of the financial section of this report.

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

### **The Reporting Entity**

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

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

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

### **Services Provided**

The City provides a full range of municipal services including general government, police and fire protection, street maintenance, building inspection services, library services, recreation, 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 2013-2014 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.

## **Budgetary Controls**

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

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

## **Internal Controls**

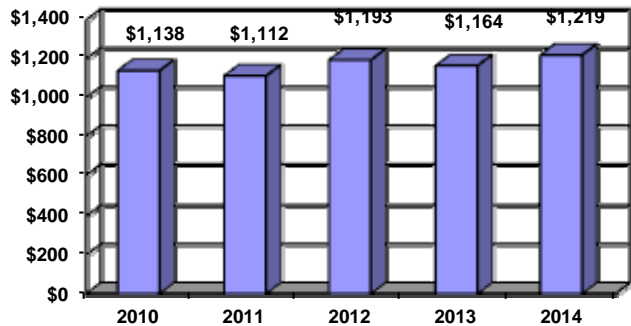
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

## **ECONOMIC OUTLOOK AND FINANCIAL CONDITION**

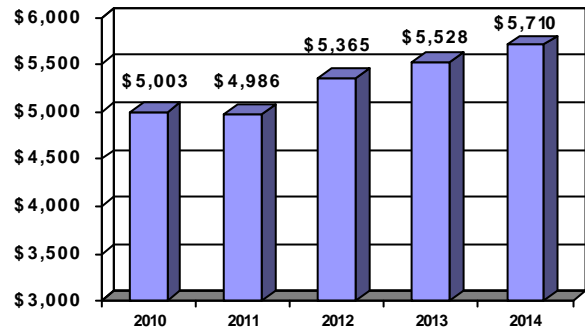
### **Summary of Local Economy**

The local economy in Saginaw remains good. Taxable values increased 4.6% and we saw \$7.7 million in added value from new construction of both commercial/retail and residential. Horizon Milling has completed a \$39 million dollar facility expansion and Northwest Pipe has completed a \$10 million expansion of their Saginaw facility. Trinity Industries Rail Car division is currently building a \$20 million dollar expansion to their facility and will add 375 new jobs. TAC industries and Ventura foods have both completed office space expansions. The new 7-11 convenience store and a new Whataburger Restaurant have been completed and are now operating. Construction is complete and building permits have been issued on the new Saginaw Springs residential subdivision. Phase I includes 75 of the proposed 162 lots. Construction of Phase 4 of the Creekwood subdivision is complete adding 98 residential lots and homes are under construction. Sales tax collections for the current fiscal year to date are 2.9% ahead of last year.

**TAXABLE PROPERTY VALUES**  
(in millions)



**SALES TAX COLLECTIONS**  
(in thousands)



### **Economic Prospects for the Future**

Willow Vista Estates Phase 3 with 47 residential lots is currently under construction as is The Dominion Phase 2B which will add 96 residential lots. Phase 2 of the Saginaw Springs residential subdivision is underway and will add an additional 76 lots. A new senior living complex is scheduled to begin construction in 2015 with an estimated value of \$4.5 million. With the City’s commitment to the expansion and reconstruction of E. Bailey Boswell Road there are discussions underway with several property owners and developers interested in commercial/retail and residential development along this major east/west corridor. 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. Residential and commercial construction and expansion projects will continue to boost the City’s tax base.

### **Long Term Financial Planning**

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

The City’s Comprehensive Master Plan was updated in 2011 and the five-year Capital Improvement Plan was updated in 2012. The plan’s emphasis will continue to be on repair and maintenance of existing infrastructure, particularly on our arterial and collector grade streets. The capital improvements plan is funded with cash on hand and revenues from the Street Maintenance Fund, the Drainage Utility Fund and the sale of \$8,000,000 in General Obligation bonds approved by voters in May, 2013. No significant additional operating costs are projected to be incurred related to any capital expenditures.

## OTHER INFORMATION

### Independent Audit

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

### Certificate of Achievement

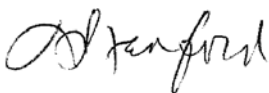
The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013 from the Government Finance Officers Association of the United States and Canada (GFOA). This certificate is awarded 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 2013-2014 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

### Acknowledgments

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

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

Respectfully submitted,



Nan Stanford, City Manager



Dolph Johnson, Assistant City Manager/Finance Director

**CITY OF SAGINAW, TEXAS  
PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2014**

**GOVERNING BODY**

Gary Brinkley	Mayor
David Flory	Mayor Pro-Tem
Ed Larson	Councilmember, Place 2
Todd Flippo	Councilmember, Place 3
Valerie Tankersley	Councilmember, Place 4
Chris Barngrover	Councilmember, Place 5
Jackie D. Nethery	Councilmember, Place 6

**ADMINISTRATION**

Nan Stanford	City Manager
Dolph Johnson	Assistant City Manager/ Finance Director
Kim Quin	Assistant Finance Director/ Budget Analyst
Janice England	City Secretary
Lorraine Irby	Municipal Court Judge
Roger Macon	Police Chief
Doug Spears	Fire Chief
Mark White	Director of Public Works
Bryn Meredith	City Attorney
Jeff James	City Engineer



# CITY OF SAGINAW



**NCTCOG Maps**  
[www.dfwmaps.com](http://www.dfwmaps.com)

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





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Saginaw  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

Executive Director/CEO

**CITY OF SAGINAW, TEXAS  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
YEAR ENDED  
SEPTEMBER 30, 2013**

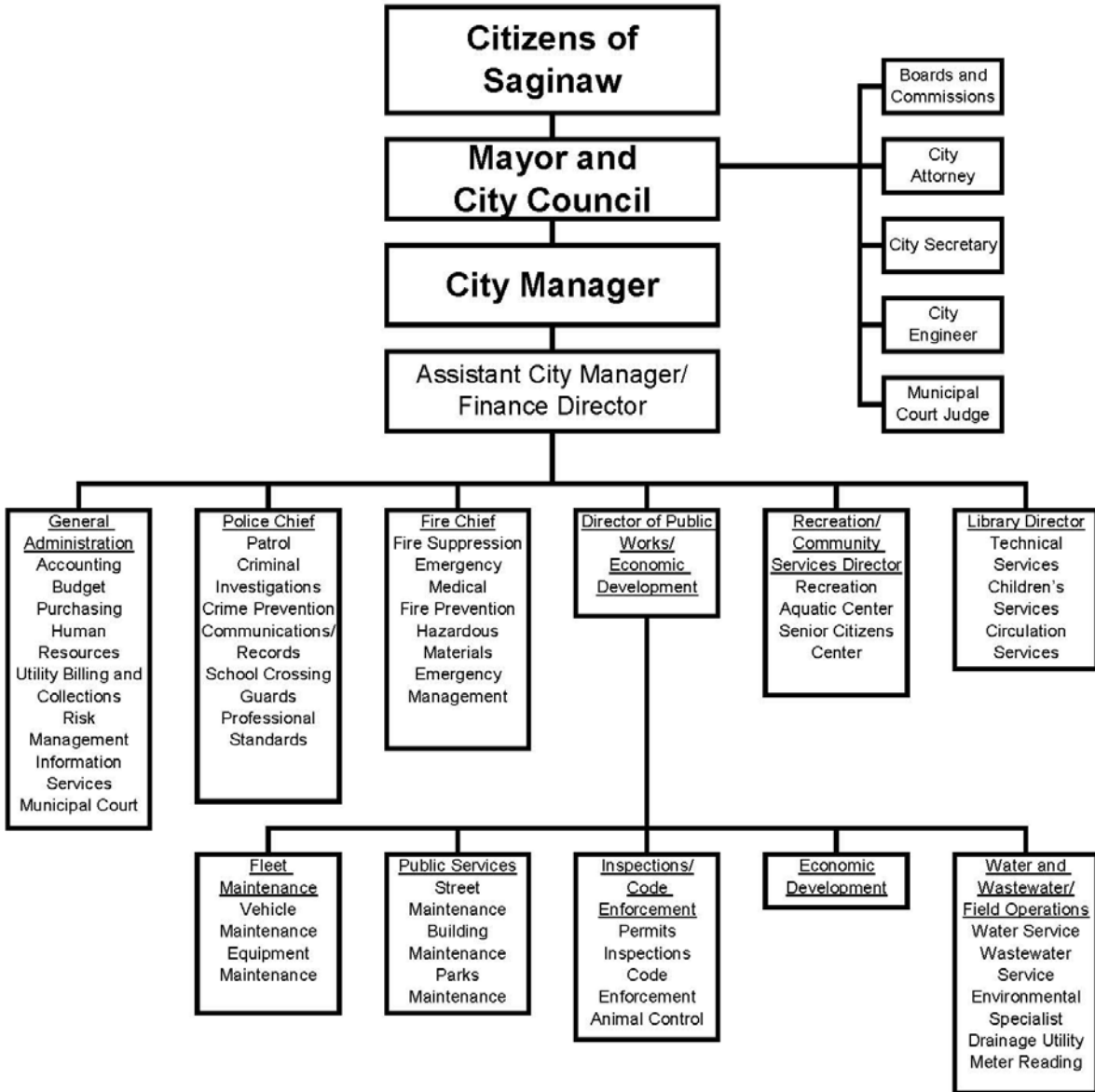
The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saginaw, Texas for our Comprehensive Annual Financial Report for the fiscal year ended September 30, 2013.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

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



# CITY OF SAGINAW ORGANIZATIONAL CHART





**City of Saginaw**

## **FINANCIAL SECTION**



**City of Saginaw**



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor Gary Brinkley  
and Members of the City Council  
City of Saginaw, Texas

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Saginaw, Texas (the City) as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

To the Honorable Mayor Gary Brinkley  
and the Members of the City Council  
City of Saginaw, Texas

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, 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.

## **Emphasis of Matter**

As discussed in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* as of September 30, 2014. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, and budgetary comparison information on pages 4 through 10, 50, and 51 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

To the Honorable Mayor Gary Brinkley  
and the Members of the City Council  
City of Saginaw, Texas

Page 3

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

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

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, TX  
February 4, 2015



**City of Saginaw**



**CITY OF SAGINAW, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2014  
(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, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

**FINANCIAL HIGHLIGHTS**

- The assets of the City of Saginaw exceeded its liabilities at the close of the most recent fiscal year by \$94,230,345 (net position). Of this amount, \$20,865,612 (unrestricted net position) 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 \$7,231,684.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$21,729,552. About 40% of this total amount, or \$8,598,487, is unassigned and available for use with the City's fund designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$8,598,487 or 66% of the total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, municipal court, fire, police, public services, parks, library, recreation, fleet maintenance, inspections 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 11-13 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 eight 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, the aggregate of five Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 14-17.

**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 18-21 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. All the City's fiduciary activities are reported in separate statements and can be found on pages 22-23 of this report.

**Notes to Basic 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 24-49.

**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, 2014, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities by \$94,230,345.

The largest portion of the City's net position (76%) 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	
	2013		2013		2013	
	2014	as restated	2014	as restated	2014	as restated
Current and other assets	\$23,519,163	\$24,666,976	\$9,288,033	\$8,265,123	\$32,807,196	\$32,932,099
Capital assets	<u>70,714,020</u>	<u>66,761,685</u>	<u>22,524,647</u>	<u>21,781,808</u>	<u>93,238,667</u>	<u>\$88,543,493</u>
Total assets	<u>\$94,233,183</u>	<u>\$91,428,661</u>	<u>\$31,812,680</u>	<u>\$30,046,931</u>	<u>\$126,045,863</u>	<u>\$121,475,592</u>
Deferred outflows of resources	\$266,717	-	\$77,290	-	\$344,007	-
Long term liabilities	\$23,515,826	\$24,622,547	\$3,053,369	\$3,459,373	\$26,569,195	\$28,081,920
Other liabilities	<u>3,968,266</u>	<u>4,480,449</u>	<u>1,622,064</u>	<u>1,914,562</u>	<u>5,590,330</u>	<u>\$6,395,011</u>
Total liabilities	<u>\$27,484,092</u>	<u>\$29,102,996</u>	<u>\$4,675,433</u>	<u>\$5,373,935</u>	<u>\$32,159,525</u>	<u>\$34,476,931</u>
Net Position						
Net Investment in capital assets	\$52,280,544	\$48,872,324	\$19,067,165	\$17,623,648	\$71,347,709	\$66,495,972
Restricted	1,596,119	1,828,513	420,905	420,735	2,017,024	2,249,248
Unrestricted	<u>13,139,145</u>	<u>11,624,828</u>	<u>7,726,467</u>	<u>6,628,613</u>	<u>20,865,612</u>	<u>18,253,441</u>
Total net position*	<u>\$67,015,808</u>	<u>\$62,325,665</u>	<u>\$27,214,537</u>	<u>\$24,672,996</u>	<u>\$94,230,345</u>	<u>\$86,998,661</u>

\*2013 restated for GASB 65

An additional portion of the City's net position (2.1%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$20,865,612 may be used to meet the City's ongoing obligation to citizens and creditors.

As of September 30, 2014, 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, 2014. Overall the City had an increase in net position of \$7,231,684. Contributed assets, as a result of new development, account for majority of the increase in both governmental and business-type activities. Governmental activities increased net position by \$4,690,143. Increases in sales tax collection, municipal court fines, and building fees also contributed to this increase. Business-type activities increased the City's net position by \$2,541,541. A decrease in wastewater treatment expenses contributed to this increase.

### City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Fees, fines and charges for services	\$ 2,310,409	\$ 2,183,754	\$ 8,910,914	\$ 8,299,170	\$ 11,221,323	\$ 10,482,924
Operating grants and contributions	174,983	132,814	-	-	174,983	132,814
Capital grants and contributions	3,854,521	1,271,666	1,461,468	88,737	5,315,989	1,360,403
General revenues:						
Ad valorem taxes	6,277,304	5,750,493	-	-	6,277,304	5,750,493
Sales taxes	5,709,850	5,528,937	-	-	5,709,850	5,528,937
Franchise taxes	1,420,451	1,503,183	-	-	1,420,451	1,503,183
Other taxes	18,682	82,634	-	-	18,682	82,634
Penalties and interest	21,965	21,585	116,521	119,919	138,486	141,504
Interest income	7,587	16,172	2,508	7,146	10,095	23,318
Gain/(Loss) on sale of assets	26,704	-	9,365	12,000	36,069	12,000
Miscellaneous	206,735	201,147	73,446	152,392	280,181	353,539
Total revenues	\$ 20,029,191	\$ 16,692,385	\$ 10,574,222	\$ 8,679,364	\$ 30,603,413	\$ 25,371,749
Expenses:						
General admin. Offices	\$ 2,343,593	\$ 2,385,797	\$ -	\$ -	\$ 2,343,593	\$ 2,385,797
Municipal court	200,512	185,237	-	-	200,512	185,237
Fire	2,955,138	2,858,957	-	-	2,955,138	2,858,957
Police	4,038,792	3,860,896	-	-	4,038,792	3,860,896
Public works	2,895,713	3,465,002	-	-	2,895,713	3,465,002
Parks	208,076	195,900	-	-	208,076	195,900
Recreation	985,348	969,556	-	-	985,348	969,556
Library	548,383	540,261	-	-	548,383	540,261
Inspections	603,213	583,930	-	-	603,213	583,930
Fleet maintenance	573,011	546,241	-	-	573,011	546,241
Economic development	35,860	64,779	-	-	35,860	64,779
Interest on long term debt	916,082	1,162,182	-	-	916,082	1,162,182
Water and Wastewater	-	-	7,068,008	7,241,735	7,068,008	7,241,735
Total expenses	\$ 16,303,721	\$ 16,818,738	\$ 7,068,008	\$ 7,241,735	\$ 23,371,729	\$ 24,060,473
Increases (decreases) in net position before transfers	\$ 3,725,470	\$ (126,353)	\$ 3,506,214	\$ 1,437,629	\$ 7,231,684	\$ 1,311,276
Transfers	964,673	909,829	(964,673)	(909,829)	-	-
Increase in net position	\$ 4,690,143	\$ 783,476	\$ 2,541,541	\$ 527,800	\$ 7,231,684	\$ 1,311,276
Net position - October 1, as restated	62,325,665	61,542,189	24,672,996	24,145,196	86,998,661	85,687,385
Net position - September 30 *	\$ 67,015,808	\$ 62,325,665	\$ 27,214,537	\$ 24,672,996	\$ 94,230,345	\$ 86,998,661

\*2013 restated for GASB 65

## 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. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending 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 \$21,729,552. Approximately 40% of this total (\$8,598,487) 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.

**Proprietary Fund** – The City's proprietary fund statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Enterprise Fund are \$7,726,467. Total net position of the Enterprise Fund increased by \$2,541,541 from fiscal year 2013 to fiscal year 2014. This increase is primarily due to developer contributed assets and lower wastewater treatment expenses.

**General Fund Budgetary Highlights** – The City made revisions to the original appropriations approved by the City Council. Overall these changes increased budgeted expenditures and transfers from the original budget by 4.6 % or \$567,775. Increases were due to the completion of city hall, the completion of intersection improvements at FM 156 and Western Center, and unanticipated repairs to city facilities.

The General Fund's budgeted revenues increased approximately 4% or \$481,275. The majority of the increase was due to increased sales tax collections, municipal court fines, building permits, and construction inspections fees.

**Debt Service Fund** – The Debt Service Fund balance increased from \$1,495,776 to \$1,650,611 from fiscal year 2013 to fiscal year 2014. This increase is due to an improved tax collection rate.

**Capital Projects Fund** – Total fund balance in the Capital Projects Fund decreased by \$1,061,242. The decrease is due to expenditures for street improvements from previously issued debt.

## CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2014 amounts to \$93,238,667 (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:

- Continued Drainage Improvements Phase 2 (Lemon to Northern) (\$40,938).
- Began replacement of the Community Sign (\$37,150).
- Completed construction of W. Bailey Boswell Road (\$652,074).
- Completed City Hall reconstruction (\$160,360).
- Completed construction of the traffic signal and intersection improvements at FM 156 and Western Center (\$90,885).
- Completed construction of Opal Street Bridge (\$238,214).
- Continued design and awarded a construction contract for Phase 4 of E. Bailey Boswell Road reconstruction (\$973,761).
- City-wide equipment replacement (\$223,248).
- Replaced city-wide telephone system (\$40,327).
- Continued water line improvements (\$34,000)
- Replaced commercial water meters (\$36,941).
- Continued sanitary sewer improvements (\$59,689).
- Lease-purchase of ladder truck (\$944,294)
- Developer contributed assets totaled \$4,648,407.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$11,449,100	\$10,251,800	\$16,657	\$16,658	\$11,465,757	\$10,268,458
Improvements	1,519,428	1,485,083	-	-	1,519,428	1,485,083
Buildings	19,409,248	16,711,257	154,587	154,587	19,563,835	16,865,844
Equipment	6,264,505	5,856,762	1,352,184	1,390,273	7,616,689	7,247,035
Infrastructure	86,922,415	81,123,689	31,228,867	29,947,778	118,151,282	111,071,467
Construction in progress	2,717,657	6,314,388	143,635	38,000	2,861,292	6,352,388
Accumulated depreciation	(57,568,333)	(54,981,294)	(10,371,283)	(9,765,487)	(67,939,616)	(64,746,781)
Total	<u>\$70,714,020</u>	<u>\$66,761,685</u>	<u>\$22,524,647</u>	<u>\$21,781,809</u>	<u>\$93,238,667</u>	<u>\$88,543,494</u>

Additional information on the City of Saginaw's capital assets can be found in Note 4 on pages 36-37.

## DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$27,726,857. Of this amount, \$24,269,375 comprises bonded debt backed by the full faith and credit of the government and \$3,457,482 represents bonds secured solely by water and wastewater revenues.

### Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligations	\$17,010,000	\$18,570,000	\$520,000	\$ -	\$17,530,000	\$18,570,000
Certificates of obligation	6,830,000	7,200,000	-	-	6,830,000	7,200,000
Revenue bonds payable	-	-	2,915,000	3,895,000	2,915,000	3,895,000
Premiums on bonds	429,375	464,134	22,482	27,670	451,857	491,804
Deferred loss on refunding bonds	-	(247,003)	-	(90,539)	-	(337,542)
<b>Total</b>	<b>\$24,269,375</b>	<b>\$25,987,131</b>	<b>\$3,457,482</b>	<b>\$3,832,131</b>	<b>\$27,726,857</b>	<b>\$29,819,262</b>

During the fiscal year, the City's total debt decreased by \$2,092,405 or 7% due to annual bond payments. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA/Stable and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA/Stable and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 38-41 of this report.

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

In the 2014-2015 budget, General Fund revenues and transfers in are budgeted to increase by \$211,825 (1.7%) from the 2013-2014 revised budget year with property tax making up 30% and sales tax making up 33% of budgeted revenues. Certified assessed valuations increased 4.6% from the preceding year. General Fund expenditures increased by \$251,890 or 1.9%. The increase is due an economic development loan of \$460,000 budgeted in 2014-2015. The General Fund budget is balanced with the use of \$509,935 from the beginning fund balance for one time capital outlay and an economic development incentive loan.

The 2014-2015 budget includes an increase of 5% in water rates and no change in wastewater rates due to changes in rates paid to the City of Fort Worth for water purchases and wastewater treatment costs. The Enterprise Fund is budgeted to break even with the use of \$895,375 of the beginning fund balance to be used for one time capital projects.

## 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 Assistant City Manager/Finance Director at P.O. Box 79070, Saginaw, Texas 76179, or call (817) 232-4640.



**City of Saginaw**



## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF SAGINAW, TEXAS  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014**

	Primary Government			Component Unit - Saginaw Industrial Development Authority
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Deposits and investments	\$ 14,957,500	\$ 7,193,784	\$ 22,151,284	\$ -
Receivables				
Taxes, net of allowance	1,046,422	-	1,046,422	-
Accounts, net of allowance	81,800	1,128,526	1,210,326	-
Other	202,483	7,342	209,825	-
Due from primary government	-	-	-	24,399
Restricted assets				
Deposits and investments	7,230,958	958,381	8,189,339	-
Capital assets				
Land	11,449,100	16,657	11,465,757	-
Improvements	1,519,428	-	1,519,428	-
Buildings	19,409,248	154,587	19,563,835	-
Equipment	6,264,505	1,352,184	7,616,689	-
Infrastructure	86,922,415	31,228,867	118,151,282	-
Construction in progress	2,717,657	143,635	2,861,292	-
Accumulated depreciation	(57,568,333)	(10,371,283)	(67,939,616)	-
Total assets	94,233,183	31,812,680	126,045,863	24,399
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge for refunding	266,717	77,290	344,007	-
Total deferred outflows of resources	266,717	77,290	344,007	-
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	1,298,049	589,735	1,887,784	-
Accrued interest payable	71,604	9,665	81,269	-
Due to component unit	24,399	-	24,399	-
Unearned revenue	274,065	-	274,065	-
Payable from restricted assets				
Contracts payable	153,605	-	153,605	-
Current portion of revenue bonds payable	-	485,188	485,188	-
Current portion of capital leases payable	171,785	-	171,785	-
Customer deposits	-	537,476	537,476	-
Noncurrent liabilities				
Debt due within one year	1,974,759	-	1,974,759	-
Debt due in more than one year	23,515,826	3,053,369	26,569,195	-
Total liabilities	27,484,092	4,675,433	32,159,525	-
<b>NET POSITION</b>				
Net investment in capital assets	52,280,544	19,067,165	71,347,709	-
Restricted for				
Debt service	1,596,119	420,905	2,017,024	-
Unrestricted	13,139,145	7,726,467	20,865,612	24,399
Total net position	\$ 67,015,808	\$ 27,214,537	\$ 94,230,345	\$ 24,399

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

**CITY OF SAGINAW, TEXAS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities</b>				
General administrative offices	\$ 2,343,593	\$ -	\$ -	\$ -
Municipal court	200,512	543,001	-	-
Fire	2,955,138	80,000	77,426	-
Police	4,038,792	3,880	97,557	-
Public works	2,895,713	577,267	-	3,854,521
Parks	208,076	-	-	-
Recreation	985,348	652,176	-	-
Library	548,383	20,499	-	-
Inspection	603,213	433,586	-	-
Fleet maintenance	573,011	-	-	-
Economic development	35,860	-	-	-
Interest on long term debt	916,082	-	-	-
<b>Total governmental activities</b>	<b>16,303,721</b>	<b>2,310,409</b>	<b>174,983</b>	<b>3,854,521</b>
<b>Business-type activities</b>				
Water and wastewater	7,068,008	8,910,914	-	1,461,468
<b>Total business-type activities</b>	<b>7,068,008</b>	<b>8,910,914</b>	<b>-</b>	<b>1,461,468</b>
<b>Total government</b>	<b>\$ 23,371,729</b>	<b>\$ 11,221,323</b>	<b>\$ 174,983</b>	<b>\$ 5,315,989</b>

General revenues	
Taxes	
Ad valorem	
Sales	
Franchise taxes	
Other taxes	
Penalties and interest	
Interest income	
Gain on disposal of assets	
Miscellaneous revenues	
Transfers	
	Total general revenues and transfers
	Change in net position
	Net position - beginning of year, as restated
	Net position - end of year

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

Governmental Activities	Net (Expenses) Revenue and Changes in Net Position		Component Unit -
	Business- type Activities	Total	Industrial Development Authority
\$ (2,343,593)	\$ -	\$ (2,343,593)	\$ -
342,489	-	342,489	-
(2,797,712)	-	(2,797,712)	-
(3,937,355)	-	(3,937,355)	-
1,536,075	-	1,536,075	-
(208,076)	-	(208,076)	-
(333,172)	-	(333,172)	-
(527,884)	-	(527,884)	-
(169,627)	-	(169,627)	-
(573,011)	-	(573,011)	-
(35,860)	-	(35,860)	-
(916,082)	-	(916,082)	-
<u>(9,963,808)</u>	<u>-</u>	<u>(9,963,808)</u>	<u>-</u>
<u>-</u>	<u>3,304,374</u>	<u>3,304,374</u>	<u>-</u>
<u>-</u>	<u>3,304,374</u>	<u>3,304,374</u>	<u>-</u>
<u>\$ (9,963,808)</u>	<u>\$ 3,304,374</u>	<u>\$ (6,659,434)</u>	<u>\$ -</u>
6,277,304	\$ -	\$ 6,277,304	\$ -
5,709,850	-	5,709,850	-
1,420,451	-	1,420,451	-
18,682	-	18,682	-
21,965	116,521	138,486	-
7,587	2,508	10,095	32
26,704	9,365	36,069	-
206,735	73,446	280,181	-
964,673	(964,673)	-	-
<u>14,653,951</u>	<u>(762,833)</u>	<u>13,891,118</u>	<u>32</u>
4,690,143	2,541,541	7,231,684	32
<u>62,325,665</u>	<u>24,672,996</u>	<u>86,998,661</u>	<u>24,367</u>
<u>\$ 67,015,808</u>	<u>\$ 27,214,537</u>	<u>\$ 94,230,345</u>	<u>\$ 24,399</u>



**City of Saginaw**

**FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**

**CITY OF SAGINAW, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Deposits and investments	\$ 10,278,254	\$ 1,650,611	\$ -	\$ 3,028,635	\$ 14,957,500
Receivables					
Taxes, net of allowance	790,991	17,112	-	238,319	1,046,422
Accounts	81,800	-	-	-	81,800
Other	110,678	-	-	91,805	202,483
Restricted assets					
Deposits and investments	-	-	7,230,958	-	7,230,958
<b>TOTAL ASSETS AND OTHER DEBTS</b>	<b><u>\$ 11,261,723</u></b>	<b><u>\$ 1,667,723</u></b>	<b><u>\$ 7,230,958</u></b>	<b><u>\$ 3,358,759</u></b>	<b><u>\$ 23,519,163</u></b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 1,284,789	\$ -	\$ -	\$ 13,260	\$ 1,298,049
Due to component unit	24,399	-	-	-	24,399
Payable from restricted assets					
Contracts payable	-	-	153,605	-	153,605
Unearned revenue	253,104	-	-	20,961	274,065
<b>Total liabilities</b>	<b>1,562,292</b>	<b>-</b>	<b>153,605</b>	<b>34,221</b>	<b>1,750,118</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - property taxes	22,381	17,112	-	-	\$ 39,493
<b>Total deferred inflows of resources</b>	<b>22,381</b>	<b>17,112</b>	<b>-</b>	<b>-</b>	<b>39,493</b>
<b>Fund balances</b>					
<b>Restricted</b>					
Debt service	-	1,650,611	-	-	1,650,611
Capital projects	403,681	-	7,077,353	-	7,481,034
Municipal court	146,224	-	-	-	146,224
Hotel/motel tax	18,723	-	-	-	18,723
Street maintenance	-	-	-	900,917	900,917
Crime prevention	-	-	-	853,451	853,451
Drainage	-	-	-	1,234,069	1,234,069
<b>Committed</b>					
Donations	-	-	-	336,101	336,101
Assigned	509,935	-	-	-	509,935
Unassigned	8,598,487	-	-	-	8,598,487
<b>Total fund balances</b>	<b>9,677,050</b>	<b>1,650,611</b>	<b>7,077,353</b>	<b>3,324,538</b>	<b>21,729,552</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 11,261,723</u></b>	<b><u>\$ 1,667,723</u></b>	<b><u>\$ 7,230,958</u></b>	<b><u>\$ 3,358,759</u></b>	<b><u>\$ 23,519,163</u></b>

The Notes to 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, 2014**

Total fund balances - governmental funds	\$ 21,729,552
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	70,714,020
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.	(71,604)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	39,493
Long-term liabilities, including bonds payable and capital leases are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of \$266,717 is reflected as a deferred outflow of resources on the Statement of Net Position.	<u>(25,395,653)</u>
Net position of governmental activities	<u><u>\$ 67,015,808</u></u>

**CITY OF SAGINAW, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 9,355,084	\$ 2,727,553	\$ -	\$ 1,361,383	\$ 13,444,020
Licenses and permits	329,948	-	-	-	329,948
Charges for services	80,000	-	-	577,267	657,267
Fines and fees	667,138	-	-	-	667,138
Interest income	3,380	758	2,601	848	7,587
Recreation income	494,346	-	-	-	494,346
Intergovernmental	167,380	-	400,882	-	568,262
Miscellaneous revenues	206,935	-	-	169,113	376,048
<b>Total revenues</b>	<b>11,304,211</b>	<b>2,728,311</b>	<b>403,483</b>	<b>2,108,611</b>	<b>16,544,616</b>
<b>Expenditures</b>					
<b>Current</b>					
General administrative office	1,983,715	-	-	318,130	2,301,845
Municipal court	199,451	-	-	-	199,451
Fire	3,694,807	-	-	-	3,694,807
Police	3,667,944	-	-	85,282	3,753,226
Public works	884,006	-	-	-	884,006
Parks	227,791	-	-	-	227,791
Recreation	753,421	-	-	-	753,421
Library	496,461	-	-	-	496,461
Inspection	587,047	-	-	-	587,047
City garage	533,557	-	-	-	533,557
Economic development	35,860	-	-	-	35,860
Capital outlay	-	-	2,193,400	134,057	2,327,457
Principal retirement	-	2,214,750	-	-	2,214,750
Interest charges	-	910,722	-	-	910,722
Fiscal agent's fees and debt issuance costs	-	44,188	-	-	44,188
<b>Total expenditures</b>	<b>13,064,060</b>	<b>3,169,660</b>	<b>2,193,400</b>	<b>537,469</b>	<b>18,964,589</b>
Excess (deficiency) of revenues over expenditures	(1,759,849)	(441,349)	(1,789,917)	1,571,142	(2,419,973)
<b>Other financing sources (uses)</b>					
Transfers in	1,501,850	596,895	728,675	-	2,827,420
Transfers out	(593,636)	-	-	(1,269,111)	(1,862,747)
Proceeds from capital leases	944,294	-	-	-	944,294
Proceeds from bond refunding	-	2,130,000	-	-	2,130,000
Payment to escrow agent	-	(2,130,711)	-	-	(2,130,711)
<b>Total other financing sources (uses)</b>	<b>1,852,508</b>	<b>596,184</b>	<b>728,675</b>	<b>(1,269,111)</b>	<b>1,908,256</b>
Net change in fund balances	92,659	154,835	(1,061,242)	302,031	(511,717)
Fund Balances - beginning of year	9,584,391	1,495,776	8,138,595	3,022,507	22,241,269
Fund Balances - end of year	\$ 9,677,050	\$ 1,650,611	\$ 7,077,353	\$ 3,324,538	\$ 21,729,552

The Notes to 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 YEAR ENDED SEPTEMBER 30, 2014**

Net change in fund balances - total governmental funds	\$ (511,717)
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.	3,349,277
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	3,453,639
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(2,877,285)
Governmental funds recognize all amounts received on the sale of fixed assets as a gain. However, in the statement of activities, the gain or loss is offset by the remaining net book value of the asset.	26,704
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 issuance costs, premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of repayments of \$2,214,750 plus amortization of \$8,760, which is the net effect of these differences in the treatment of long-term debt and related items, less capital lease proceeds of \$944,294 and \$64,700 in long-term pension obligations.	1,214,516
The refunding of long term debt (e.g. bonds) provides current financial resources and consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	711
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.	30,066
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.	<u>4,232</u>
Change in net position of governmental activities	<u><u>\$ 4,690,143</u></u>

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



City of Saginaw

**FUND FINANCIAL STATEMENTS  
PROPRIETARY FUNDS**

**CITY OF SAGINAW, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2014**

	Enterprise Fund
ASSETS	
Current assets	
Deposits and investments	\$ 7,193,784
Deposits and investments-restricted	420,905
Receivables	
Accounts receivable, net of allowance of \$65,747	647,141
Unbilled accounts	481,385
Other	7,342
Total current assets	<u>8,750,557</u>
Noncurrent assets	
Capital assets, at cost	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	31,228,867
Machinery and equipment	1,352,184
Construction in progress	143,635
Accumulated depreciation	<u>(10,371,283)</u>
Total capital assets, net of accumulated depreciation	22,524,647
Deposits and investments-restricted	<u>537,476</u>
Total noncurrent assets	<u>23,062,123</u>
Total assets	31,812,680
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	<u>77,290</u>
Total deferred outflows of resources	77,290
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	589,735
Accrued interest	9,665
Revenue bonds payable	<u>485,188</u>
Total current liabilities	1,084,588
Noncurrent liabilities	
Revenue bonds payable	2,972,294
Pension obligation payable	81,075
Customer deposits	<u>537,476</u>
Total noncurrent liabilities	<u>3,590,845</u>
Total liabilities	4,675,433
NET POSITION	
Net investment in capital assets	19,067,165
Restricted for	
Revenue bond retirement	420,905
Unrestricted	<u>7,726,467</u>
Total net position	<u>\$ 27,214,537</u>

The Notes to 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 YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Fund
Operating revenues	
Water and sewer sales	\$ 7,562,472
Penalties	116,521
Surcharges	1,348,442
Miscellaneous	73,446
	<hr/>
Total operating revenue	9,100,881
Operating expenses	
Cost of sales and services	4,670,511
Administrative	1,582,660
Depreciation	671,724
	<hr/>
Total operating expenses	6,924,895
Operating income	2,175,986
Nonoperating revenues (expenses)	
Investment income	2,508
Gain on sale of machinery and equipment	9,365
Interest expense and agent fees	(143,113)
	<hr/>
Total nonoperating revenues (expenses)	(131,240)
Income before contributions and transfers	2,044,746
Capital contributions and transfers	
Capital contributions	1,229,670
Impact and tap fees	231,798
Transfers out	(1,013,878)
Transfers in	49,205
	<hr/>
Total nonoperating revenues (expenses)	496,795
Change in net position	2,541,541
Net position, beginning of year, as restated	<hr/>
	24,672,996
Net position, end of year	<hr/> <hr/>
	\$ 27,214,537

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

**CITY OF SAGINAW, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 9,101,836
Cash paid to employees	(788,128)
Cash paid to suppliers	<u>(5,550,413)</u>
Net cash provided by operating activities	2,763,295
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers out to other funds	(1,013,878)
Transfers from other funds	<u>49,205</u>
Net cash used in noncapital financing activities	(964,673)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Proceeds from sale of machinery and equipment	9,365
Impact and tap fees	231,798
Proceeds from the issuance of bonds	520,000
Principal paid on revenue bonds	(980,000)
Payments on capital lease obligations	(235,490)
Purchase of capital assets	(184,893)
Interest and fees paid on debt issuance	(150,944)
Fiscal agent fees	<u>(1,498)</u>
Net cash used in capital and related financing activities	(791,662)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>2,508</u>
Net cash provided by investing activities	<u>2,508</u>
Net change in cash	1,009,468
Cash and cash equivalents at the beginning of the year	<u>7,142,697</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 8,152,165</u></u>

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



**CITY OF SAGINAW, TEXAS  
STATEMENT OF CASH FLOWS – CONTINUED  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Current Assets</u>	<u>Enterprise Fund Restricted Assets</u>		<u>Statement of Cash Flows Totals</u>
		<u>Current</u>	<u>Noncurrent</u>	
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b>				
Cash and cash equivalents - beginning	\$ 6,198,883	\$420,735	\$523,079	\$ 7,142,697
Net increase	<u>994,901</u>	<u>170</u>	<u>14,397</u>	<u>1,009,468</u>
Cash and cash equivalents - ending	<u>\$ 7,193,784</u>	<u>\$420,905</u>	<u>\$537,476</u>	<u>\$ 8,152,165</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income				\$ 2,175,986
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation				671,724
Increase in accounts receivable				(13,442)
Decrease in accounts payable and accrued expenses				(85,370)
Increase in customer deposits				<u>14,397</u>
Net cash provided by operating activities				<u>\$ 2,763,295</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES</b>				
Capital asset contributions from developers				\$ 1,229,670

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



City of Saginaw

**FUND FINANCIAL STATEMENTS  
FIDUCIARY FUND**

**CITY OF SAGINAW, TEXAS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
SEPTEMBER 30, 2014**

	<u>Private Purpose Trust Fund</u>
ASSETS	
Deposits and investments	<u>\$ -</u>
TOTAL ASSETS	<u><u>\$ -</u></u>
NET POSITION	
Assets held for scholarships	<u>\$ -</u>
TOTAL NET POSITION	<u><u>\$ -</u></u>

**CITY OF SAGINAW, TEXAS  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Private Purpose Trust Fund
Additions	
Interest income	<u>\$          73</u>
Total additions	<u>                  73</u>
Deductions	
Scholarship expense	<u>          1,150</u>
Total deductions	<u>          1,150</u>
Change in net position	(1,077)
Net position, beginning of year	<u>          1,077</u>
Net position, end of year	<u><u>          \$          -</u></u>



City of Saginaw

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**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, 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.

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**B. Financial Reporting Entity – Continued**

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.

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

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

Discrete Component Unit – The City created the Saginaw Industrial Development Authority for the special purpose of promoting and developing commercial, industrial and manufacturing enterprise and encouraging employment within the boundaries of the City. The members of the Authority are appointed by the City Council. The Authority is authorized to issue industrial development bonds after approval of the City Council. The Authority has been included in the basic financial statements as a discrete presentation and does not issue separate 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, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.



**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

C. Basis of Presentation – Continued

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 BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

C. Basis of Presentation – Continued

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 and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary fund:

Enterprise Fund

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

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

D. Measurement Focus and Basis of Accounting

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

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

D. Measurement Focus and Basis of Accounting – Continued

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and wastewater services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

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

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.

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

E. Budgetary Control – Continued

5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Saginaw CCPD Fund, Enterprise Fund and Debt Service Fund. A budget is legally adopted for the General Fund, Saginaw CCPD Fund and Debt Service Fund.

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

The General Fund Budgetary Comparison Schedule presents a comparison of budgetary data to actual results. The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results, except for the revenues and expenditures designated for special purposes that are recorded through escrow accounts for budgetary purposes.

All appropriations lapse on September 30 of the fiscal year.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

F. Cash and Investments

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

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

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

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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.”

H. Capital Assets

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

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

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

I. Accumulated Vacation, Compensatory Time and Sick Leave

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Employees are not compensated for unused sick leave.

J. Nature and Purpose of Designations of Fund Balance

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

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

J. Nature and Purpose of Designations of Fund Equity – Continued

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 are 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 BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

J. Nature and Purpose of Designations of Fund Equity – Continued

- 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 15% of the subsequent year's General Fund appropriated expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

**CITY OF SAGINAW, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

K. Net Position

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

L. Restatement of Prior Year Net Position

For the fiscal year ended September 30, 2014, the City made a change in accounting principle due to the implementation of Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*, which required restatement of net position as of September 30, 2014. This resulted in a decrease in Governmental Activities net position of \$420,740 and Business-Type Activities net position of \$78,306 due to retroactively expensing bond issuance cost capitalized prior to September 30, 2013. This change is in accordance with generally accepted accounting principles.

The GASB concluded that refunding debt gain/loss, the difference resulting from a current refunding, or an advance refunding, relates to future periods, and meets the definition of a deferred outflow of resources or a deferred inflow of resources, as applicable. Loss on refunding debt was previously presented as noncurrent liabilities in statement of net position. Beginning in fiscal year 2014, loss on refunding debt is presented as deferred charges on refunding under deferred outflows of resources in the statement of net position. There is no effect on beginning net position of Governmental Activities and Business-Type Activities with this change.

**NOTE 2. CASH AND INVESTMENTS**

Cash and investments as of September 30, 2014 consist of the following:

Deposits with financial institutions	\$ 1,414,593
Investments	<u>28,926,030</u>
	<u>\$ 30,340,623</u>



**CITY OF SAGINAW, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

**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, 2014, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 28,926,030	54 days

As of September 30, 2014, 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, 2014</u>
Texpool	\$ 28,926,030	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, 2014, 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 BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 2. CASH AND INVESTMENTS – CONTINUED**

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

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

At September 30, 2014, the carrying amount of the City's cash on hand and deposits were \$1,414,593 and the bank balance was \$1,862,557. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$1,612,557 secured with securities held by pledging financial institutions.

**Investment in State Investment Pools**

The City is a voluntary participant in the TexPool external investment pool. The State Comptroller of Public Accounts exercises responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool Shares.

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**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	\$ 420,905
Refundable water and wastewater deposits	<u>537,476</u>
	<u>\$ 958,381</u>

**NOTE 4. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2014, was as follows:

	Balance October 1, 2013	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2014
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 10,251,800	\$ 1,197,300	\$ -	\$ 11,449,100
Construction in progress	<u>6,314,388</u>	<u>3,107,042</u>	<u>(6,703,773)</u>	<u>2,717,657</u>
Total capital assets not being depreciated	16,566,188	4,304,342	(6,703,773)	14,166,757
Capital assets being depreciated				
Buildings	16,711,257	8,641	2,689,350	19,409,248
Improvements	1,485,083	34,345	-	1,519,428
Infrastructure	81,123,689	2,187,092	3,611,634	86,922,415
Equipment	<u>5,856,762</u>	<u>268,496</u>	<u>139,247</u>	<u>6,264,505</u>
Total capital assets being depreciated	105,176,791	2,498,574	6,440,231	114,115,596
Less accumulated depreciation				
Buildings	4,274,721	514,052	360,165	5,148,938
Improvements	995,371	68,898	(459,334)	604,935
Infrastructure	45,020,636	1,944,174	638,050	47,602,860
Equipment	<u>4,690,566</u>	<u>350,161</u>	<u>(829,127)</u>	<u>4,211,600</u>
Total accumulated depreciation	<u>54,981,294</u>	<u>2,877,285</u>	<u>(290,246)</u>	<u>57,568,333</u>
Total capital assets being depreciated, net	<u>50,195,497</u>	<u>(378,711)</u>	<u>6,730,477</u>	<u>56,547,263</u>
Net governmental activities capital assets	<u>\$ 66,761,685</u>	<u>\$ 3,925,631</u>	<u>\$ 26,704</u>	<u>\$ 70,714,020</u>

**CITY OF SAGINAW, TEXAS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 4. CAPITAL ASSETS – CONTINUED**

	Balance October 1, 2013	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2014
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	38,000	105,635	-	143,635
Total capital assets not being depreciated	54,657	105,635	-	160,292
Capital assets being depreciated				
Buildings	154,587	-	-	154,587
Water and wastewater system	29,947,778	1,287,587	(6,498)	31,228,867
Equipment	1,390,273	21,341	(59,430)	1,352,184
Total capital assets being depreciated	31,492,638	1,308,928	(65,928)	32,735,638
Less accumulated depreciation				
Buildings	145,257	3,541	(91,070)	57,728
Water and wastewater system	8,728,048	597,214	(6,498)	9,318,764
Equipment	892,182	70,969	31,640	994,791
Total accumulated depreciation	9,765,487	671,724	(65,928)	10,371,283
Total capital assets being depreciated, net	21,727,151	637,204	-	22,364,355
Net business-type activities capital assets	<u>\$ 21,781,808</u>	<u>\$ 742,839</u>	<u>\$ -</u>	<u>\$ 22,524,647</u>

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

Governmental activities	
General administrative office	\$ 68,006
Fire	190,306
Police	263,292
Public works	2,030,826
Recreation and community services	226,093
Library	46,088
Inspections/code enforcement	11,923
Fleet maintenance	38,393
Parks	2,358
	<u>\$ 2,877,285</u>
Business-type activities	
Water and wastewater	<u>\$ 671,724</u>

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. LONG-TERM DEBT**

At September 30, 2014, the City's bonds payable consisted of the following:

	<u>Governmental</u>	<u>Business-type</u>
2006 General Obligation Refunding Bonds, dated April 1, 2006, due in annual installments through September 1, 2026, bearing interest rates of 3.9% to 4.3%	\$ 3,060,000	\$ -
2006 Certificates of Obligation Bonds, dated October 1, 2006, due in annual installments through September 1, 2027, bearing interest rates of 4% to 5%	1,445,000	-
2006 Waterworks and Sewer System Revenue Bonds, dated October 1, 2006, due in annual installments through September 30, 2027, bearing interest rates of 4% to 4.9%	-	1,900,000
2007 Certificates of Obligation Bonds, dated September 1, 2007, due in annual installments through October 1, 2027, bearing interest rates of 4.3% to 4.4%	2,840,000	-
2009 Certificates of Obligation Bonds, dated May 1, 2009, due in annual installments through September 1, 2025, bearing interest rates of 3.8% to 4.6%	1,000,000	-
2010 Certificates of Obligation Bonds, dated August 1, 2010, due in annual installments through September 1, 2030, bearing interest rates of 2.5% to 4%	1,545,000	-
2010 Waterworks and Sewer System Refunding Revenue Bonds, dated August 1, 2010, due in annual installments through September 1, 2020, bearing interest rates of 2% to 3%	-	1,015,000

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. LONG-TERM DEBT – CONTINUED**

	<u>Governmental</u>	<u>Business-type</u>
2012 General Obligation Refunding Bonds, dated April 1, 2012, due in annual installments through September 1, 2023, bearing interest rates of 2% to 3%.	3,280,000	-
2013 General Obligation Refunding Bonds, dated August 29, 2013, due in annual installments through September 1, 2033, bearing interest rates of 2% to 4.1%	8,540,000	-
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	2,130,000	520,000
Premium on bonds	<u>429,375</u>	<u>22,482</u>
Total bonds payable	<u>\$ 24,269,375</u>	<u>\$ 3,457,482</u>

During 2014, the City issued \$2,650,000 in General Obligation Refunding Bonds with an interest rate of 1.99%. \$2,130,000 was used to advance refund the outstanding Series 2004 General Obligation Bonds and \$520,000 was used to advance refund the Series 2001 Waterworks and Sewer System Revenue Bonds. The average interest rate on the bonds being refunded was 4.75%. The net proceeds of \$2,598,848 (after payment of issuance costs) and City contribution of \$108,597 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining outstanding principal at September 30, 2014 related to the refunded bonds.

The City advance refunded the Series 2004 General Obligation Bonds to reduce its total debt service payments over the next 10 years by \$246,296 and to obtain an economic gain of \$219,995 (the difference between the present value of the debt service payments on the old and new debt).

The City advance refunded the Series 2001 Waterworks and Sewer System Revenue Bonds to reduce its total debt service payments over the next 10 years by \$77,321 and to obtain an economic gain of \$66,499 (the difference between the present value of the debt service payments on the old and new debt).

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. LONG-TERM DEBT – CONTINUED**

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2014:

	Balance October 1, 2013	Increases	Decreases	Balance September 30, 2014	Due Within One Year
<b>Governmental Activities</b>					
General obligation bonds	\$ 18,570,000	\$ 2,130,000	\$ (3,690,000)	\$ 17,010,000	\$ 1,495,000
Certificates of obligation	7,200,000	-	(370,000)	6,830,000	390,000
Obligations under capital leases	-	944,294	(239,750)	704,544	171,785
Pension obligation payable	623,749	64,700	-	688,449	-
Premiums on bonds	464,134	-	(34,759)	429,375	34,759
<b>Total Governmental Activities</b>	<b>\$ 26,857,883</b>	<b>\$ 3,138,994</b>	<b>\$ (4,334,509)</b>	<b>\$ 25,662,368</b>	<b>\$ 2,091,544</b>
<b>Business-type Activities</b>					
Revenue bonds	\$ 3,895,000	\$ -	\$ (980,000)	\$ 2,915,000	\$ 425,000
General obligation bonds	-	520,000	-	520,000	55,000
Obligations under capital leases	235,490	-	(235,490)	-	-
Pension obligation payable	74,181	6,894	-	81,075	-
Premiums on bonds	27,670	-	(5,188)	22,482	5,188
<b>Total Business-type Activities</b>	<b>\$ 4,232,341</b>	<b>\$ 526,894</b>	<b>\$ (1,220,678)</b>	<b>\$ 3,538,557</b>	<b>\$ 485,188</b>

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, 2014, are as follows:

General Obligation Bonds

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2015	1,495,000	552,703	2,047,703
2016	1,560,000	497,185	2,057,185
2017	1,490,000	456,805	1,946,805
2018	1,300,000	715,005	2,015,005
2019	1,345,000	379,720	1,724,720
2020-2024	5,430,000	1,351,831	6,781,831
2025-2029	2,340,000	712,081	3,052,081
2030-2034	2,050,000	219,525	2,269,525
	<b>\$ 17,010,000</b>	<b>\$ 4,884,854</b>	<b>\$ 21,894,854</b>

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 5. LONG-TERM DEBT – CONTINUED**

Certificates of Obligation

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2015	390,000	277,953	667,953
2016	410,000	262,140	672,140
2017	420,000	245,103	665,103
2018	445,000	228,603	673,603
2019	465,000	211,128	676,128
2020-2024	2,665,000	1,556,721	4,221,721
2025-2029	1,905,000	206,861	2,111,861
2030-2034	130,000	5,200	135,200
	<u>\$ 6,830,000</u>	<u>\$ 2,993,709</u>	<u>\$ 9,823,709</u>

General Obligation Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2015	55,000	14,458	69,458
2016	60,000	9,254	69,254
2017	65,000	8,060	73,060
2018	65,000	6,766	71,766
2019	65,000	5,472	70,472
2020-2022	210,000	8,558	218,558
	<u>\$ 520,000</u>	<u>\$ 52,568</u>	<u>\$ 572,568</u>

Revenue Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2015	425,000	104,885	529,885
2016	435,000	93,250	528,250
2017	350,000	78,073	428,073
2018	175,000	66,433	241,433
2019	180,000	59,995	239,995
2020-2024	805,000	788,631	1,593,631
2025-2029	545,000	44,200	589,200
	<u>\$ 2,915,000</u>	<u>\$ 1,235,467</u>	<u>\$ 4,150,467</u>



**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 6. CAPITAL LEASE OBLIGATIONS**

The City entered into a capital lease agreement in January 2014 for the purchase of a ladder fire truck. The leased property under capital lease is classified as in progress as the equipment had not been received as of September 30, 2014. The total cost of the property is \$944,294. No amortization has been taken on the property as it has not been placed in service.

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2013.

Year Ending September 30	
2015	\$ 183,551
2016	183,551
2017	183,551
2018	<u>183,550</u>
	734,203
Less amount representing interest	<u>29,659</u>
Present value of net minimum lease payments	<u><u>\$ 704,544</u></u>

**NOTE 7. PROPERTY TAX**

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

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

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes (\$142,332 for the General Fund and \$135,968 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.

**CITY OF SAGINAW, TEXAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 8. PENSION PLAN**

**Plan Description**

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

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

**Benefits**

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, 200%) of the employee's accumulated contributions.

In addition, the City can grant as often as annually another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

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

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

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

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 8. PENSION PLAN – CONTINUED**

**Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal actuarial cost method. The Entry Age Normal method was first used in the December 31, 2013 valuation. Previously, the Projected Unit Credit was used. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2012 valuation is effective for rates beginning January 2014). The annual pension cost and net pension obligation/(asset) are as follows:

Annual required contribution (ARC)	\$ 1,286,047
Interest on net pension obligation	66,546
Adjustment to the ARC	<u>(43,931)</u>
Annual pension cost (APC)	1,308,662
Contributions made	<u>1,237,068</u>
Increase (decrease) in net pension obligation	71,594
Net pension obligation/(asset), beginning of year	<u>697,930</u>
Net pension obligation/(asset), end of year	<u><u>\$ 769,524</u></u>

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 8. PENSION PLAN – CONTINUED**

**Contributions – Continued**

Trend information for the past three years for TMRS is as follows:

<u>Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Actual Amount of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	\$ 1,249,998	91%	\$ 1,139,702	\$ 617,614
2013	\$ 1,250,460	94%	\$ 1,170,144	\$ 697,930
2014	\$ 1,308,662	95%	\$ 1,237,068	\$ 769,524

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

<u>Valuation date</u>	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
Actuarial cost method	Projected unit credit	Projected unit credit	Entry age normal
Amortization method	Level percent of payroll	Level percent of payroll	Level percent of payroll
GASB 25 equivalent single amortization period	26.1 years; closed period	25.1 years; closed period	25.0 years; closed period
Amortization period for new gains/losses	30 years	30 years	30 years
Asset valuation method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Actuarial assumptions			
Investment rate of return*	7.0%	7.0%	7.0%
Projected salary increases*	Varies by age and service	Varies by age and service	Varies by age and service
* Includes inflation at	3.0%	3.0%	3.0%
Cost of living adjustments	2.1%	2.1%	2.1%

**Funding Status and Funding Progress**

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payro</u>
12/31/13	\$ 18,544,532	\$ 28,483,078	65.1%	\$ 9,938,546	\$ 7,028,354	141.4%

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 8. PENSION PLAN – CONTINUED**

**Funding Status and Funding Progress – Continued**

In 2013, TMRS adopted actuarial changes first reflected in the December 31, 2013 actuarial valuation. The adopted impact included changes to the post-retirement mortality assumptions, a change to the Entry Age Normal actuarial cost method from the Projected Unit Credit actuarial cost method, and a change in amortization policy.

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

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

**Supplemental Death Benefits**

The city also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The city may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

The city 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 BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 8. PENSION PLAN – CONTINUED**

**Supplemental Death Benefits – Continued**

The City's contributions to the TMRS SDBF for the years ended 2014, 2013 and 2012 were \$10,573, \$9,402 and \$9,934, respectively, which equaled the required contributions each year.

**NOTE 9. COMMITMENTS**

The City renewed a thirty (30) year contract in 1987 with the City of Fort Worth for the treatment and transportation of wastewater. Payments under this contract are on a strength and volume basis per month. Also, there is a twenty-five dollar (\$25) per meter monthly service charge.

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

**NOTE 10. INTERFUND BALANCES AND TRANSFERS**

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Enterprise Fund	\$ 567,200
General Fund	CCPD Fund	821,700
General Fund	Drainage Utility Fund	112,950
Debt Service Fund	General Fund	250,000
Debt Service Fund	Enterprise Fund	346,895
Enterprise Fund	Drainage Utility Fund	49,205
Capital Project Fund	General Fund	343,636
Capital Project Fund	Enterprise Fund	99,783
Capital Project Fund	Drainage Utility Fund	245,256
Capital Project Fund	Donations Fund	40,000
		<u>\$ 2,876,625</u>

**CITY OF SAGINAW, TEXAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 10. INTERFUND BALANCES AND TRANSFERS– CONTINUED**

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for reimbursement for janitorial expenses, vehicle maintenance expenses, operating expenses and franchise fees.
- The CCPD Fund to the General Fund for reimbursement of salaries and related expenses for eleven Officers, one Dispatcher, and half (1/2) of one of the School Resource Officers.
- The Drainage Utility Fund to the General Fund and Enterprise Fund for reimbursement of salaries and related expenses.
- The Enterprise Fund to the Debt Service Fund for reimbursement of capital lease payments and refunding bonds.
- The Donations Fund to the Capital Projects Fund for reimbursement of the city hall project.
- The General Fund to the Capital Projects Fund for reimbursement of the city hall project, Western Center/156 intersection improvements project, and the Bailey Boswell Road project.
- The Enterprise Fund to the Capital Projects Fund for reimbursement of the city hall project.
- The General Fund to the Debt Service Fund for reimbursement of capital lease payments.
- The Drainage Utility Fund to the Capital Projects Fund for reimbursement of the Opal Street Bridge project and Saginaw Blvd System project.

**NOTE 11. 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 BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for periods beginning after December 15, 2012. The statement concluded that debt issuance costs should be recognized as an outflow of resources in the reporting period in which they are incurred. The statement also reclassifies certain items that were previously reported as assets and liabilities, as deferred outflows or inflows of resources, and recognizes these items as outflows or inflows of resources. This Statement applies to all state and local governmental entities. The City has retroactively implemented this change. See Note 1. L.

The GASB issued Statement No. 67, *Financial Reporting for Pension Plans*, which was effective for the year ended September 30, 2014. The objective of this Statement is to improve financial reporting of state and local governmental pension plans with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement amends Statements 25 and 50 and its implementation did not impact the City's financial statements.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which will be effective for the year ending September 30, 2015. The objective of this Statement is to improve accounting and financial reporting of state and local governmental pension plans. This Statement applies to all state and governmental entities and replaces Statements 27 and 50. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, was effective for the year ended September 30, 2014. This Statement requires a state or local government guarantor that offers a nonexchange financial guarantee to another organization or government to recognize a liability on its financial statements when it is more likely than not that the guarantor will be required to make a payment to the obligation holders under the agreement. The implementation of this statement did not impact the City's financial statements.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SAGINAW, TEXAS  
 SCHEDULE OF FUNDING PROGRESS FOR PARTICIPATION IN  
 TEXAS MUNICIPAL RETIREMENT SYSTEM  
 (UNAUDITED)**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Percentage Funded</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
12/31/11	\$ 14,380,219	\$ 23,514,216	61.2%	\$ 9,133,997	\$ 6,704,335	136.2%
12/31/12	\$ 16,388,265	\$ 25,246,473	64.9%	\$ 8,858,208	\$ 6,872,664	128.9%
12/31/13	\$ 18,544,532	\$ 28,483,078	65.1%	\$ 9,938,546	\$ 7,028,354	141.4%

**CITY OF SAGINAW, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted amounts		Actual GAAP Basis	Adjustments Budget Basis	Actual Budget Basis	Variance with Final Budget Over / (Under)
	Original	Final				
<b>Revenues</b>						
Taxes	\$ 9,005,300	\$ 9,245,300	\$ 9,355,084	\$ (6,337)	9,348,747	\$ 103,447
Licenses and permits	210,000	285,000	329,948	-	329,948	44,948
Charges for services	80,000	80,000	80,000	-	80,000	-
Fines and fees	495,795	590,795	667,138	(30,716)	636,422	45,627
Interest income	10,000	10,000	3,380	-	3,380	(6,620)
Recreation income	520,000	495,000	494,346	(8,925)	485,421	(9,579)
Intergovernmental	138,185	152,960	167,380	-	167,380	14,420
Miscellaneous revenues	104,000	185,500	206,935	(13,838)	193,097	7,597
<b>Total revenues</b>	<b>10,563,280</b>	<b>11,044,555</b>	<b>11,304,211</b>	<b>(59,816)</b>	<b>11,244,395</b>	<b>199,840</b>
<b>Expenditures</b>						
Current						
General administrative office	1,878,225	1,993,225	1,983,715	-	1,983,715	(9,510)
Municipal court	199,765	199,765	199,451	(10,351)	189,100	(10,665)
Fire	2,981,525	2,765,205	3,694,807	-	3,694,807	929,602
Police	3,673,795	3,701,890	3,667,944	(5,230)	3,662,714	(39,176)
Public works	1,041,275	1,082,275	884,006	-	884,006	(198,269)
Parks	247,560	247,560	227,791	-	227,791	(19,769)
Recreation & community services	727,470	738,470	753,421	(12,200)	741,221	2,751
Library	520,290	520,290	496,461	(11,100)	485,361	(34,929)
Inspections/code enforcement	583,230	583,230	587,047	-	587,047	3,817
Fleet maintenance	543,930	543,930	533,557	-	533,557	(10,373)
Economic development	51,450	41,450	35,860	-	35,860	(5,590)
Non-departmental	-	-	-	-	-	-
<b>Total expenditures</b>	<b>12,448,515</b>	<b>12,417,290</b>	<b>13,064,060</b>	<b>(38,881)</b>	<b>13,025,179</b>	<b>607,889</b>
Excess (deficiency) of revenues over expenditures	(1,885,235)	(1,372,735)	(1,759,849)	(20,935)	(1,780,784)	(408,049)
<b>Other financing sources (uses)</b>						
Operating transfers in	1,501,865	1,501,865	1,501,850	-	1,501,850	(15)
Operating transfers out	-	(599,000)	(593,636)	-	(593,636)	5,364
Proceeds from capital leases	-	-	944,294	-	944,294	944,294
<b>Total other financing sources (uses)</b>	<b>1,501,865</b>	<b>902,865</b>	<b>1,852,508</b>	<b>-</b>	<b>1,852,508</b>	<b>949,643</b>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(383,370)	(469,870)	92,659	(20,935)	71,724	541,594
Fund balances - beginning of year	9,584,391	9,584,391	9,584,391		9,584,391	-
Fund balances - end of year	\$ 9,201,021	\$ 9,114,521	\$ 9,677,050		\$ 9,656,115	\$ 541,594

**CITY OF SAGINAW, TEXAS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**NOTE 1. BUDGET BASIS OF ACCOUNTING**

The City adopts its budget of the General Fund on the modified accrual basis of accounting by activity, function, or department, except for various expenditures out of funds collected for a specific purpose which are recorded by the City through designated escrow accounts and are not budgeted.

Adjustments necessary to convert the General Fund's excess (deficiency) of revenues and other sources over expenditures and other uses on the budget basis to a GAAP basis are provided below:

Excess (deficiency) of revenues and other sources over expenditures and other uses – budget basis	\$ 71,724
Record revenues designated for special purposes and recorded through escrow accounts	59,816
Record expenditures from funds collected for special purposes and recorded through escrow accounts	<u>(38,881)</u>
Excess of revenues and other sources over expenditures and other uses – GAAP basis	<u>\$ 92,659</u>

**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, 2014**

	Special Revenue					Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	
ASSETS						
Deposits and investments	\$ 26,127	\$ 659,686	\$ 1,167,738	\$ 836,868	\$ 338,216	\$ 3,028,635
Receivables						
Other	-	3,103	67,741	-	20,961	91,805
Taxes	-	174,270	-	64,049	-	238,319
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 26,127</b>	<b>\$ 837,059</b>	<b>\$ 1,235,479</b>	<b>\$ 900,917</b>	<b>\$ 359,177</b>	<b>\$ 3,358,759</b>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 9,735	\$ 1,410	\$ -	\$ 2,115	\$ 13,260
Unearned revenue	-	-	-	-	20,961	20,961
Total liabilities	-	9,735	1,410	-	23,076	34,221
Fund balances						
Restricted						
Street maintenance	-	-	-	900,917	-	900,917
Crime prevention	26,127	827,324	-	-	-	853,451
Drainage	-	-	1,234,069	-	-	1,234,069
Committed						
Donations	-	-	-	-	336,101	336,101
Total fund balances	26,127	827,324	1,234,069	900,917	336,101	3,324,538
<b>TOTAL LIABILITIES, AND FUND BALANCES</b>	<b>\$ 26,127</b>	<b>\$ 837,059</b>	<b>\$ 1,235,479</b>	<b>\$ 900,917</b>	<b>\$ 359,177</b>	<b>\$ 3,358,759</b>



**CITY OF SAGINAW, TEXAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue					Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	
Revenues						
Taxes	\$ -	\$ 999,011	\$ -	\$ 362,372	\$ -	\$ 1,361,383
Miscellaneous	3,680	7,603	-	-	157,830	169,113
Interest income	9	205	351	188	95	848
Charges for services	-	-	577,267	-	-	577,267
Total revenues	<u>3,689</u>	<u>1,006,819</u>	<u>577,618</u>	<u>362,560</u>	<u>157,925</u>	<u>2,108,611</u>
Expenditures						
Current						
General administrative office	-	-	56,210	183,480	78,440	318,130
Police	-	85,282	-	-	-	85,282
Capital outlay	-	86,900	19,806	-	27,351	134,057
Total expenditures	<u>-</u>	<u>172,182</u>	<u>76,016</u>	<u>183,480</u>	<u>105,791</u>	<u>537,469</u>
Excess (deficiency) of revenues over expenditures	3,689	834,637	501,602	179,080	52,134	1,571,142
Other financing sources (uses)						
Transfers out	-	(821,700)	(407,411)	-	(40,000)	(1,269,111)
Total other financing sources (uses)	<u>-</u>	<u>(821,700)</u>	<u>(407,411)</u>	<u>-</u>	<u>(40,000)</u>	<u>(1,269,111)</u>
Net change in fund balances	3,689	12,937	94,191	179,080	12,134	302,031
Fund Balances - beginning of year	<u>22,438</u>	<u>814,387</u>	<u>1,139,878</u>	<u>721,837</u>	<u>323,967</u>	<u>3,022,507</u>
Fund Balances - end of year	<u>\$ 26,127</u>	<u>\$ 827,324</u>	<u>\$ 1,234,069</u>	<u>\$ 900,917</u>	<u>\$ 336,101</u>	<u>\$ 3,324,538</u>



City of Saginaw

## **SPECIAL REVENUE FUND**

Saginaw Police CCPD Fund – Used to account for funds to be used to address crime control and prevention.

**CITY OF SAGINAW, TEXAS  
 COMPARATIVE BALANCE SHEETS  
 SAGINAW POLICE CCPD FUND  
 SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Deposits and investments	\$ 659,686	\$ 646,648
Receivables		
Other	3,103	-
Taxes, net	<u>174,270</u>	<u>171,011</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 837,059</u></b>	<b><u>\$ 817,659</u></b>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 9,735</u>	<u>\$ 3,272</u>
Total liabilities	9,735	3,272
Fund balances		
Restricted for crime prevention	<u>827,324</u>	<u>814,387</u>
Total fund balances	<u>827,324</u>	<u>814,387</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 837,059</u></b>	<b><u>\$ 817,659</u></b>

**CITY OF SAGINAW, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL  
SAGINAW POLICE CCPD FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2013
	Original	Final			
Revenues					
Sales taxes	\$ 950,000	\$ 950,000	\$ 999,011	\$ 49,011	\$ 984,839
Miscellaneous revenues	-	4,500	7,603	3,103	1,000
Interest income	500	500	205	(295)	603
Total revenues	950,500	955,000	1,006,819	51,819	986,442
Expenditures					
Contract services	35,000	35,000	-	35,000	-
Uniforms	6,300	6,300	2,791	3,509	7,034
Data processing	40,000	40,000	41,275	(1,275)	37,270
Officer supplies and equipment	8,000	8,000	1,240	6,760	978
Books	7,000	7,000	6,950	50	-
Crime prevention supplies	4,000	4,000	1,111	2,889	2,223
Maintenance and repairs	-	-	20,792	(20,792)	27,933
Tactical employee training	12,500	12,500	11,123	1,377	9,854
Capital outlay	110,500	110,500	86,900	23,600	83,993
Total expenditures	223,300	223,300	172,182	51,118	169,285
Excess (deficiency) of revenues over expenditures	727,200	731,700	834,637	102,937	817,157
Other financing sources (uses)					
Operating transfers out	(821,710)	(821,710)	(821,700)	10	(827,500)
Total other financing sources (uses)	(821,710)	(821,710)	(821,700)	10	(827,500)
Net change in fund balance	(94,510)	(90,010)	12,937	102,947	(10,343)
Fund Balances - beginning of year	814,387	814,387	814,387	-	824,730
Fund Balances - end of year	\$ 719,877	\$ 724,377	\$ 827,324	\$ 102,947	\$ 814,387



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, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Deposits and investments	\$ 1,650,611	\$ 1,495,776
Receivables		
Taxes, net of allowance	<u>17,112</u>	<u>13,667</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,667,723</u></b>	<b><u>\$ 1,509,443</u></b>
DEFERRED INFLOWS AND FUND BALANCES		
Deferred inflows of resources		
Unavailable revenue - property taxes	<u>17,112</u>	<u>13,667</u>
Total deferred inflows of resources	17,112	13,667
Fund balance		
Restricted for debt service	<u>1,650,611</u>	<u>1,495,776</u>
Total fund balances	<u>1,650,611</u>	<u>1,495,776</u>
<b>TOTAL DEFERRED INFLOWS AND FUND BALANCES</b>	<b><u>\$ 1,667,723</u></b>	<b><u>\$ 1,509,443</u></b>



**CITY OF SAGINAW, TEXAS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET AND ACTUAL  
DEBT SERVICE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2013
	Original	Final			
<b>Revenues</b>					
Current and delinquent general property tax - debt service portion	\$ 2,698,890	\$ 2,698,890	\$ 2,718,457	\$ 19,567	\$ 2,238,668
Penalties, interest and fees on delinquent taxes	6,000	6,000	9,096	3,096	3,663
Interest income	2,000	2,000	758	(1,242)	1,828
Total revenues	2,706,890	2,706,890	2,728,311	21,421	2,244,159
<b>Expenditures</b>					
Bond principal payments	1,975,000	2,025,000	1,975,000	50,000	1,700,000
Capital lease principal payments	236,970	476,720	239,750	236,970	-
Total principal payments	2,211,970	2,501,720	2,214,750	286,970	1,700,000
Bond interest	946,185	960,220	900,472	59,748	679,214
Capital lease and note interest	8,675	18,925	10,250	8,675	-
Fiscal charges and debt issuance costs	7,000	7,000	44,188	(37,188)	25,825
Total interest payments	961,860	986,145	954,910	31,235	705,039
Total expenditures	3,173,830	3,487,865	3,169,660	318,205	2,405,039
Excess (deficiency) of revenues over expenditures	(466,940)	(780,975)	(441,349)	339,626	(160,880)
<b>Other financing sources (uses)</b>					
Operating transfers in	282,860	596,895	596,895	-	308,500
Proceeds from bond refunding	-	-	2,130,000	2,130,000	1,180,000
Premium on bond refunding	-	-	-	-	39,599
Payment on bond refunding	-	-	(2,130,711)	(2,130,711)	(1,221,742)
Total other financing sources (uses)	282,860	596,895	596,184	(711)	306,357
Net change in fund balance	(184,080)	(184,080)	154,835	338,915	145,477
Fund Balances - beginning of year	1,495,776	1,495,776	1,495,776	-	1,350,299
Fund Balances - end of year	\$ 1,311,696	\$ 1,311,696	\$ 1,650,611	\$ 338,915	\$ 1,495,776



City of Saginaw

## **ENTERPRISE FUND**

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

**CITY OF SAGINAW, TEXAS  
COMPARATIVE STATEMENT OF NET POSITION  
ENTERPRISE FUND  
SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
ASSETS		
Current assets		
Deposits and investments	\$ 7,193,784	\$ 6,198,883
Deposits and investments-restricted	420,905	420,735
Receivables		
Accounts receivable, net of allowance of \$65,747 in 2014 and \$59,633 in 2013	647,141	678,325
Unbilled accounts	481,385	442,214
Other	7,342	1,887
Total current assets	<u>8,750,557</u>	<u>7,742,044</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	31,228,867	29,947,778
Machinery and equipment	1,352,184	1,390,273
Construction in progress	143,635	38,000
Accumulated depreciation	<u>(10,371,283)</u>	<u>(9,765,487)</u>
Total capital assets, net of accumulated depreciation	22,524,647	21,781,808
Deposits and investments-restricted	<u>537,476</u>	<u>523,079</u>
Total noncurrent assets	<u>23,062,123</u>	<u>22,304,887</u>
Total assets	31,812,680	30,046,931
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	<u>77,290</u>	<u>90,539</u>
Total Deferred charge for refunding	77,290	90,539
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	589,735	681,999
Accrued interest	9,665	27,055
Revenue bonds payable	485,188	460,188
Capital lease payable	-	235,490
Total current liabilities	<u>1,084,588</u>	<u>1,404,732</u>
Noncurrent liabilities		
Revenue bonds payable	2,972,294	3,462,482
Pension obligation payable	81,075	74,181
Customer deposits	<u>537,476</u>	<u>523,079</u>
Total noncurrent liabilities	<u>3,590,845</u>	<u>4,059,742</u>
Total liabilities	4,675,433	5,464,474
NET POSITION		
Net investment in capital assets	19,067,165	17,623,648
Restricted for		
Revenue bond retirement	420,905	420,735
Unrestricted		
Undesignated	<u>7,726,467</u>	<u>6,628,613</u>
Total net position	<u>\$ 27,214,537</u>	<u>\$ 24,672,996</u>

**CITY OF SAGINAW, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**ENTERPRISE FUND**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
Operating revenue		
Water and sewer sales	\$ 7,562,472	\$ 7,014,794
Penalties	116,521	119,919
Surcharges	1,348,442	1,284,376
Miscellaneous	<u>73,446</u>	<u>152,392</u>
Total operating revenue	9,100,881	8,571,481
Operating expenses		
Cost of sales and services	4,670,511	4,454,040
Administrative	1,582,660	1,840,364
Depreciation	<u>671,724</u>	<u>673,879</u>
Total operating expenses	<u>6,924,895</u>	<u>6,968,283</u>
Operating income	2,175,986	1,603,198
Nonoperating revenues (expenses)		
Investment income	2,508	7,146
Gain on sale of machinery and equipment	9,365	12,000
Interest expense and agent fees	<u>(143,113)</u>	<u>(273,452)</u>
Total nonoperating revenues (expenses)	<u>(131,240)</u>	<u>(254,306)</u>
Income before contributions and transfers	2,044,746	1,348,892
Capital contributions and transfers		
Capital contributions	1,229,670	-
Impact and tap fees	231,798	88,737
Transfers out	(1,013,878)	(958,329)
Transfers in	<u>49,205</u>	<u>48,500</u>
Total capital contributions and transfers	<u>496,795</u>	<u>(821,092)</u>
Changes in net position	2,541,541	527,800
Net Position, beginning of year (as restated)	<u>24,672,996</u>	<u>24,145,196</u>
Net Position, end of year	<u>\$ 27,214,537</u>	<u>\$ 24,672,996</u>

**CITY OF SAGINAW, TEXAS  
 COMPARATIVE STATEMENT OF CASH FLOWS  
 ENTERPRISE FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 9,101,836	\$ 8,511,262
Cash paid to employees	(788,128)	(778,850)
Cash paid to suppliers	<u>(5,550,413)</u>	<u>(5,533,512)</u>
Net cash provided by operating activities	2,763,295	2,198,900
 <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers out to other funds	(1,013,878)	(958,329)
Transfer from other funds	<u>49,205</u>	<u>48,500</u>
Net cash used in noncapital financing activities	(964,673)	(909,829)
 <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of machinery and equipment	9,365	12,000
Impact and tap fees	231,798	88,737
Proceeds from the issuance of bonds	520,000	-
Principal paid on revenue bonds	(980,000)	(560,000)
Payments on capital lease obligations	(235,490)	(227,546)
Purchase of capital assets	(184,893)	(942,078)
Interest	(150,944)	(176,320)
Fiscal agent fees	<u>(1,498)</u>	<u>(1,198)</u>
Net cash used in capital and related financing activities	(791,662)	(1,806,405)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>2,508</u>	<u>7,146</u>
Net cash provided by investing activities	<u>2,508</u>	<u>7,146</u>
Net change in cash	1,009,468	(510,188)
Cash and Cash Equivalents at the beginning of the year	<u>7,142,697</u>	<u>7,652,885</u>
Cash and Cash Equivalents at the end of the year	<u><u>\$ 8,152,165</u></u>	<u><u>\$ 7,142,697</u></u>

**CITY OF SAGINAW, TEXAS  
 COMPARATIVE STATEMENT OF CASH FLOWS – CONTINUED  
 ENTERPRISE FUND  
 FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

	Current	Restricted Assets	2014 Statement of Cash Flows Totals	2013 Statement of Cash Flows Totals
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET</b>				
Cash and cash equivalents - beginning balance	\$ 6,198,883	\$ 943,814	\$ 7,142,697	\$ 7,652,885
Net increase (decrease)	994,901	14,567	1,009,468	(510,188)
Cash and cash equivalents - ending	<u>\$ 7,193,784</u>	<u>\$ 958,381</u>	<u>\$ 8,152,165</u>	<u>\$ 7,142,697</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income			\$ 2,175,986	\$ 1,603,198
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation			671,724	673,879
Increase in accounts receivable			(13,442)	(87,696)
Decrease in accounts payable and accrued expenses			(85,370)	(17,958)
Increase in customer deposits			14,397	27,477
Net cash provided by operating activities			<u>\$ 2,763,295</u>	<u>\$ 2,198,900</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES</b>				
Capital asset contributions from developers			\$ 1,229,670	\$ -



City of Saginaw



**STATISTICAL SECTION**  
(Unaudited)



City of Saginaw

# STATISTICAL SECTION

(Unaudited)

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

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	63-72
Revenue Capacity These schedules contain information to help the reader assess one of the government's most significant local source revenues, property taxes.	73-76
Debt Capacity 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.	77-81
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	82-83
Operating Information 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.	84-86

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

**CITY OF SAGINAW, TEXAS  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Governmental activities				
Net Investment in capital assets	\$ 41,392,997	\$ 44,426,385	\$ 43,470,367	\$ 42,189,355
Restricted	538,608	692,411	836,097	976,011
Unrestricted	8,240,155	9,411,787	11,355,703	12,696,515
Total governmental activities net assets	<u>\$ 50,171,760</u>	<u>\$ 54,530,583</u>	<u>\$ 55,662,167</u>	<u>\$ 55,861,881</u>
Business-type activities				
Net Investment in capital assets	\$ 14,111,336	\$ 15,258,061	\$ 13,210,135	\$ 15,203,616
Restricted	666,675	486,623	1,218,878	513,882
Unrestricted	6,083,686	7,311,453	7,922,263	7,090,928
Total business-type activities net assets	<u>\$ 20,861,697</u>	<u>\$ 23,056,137</u>	<u>\$ 22,351,276</u>	<u>\$ 22,808,426</u>
Primary government				
Net Investment in capital assets	\$ 55,504,333	\$ 59,684,446	\$ 56,680,502	\$ 57,392,971
Restricted	1,205,283	1,179,034	2,054,975	1,489,893
Unrestricted	14,323,841	16,723,240	19,277,966	19,787,443
Total primary government assets	<u>\$ 71,033,457</u>	<u>\$ 77,586,720</u>	<u>\$ 78,013,443</u>	<u>\$ 78,670,307</u>

\*2013 restated for GASB 65

**TABLE 1**

2009	2010	2011	2012	2013*	2014
\$ 41,370,363	\$ 42,319,951	\$ 44,362,424	\$ 45,854,628	\$ 48,872,324	\$ 52,280,544
852,265	1,300,786	1,348,022	1,384,617	1,828,513	1,596,119
12,736,406	13,800,224	13,807,108	14,302,944	11,624,828	13,139,145
<u>\$ 54,959,034</u>	<u>\$ 57,420,961</u>	<u>\$ 59,517,554</u>	<u>\$ 61,542,189</u>	<u>\$ 62,325,665</u>	<u>\$ 67,015,808</u>
\$ 16,275,619	\$ 15,624,168	\$ 16,165,325	\$ 16,699,361	\$ 17,623,648	\$ 19,067,165
518,066	577,205	436,461	437,166	420,735	420,905
5,888,777	6,249,006	6,504,546	7,008,669	6,628,613	7,726,467
<u>\$ 22,682,462</u>	<u>\$ 22,450,379</u>	<u>\$ 23,106,332</u>	<u>\$ 24,145,196</u>	<u>\$ 24,672,996</u>	<u>\$ 27,214,537</u>
\$ 57,645,982	\$ 57,944,119	\$ 60,527,749	\$ 62,553,989	\$ 66,495,972	\$ 71,347,709
1,370,331	1,877,991	1,784,483	1,821,783	2,249,248	2,017,024
18,625,183	20,049,230	20,311,654	21,311,613	18,253,441	20,865,612
<u>\$ 77,641,496</u>	<u>\$ 79,871,340</u>	<u>\$ 82,623,886</u>	<u>\$ 85,687,385</u>	<u>\$ 86,998,661</u>	<u>\$ 94,230,345</u>

**CITY OF SAGINAW, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	2005	2006	2007	2008
Expenses				
Governmental activities:				
General administrative office	\$ 1,258,791	\$ 1,662,869	\$ 1,510,834	\$ 1,826,087
Municipal court	139,495	175,909	173,795	205,773
Fire	2,000,796	2,109,883	2,357,074	2,809,960
Police	2,497,751	2,596,794	3,383,062	3,452,302
Public works	3,550,185	3,772,225	3,720,923	3,524,022
Parks *	-	-	-	-
Recreation	664,246	742,411	1,144,105	1,108,337
Library	415,265	435,045	570,070	599,434
Inspection	390,154	730,758	468,160	510,912
Janitorial	77,611	80,753	62,883	57,001
Fleet maintenance	352,296	389,764	426,217	556,402
Economic development	41,947	40,825	38,076	40,478
Interest on long term debt	1,006,766	955,174	1,033,565	1,087,088
Total governmental activities	<u>12,395,303</u>	<u>13,692,410</u>	<u>14,888,764</u>	<u>15,777,796</u>
Business-type activities				
Water and wastewater	4,480,084	5,655,141	7,130,097	6,044,664
Total business-type activities	<u>4,480,084</u>	<u>5,655,141</u>	<u>7,130,097</u>	<u>6,044,664</u>
Total Primary government expenses	<u>16,875,387</u>	<u>19,347,551</u>	<u>22,018,861</u>	<u>21,822,460</u>
Program Revenues				
Governmental activities:				
Fines, Fees and charges for Services				
Municipal court	319,140	299,763	471,283	421,785
Fire	60,000	69,000	74,250	80,625
Police	4,837	4,064	5,615	6,505
Public works	323,534	505,705	425,386	427,491
Recreation	253,822	405,401	592,727	638,931
Library	29,330	26,373	28,630	23,041
Inspection	646,821	484,333	358,065	296,169
Operating Grants and Contributions				
General administrative office	-	-	-	-
Fire	-	171,706	85,801	374,297
Police	32,331	64,226	109,999	73,477
Public Works	-	-	-	-
Capital Grants and Contributions				
Public works	-	2,970,632	87,083	-
Total governmental activities program revenues	<u>1,669,815</u>	<u>5,001,203</u>	<u>2,238,839</u>	<u>2,342,321</u>

\* Prior to 2013 Parks was included in Recreation

**TABLE 2  
(PAGE 1 OF 2)**

	2009	2010	2011	2012	2013*	2014
\$	1,913,944	\$ 2,262,203	\$ 2,401,322	\$ 2,214,653	\$ 2,385,797	\$ 2,343,593
	220,745	225,191	200,323	193,082	185,237	200,512
	2,735,528	2,672,742	2,713,654	2,864,618	2,858,957	2,955,138
	3,519,529	3,667,446	3,698,868	3,848,768	3,860,896	4,038,792
	3,440,255	3,058,371	3,301,972	3,177,703	3,465,002	2,895,713
	-	-	-	-	195,900	208,076
	1,269,148	1,086,742	1,168,490	1,078,909	969,556	985,348
	563,843	569,505	558,945	524,847	540,261	548,383
	542,983	579,670	589,130	565,326	583,930	603,213
	-	-	-	-	-	-
	426,987	440,832	538,987	566,689	546,241	573,011
	30,808	12,439	142	14,504	64,779	35,860
	1,049,129	1,042,557	1,015,329	866,299	1,162,182	916,082
	<u>15,712,899</u>	<u>15,617,698</u>	<u>16,187,162</u>	<u>15,915,398</u>	<u>16,818,738</u>	<u>16,303,721</u>
	<u>6,265,358</u>	<u>6,784,699</u>	<u>6,464,532</u>	<u>6,972,839</u>	<u>7,241,735</u>	<u>7,068,008</u>
	<u>6,265,358</u>	<u>6,784,699</u>	<u>6,464,532</u>	<u>6,972,839</u>	<u>7,241,735</u>	<u>7,068,008</u>
	<u>21,978,257</u>	<u>22,402,397</u>	<u>22,651,694</u>	<u>22,888,237</u>	<u>24,060,473</u>	<u>23,371,729</u>
	422,800	436,988	408,017	476,100	459,209	543,001
	73,125	75,250	79,250	80,000	80,226	80,000
	5,536	4,359	3,889	4,814	3,850	3,880
	446,975	421,802	430,697	431,564	563,194	577,267
	650,111	640,832	659,004	669,578	680,961	652,176
	31,654	28,357	19,379	17,730	18,668	20,499
	344,831	346,402	311,149	296,414	377,646	433,586
	-	-	-	-	-	-
	541,018	310,411	151,412	76,328	57,337	77,426
	86,959	80,824	76,223	156,535	75,477	97,557
	-	-	-	84,999	-	-
	-	2,771,279	3,080,767	1,959,028	1,271,666	3,854,521
	<u>2,603,009</u>	<u>5,116,504</u>	<u>5,219,787</u>	<u>4,253,090</u>	<u>3,588,234</u>	<u>6,339,913</u>

**CITY OF SAGINAW, TEXAS  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	Fiscal Year			
	2005	2006	2007	2008
Business-type activities				
Charges for services				
Water and wastewater	\$ 5,528,411	\$ 6,395,934	\$ 5,948,134	\$ 6,497,059
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,256,816	1,732,134	586,282	287,675
Total business-type activities program revenues	<u>6,785,227</u>	<u>8,128,068</u>	<u>6,534,416</u>	<u>6,784,734</u>
Total primary government program revenues	<u>8,455,042</u>	<u>13,129,271</u>	<u>8,773,255</u>	<u>9,127,055</u>
Net (Expenses) Revenue				
Governmental Activities	(10,725,488)	(8,691,207)	(12,649,925)	(13,435,475)
Business-type Activities	2,305,143	2,472,927	(595,681)	740,070
Total Primary governmental net expenses	<u>(8,420,345)</u>	<u>(6,218,280)</u>	<u>(13,245,606)</u>	<u>(12,695,405)</u>
General Revenues				
and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Ad valorem	4,316,475	4,779,910	5,018,022	5,152,750
Sales	4,155,762	5,339,856	5,551,551	5,786,363
Franchise taxes	1,009,157	1,190,759	1,171,259	1,258,549
Other taxes	4,496	9,630	13,577	13,437
Penalties and interest	25,334	19,502	25,359	10,778
Interest income	327,532	702,686	804,852	591,222
Gain on sale of assets	934,800	39,735	39,735	14,166
Miscellaneous revenues	518,951	397,814	535,813	220,521
Transfers	552,152	570,138	621,341	587,323
Total Governmental Activities	<u>11,844,659</u>	<u>13,050,030</u>	<u>13,781,509</u>	<u>13,635,109</u>
Business-type Activities:				
Interest income	124,748	262,208	449,755	229,860
Gain on Sale of Assets	-	-	-	-
Miscellaneous revenues	25,190	29,443	62,406	74,543
Transfers	(552,152)	(570,138)	(621,341)	(587,323)
Total Business-type Activities	<u>(402,214)</u>	<u>(278,487)</u>	<u>(109,180)</u>	<u>(282,920)</u>
Total Primary Government	<u>11,442,445</u>	<u>12,771,543</u>	<u>13,672,329</u>	<u>13,352,189</u>
Changes in Net Assets				
Governmental Activities	1,119,171	4,358,823	1,131,584	199,634
Business-type Activities	1,902,929	2,194,440	(704,861)	457,150
Total Primary Government	<u>\$ 3,022,100</u>	<u>\$ 6,553,263</u>	<u>\$ 426,723</u>	<u>\$ 656,784</u>

Source: Comprehensive Annual Financial Reports

\* 2013 restated for GASB 65



**TABLE 2**  
**(PAGE 2 of 2)**

2009	2010	2011	2012	2013*	2014
\$ 6,550,174	\$ 6,802,875	\$ 7,973,010	\$ 8,374,910	\$ 8,419,089	\$ 8,910,914
-	-	-	-	-	-
94,633	564,691	76,931	389,921	88,737	1,461,468
<u>6,644,807</u>	<u>7,367,566</u>	<u>8,049,941</u>	<u>8,764,831</u>	<u>8,507,826</u>	<u>10,372,382</u>
<u>9,247,816</u>	<u>12,484,070</u>	<u>13,269,728</u>	<u>13,017,921</u>	<u>12,096,060</u>	<u>16,712,295</u>
(13,109,890)	(10,501,194)	(10,967,375)	(11,662,308)	(13,230,504)	(9,963,808)
379,449	582,867	1,585,409	1,791,992	1,266,091	3,304,374
<u>(12,730,441)</u>	<u>(9,918,327)</u>	<u>(9,381,966)</u>	<u>(9,870,316)</u>	<u>(11,964,413)</u>	<u>(6,659,434)</u>
5,060,742	5,456,995	5,436,698	5,758,607	5,750,493	6,277,304
4,829,521	5,002,665	4,986,291	5,365,461	5,528,937	5,709,850
1,295,929	1,256,027	1,332,768	1,552,095	1,503,183	1,420,451
13,580	13,773	11,791	14,968	82,634	18,682
16,990	12,622	19,516	8,350	21,585	21,965
145,855	39,895	23,208	20,389	16,172	7,587
13,030	29,731	23,609	-	-	26,704
211,380	185,473	200,262	120,803	201,147	206,735
620,016	965,950	1,029,825	846,270	909,829	964,673
<u>12,207,043</u>	<u>12,963,131</u>	<u>13,063,968</u>	<u>13,686,943</u>	<u>14,013,980</u>	<u>14,653,951</u>
69,807	15,898	8,544	5,892	7,146	2,508
-	31,087	2,356	2,835	12,000	9,365
44,796	104,015	89,469	84,415	152,392	189,967
<u>(620,016)</u>	<u>(965,950)</u>	<u>(1,029,825)</u>	<u>(846,270)</u>	<u>(909,829)</u>	<u>(964,673)</u>
<u>(505,413)</u>	<u>(814,950)</u>	<u>(929,456)</u>	<u>(753,128)</u>	<u>(738,291)</u>	<u>(762,833)</u>
<u>11,701,630</u>	<u>12,148,181</u>	<u>12,134,512</u>	<u>12,933,815</u>	<u>13,275,689</u>	<u>13,891,118</u>
(902,847)	2,461,937	2,096,593	2,024,635	783,476	4,690,143
(125,964)	(232,083)	655,953	1,038,864	527,800	2,541,541
<u>\$ (1,028,811)</u>	<u>\$ 2,229,854</u>	<u>\$ 2,752,546</u>	<u>\$ 3,063,499</u>	<u>\$ 1,311,276</u>	<u>\$ 7,231,684</u>

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

	2005	2006	2007	2008
General Fund				
Unreserved	\$ 6,704,672	\$ 8,342,180	\$ 9,670,921	\$ 10,300,997
Restricted				
Capital projects	-	-	-	-
Municipal court	-	-	-	-
Hotel/motel tax	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 6,704,672</u>	<u>\$ 8,342,180</u>	<u>\$ 9,670,921</u>	<u>\$ 10,300,997</u>
All Other Governmental Funds				
Reserved for:				
Reserved for construction	\$ 5,022,003	\$ 2,368,204	\$ 5,421,657	\$ 4,047,653
Reserved for debt service	505,941	632,707	789,622	943,269
Reserved for police department	16,364	16,637	9,756	6,467
Reserved for Saginaw CCPD	1,065,823	1,373,281	867,248	1,226,873
Reserved for drainage projects	117,368	194,495	417,401	525,041
Reserved for street maintenance projects	-	-	-	185,857
Reserved for animal control	-	-	-	-
Reserved for parks	-	-	-	-
Reserved for library	-	-	-	-
Reserved for beautification	-	-	-	-
Reserved for senior center	-	-	-	-
Reserved for fire	-	-	-	-
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Street maintenance	-	-	-	-
Crime prevention	-	-	-	-
Drainage	-	-	-	-
Committed				
Donations	-	-	-	-
Total all other governmental funds	<u>\$ 6,727,499</u>	<u>\$ 4,585,324</u>	<u>\$ 7,505,684</u>	<u>\$ 6,935,160</u>

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

**TABLE 3**

2009	2010	2011	2012	2013	2014
\$ 9,989,714	\$ 10,886,568	\$ -	\$ -	\$ -	\$ -
-	-	403,681	403,681	403,681	403,681
-	-	177,709	178,379	142,419	146,224
-	-	22,280	24,814	17,385	18,723
-	-	1,512,180	2,222,595	383,370	509,935
-	-	9,169,052	8,477,945	8,637,536	8,598,487
<u>\$ 9,989,714</u>	<u>\$ 10,886,568</u>	<u>\$ 11,284,902</u>	<u>\$ 11,307,414</u>	<u>\$ 9,584,391</u>	<u>\$ 9,677,050</u>
\$ 4,239,749	\$ 4,277,000	\$ -	\$ -	\$ -	\$ -
900,810	1,121,903	-	-	-	-
7,510	7,916	-	-	-	-
1,056,041	989,063	-	-	-	-
637,247	718,018	-	-	-	-
451,055	403,583	-	-	-	-
3,173	4,322	-	-	-	-
24,602	24,508	-	-	-	-
111,469	141,204	-	-	-	-
78,367	105,389	-	-	-	-
603	2,970	-	-	-	-
-	-	1,184,312	1,350,299	1,495,776	1,650,611
-	-	1,795,653	1,802,072	8,138,595	7,077,353
-	-	482,269	666,275	721,837	900,917
-	-	948,234	838,641	836,825	853,451
-	-	928,878	924,869	1,139,878	1,234,069
-	-	319,242	357,682	323,967	336,101
<u>\$ 7,510,626</u>	<u>\$ 7,796,546</u>	<u>\$ 5,658,588</u>	<u>\$ 5,939,838</u>	<u>\$ 12,656,878</u>	<u>\$ 12,052,502</u>

**CITY OF SAGINAW, TEXAS  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	2005	2006	2007	2008
<b>Revenues:</b>				
Taxes	\$ 9,525,772	\$ 11,270,983	\$ 11,752,870	\$ 12,241,907
Licenses and permits	634,093	470,872	338,520	272,611
Charges for services	317,779	475,881	500,938	500,405
Fines and fees	443,175	459,755	551,067	492,737
Interest income	379,588	702,686	804,852	591,222
Recreation income	327,532	342,695	528,746	569,487
Intergovernmental	-	-	-	-
Miscellaneous revenues	495,433	738,420	833,394	741,769
<b>Total revenues</b>	<b>12,123,372</b>	<b>14,461,292</b>	<b>15,310,387</b>	<b>15,410,138</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General administrative office	1,219,687	1,626,702	1,505,262	1,803,525
Municipal court	141,270	175,510	173,396	205,373
Fire	1,899,401	2,350,782	2,428,970	2,630,835
Police	2,396,321	2,442,792	2,863,106	3,240,527
Public works	793,417	933,192	1,203,546	924,431
Parks *	-	-	-	-
Recreation	527,983	516,409	999,445	987,201
Library	355,829	381,868	520,671	497,036
Inspection	402,875	730,326	471,479	494,175
Janitorial	77,611	80,753	62,883	57,001
City garage	352,096	389,564	432,394	554,219
Economic development	41,947	40,825	38,076	40,478
Capital outlay	1,302,565	4,916,195	4,187,891	1,630,028
<b>Debt Service:</b>				
Principal retirement	1,371,089	1,440,343	1,570,253	1,825,148
Interest charges	979,779	922,820	971,387	1,044,075
Fiscal agent's fees and debt issuance costs	3,942	66,165	77,566	3,857
<b>Total expenditures</b>	<b>11,865,812</b>	<b>17,014,246</b>	<b>17,506,325</b>	<b>15,937,909</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>257,560</b>	<b>(2,552,954)</b>	<b>(2,195,938)</b>	<b>(527,771)</b>
<b>Other financing sources (uses)</b>				
Capital lease proceeds	-	-	-	-
Issuance of debt	145,400	1,415,000	5,823,698	-
Proceeds on refunding bonds	-	3,580,000	-	-
Premium on bond issuance	-	-	-	-
Payments to refunded bond escrow agent	-	(3,516,850)	-	-
Transfers in	1,030,587	1,166,457	1,244,685	1,548,513
Transfers out	(478,435)	(596,319)	(623,344)	(961,190)
<b>Total other financing sources (uses)</b>	<b>697,552</b>	<b>2,048,288</b>	<b>6,445,039</b>	<b>587,323</b>
<b>Net change in fund balances</b>	<b>\$ 955,112</b>	<b>\$ (504,666)</b>	<b>\$ 4,249,101</b>	<b>\$ 59,552</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>22.73%</b>	<b>20.26%</b>	<b>19.83%</b>	<b>20.53%</b>

\* Prior to 2013 Parks was included in Recreation

TABLE 4

2009	2010	2011	2012	2013	2014
\$ 11,395,798	\$ 11,759,167	\$ 11,796,561	\$ 12,695,493	\$ 12,899,890	\$ 13,444,020
305,000	303,744	208,259	263,964	248,764	329,948
520,100	497,052	509,947	511,564	643,420	657,267
499,821	508,003	530,286	526,280	606,759	667,138
145,855	39,895	23,208	20,389	16,172	7,587
544,513	487,707	526,158	530,051	519,857	494,346
-	-	-	-	-	568,262
957,983	3,377,019	3,669,006	1,133,483	1,770,581	376,048
<u>14,369,070</u>	<u>16,972,587</u>	<u>17,263,425</u>	<u>15,681,224</u>	<u>16,705,443</u>	<u>16,544,616</u>
1,855,477	2,202,389	2,412,083	2,648,603	2,343,521	2,301,845
216,990	219,898	196,849	191,515	184,091	199,451
2,552,394	2,540,632	2,419,816	2,615,170	2,671,135	3,694,807
3,350,395	3,370,025	3,417,127	3,563,149	3,571,926	3,753,226
1,261,954	890,697	973,762	1,353,299	1,497,039	884,006
-	-	-	-	200,943	227,791
1,051,504	841,511	927,060	848,830	737,735	753,421
523,068	512,830	501,277	470,013	488,445	496,461
524,837	555,629	572,152	554,909	602,180	587,047
-	-	-	-	-	-
422,368	435,274	522,760	525,903	508,511	533,557
28,571	12,439	142	14,504	64,779	35,860
1,227,084	4,476,313	5,582,508	979,538	5,343,768	2,327,457
1,907,758	1,452,094	1,524,223	1,610,000	1,700,000	2,214,750
1,004,545	993,891	977,169	836,587	679,214	910,722
37,958	42,141	5,946	104,626	183,823	44,188
<u>15,964,903</u>	<u>18,545,763</u>	<u>20,032,874</u>	<u>16,316,646</u>	<u>20,777,110</u>	<u>18,964,589</u>
<u>(1,595,833)</u>	<u>(1,573,176)</u>	<u>(2,769,449)</u>	<u>(635,422)</u>	<u>(4,071,667)</u>	<u>(2,419,973)</u>
-	-	-	-	-	944,294
1,240,000	1,790,000	-	-	7,895,000	-
-	-	-	92,914	1,180,000	2,130,000
-	-	-	-	302,597	-
-	-	-	-	(1,221,742)	(2,130,711)
1,835,464	2,013,286	1,980,360	1,813,360	4,011,199	2,827,420
<u>(1,215,448)</u>	<u>(1,047,336)</u>	<u>(950,535)</u>	<u>(967,090)</u>	<u>(3,101,370)</u>	<u>(1,862,747)</u>
<u>1,860,016</u>	<u>2,755,950</u>	<u>1,029,825</u>	<u>939,184</u>	<u>9,065,684</u>	<u>1,908,256</u>
<u>\$ 264,183</u>	<u>\$ 1,182,774</u>	<u>\$ (1,739,624)</u>	<u>\$ 303,762</u>	<u>\$ 4,994,017</u>	<u>\$ (511,717)</u>
21.08%	18.11%	17.49%	16.56%	15.50%	18.87%

**CITY OF SAGINAW, TEXAS  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

**TABLE 5**

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Current Tax Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>% of Delinquent Taxes to Tax Levy</u>
2004/05	4,302,271	4,235,430	98.4%	42,914	4,278,344	99.4%	23,927	0.6%
2005/06	4,708,777	4,623,656	98.2%	74,428	4,698,084	99.8%	10,693	0.2%
2006/07	4,992,355	4,922,329	98.6%	63,287	4,985,616	99.9%	6,739	0.1%
2007/08	5,138,154	5,081,928	98.9%	47,435	5,129,363	99.8%	8,791	0.2%
2008/09	5,241,665	5,170,741	98.6%	62,665	5,233,406	99.8%	8,259	0.2%
2009/10	5,444,770	5,390,942	99.0%	43,327	5,434,269	99.8%	10,501	0.2%
2010/11	5,436,187	5,391,855	99.2%	32,425	5,424,280	99.8%	11,907	0.2%
2011/12	5,724,960	5,691,320	99.4%	16,849	5,708,169	99.7%	16,791	0.3%
2012/13	5,739,750	5,704,489	99.4%	16,323	5,720,812	99.7%	18,938	0.3%
2013/14	6,223,951	6,184,458	99.4%	-	6,184,458	99.4%	39,493	0.6%

**CITY OF SAGINAW, TEXAS  
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

**TABLE 6**

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	
2004/05	681,595,460	681,595,460	107,192,677	107,192,677	788,788,137	788,788,137	0.540
2005/06	753,901,682	753,901,682	160,083,566	160,083,566	913,985,248	913,985,248	0.510
2006/07	819,132,647	819,132,647	206,343,896	206,343,896	1,025,476,543	1,025,476,543	0.487
2007/08	881,908,837	881,908,837	235,213,300	235,213,300	1,117,122,137	1,117,122,137	0.456
2008/09	892,955,279	892,955,279	235,076,728	235,076,728	1,128,032,007	1,128,032,007	0.446
2009/10	873,263,617	873,263,617	264,608,841	264,608,841	1,137,872,458	1,137,872,458	0.449
2010/11	867,157,651	867,157,651	245,208,785	245,208,785	1,112,366,436	1,112,366,436	0.484
2011/12	889,390,320	889,390,320	303,309,705	303,309,705	1,192,700,025	1,192,700,025	0.480
2012/13	863,406,401	863,406,401	300,718,127	300,718,127	1,164,124,528	1,164,124,528	0.490
2013/14	896,517,649	896,517,649	322,802,502	322,802,502	1,219,320,151	1,219,320,151	0.510

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

**CITY OF SAGINAW, TEXAS  
PROPERTY TAX RATES – ALL DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 ASSESSED VALUE  
LAST TEN FISCAL YEARS**

**TABLE 7**

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>School</u>	<u>County (1)</u>	<u>State</u>	<u>Total</u>
2004/05	0.244831	0.295169	0.540000	1.650000	0.647270	0.000000	2.837270
2005/06	0.258670	0.251330	0.510000	1.634500	0.647277	0.000000	2.791777
2006/07	0.242110	0.244890	0.487000	1.535000	0.646277	0.000000	2.668277
2007/08	0.204090	0.251910	0.456000	1.330100	0.636270	0.000000	2.422370
2008/09	0.222150	0.223850	0.446000	1.465800	0.629857	0.000000	2.541657
2009/10	0.263906	0.185209	0.449115	1.465800	0.629567	0.000000	2.544482
2010/11	0.285615	0.198385	0.484000	1.495800	0.629537	0.000000	2.609337
2011/12	0.287098	0.192902	0.480000	1.530000	0.640867	0.000000	2.650867
2012/13	0.300075	0.189925	0.490000	1.540000	0.640867	0.000000	2.670867
2013/14	0.289024	0.220976	0.510000	1.540000	0.641397	0.000000	2.691397

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**

2014			2004		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Horizon Milling	\$ 35,628,354	2.92	Cargill	\$ 11,899,091	1.51
Ventura Foods	28,087,273	2.30	Country Home Milling	9,226,058	1.17
Conagra Foods	24,298,723	1.99	Oncor Electric Delivery	8,190,618	1.04
Walmart	22,997,379	1.89	Albertson's Inc.	7,849,144	1.00
Farmland Industries	19,194,469	1.57	Universal Forest Products	6,560,834	0.83
CTI Holdings	15,928,147	1.31	Norton Metal Products	6,483,017	0.82
BNSF Railway Company	13,372,064	1.10	Ventura Foods	6,302,901	0.80
Universal Forest Products	12,262,471	1.01	Trinity Industries	6,181,111	0.78
BKEP Materials	10,446,148	0.86	Farmland Industries	6,064,373	0.77
Oncor Electric	9,921,530	<u>0.81</u>	BNSF Railway Company	5,618,650	<u>0.71</u>
		<u>15.76</u>			<u>9.43</u>

Source: Information obtained from Tarrant Appraisal District

**CITY OF SAGINAW, TEXAS  
RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

**TABLE 9**

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income (a)	Per Capita (b)	
	General Obligation Bonds	Certificates of Obligation Bonds	Capital Leases	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Capital Leases	Premiums/ Loss on Refundings			
2004/05	14,495,000	5,620,000	322,556	4,895,000	-	-	(89,614)	25,242,942	5.54%	1,442
2005/06	16,625,000	3,770,000	262,209	4,590,000	-	-	(256,480)	24,990,729	5.22%	1,358
2006/07	15,420,000	9,220,000	270,652	6,795,000	-	-	(236,956)	31,468,696	6.22%	1,661
2007/08	14,985,000	7,910,000	190,504	6,375,000	-	-	(217,429)	29,243,075	5.69%	1,518
2008/09	12,715,000	9,595,000	107,745	5,945,000	-	848,700	(197,901)	29,013,544	5.62%	1,499
2009/10	11,870,000	10,865,000	19,223	5,510,000	-	901,489	(307,127)	28,858,585	5.54%	1,480
2010/11	10,920,000	10,310,000	-	4,990,000	-	682,544	(275,809)	26,626,735	5.01%	1,345
2011/12	10,925,000	8,665,000	-	4,455,000	-	463,036	(116,320)	24,391,716	4.54%	1,220
2012/13	18,570,000	7,200,000	-	3,895,000	-	235,490	154,262	30,054,752	5.56%	1,492
2013/14	17,010,000	6,830,000	704,544	2,915,000	520,000	-	451,857	28,431,401	5.20%	1,396

(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  
RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED  
VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

**TABLE 10**

<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>
2004/05	17,510	788,788,137	20,029,472	538,608	19,490,864	2.54%	1,113
2005/06	18,404	913,985,248	20,142,096	692,411	19,449,685	2.20%	1,057
2006/07	18,950	1,025,476,543	24,406,109	836,097	23,570,012	2.38%	1,244
2007/08	19,260	1,117,122,137	22,680,126	976,011	21,704,115	2.03%	1,127
2008/09	19,350	1,128,032,007	22,114,143	852,265	21,261,878	1.96%	1,099
2009/10	19,500	1,137,872,458	22,558,160	1,300,786	21,257,374	1.98%	1,090
2010/11	19,801	1,112,366,436	21,071,229	1,348,022	19,723,207	1.89%	996
2011/12	19,995	1,192,700,025	19,348,314	1,384,617	17,963,697	1.62%	898
2012/13	20,140	1,164,124,528	25,987,131	1,828,513	24,158,618	2.23%	1,200
2013/14	20,370	1,219,320,151	24,789,375	1,596,119	23,193,256	2.03%	1,139

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

**CITY OF SAGINAW, TEXAS  
 COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
 YEAR ENDED SEPTEMBER 30, 2014**

**TABLE 11**

<u>Jurisdiction</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable to City of Saginaw</u>	<u>Amount Applicable to City of Saginaw</u>
City of Saginaw	\$ 23,193,256	100.00%	<u>\$ 23,193,256</u>
Subtotal: City of Saginaw direct debt			\$ 23,193,256
Eagle Mountain-Saginaw Independent School District	556,654,251	20.04%	111,568,736
Tarrant County	316,811,905	0.96%	3,045,082
Tarrant County Hospital District	47,440,000	0.96%	455,413
Tarrant County College District	6,589,972	0.96%	<u>63,044</u>
Subtotal: overlapping debt			\$ 115,132,275
Total direct and overlapping debt			<u><u>\$ 138,325,531</u></u>
Ratio of direct and overlapping funded debt to taxable assessed valuation			<u><u>11.34%</u></u>
Per capita direct and overlapping bonded debt			<u><u>\$ 6,790.65</u></u>

**Source:** Individual taxing entities and Tarrant Appraisal District

**Note:** Percentage of overlap based on net taxable value

**CITY OF SAGINAW, TEXAS  
SCHEDULE OF REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS**

**TABLE 12**

<u>Year</u>	<u>Gross Revenue (1)</u>	<u>Direct Operating Expenses (2)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>	<u>Coverage Ratio</u>
2004/05	6,428,883	3,686,242	2,742,641	295,000	276,764	571,764	4.80
2005/06	7,241,996	4,876,868	2,365,128	305,000	253,120	558,120	4.24
2006/07	6,898,755	6,245,497	653,258	330,000	348,545	678,545	0.96
2007/08	7,049,446	5,109,375	1,940,071	420,000	375,356	795,356	2.44
2008/09	6,791,480	5,373,031	1,418,449	430,000	302,633	732,633	1.94
2009/10	7,132,599	5,766,080	1,366,519	538,253	210,412	748,665	1.83
2010/11	8,150,310	5,603,937	2,546,373	520,000	216,832	736,832	3.46
2011/12	8,590,876	6,096,024	2,494,852	535,000	209,429	744,429	3.35
2012/13	8,679,364	6,294,404	2,384,960	560,000	195,146	755,146	3.16
2013/14	9,344,552	6,253,171	3,091,381	980,000	143,113	1,123,113	2.75

Notes: 1. Operating revenues and nonoperating revenues of Enterprise Fund excluding contributed assets.

2. Total operating expenses of Enterprise Fund exclusive of depreciation.

**CITY OF SAGINAW, TEXAS  
COMPUTATION OF LEGAL DEBT MARGIN  
YEAR ENDED SEPTEMBER 30, 2014**

**TABLE 13**

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

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

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

The rate for fiscal year 2014 was established at \$.510 per \$100 of assessed valuation based on 100% of appraised value.

**CITY OF SAGINAW, TEXAS  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**

**TABLE 14**

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2004/05	17,510	455,487,630	26,013	10,413	5.50%
2005/06	18,404	478,743,252	26,013	12,573	4.60%
2006/07	18,950	505,908,150	26,697	13,423	4.30%
2007/08	19,260	514,184,220	26,697	15,292	5.50%
2008/09	19,350	516,586,950	26,697	16,087	8.30%
2009/10	19,500	520,591,500	26,697	16,663	8.40%
2010/11	19,801	531,538,044	26,844	17,180	8.30%
2011/12	19,995	536,745,780	26,844	17,600	7.80%
2012/13	20,140	540,638,160	26,844	18,132	6.00%
2013/14	20,370	546,812,280	26,844	18,580	5.00%

- Sources:
1. US Census American Community Survey
  2. Eagle Mountain-Saginaw Independent School District
  3. Bureau of Labor Statistics

**CITY OF SAGINAW, TEXAS  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND TWELVE YEARS AGO**

**TABLE 15**

<b>2014</b>			<b>2002</b>		
<b><u>Employer</u></b>	<b><u>Employees</u></b>	<b><u>Percentage of Total City Employment</u></b>	<b><u>Employer</u></b>	<b><u>Employees</u></b>	<b><u>Percentage of Total City Employment</u></b>
Eagle Mountain-Saginaw ISD	2,131	23%	Eagle Mountain-Saginaw ISD	784	13%
Wal Mart Supercenter #5316	500	6%	Trinity Industries	220	4%
Trinity N. Amer.Freight Car Inc.	381	4%	International Purity	200	3%
Bana Box Inc.	218	2%	Universal Forest Products	165	3%
Ventura Foods	215	2%	Trinity Plastics	150	3%
CTI Chefco Foods	200	2%	Cargill, Inc.	145	2%
Russo Corporation	200	2%	Bana Box Inc.	120	2%
Ranger Fire	200	2%	City of Saginaw	103	2%
DOS Project - Standard Meat	189	2%	Ventura Foods	89	2%
Texas Army National Guard	185	2%	Payless Cashways	70	1%

**Source:** City Economic Development Division.



**CITY OF SAGINAW, TEXAS  
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY  
 FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS**

**TABLE 16**

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of October 1</u>									
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
General government										
Administration	8	7	7	7	7	7	7	6	6	6
Municipal Court	2	2	2	3	3	3	3	3	2	2
Public Safety										
Fire	27	27	27	27	26	26	25	25	24	23
Police	44.5	44.5	44.5	43.5	43.5	49.5	51.5	46.5	42	41
Public Works										
Streets	9	9	9	11	9	9	9	9	9	8
Parks Maintenance (a)	2	2	2	0	0	0	0	0	0	0
Building Inspections	4	3	3	4	4	3.5	3.5	3.5	3.5	3.5
Code Enforcement (b)	2	2	2	0	0	0	0	0	0	0
Animal Control	3.5	3	3	4	4	4	4	4	4	3
Janitor	0	0	0	0	0	0	0	0	1	1
City Garage	2	2	2	2	2	2	2	2	2	2
Economic Development	0	0	0	0	0.5	1	1	1	1	1
Recreation and Community Services	6	6	6	6	8.5	8.5	9.5	9.5	8	7
Library	8	9	9	9	9	8.5	9	9	9	8.5
Water/Wastewater	16	16	16	16.5	16.5	16.5	16.5	16.5	16.5	15.5
Drainage	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5	2.5
<b>Total</b>	<b>136</b>	<b>134.5</b>	<b>134.5</b>	<b>135.5</b>	<b>135.5</b>	<b>141</b>	<b>143.5</b>	<b>137.5</b>	<b>130.5</b>	<b>124</b>

**Source:** City Budgets/Human Resources

(a) Previously reported in Streets

(b) Previously reported in Bldg Inspections

**CITY OF SAGINAW, TEXAS  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>					
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Police						
Stations	1	1	1	1	1	1
Licensed Officers	38	38	38	38	39	39
Patrol units on duty at any one time	4	4	4	4	4	4
Fire						
Stations	2	2	2	2	2	2
Firefighter/paramedics	24	24	24	24	24	24
Library						
Number of libraries	1	1	1	1	1	1
Volumes in collection	59,816	56,420	55,838	54,830	53,358	50,308
Average monthly circulation	10,895	11,590	9,877	12,200	11,500	12,555
Average monthly visitors	11,338	15,485	13,749	12,967	10,356	10,356
Public works						
Streets (miles)	81.67	79.2	79.2	78.5	78.5	78.5
Streetlights	762	726	726	716	700	700
Parks and recreation						
Acreage	100	100	100	100	100	100
Parks	7	7	7	7	7	7
Recreation Centers	1	1	1	1	1	1
Senior/community Centers	2	2	2	2	2	2
Water						
Number of water customers	7,133	7,042	6,964	6,935	6,812	6,805
Annual water consumption (1,000 gallons)	1,083,712	1,032,241	1,109,997	1,174,505	1,047,830	1,047,830
Daily consumption (1,000 gallons)	2,969	2,828	3,041	3,218	2,871	2,871
Water mains (miles)	112.2	109.5	109.5	108.6	107.8	107.8
Fire hydrants	795	766	766	751	741	741
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater						
Number of wastewater customers	7,013	6,930	6,859	6,830	6,722	6,722
Wastewater treated annually (1,000 gallons)	739,594	750,644	858,778	785,139	773,199	773,199
Sanitary sewers (miles)	82	79.8	79.8	79.5	79.2	79.2
Storm sewers (miles)	16.7	15.9	15.9	15.0	14.9	14.9

**Sources:** Various city departments.

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

**TABLE 17**

<b>Fiscal Year</b>			
<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
1	1	1	1
41	39	34	30
4	4	4	4
2	2	2	2
24	23	23	23
1	1	1	1
54,853	53,523	51,072	49,180
13,069	12,841	12,757	12,267
8,187	7,731	7,562	6,882
78.5	78.5	78.5	75.1
700	700	740	705
100	100	100	100
7	7	7	7
1	1	1	1
2	2	2	2
6,750	6,741	6,611	6,384
1,061,546	907,325	1,064,548	902,676
2,908	2,485	2,916	2,473
107.8	107.6	91.7	88.9
741	739	739	714
4,250	2,750	2,750	2,750
6,717	6,656	6,535	6,321
788,198	889,600	684,857	675,434
79.2	79.0	76.9	74.1
14.9	14.8	14.8	13.7

**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, 2014, from the last debt issues that were sold in fiscal year ending September 30, 2014. 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](http://www.emma.msrb.org).

**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
GENERAL OBLIGATION TABLES**

<b>ASSESSED VALUATION</b>	<b>TABLE GO-1</b>
2013 Actual Total Appraised Value of Taxable Property (100% of Actual)*	\$ 1,479,494,359
Less Adjustments to Market Value:	
Agriculture Productivity Value Loss	14,742,778
Abatement	29,489,212
Disabled and Deceased Veterans' Exemptions	4,661,714
Freeport Property	87,899,979
Local, Option Over-65 / Disabled	46,738,360
Pollution Control	697,264
Solar/Wind/Other	13,910
Totally Exempt Property	64,977,135
Cases before ARB and Incomplete Accounts	<u>10,953,856</u>
Total Adjustments to Market Value:	<u>260,174,208</u>
2013 Certified Net Taxable Assessed Valuation	<u>\$ 1,219,320,151</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

<b>GENERAL OBLIGATION BONDED DEBT</b>	<b>TABLE GO-2</b>
<i>(As of September 30, 2014)</i>	
<b>General Obligation Debt Principal Outstanding:</b>	
General Obligation Refunding and Improvement Bonds, Series 2006	\$ 3,060,000
Combination Tax and Revenue Certificates of Obligation, Series 2006	1,445,000
Combination Tax and Revenue Certificates of Obligation, Series 2007	2,840,000
Combination Tax and Revenue Certificates of Obligation, Series 2009	1,000,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	1,545,000
General Obligation Refunding Bonds, Series 2012	3,280,000
General Obligation Refunding and Improvement Bonds, Series 2013	8,540,000
General Obligation Refunding Bonds, Series 2014	<u>2,650,000</u>
Total Gross General Obligation Debt Principal Outstanding:	\$ 24,360,000
<b>Less: Self-Supporting General Obligation Debt Principal</b>	
General Obligation Refunding Bonds, Series 2014	<u>520,000</u>
Total Self-Supporting General Obligation Debt	<u>520,000</u>
<b>Total Net General Obligation Debt Principal Outstanding:</b>	<u>\$ 23,840,000</u>
General Obligation Interest and Sinking Fund Balance as of September 30, 2014	1,650,611
Ratio of Gross General Obligation Debt Principal to 2013 Net Assessed Valuation	2.00%
Ratio of Net General Obligation Debt Principal to 2013 Net Assessed Valuation	1.96%
2013 Net Taxable Assessed Value	\$ 1,219,320,151
Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) -	20,370
Per Capita 2013 Net Taxable Assessed Valuation -	\$ 59,859
Per Capita Gross General Obligation Debt Principal -	\$ 1,196
Per Capita Net General Obligation Debt Principal -	\$ 1,170

**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
GENERAL OBLIGATION TABLES**

**OTHER OBLIGATIONS**

**TABLE GO-3**

**Capital Lease Obligations**

The City entered into a capital lease agreement in January 2014 for the purchase of a ladder fire truck. The leased property is classified as in progress as of September 30, 2014. The total cost of the truck is \$944,294. No amortization has been taken on the property as it has not been placed in service.

The following is a schedule of future minimum payments under the capital lease together with the present value of the net minimum lease payments as of September 30, 2014.

<u>Fiscal Year</u>	<u>Future Minimum Payments</u>
2015	\$ 183,551
2016	183,551
2017	183,551
2018	<u>183,550</u>
Total minimum lease payments	\$ 734,203
Less: amount representing interest	<u>(29,659)</u>
Present value of future minimum lease payments	<u>\$ 704,544</u>

**FUND BALANCES**

**TABLE GO-4**

*(As of September 30, 2014)*

General Operating Fund (Undesignated)	\$ 6,318,774
General Obligation Debt Service (I&S) Fund	1,650,611
Special Revenue Funds	3,324,538
Capital Projects Fund	7,077,353
Enterprise Fund (Undesignated)	3,742,555
Revenue Bond Reserve	314,432
Revenue Bond Debt Service (I&S) Reserve	106,473
General Fund Emergency Reserve	2,350,000
General Operating Fund (Designated)	1,008,276
Enterprise Fund Emergency Reserve	1,800,000
Enterprise Fund (Designated)	<u>2,183,912</u>
<b>Total</b>	<b>\$ 29,876,924</b>

**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
GENERAL OBLIGATION TABLES**

**PRINCIPAL TAXPAYERS 2013-2014**

**TABLE GO-5**

<u>Name</u>	<u>Type of Business</u>	<u>2013 Net Taxable Assessed Valuation</u>	<u>% of Total 2013 Net Taxable Assessed Valuation</u>
Horizon Milling	Food Processing Plant	\$ 35,628,354	2.92%
Ventura Foods	Food Processing Plant	28,087,273	2.30%
Conagra Foods	Food Processing Plant	24,298,723	1.99%
Walmart	Retail	22,997,379	1.89%
Farmland Industries	Agribusiness	19,194,469	1.57%
CTI Holdings	Food Processing Plant	15,928,147	1.31%
BNSF Railway Company	Transportation	13,372,064	1.10%
Universal Forest Products	Manufacturing	12,262,471	1.01%
BKEP Materials	Manufacturing	10,446,148	0.86%
Oncor Electric	Energy	9,921,530	0.81%
	<b>Total</b>	<b>\$ 192,136,558</b>	<b>15.76%</b>

2013 Net Taxable Assessed Valuation on Sept. 01 \$ 1,219,320,151  
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 Current</u>	<u>% Collections Total</u>	<u>Fiscal Year Ended</u>
2004	788,788,137	0.5400	4,302,271	98.45%	99.44%	9-30-05
2005	913,985,248	0.5100	4,708,777	98.19%	99.77%	9-30-06
2006	1,025,476,543	0.4870	4,992,355	98.60%	99.87%	9-30-07
2007	1,117,122,137	0.4560	5,138,154	98.91%	99.83%	9-30-08
2008	1,128,032,007	0.4460	5,241,665	98.65%	99.84%	9-30-09
2009	1,137,872,458	0.4491	5,444,770	99.01%	99.81%	9-30-10
2010	1,112,366,436	0.4840	5,436,187	99.18%	99.78%	9-30-11
2011	1,192,700,025	0.4800	5,724,960	99.41%	99.71%	9-30-12
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.67%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.37%	9-30-14

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

**TAX RATE DISTRIBUTION**

**TABLE GO-7**

	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>
General Fund	\$0.289024	\$0.3001	\$0.2871	\$0.2856	\$0.2639	\$0.2239	\$0.2041
I & S Fund	<u>\$0.220976</u>	<u>\$0.1899</u>	<u>\$0.1929</u>	<u>\$0.1984</u>	<u>\$0.1852</u>	<u>\$0.2221</u>	<u>\$0.2519</u>
TOTAL	<u>\$0.510000</u>	<u>\$0.490000</u>	<u>\$0.480000</u>	<u>\$0.4840</u>	<u>\$0.4491</u>	<u>\$0.4460</u>	<u>\$0.4560</u>

**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
GENERAL OBLIGATION TABLES**

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

**TABLE GO-8**

	<b>Fiscal Year Ended September 30</b>				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>					
Taxes	\$ 9,355,084	\$ 9,318,103	\$ 9,102,223	\$ 8,389,939	\$ 8,350,134
Licenses and Permits	329,948	248,764	263,964	208,259	303,744
Charges for Services	80,000	80,226	80,000	79,250	75,250
Fines and Fees	667,138	606,759	526,280	530,286	508,003
Interest Income	3,380	10,306	13,385	14,236	20,762
Recreation Income	494,346	519,857	530,051	526,158	487,707
Intergovernmental	167,380	-	-	-	-
Miscellaneous Revenues	206,935	328,257	284,863	443,119	611,476
Total Revenues	<u>\$ 11,304,211</u>	<u>\$ 11,112,272</u>	<u>\$ 10,800,766</u>	<u>\$ 10,191,247</u>	<u>\$ 10,357,076</u>
<b>Expenditures:</b>					
Current:					
General Administrative Offices	\$ 1,983,715	\$ 1,855,433	\$ 2,267,349	\$ 1,965,821	\$ 1,672,724
Municipal Court	199,451	184,091	191,515	196,849	219,898
Fire	3,694,807	2,671,135	2,615,170	2,419,816	2,540,632
Police	3,667,944	3,486,634	3,444,157	3,347,094	3,330,045
Public Works	884,006	1,497,039	1,353,299	973,762	890,697
Parks	227,791	200,943	-	-	-
Recreation	753,421	737,735	848,830	927,060	841,511
Library	496,461	488,445	470,013	501,277	512,830
Inspection	587,047	602,180	554,909	572,152	555,629
Fleet Maintenance	533,557	508,511	525,903	522,760	435,274
Economic Development	35,860	64,779	14,504	142	12,439
Total Expenditures	<u>\$ 13,064,060</u>	<u>\$ 12,296,925</u>	<u>\$ 12,285,649</u>	<u>\$ 11,426,733</u>	<u>\$ 11,011,679</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ (1,759,849)</u>	<u>\$ (1,184,653)</u>	<u>\$ (1,484,883)</u>	<u>\$ (1,235,486)</u>	<u>\$ (654,603)</u>
<b>Other Financing Sources (Uses):</b>					
Lease Proceeds	\$ 944,294	\$ -	\$ -	\$ -	\$ -
Operating Transfers In	1,501,850	1,572,750	1,507,395	1,653,165	1,611,025
Operating Transfers Out	(593,636)	(2,111,120)	-	(19,345)	(59,568)
Total Other Financing Sources (Uses)	<u>\$ 1,852,508</u>	<u>\$ (538,370)</u>	<u>\$ 1,507,395</u>	<u>\$ 1,633,820</u>	<u>\$ 1,551,457</u>
Excess (Deficit) of Revenues/Other Sources Sources Over Expenditures/Other Uses	92,659	(1,723,023)	22,512	398,334	896,854
Fund Balance - Beginning of Year	<u>9,584,391</u>	<u>11,307,414</u>	<u>11,284,902</u>	<u>10,886,568</u>	<u>9,989,714</u>
Fund Balance - September 30	<u>\$ 9,677,050</u>	<u>\$ 9,584,391</u>	<u>\$ 11,307,414</u>	<u>\$ 11,284,902</u>	<u>\$ 10,886,568</u>

Source: The Issuer's Comprehensive Annual Financial Reports



**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
REVENUE DEBT TABLES**

**REVENUE BOND DEBT PRINCIPAL DATA**

**TABLE REV-1**

*(As of September 30, 2014)*

**Revenue Bond Debt Principal Outstanding:**

Waterworks and Sewer System Revenue Bonds, Series 2006	1,900,000
Waterworks and Sewer System Revenue Refunding Bonds, Series 2010	<u>1,015,000</u>
Total Revenue Debt Principal Outstanding	<u>\$ 2,915,000</u>

**CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT**

**TABLE REV-2**

	Fiscal Year Ending September 30				
	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues <sup>(a)</sup>	\$ 9,164,561	\$ 8,621,454	\$ 8,507,922	\$ 8,102,183	\$ 6,970,088
Expenses	<u>6,253,171</u>	<u>6,294,404</u>	<u>6,096,024</u>	<u>5,603,937</u>	<u>5,766,080</u>
Net Revenue Available for Debt Service	<u>\$ 2,911,390</u>	<u>\$ 2,327,050</u>	<u>\$ 2,411,898</u>	<u>\$ 2,498,246</u>	<u>\$ 1,204,008</u>
Annual Revenue Bond Debt Service Requirements	\$ 520,978	\$ 639,677	\$ 708,840	\$ 707,840	\$ 733,410
Revenue Debt Service Coverage	<u>5.59</u> x	<u>3.64</u> x	<u>3.40</u> x	<u>3.53</u> x	<u>1.64</u> x
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 558,192	\$ 700,061	\$ 770,175	\$ 769,924	\$ 798,001
Debt Service Coverage on all Bonds Paid from System Revenues	<u>5.22</u> x	<u>3.32</u> x	<u>3.13</u> x	<u>3.24</u> x	<u>1.51</u> x
Customer Count :					
Water	7,133	7,042	6,964	6,935	6,812
Wastewater	7,013	6,930	6,859	6,830	6,722
<sup>(a)</sup> Does not include Impact Fees of:	\$ 179,991	\$ 57,909	\$ 82,953	\$ 48,127	\$ 86,608

*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, 2014)*

Fiscal Year 2014 Net Revenues Available for Debt Service	<u>\$ 2,911,390</u>
<b>Following the Issuance of the Bonds:</b>	
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2015) Coverage	\$ 529,885 <u>5.49</u> X
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2015) Coverage	\$ 599,343 <u>4.86</u> X
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2015-2027) Coverage	\$ 274,286 <u>10.61</u> X
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2015-2027) Coverage	\$ 318,330 <u>9.15</u> 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, 2014)*

	<u>Principal Outstanding</u>	<u>Amount of Principal Self-Supporting</u>
General Obligation Refunding Bonds, Series 2014	\$ 2,650,000	\$ 520,000
Total	<u>\$ 2,650,000</u>	<u>\$ 520,000</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>
2015	69,458	529,885	599,343
2016	69,254	528,250	597,504
2017	73,060	428,073	501,132
2018	71,766	241,433	313,199
2019	70,473	239,995	310,468
2020	69,179	238,360	307,539
2021	72,886	191,528	264,413
2022	76,493	190,800	267,293
2023	-	194,800	194,800
2024	-	193,400	193,400
2025	-	196,800	196,800
2026	-	194,800	194,800
2027	-	197,600	197,600
	<u>\$ 572,567</u>	<u>\$ 3,565,723</u>	<u>\$ 4,138,289</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, 2013	
<u>Residential</u>	
First 2,000 Gallons	\$13.95 (minimum)
3,000 to 10,000 Gallons	4.32 /M Gallons
Over 10,000 Gallons	4.60 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$13.95 (minimum)
3,000 to 8,000 Gallons	4.60 /M Gallons
Over 8,000 Gallons	5.56 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$13.95 (minimum)
3,000 to 10,000 Gallons	4.60 /M Gallons
Over 10,000 Gallons	5.56 /M Gallons

**PRINCIPAL WATER CUSTOMERS 2013-2014**

**TABLE REV-7**

*(As of September 30, 2014)*

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	10,836,167	\$ 60,226
DOS Project	2,429,167	13,501
Ventura Foods	2,130,583	11,833
Eagle Mnt/Saginaw ISD	1,025,667	5,692
Williamsburg Village Apartments	830,750	5,013
Saginaw Crossing Apartments	694,000	4,136
Camelot Square Apartments	588,250	3,647
Blueknight Energy Partners	575,083	3,188
Unkuk inc	502,917	2,787
Trinity Industries	391,750	2,183
<b>Total</b>	<u>20,004,333</u>	<u>\$ 112,206</u>

**CITY OF SAGINAW, TEXAS  
CONTINUING FINANCIAL DISCLOSURE TABLES  
REVENUE DEBT TABLES**

**WASTEWATER RATES**

**TABLE REV-8**

*(Based on Monthly Billing)*

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

**PRINCIPAL WASTEWATER CUSTOMERS 2013-2014**

**TABLE REV-9**

*(As of September 30, 2014)*

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Williamsburg Village Apartments	\$ 4,762.73
Saginaw Crossing Apartments	3,775.66
Camelot Square Apartments	3,581.15
Unkuk Inc	1,958.76
Eagle Mnt/Saginaw ISD	2,632.77
Trinity Industries	1,781.33
Qualwash Inc	1,513.54
Wal-Mart Stores Texas, Inc	1,043.81
Centennial Cross Pointe Center	836.83
Bhupat Zaveri (Great Western Inn)	639.57
<b>Total</b>	<b><u>\$ 22,526.16</u></b>

**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>
2005	675,434	1,850	5.0 11-23-04
2006	684,857	1,876	4.8 01-28-06
2007	889,600	2,437	4.3 08-13-07
2008	788,198	2,159	5.7 09-17-08
2009	773,199	2,118	5.3 06-11-09
2010	968,278	2,653	6.7 11-07-09
2011	785,139	2,178	6.5 04-15-11
2012	858,778	2,353	8.2 03-20-12
2013	750,644	2,056	6.6 09-25-13
2014	739,594	2,026	4.0 12-20-13



**City of Saginaw**