

CITY OF SAGINAW, TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

PREPARED BY
THE CITY OF SAGINAW, TEXAS
FINANCE DEPARTMENT

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City of Saginaw

INTRODUCTORY SECTION



City of Saginaw



City of Saginaw

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January 19, 2016

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, 2015. 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, 2015. 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 2015 population estimate is 20,480.

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 2014-2015 financial statements.

Basis of Accounting

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

Budgetary Controls

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

Following adoption of the budget by the City Council, the City Manager and department heads monitor expenditures and revenues throughout the year to ensure that the integrity of the budget is maintained. The Charter requires City Council approval for a transfer of funds from one

department to another. Any revisions that alter the total expenditures of any fund must be approved by ordinance of the City Council.

Internal Controls

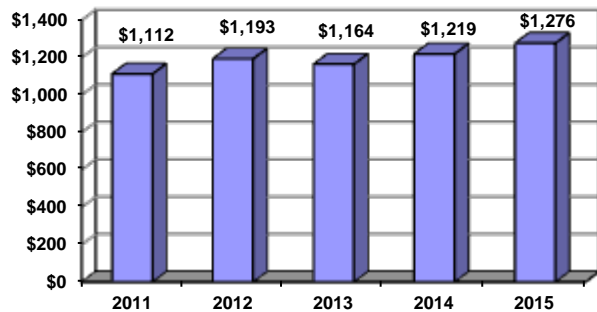
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

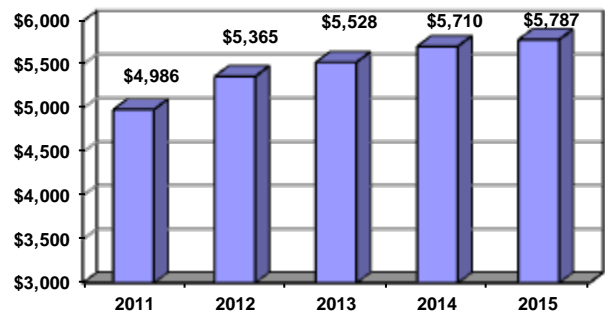
Summary of Local Economy

The local economy in Saginaw remains good. Taxable values increased 2.6% and we saw \$13.6 million in added value from new construction. Willow Vista Estates Phase 3 with 47 residential lots and Saginaw Springs with 76 residential lots was completed this year. Sales tax collections for the current fiscal year to date are tracking at the same levels as last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Spring Creek Phase IIA with 92 residential lots and Spring Creek Phase IIB with 3 commercial lots are under construction. A new senior living complex is under construction 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 and 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 has been on repair and maintenance of existing infrastructure, particularly on our arterial and collector grade streets. The Comprehensive Master plan will be updated in 2015-2016. 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, 2014 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 2014-2015 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department’s dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

Acknowledgments

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the General Administrative Office and our independent

auditors. We would like to express our sincere appreciation to all of our employees who contributed to the preparation.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Nan Stanford".

Nan Stanford, City Manager

A handwritten signature in cursive script, appearing to read "Dolph Johnson".

Dolph Johnson, Assistant City Manager/Finance Director

**CITY OF SAGINAW, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2015**

GOVERNING BODY

Gary Brinkley	Mayor
David Flory	Mayor Pro-Tem
Patrick Farr	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
Keith Rinehart	Director of Recreation and Community Services
Ellen Ritchie	Library Director
Bryn Meredith	City Attorney
Jeff James	City Engineer

CITY OF SAGINAW



NCTCOG Maps
www.dfwmaps.com

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





Government Finance Officers Association

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

Presented to

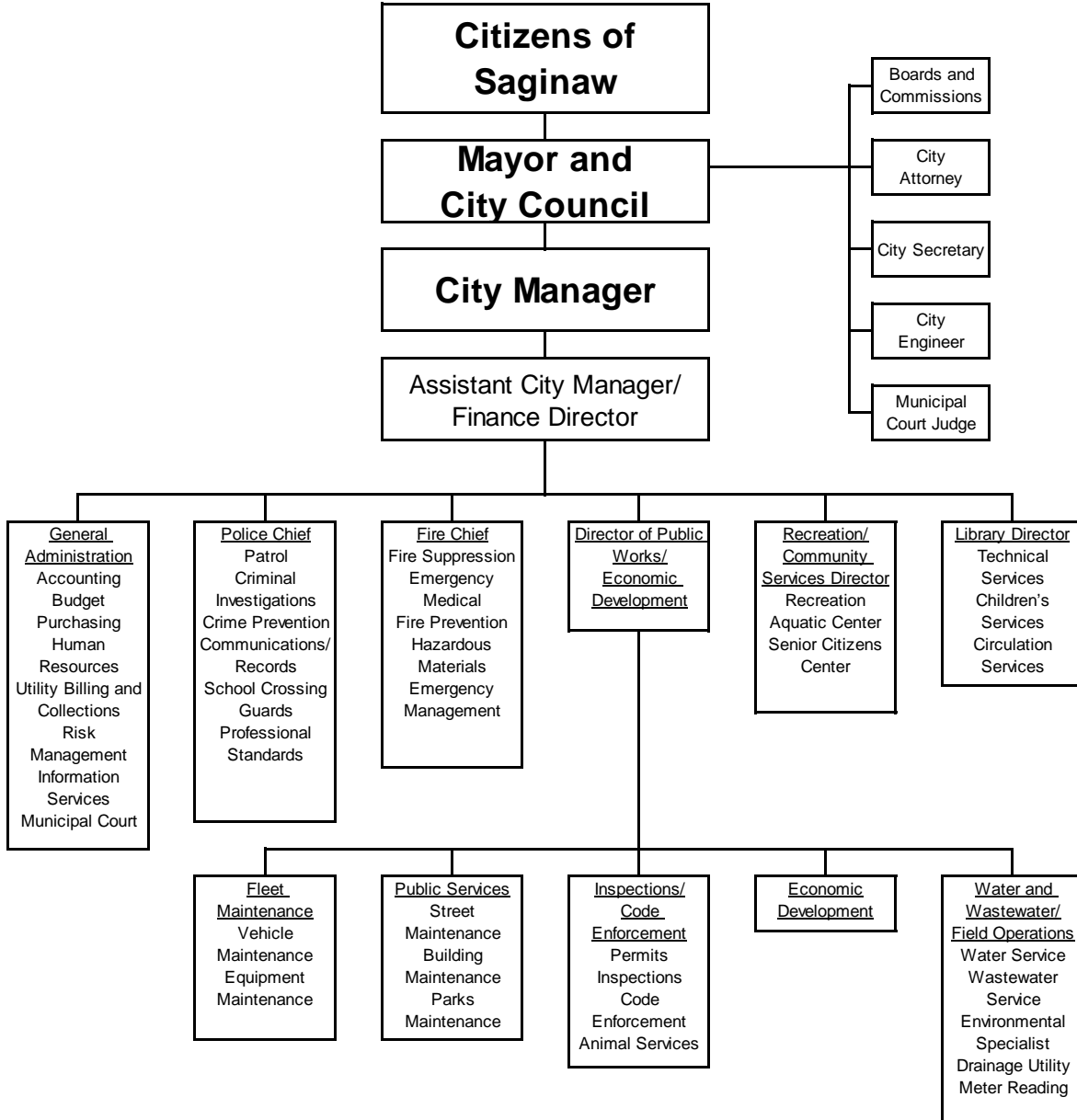
**City of Saginaw
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Saginaw, Texas (the City) as of and for the year ended September 30, 2015, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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, 2015, 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 new accounting guidance GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* as of September 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, and budgetary comparison information on pages 4 through 11, 52 through 53, and 54 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.

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

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Other Information

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

The combining and individual fund financial statements 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, Texas
January 13, 2016



City of Saginaw

**CITY OF SAGINAW, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2015
(UNAUDITED)**

As management of the City of Saginaw, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. 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 \$91,140,457 (net position). Of this amount, \$13,716,986 (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 \$4,132,388.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$27,531,161. About 35% of this total amount, or \$9,499,273, 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 \$9,499,273 or 75% 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 12-14 of this report.

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

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

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

The City maintains nine governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, six Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 15-18.

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 19-22 of this report.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-51.

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, 2015, the City of Saginaw’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$91,140,457.

The largest portion of the City’s net position (83%) reflects its investments in capital assets (e.g., land, buildings, equipment, improvements, construction in progress, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide service to citizens; consequently these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Saginaw's Net Position

	Governmental Activities		Business-type Activities		Total	
	2014		2014		2014	
	2015	as restated	2015	as restated	2015	as restated
Current and other assets	\$29,389,064	\$23,519,163	\$10,620,194	\$9,288,033	\$40,009,258	\$32,807,196
Capital assets	72,883,755	70,714,020	23,118,418	22,524,647	96,002,173	93,238,667
Total assets	<u>\$102,272,819</u>	<u>\$94,233,183</u>	<u>\$33,738,612</u>	<u>\$31,812,680</u>	<u>\$136,011,431</u>	<u>\$126,045,863</u>
Deferred outflows of resources	\$1,289,980	\$266,717	\$186,061	\$77,290	\$1,476,041	\$344,007
Long term liabilities	\$36,221,912	\$29,980,319	\$3,388,577	\$3,811,152	\$39,438,704	\$33,791,471
Other liabilities	4,471,021	3,968,266	1,845,457	1,622,064	6,488,263	5,590,330
Total liabilities	<u>\$40,692,933</u>	<u>\$33,948,585</u>	<u>\$5,234,034</u>	<u>\$5,433,216</u>	<u>\$45,926,967</u>	<u>\$39,381,801</u>
Deferred inflows of resources	375,850	-	44,198	-	420,048	-
Net Position						
Net Investment in capital assets	\$55,375,158	\$52,280,544	\$20,210,164	\$19,067,165	\$75,585,322	\$71,347,709
Restricted	1,416,987	1,596,119	421,162	420,905	1,838,149	2,017,024
Unrestricted	5,701,871	6,674,652	8,015,115	6,968,684	13,716,986	13,643,336
Total net position	<u>\$62,494,016</u>	<u>\$60,551,315</u>	<u>\$28,646,441</u>	<u>\$26,456,754</u>	<u>\$91,140,457</u>	<u>\$87,008,069</u>

An additional portion of the City's net position (2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$13,716,986 may be used to meet the City's ongoing obligation to citizens and creditors.

As of September 30, 2015, 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, 2015. Overall the City had an increase in net position of \$4,132,388. Contributed assets, as a result of new development, account for increases in both governmental and business-type activities. Governmental activities increased net position by \$1,942,701. Increases in sales tax collection, municipal court fines, and building and inspection fees also contributed to this increase. Business-type activities increased the City's net position by \$2,189,687. Savings in wastewater treatment expense, strong water sales throughout the summer, the purchase of a vector truck and construction of the 12 " water line along Saginaw Boulevard also contributed to the increase in net position.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Fees, fines and charges for services	\$ 2,699,692	\$ 2,310,409	\$ 8,965,645	\$ 8,910,914	\$11,665,337	\$ 11,221,323
Operating grants and contributions	234,827	174,983	-	-	234,827	174,983
Capital grants and contributions	1,457,517	3,854,521	1,040,496	1,461,468	2,498,013	5,315,989
General revenues:						
Ad valorem taxes	6,506,284	6,277,304	-	-	6,506,284	6,277,304
Sales taxes	5,786,769	5,709,850	-	-	5,786,769	5,709,850
Franchise taxes	1,851,551	1,420,451	-	-	1,851,551	1,420,451
Other taxes	32,116	18,682	-	-	32,116	18,682
Penalties and interest	13,367	21,965	118,112	116,521	131,479	138,486
Interest income	11,883	7,587	4,529	2,508	16,412	10,095
Gain on sale of assets	-	26,704	-	9,365	-	36,069
Miscellaneous	110,595	206,735	95,004	73,446	205,599	280,181
Total revenues	\$18,704,601	\$20,029,191	\$10,223,786	\$10,574,222	\$28,928,387	\$ 30,603,413
Expenses:						
General admin. Offices	\$ 2,126,569	\$ 2,343,593	\$ -	\$ -	\$ 2,126,569	\$ 2,343,593
Municipal court	184,794	200,512	-	-	184,794	200,512
Fire	3,284,144	2,955,138	-	-	3,284,144	2,955,138
Police	4,230,644	4,038,792	-	-	4,230,644	4,038,792
Public works	3,422,440	2,895,713	-	-	3,422,440	2,895,713
Parks	226,152	208,076	-	-	226,152	208,076
Recreation	1,076,881	985,348	-	-	1,076,881	985,348
Library	564,913	548,383	-	-	564,913	548,383
Inspections	716,049	603,213	-	-	716,049	603,213
Fleet maintenance	531,903	573,011	-	-	531,903	573,011
Economic development	19,363	35,860	-	-	19,363	35,860
Interest on long term debt	942,168	916,082	-	-	942,168	916,082
Water and Wastewater	-	-	7,469,979	7,068,008	7,469,979	7,068,008
Total expenses	\$17,326,020	\$16,303,721	\$ 7,469,979	\$ 7,068,008	\$24,795,999	\$ 23,371,729
Increases (decreases) in net position						
before transfers	\$ 1,378,581	\$ 3,725,470	\$ 2,753,807	\$ 3,506,214	\$ 4,132,388	\$ 7,231,684
Transfers	564,120	964,673	(564,120)	(964,673)	-	-
Increase in net position	\$ 1,942,701	\$ 4,690,143	\$ 2,189,687	\$ 2,541,541	\$ 4,132,388	\$ 7,231,684
Net position - October 1, as restated	60,551,315	55,861,172	26,456,754	23,915,213	87,008,069	79,776,385
Net position - September 30 *	\$62,494,016	\$60,551,315	\$28,646,441	\$26,456,754	\$91,140,457	\$ 87,008,069

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 \$27,531,161. Approximately 35% of this total (\$9,499,273) 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 is \$8,015,115. Total net position of the Enterprise Fund increased by \$2,189,687 from fiscal year 2014 to fiscal year 2015. The increase is due to developer contributed assets, the purchase of a vector truck, construction of the 12" water line along Saginaw Boulevard, strong water sales throughout the summer and, savings in 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 6.2 % or \$825,043. Increases included the transfer of escrow balances to create a separate fund and a legal settlement which were offset by budgeted savings in gasoline expense and an economic development incentive agreement that was postponed to a future fiscal year.

The General Fund's budgeted revenues increased approximately 5.9% or \$753,000. The majority of the increase was due to increased sales tax collections, municipal court fines, building permits, and construction inspection fees.

Debt Service Fund – The Debt Service Fund balance decreased from \$1,650,611 to \$1,473,531 from fiscal year 2014 to fiscal year 2015. This decrease was a budgeted draw down of fund balance by using reserves for a portion of debt service.

Capital Projects Fund – Total fund balance in the Capital Projects Fund increased by \$5,722,204. The increase is a result of the second of three debt issues for the Bailey Boswell Road and Overpass project.

CAPITAL ASSETS

The City of Saginaw’s investment in capital assets for its governmental and business-type activities as of September 30, 2015 amounts to \$96,002,173 (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) (\$822,700).
- Completed replacement of the Community Sign (\$37,095).
- Continued engineering for E. Bailey Boswell Rd. Phases 2 and 3 and Overpass project (\$816,545).
- Completed phase 1 of the skate park at Highland Station Park (\$67,102).
- Continued construction of Phase 4 of E. Bailey Boswell Rd. reconstruction (\$1,630,943).
- City-wide equipment replacement (\$744,452).
- Began the Jarvis Rd. sanitary sewer upgrade (\$54,400).
- Continued 12” water line along Saginaw Boulevard (\$385,576).
- Continued sanitary sewer improvements (\$25,424).
- Developer contributed assets totaled \$2,043,700.

Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$12,213,295	\$11,449,100	\$16,657	\$16,657	\$12,229,952	\$11,465,757
Improvements	1,680,480	1,519,428	-	-	1,680,480	1,519,428
Buildings	19,472,482	19,409,248	154,587	154,587	19,627,069	19,563,835
Equipment	7,149,844	6,264,505	1,487,154	1,352,184	8,636,998	7,616,689
Infrastructure	87,730,778	86,922,415	31,844,644	31,228,867	119,575,422	118,151,282
Construction in progress	5,077,876	2,717,657	564,465	143,635	5,642,341	2,861,292
Accumulated depreciation	(60,441,000)	(57,568,333)	(10,949,089)	(10,371,283)	(71,390,089)	(67,939,616)
Total	\$72,883,755	\$70,714,020	\$23,118,418	\$22,524,647	\$96,002,173	\$93,238,667

Additional information on the City of Saginaw’s capital assets can be found in Note 4 on pages 35-36.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$33,446,092. Of this amount, \$30,420,000 comprises bonded debt backed by the full faith and credit of the government and \$2,490,000 represents bonds secured solely by water and wastewater revenues.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligations	\$23,515,000	\$17,010,000	\$465,000	\$520,000	\$23,980,000	\$17,530,000
Certificates of obligation	6,440,000	6,830,000	-	-	6,440,000	6,830,000
Revenue bonds payable	-	-	2,490,000	2,915,000	2,490,000	2,915,000
Premiums on bonds	518,798	429,375	17,294	22,482	536,092	451,857
Total	\$30,473,798	\$24,269,375	\$2,972,294	\$3,457,482	\$33,446,092	\$27,726,857

During the fiscal year, the City's total debt increased by \$5,719,235 or 20.62% due to the issuance of General Obligation Bonds for the Bailey Boswell Road and Overpass project. 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 37-40 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2015-2016 budget, General Fund revenues and transfers in are budgeted to decrease by \$342,495 (3%) from the 2014-2015 revised budget year with property tax making up 29% and sales tax making up 33% of budgeted revenues. Certified assessed valuations increased 2.6% from the preceding year. General Fund expenditures and transfers decreased by \$630,028 or 4.5%. The decrease is primarily due the one time transfer of escrows out of the General Fund in 2014-2015. The General Fund budget is balanced with the use of \$294,445 from the beginning fund balance for one time capital purchases.

The 2015-2016 budget includes no change in the water or wastewater rates. The Enterprise Fund is budgeted to break even with the use of \$1,799,755 of the beginning fund balance to be used for the construction of capital projects and capital equipment.

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.

BASIC FINANCIAL STATEMENTS



City of Saginaw

GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Saginaw

**CITY OF SAGINAW, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

	Primary Government			Component Unit - Saginaw Industrial Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Deposits and investments	\$ 14,724,690	\$ 8,437,760	\$ 23,162,450	\$ -
Receivables				
Taxes, net of allowance	1,039,318	-	1,039,318	-
Accounts, net of allowance	81,649	1,207,027	1,288,676	-
Other	203,974	-	203,974	-
Restricted assets				
Deposits and investments	13,339,433	975,407	14,314,840	-
Capital assets				
Land	12,213,295	16,657	12,229,952	-
Improvements	1,680,480	-	1,680,480	-
Buildings	19,472,482	154,587	19,627,069	-
Equipment	7,149,844	1,487,154	8,636,998	-
Infrastructure	87,730,778	31,844,644	119,575,422	-
Construction in progress	5,077,876	564,465	5,642,341	-
Accumulated depreciation	(60,441,000)	(10,949,089)	(71,390,089)	-
Total assets	102,272,819	33,738,612	136,011,431	-
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge for refunding	240,720	64,040	304,760	-
Related to TMRS pension	1,049,260	122,021	1,171,281	-
Total deferred outflows of resources	1,289,980	186,061	1,476,041	-
LIABILITIES				
Accounts payable and accrued liabilities	960,621	781,359	1,741,980	-
Accrued interest payable	71,781	9,665	81,446	-
Unearned revenue	320,664	-	320,664	-
Payable from restricted assets				
Contracts payable	539,876	-	539,876	-
Current portion of revenue bonds payable	-	500,188	500,188	-
Current portion of capital leases payable	171,785	-	171,785	-
Customer deposits	-	554,245	554,245	-
Noncurrent liabilities				
Debt due within one year	2,406,294	-	2,406,294	-
Debt due in more than one year	28,428,478	2,472,106	30,900,584	-
Net pension liability	7,793,434	916,471	8,709,905	-
Total liabilities	40,692,933	5,234,034	45,926,967	-
DEFERRED INFLOWS OF RESOURCES				
Related to TMRS pension	375,850	44,198	420,048	-
Total deferred outflows of resources	375,850	44,198	420,048	-
NET POSITION				
Net investment in capital assets	55,375,158	20,210,164	75,585,322	-
Restricted for				
Debt service	1,416,987	421,162	1,838,149	-
Unrestricted	5,701,871	8,015,115	13,716,986	-
Total net position	\$ 62,494,016	\$ 28,646,441	\$ 91,140,457	\$ -

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General administrative offices	\$ 2,126,569	\$ 40,118	\$ -	\$ -
Municipal court	184,794	561,382	-	-
Fire	3,284,144	80,000	24,992	-
Police	4,230,644	4,248	209,835	-
Public works	3,422,440	583,358	-	1,457,517
Parks	226,152	-	-	-
Recreation	1,076,881	670,826	-	-
Library	564,913	18,982	-	-
Inspection	716,049	740,778	-	-
Fleet maintenance	531,903	-	-	-
Economic development	19,363	-	-	-
Interest on long term debt	942,168	-	-	-
Total governmental activities	<u>17,326,020</u>	<u>2,699,692</u>	<u>234,827</u>	<u>1,457,517</u>
Business-type activities				
Water and wastewater	<u>7,469,979</u>	<u>8,965,645</u>	<u>-</u>	<u>1,040,496</u>
Total business-type activities	<u>7,469,979</u>	<u>8,965,645</u>	<u>-</u>	<u>1,040,496</u>
Total government	<u>\$ 24,795,999</u>	<u>\$ 11,665,337</u>	<u>\$ 234,827</u>	<u>\$ 2,498,013</u>

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

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

Net (Expenses) Revenue and Changes in Net Position			Component Unit -
Governmental Activities	Business- type Activities	Total	Industrial Development Authority
\$ (2,086,451)	\$ -	\$ (2,086,451)	\$ (24,399)
376,588	-	376,588	-
(3,179,152)	-	(3,179,152)	-
(4,016,561)	-	(4,016,561)	-
(1,381,565)	-	(1,381,565)	-
(226,152)	-	(226,152)	-
(406,055)	-	(406,055)	-
(545,931)	-	(545,931)	-
24,729	-	24,729	-
(531,903)	-	(531,903)	-
(19,363)	-	(19,363)	-
(942,168)	-	(942,168)	-
<u>(12,933,984)</u>	<u>-</u>	<u>(12,933,984)</u>	<u>(24,399)</u>
<u>-</u>	<u>2,536,162</u>	<u>2,536,162</u>	<u>-</u>
<u>-</u>	<u>2,536,162</u>	<u>2,536,162</u>	<u>-</u>
<u>\$ (12,933,984)</u>	<u>\$ 2,536,162</u>	<u>\$ (10,397,822)</u>	<u>\$ (24,399)</u>
6,506,284	\$ -	\$ 6,506,284	\$ -
5,786,769	-	5,786,769	-
1,851,551	-	1,851,551	-
32,116	-	32,116	-
13,367	118,112	131,479	-
11,883	4,529	16,412	-
110,595	95,004	205,599	-
564,120	(564,120)	-	-
<u>14,876,685</u>	<u>(346,475)</u>	<u>14,530,210</u>	<u>-</u>
1,942,701	2,189,687	4,132,388	(24,399)
<u>60,551,315</u>	<u>26,456,754</u>	<u>87,008,069</u>	<u>24,399</u>
<u>\$ 62,494,016</u>	<u>\$ 28,646,441</u>	<u>\$ 91,140,457</u>	<u>\$ -</u>



City of Saginaw

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**CITY OF SAGINAW, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 10,074,119	\$ 1,473,530	\$ -	\$ 3,177,041	\$ 14,724,690
Receivables					
Taxes, net of allowance	787,276	15,237	-	236,805	1,039,318
Accounts	81,649	-	-	-	81,649
Other	116,868	-	-	87,106	203,974
Restricted assets					
Deposits and investments	-	-	13,339,433	-	13,339,433
TOTAL ASSETS	<u>\$ 11,059,912</u>	<u>\$ 1,488,767</u>	<u>\$ 13,339,433</u>	<u>\$ 3,500,952</u>	<u>\$ 29,389,064</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 945,636	\$ -	\$ -	\$ 14,985	\$ 960,621
Payable from restricted assets					
Contracts payable	-	-	539,876	-	539,876
Unearned revenue	299,052	-	-	21,612	320,664
Total liabilities	1,244,688	-	539,876	36,597	1,821,161
Deferred inflows of resources					
Unavailable revenue - property taxes	21,506	15,236	-	-	\$ 36,742
Total deferred inflows of resources	21,506	15,236	-	-	36,742
Fund balances					
Restricted					
Debt service	-	1,473,531	-	-	1,473,531
Capital projects	-	-	12,799,557	-	12,799,557
Street maintenance	-	-	-	1,137,598	1,137,598
Crime prevention	-	-	-	712,061	712,061
Drainage	-	-	-	826,712	826,712
Other	-	-	-	513,363	513,363
Committed					
Donations	-	-	-	274,621	274,621
Assigned	294,445	-	-	-	294,445
Unassigned	9,499,273	-	-	-	9,499,273
Total fund balances	<u>9,793,718</u>	<u>1,473,531</u>	<u>12,799,557</u>	<u>3,464,355</u>	<u>27,531,161</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,059,912</u>	<u>\$ 1,488,767</u>	<u>\$ 13,339,433</u>	<u>\$ 3,500,952</u>	<u>\$ 29,389,064</u>

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

**CITY OF SAGINAW, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

Total fund balances - governmental funds	\$ 27,531,161
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	72,883,755
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.	(71,781)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	36,742
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 \$240,720 is reflected as a deferred outflow of resources on the Statement of Net Position.	(30,765,837)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$7,793,434, a deferred resource outflow related to TMRS of \$1,049,260, and a deferred resource inflow related to TMRS of \$375,850. This resulted in a decrease in net position.	<u>(7,120,024)</u>
Net position of governmental activities	<u>\$ 62,494,016</u>

**CITY OF SAGINAW, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$10,089,566	\$2,704,738	\$ -	\$1,398,534	\$14,192,838
Licenses and permits	627,876	-	-	-	627,876
Charges for services	80,000	-	-	583,358	663,358
Fines and fees	665,378	-	-	27,888	693,266
Interest income	5,183	1,540	3,505	1,655	11,883
Recreation income	512,677	-	-	-	512,677
Intergovernmental	173,618	-	-	61,209	234,827
Miscellaneous revenues	112,137	-	-	208,973	321,110
Total revenues	12,266,435	2,706,278	3,505	2,281,617	17,257,835
Expenditures					
Current					
General administrative office	1,632,392	-	-	559,382	2,191,774
Municipal court	185,158	-	-	-	185,158
Fire	2,932,965	-	-	-	2,932,965
Police	3,864,955	-	-	102,060	3,967,015
Public works	1,268,270	-	-	-	1,268,270
Parks	240,528	-	-	-	240,528
Recreation	861,581	-	-	-	861,581
Library	520,281	-	-	-	520,281
Inspection	705,189	-	-	-	705,189
City garage	493,996	-	-	-	493,996
Economic development	19,363	-	-	-	19,363
Capital outlay	-	-	3,404,566	346,302	3,750,868
Principal retirement	-	2,056,785	-	-	2,056,785
Interest charges	-	824,995	-	-	824,995
Fiscal agent's fees and debt issuance costs	-	4,000	128,294	-	132,294
Total expenditures	12,724,678	2,885,780	3,532,860	1,007,744	20,151,062
Excess (deficiency) of revenues over expenditures	(458,243)	(179,502)	(3,529,355)	1,273,873	(2,893,227)
Other financing sources (uses)					
Transfers in	1,582,674	-	1,123,265	1,007,763	3,713,702
Transfers out	(1,007,763)	-	-	(2,141,819)	(3,149,582)
Issuance of debt	-	-	8,000,000	-	8,000,000
Premium on bond issuance	-	2,422	128,294	-	130,716
Total other financing sources (uses)	574,911	2,422	9,251,559	(1,134,056)	8,694,836
Net change in fund balances	116,668	(177,080)	5,722,204	139,817	5,801,609
Fund Balances - beginning of year	9,677,050	1,650,611	7,077,353	3,324,538	21,729,552
Fund Balances - end of year	\$ 9,793,718	\$ 1,473,531	\$ 12,799,557	\$ 3,464,355	\$ 27,531,161

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

**CITY OF SAGINAW, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

Net change in fund balances - total governmental funds	\$ 5,801,609
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.	4,015,141
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.	1,457,517
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(3,075,555)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(227,368)
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of repayments of \$2,056,785 less premium on debt issued of \$130,716 plus amortization of \$15,298, which is the net effect of these differences in the treatment of long-term debt and related items, less bond proceeds of \$8,000,000.	(6,058,633)
The implementation of GASB 68 required that certain items be de-expended and recorded as deferred resources or a reduction in net pension liability. The net effect of these items increased net position.	32,918
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.	(177)
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>(2,751)</u>
Change in net position of governmental activities	<u>\$ 1,942,701</u>

The Notes to Basic 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, 2015**

	Enterprise Fund
ASSETS	
Current assets	
Deposits and investments	\$ 8,437,760
Deposits and investments-restricted	421,162
Receivables	
Accounts receivable, net of allowance of \$57,626	693,949
Unbilled accounts	<u>513,078</u>
Total current assets	10,065,949
Noncurrent assets	
Capital assets, at cost	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	31,844,644
Machinery and equipment	1,487,154
Construction in progress	564,465
Accumulated depreciation	<u>(10,949,089)</u>
Total capital assets, net of accumulated depreciation	23,118,418
Deposits and investments-restricted	<u>554,245</u>
Total noncurrent assets	<u>23,672,663</u>
Total assets	33,738,612
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	64,040
Related to the TMRS pension	<u>122,021</u>
Total deferred outflows of resources	186,061
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	781,359
Accrued interest	9,665
Revenue bonds payable	<u>500,188</u>
Total current liabilities	1,291,212
Noncurrent liabilities	
Revenue bonds payable	2,472,106
Customer deposits	554,245
Net pension liability	<u>916,471</u>
Total noncurrent liabilities	<u>3,942,822</u>
Total liabilities	5,234,034
DEFERRED INFLOWS OF RESOURCES	
Related to the TMRS pension	<u>44,198</u>
Total deferred inflows of resources	44,198
NET POSITION	
Net investment in capital assets	20,210,164
Restricted for	
Revenue bond retirement	421,162
Unrestricted	<u>8,015,115</u>
Total net position	<u>\$ 28,646,441</u>

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Enterprise Fund</u>
Operating revenues	
Water and sewer sales	\$ 7,723,335
Penalties	118,112
Surcharges	1,242,310
Miscellaneous	<u>95,004</u>
Total operating revenue	9,178,761
Operating expenses	
Cost of sales and services	5,013,457
Administrative	1,603,700
Depreciation	<u>698,580</u>
Total operating expenses	<u>7,315,737</u>
Operating income	1,863,024
Nonoperating revenues (expenses)	
Investment income	4,529
Gain (Loss) on sale of machinery and equipment	(25,338)
Interest expense and agent fees	<u>(128,904)</u>
Total nonoperating revenues (expenses)	<u>(149,713)</u>
Income before contributions and transfers	1,713,311
Capital contributions and transfers	
Capital contributions	586,183
Impact and tap fees	454,313
Transfers out	(604,855)
Transfers in	<u>40,735</u>
Total nonoperating revenues (expenses)	<u>476,376</u>
Change in net position	2,189,687
Net position, beginning of year, as restated	<u>26,456,754</u>
Net position, end of year	<u><u>\$ 28,646,441</u></u>

The Notes to Basic 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, 2015**

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 9,124,371
Cash paid to employees	(823,514)
Cash paid to suppliers	<u>(5,602,229)</u>
Net cash provided by operating activities	2,698,628
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out to other funds	(2,519,690)
Transfers from other funds	<u>1,955,570</u>
Net cash used in noncapital financing activities	(564,120)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Impact and tap fees	454,313
Principal paid on revenue bonds	(480,000)
Purchase of capital assets	(731,506)
Interest and fees paid on debt issuance	(119,342)
Fiscal agent fees	<u>(1,500)</u>
Net cash used in capital and related financing activities	(878,035)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>4,529</u>
Net cash provided by investing activities	<u>4,529</u>
Net change in cash	1,261,002
Cash and cash equivalents at the beginning of the year	<u>8,152,165</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 9,413,167</u></u>

The Notes to Basic 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, 2015**

	<u>Current Assets</u>	<u>Enterprise Fund Restricted Assets</u>		<u>Statement of Cash Flows Totals</u>
		<u>Current</u>	<u>Noncurrent</u>	
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - beginning	\$ 7,193,784	\$420,905	\$537,476	\$ 8,152,165
Net increase	<u>1,243,976</u>	<u>257</u>	<u>16,769</u>	<u>1,261,002</u>
Cash and cash equivalents - ending	<u>\$ 8,437,760</u>	<u>\$421,162</u>	<u>\$554,245</u>	<u>\$ 9,413,167</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				\$ 1,863,024
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation				698,580
Increase in accounts receivable				(71,159)
Increase in deferred outflow of resources-pension				(24,935)
Increase in accounts payable and accrued expenses				191,624
Increase in customer deposits				16,769
Decrease in net pension liability				(19,473)
Increase in deferred inflow of resources-pension				<u>44,198</u>
Net cash provided by operating activities				<u>\$ 2,698,628</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				\$ 586,183

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



City of Saginaw

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015**

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. The Authority was dissolved in fiscal year 2015.

C. Basis of Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City, except for fiduciary funds. The effect of interfund activity, within the governmental and business-type activities columns, have been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015**

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, 2015**

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, 2015**

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

All appropriations lapse on September 30 of the fiscal year.

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

F. Cash and Investments

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

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

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

**CITY OF SAGINAW, TEXAS
 NOTES TO BASIC FINANCIAL STATEMENTS
 FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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. The compensated absences liability increased \$45,664 over the course of the fiscal year ended September 30, 2015.

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, 2015**

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, 2015**

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, 2015**

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. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Restatement of Prior Year Net Position

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date", an adjustment has been made to record the City's net pension liability as of October 1, 2014. As a result, beginning net position of the governmental activities has been decreased by \$6,464,493 and business-type activities has been decreased by \$757,783.

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of September 30, 2015 consist of the following:

Deposits with financial institutions	\$ 529,992
Investments	<u>36,947,298</u>
	<u>\$ 37,477,290</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Amount</u>	<u>Weighted Average Maturity</u>
TexPool	\$ 36,947,298	40 days

As of September 30, 2015, 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, 2015</u>
Texpool	\$ 36,947,298	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, 2015, 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, 2015**

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, 2015, the carrying amount of the City's cash on hand and deposits were \$529,992 and the bank balance was \$1,955,840. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$1,705,840 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, 2015

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	\$ 421,162
Refundable water and wastewater deposits	<u>554,245</u>
Total	<u>\$ 975,407</u>

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	Balance October 1, 2014	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2015
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 11,449,100	\$ 764,195	\$ -	\$ 12,213,295
Construction in progress	<u>2,717,657</u>	<u>3,362,055</u>	<u>(1,001,836)</u>	<u>5,077,876</u>
Total capital assets not being depreciated	14,166,757	4,126,250	(1,001,836)	17,291,171
Capital assets being depreciated				
Buildings	19,409,248	63,234	-	19,472,482
Improvements	1,519,428	161,052	-	1,680,480
Infrastructure	86,922,415	808,363	-	87,730,778
Equipment	<u>6,264,505</u>	<u>1,315,595</u>	<u>(430,256)</u>	<u>7,149,844</u>
Total capital assets being depreciated	114,115,596	2,348,244	(430,256)	116,033,584
Less accumulated depreciation				
Buildings	5,148,938	486,803	-	5,635,741
Improvements	604,935	71,198	-	676,133
Infrastructure	47,602,860	2,079,202	-	49,682,062
Equipment	<u>4,211,600</u>	<u>438,352</u>	<u>(202,888)</u>	<u>4,447,064</u>
Total accumulated depreciation	<u>57,568,333</u>	<u>3,075,555</u>	<u>(202,888)</u>	<u>60,441,000</u>
Total capital assets being depreciated, net	<u>56,547,263</u>	<u>(727,311)</u>	<u>(227,368)</u>	<u>55,592,584</u>
Net governmental activities capital assets	<u>\$ 70,714,020</u>	<u>\$ 3,398,939</u>	<u>\$(1,229,204)</u>	<u>\$ 72,883,755</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance October 1, 2014	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2015
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	143,635	479,765	(58,935)	564,465
Total capital assets not being depreciated	160,292	479,765	(58,935)	581,122
Capital assets being depreciated				
Buildings	154,587	-	-	154,587
Water and wastewater system	31,228,867	615,777	-	31,844,644
Equipment	1,352,184	422,904	(287,934)	1,487,154
Total capital assets being depreciated	32,735,638	1,038,681	(287,934)	33,486,385
Less accumulated depreciation				
Buildings	57,728	3,540	-	61,268
Water and wastewater system	9,318,764	619,958	(5,029)	9,933,693
Equipment	994,791	75,082	(115,745)	954,128
Total accumulated depreciation	10,371,283	698,580	(120,774)	10,949,089
Total capital assets being depreciated, net	22,364,355	340,101	(167,160)	22,537,296
Net business-type activities capital assets	<u>\$ 22,524,647</u>	<u>\$ 819,866</u>	<u>(226,095)</u>	<u>\$ 23,118,418</u>

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

Governmental activities	
General administrative office	\$ 116,105
Fire	145,799
Police	276,038
Public works	2,207,877
Recreation and community services	227,283
Library	46,088
Inspections/code enforcement	12,962
Fleet maintenance	38,396
Parks	5,007
	<u>\$ 3,075,555</u>
Business-type activities	
Water and wastewater	<u>\$ 698,580</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 5. LONG-TERM DEBT

At September 30, 2015, 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%	\$ 2,620,000	\$ -
2006 Certificates of Obligation Bonds, dated October 1, 2006, due in annual installments through September 1, 2027, bearing interest rates of 4% to 5%	1,360,000	-
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%	-	1,790,000
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%	2,675,000	-
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%	930,000	-
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%	1,475,000	-
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%	-	700,000

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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%.	2,795,000	-
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%	8,150,000	-
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	1,950,000	465,000
2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%.	8,000,000	-
Premium on bonds	<u>518,798</u>	<u>17,294</u>
Total bonds payable	<u>\$ 30,473,798</u>	<u>\$ 2,972,294</u>

During 2015, the City issued \$8,000,000 of Series 2015 General Obligation Bonds. The debt was issued to pay the costs of capital projects. The obligations are payable over the next 20 years.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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, 2015:

	Balance October 1, 2014	Increases	Decreases	Balance September 30, 2015	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 17,010,000	\$ 8,000,000	\$ (1,495,000)	\$ 23,515,000	\$ 1,955,000
Certificates of obligation	6,830,000	-	(390,000)	6,440,000	410,000
Obligations under capital leases	704,544	-	(171,785)	532,759	171,785
Pension obligation payable	688,449	-	(688,449)	-	-
Premiums on bonds	429,375	130,716	(41,293)	518,798	41,294
Total Governmental Activities	<u>\$ 25,662,368</u>	<u>\$ 8,130,716</u>	<u>\$ (2,786,527)</u>	<u>\$ 31,006,557</u>	<u>\$ 2,578,079</u>
Business-type Activities					
Revenue bonds	\$ 2,915,000	\$ -	\$ (425,000)	\$ 2,490,000	\$ 435,000
General obligation bonds	520,000	-	(55,000)	465,000	60,000
Pension obligation payable	81,075	-	(81,075)	-	-
Premiums on bonds	22,482	-	(5,188)	17,294	5,188
Total Business-type Activities	<u>\$ 3,538,557</u>	<u>\$ -</u>	<u>\$ (566,263)</u>	<u>\$ 2,972,294</u>	<u>\$ 500,188</u>

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, 2015, are as follows:

General Obligation Bonds

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2016	1,955,000	701,948	2,656,948
2017	2,000,000	648,905	2,648,905
2018	1,625,000	759,573	2,384,573
2019	1,675,000	560,220	2,235,220
2020	1,700,000	515,282	2,215,282
2021-2025	6,345,000	1,956,055	8,301,055
2026-2030	4,325,000	1,171,281	5,496,281
2031-2035	3,890,000	364,169	4,254,169
	<u>\$23,515,000</u>	<u>\$ 6,677,433</u>	<u>\$30,192,433</u>

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

NOTE 5. LONG-TERM DEBT – CONTINUED

Certificates of Obligation

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
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	485,000	906,831	1,391,831
2021-2025	2,785,000	651,374	3,436,374
2026-2030	1,430,000	127,463	1,557,463
	<u>\$ 6,440,000</u>	<u>\$ 2,632,642</u>	<u>\$ 9,072,642</u>

General Obligation Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
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	65,000	4,180	69,180
2020-2022	145,000	4,378	149,378
	<u>\$ 465,000</u>	<u>\$ 38,110</u>	<u>\$ 503,110</u>

Revenue Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
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	185,000	279,940	464,940
2021-2025	795,000	172,328	967,328
2026-2027	370,000	22,400	392,400
	<u>\$ 2,490,000</u>	<u>\$ 772,419</u>	<u>\$ 3,262,419</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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 equipment with the total capitalized cost of \$944,294 and an amortized value of approximately \$910,799 at September 30, 2015. Amortization expense has been included in depreciation expense for the year ended September 30, 2015.

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, 2015.

Year Ending September 30	
2016	183,551
2017	183,551
2018	<u>183,550</u>
	550,652
Less amount representing interest	<u>17,893</u>
Present value of net minimum lease payments	<u>\$ 532,759</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 (\$141,620 for the General Fund and \$136,240 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, 2015**

NOTE 8. PENSION PLAN

Plan Description

The City of Saginaw participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits

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

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

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, 2015**

NOTE 8. PENSION PLAN – CONTINUED

Benefits-continued

Employees covered by benefit terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	55
Active employees	139
	237

Contributions

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

Employees for the City of Saginaw were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 17.41% and 18.04% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$1,327,755, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, net of pension plan investment expense, including inflation

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Actuarial assumptions-continued

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Mortality Table with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Actuarial assumptions-continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Discount rate-continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2013	\$ 28,483,078	\$ 19,588,107	\$ 8,894,971
Changes for the year:			
Service cost	1,094,648	-	1,094,648
Interest	2,004,340	-	2,004,340
Change of benefit terms	-	-	-
Difference between expected and actual experience	(494,746)	-	(494,746)
Changes of assumptions	-	-	-
Contributions - employer	-	1,247,471	(1,247,471)
Contributions - employee	-	433,652	(433,652)
Net investment income	-	1,120,846	(1,120,846)
Benefit payments, including refunds of employee contributions	(793,956)	(793,956)	-
Administrative expense	-	(11,699)	11,699
Other changes	-	(962)	962
Net changes	1,810,286	1,995,352	(185,066)
Balance at December 31, 2014	<u>\$ 30,293,364</u>	<u>\$ 21,583,459</u>	<u>\$ 8,709,905</u>

Sensitivity of the net pension liability to changes in the discount rate The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's net pension liability	\$ 13,430,222	\$ 8,709,905	\$ 4,859,272

Pension Plan Fiduciary Net Position

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

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. PENSION PLAN – CONTINUED

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

For the year ended September 30, 2015, the City recognized pension expense of \$1,293,038.

At September 30, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (420,048)
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	200,257	-
Contributions subsequent to the measurement date	971,024	-
Total	<u>\$ 1,171,281</u>	<u>\$ (420,048)</u>

\$971,024 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2015	\$ (24,634)
2016	(24,634)
2017	(24,634)
2018	(24,633)
2019	(74,698)
Thereafter	(46,558)
Total	<u>\$ (219,791)</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 8. PENSION PLAN – CONTINUED

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.

The City's contributions to the TMRS SDBF for the years ended 2015, 2014 and 2013 were \$11,147, \$10,573 and \$9,402, 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.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 10. INTERFUND BALANCES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 604,855
General Fund	CCPD Fund	848,630
General Fund	Donations Fund	8,120
General Fund	Escrow Fund	4,714
General Fund	Drainage Utility Fund	116,355
Enterprise Fund	Drainage Utility Fund	40,735
Capital Project Fund	Drainage Utility Fund	781,928
Capital Project Fund	Donations Fund	84,380
Capital Project Fund	Escrow Fund	256,957
Escrow Fund	General Fund	<u>1,007,763</u>
		<u>\$ 3,754,437</u>

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for reimbursement for 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 Donations Fund to the General Fund for two seasonal part-time library pages.
- The Escrow Fund to the General Fund for reimbursement of police over-time for bailiff duty.
- The Drainage Utility Fund to the General Fund and Enterprise Fund for reimbursement of salaries and related expenses.
- The Drainage Utility Fund to the Capital Projects Fund for reimbursement of costs related to the Saginaw Boulevard System II project.
- The Donations Fund to the Capital Projects Fund for reimbursement of costs related to the Dog Park and Skate Park Phase I projects.
- The Escrow Fund to the Capital Projects Fund for reimbursement of costs related to the Bailey Boswell Road and Dog Park projects.
- The General Fund to the Escrow Fund for the creation of the new Escrow Fund.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

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. Settlements have not exceeded coverage in the previous two fiscal years but did exceed coverage in fiscal year 2015.

NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which was effective for the year ended 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 has implemented this change. See Note 1. M.

The GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which was effective for the year ended 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. The City has implemented this change. See Note 1. M.

The GASB issued Statement No. 72, *Fair Value Measurement*, which will be effective for periods beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting related to fair value measurements. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to identify the hierarchy of generally accepted accounting principles (GAAP). This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS– CONTINUED

The GASB issued Statement No. 77, Tax Abatement Disclosures, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to require governments that enter into tax abatement agreements to provide certain disclosures regarding the commitments. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

NOTE 13. SUBSEQUENT EVENTS

The City has evaluated all events and transactions that occurred after September 30, 2015 through January 13, 2016, the date the financial statements were issued.

In December 2015, the City issued \$1,610,000 of Series 2015, General Obligation Refunding Bonds. The debt was issued to refund a portion of the City's outstanding debt to achieve a present value debt service savings.



City of Saginaw

REQUIRED SUPPLEMENTARY INFORMATION



City of Saginaw

**CITY OF SAGINAW, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	<u>2014</u>
Total Pension Liability	
Service cost	\$ 1,094,648
Interest (on the total pension liability)	2,004,340
Changes of benefit terms	-
Difference between expected and actual experience	(494,746)
Change of assumptions	-
Benefit payments, including refunds of employee contributions	<u>(793,956)</u>
Net Change in Total Pension Liability	1,810,286
Total Pension Liability - Beginning	<u>28,483,078</u>
Total Pension Liability - Ending (a)	<u><u>\$ 30,293,364</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,247,471
Contributions - Employee	433,652
Net investment income	1,120,846
Benefit payments, including refunds of employee contributions	(793,956)
Administrative expense	(11,699)
Other	<u>(962)</u>
Net Change in Plan Fiduciary Net Position	1,995,352
Plan Fiduciary Net Position - Beginning	<u>19,588,107</u>
Plan Fiduciary Net Position - Ending (b)	<u><u>\$ 21,583,459</u></u>
Net Pension Liability - Ending (a) - (b)	\$ 8,709,905
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.25%
Covered Employee Payroll	\$ 7,227,528
Net Pension Liability as a Percentage of Covered Employee Payroll	120.51%

Other Information:

Notes

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

**CITY OF SAGINAW, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM**

	<u>2014</u>
Actuarially Determined Contribution	\$ 1,247,471
Contributions in relation to the actuarially determined contribution	<u>1,327,755</u>
Contribution deficiency (excess)	\$ (80,284)
Covered employee payroll	\$ 7,227,528
Contributions as a percentage of covered employee payroll	18.37%

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method Level	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

Other Information:

Notes There were no benefit changes during the year.

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

**CITY OF SAGINAW, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Over / (Under)
	Original	Final		
Revenues				
Taxes	\$ 9,506,755	\$9,816,755	\$10,089,566	\$ 272,811
Licenses and permits	270,000	575,000	627,876	52,876
Charges for services	80,000	80,000	80,000	-
Fines and fees	502,000	632,000	665,378	33,378
Interest income	3,000	3,000	5,183	2,183
Recreation income	520,700	520,700	512,677	(8,023)
Intergovernmental	165,830	165,830	173,618	7,788
Miscellaneous revenues	124,000	124,000	112,137	(11,863)
Total revenues	11,172,285	11,917,285	12,266,435	349,150
Expenditures				
Current				
General administrative office	1,514,830	1,763,200	1,632,392	(130,808)
Municipal court	189,465	189,465	185,158	(4,307)
Fire	2,947,330	2,947,330	2,932,965	(14,365)
Police	3,894,985	3,894,985	3,864,955	(30,030)
Public works	1,317,295	1,362,295	1,268,270	(94,025)
Parks	251,020	251,020	240,528	(10,492)
Recreation & community services	857,640	876,750	861,581	(15,169)
Library	549,045	553,545	520,281	(33,264)
Inspections/code enforcement	715,840	715,840	705,189	(10,651)
Fleet maintenance	528,230	478,230	493,996	15,766
Economic development	502,500	44,800	19,363	(25,437)
Total expenditures	13,268,180	13,077,460	12,724,678	(352,782)
Excess (deficiency) of revenues over expenditures	(2,095,895)	(1,160,175)	(458,243)	701,932
Other financing sources (uses)				
Operating transfers in	1,585,960	1,585,960	1,582,674	(3,286)
Operating transfers out	-	(1,007,763)	(1,007,763)	-
Total other financing sources (uses)	1,585,960	578,197	574,911	(3,286)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(509,935)	(581,978)	116,668	698,646
Fund balances - beginning of year	9,677,050	9,677,050	9,677,050	-
Fund balances - end of year	\$ 9,167,115	\$9,095,072	\$ 9,793,718	\$ 698,646



City of Saginaw

**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, 2015**

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
ASSETS							
Deposits and investments	\$ 8,132	\$ 531,791	\$ 762,954	\$ 1,080,637	\$ 280,164	\$ 513,363	\$ 3,177,041
Receivables							
Other	-	-	65,494	-	21,612	-	87,106
Taxes	-	172,991	-	63,814	-	-	236,805
TOTAL ASSETS AND OTHER DEBITS	\$ 8,132	\$ 704,782	\$ 828,448	\$ 1,144,451	\$ 301,776	\$ 513,363	\$ 3,500,952
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ 853	\$ 1,736	\$ 6,853	\$ 5,543	\$ -	\$ 14,985
Unearned revenue	-	-	-	-	21,612	-	21,612
Total liabilities	-	853	1,736	6,853	27,155	-	36,597
Fund balances							
Restricted							
Street maintenance	-	-	-	1,137,598	-	-	1,137,598
Crime prevention	8,132	703,929	-	-	-	-	712,061
Drainage	-	-	826,712	-	-	-	826,712
Other	-	-	-	-	-	513,363	513,363
Committed							
Donations	-	-	-	-	274,621	-	274,621
Total fund balances	8,132	703,929	826,712	1,137,598	274,621	513,363	3,464,355
TOTAL LIABILITIES, AND FUND BALANCES	\$ 8,132	\$ 704,782	\$ 828,448	\$ 1,144,451	\$ 301,776	\$ 513,363	\$ 3,500,952

**CITY OF SAGINAW, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
Revenues							
Taxes	\$ -	\$ 1,015,424	\$ -	\$ 367,027	\$ -	\$ 16,083	\$ 1,398,534
Fines and fees	-	-	-	-	-	27,888	27,888
Intergovernmental	-	61,209	-	-	-	-	61,209
Miscellaneous	2,706	8,000	-	-	158,149	40,118	208,973
Interest income	11	310	404	429	147	354	1,655
Charges for services	-	-	583,358	-	-	-	583,358
Total revenues	2,717	1,084,943	583,762	367,456	158,296	84,443	2,281,617
Expenditures							
Current							
General operating	-	-	40,185	130,775	92,124	296,298	559,382
Police	20,712	81,348	-	-	-	-	102,060
Capital outlay	-	278,360	11,916	-	35,152	20,874	346,302
Total expenditures	20,712	359,708	52,101	130,775	127,276	317,172	1,007,744
Excess (deficiency) of revenues over expenditures	(17,995)	725,235	531,661	236,681	31,020	(232,729)	1,273,873
Other financing sources (uses)							
Transfers in	-	-	-	-	-	1,007,763	1,007,763
Transfers out	-	(848,630)	(939,018)	-	(92,500)	(261,671)	(2,141,819)
Total other financing sources (uses)	-	(848,630)	(939,018)	-	(92,500)	746,092	(1,134,056)
Net change in fund balances	(17,995)	(123,395)	(407,357)	236,681	(61,480)	513,363	139,817
Fund Balances - beginning of year	26,127	827,324	1,234,069	900,917	336,101	-	3,324,538
Fund Balances - end of year	\$ 8,132	\$ 703,929	\$ 826,712	\$ 1,137,598	\$ 274,621	\$ 513,363	\$ 3,464,355



City of Saginaw

SPECIAL REVENUE FUND

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

**CITY OF SAGINAW, TEXAS
 COMPARATIVE BALANCE SHEETS
 SAGINAW CRIME CONTROL AND PREVENTION DISTRICT FUND
 SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Deposits and investments	\$ 531,791	\$ 659,686
Receivables		
Other	-	3,103
Taxes, net	<u>172,991</u>	<u>174,270</u>
TOTAL ASSETS	<u><u>\$ 704,782</u></u>	<u><u>\$ 837,059</u></u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 853</u>	<u>\$ 9,735</u>
Total liabilities	853	9,735
Fund balances		
Restricted for crime prevention	<u>703,929</u>	<u>827,324</u>
Total fund balances	<u>703,929</u>	<u>827,324</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 704,782</u></u>	<u><u>\$ 837,059</u></u>

**CITY OF SAGINAW, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
SAGINAW CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2014
	Original	Final			
Revenues					
Sales taxes	\$ 950,000	\$ 950,000	\$ 1,015,424	\$ 65,424	\$ 999,011
Intergovernmental	-	61,210	61,209	(1)	-
Miscellaneous revenues	-	-	8,000	8,000	7,603
Interest income	220	220	310	90	205
Total revenues	950,220	1,011,430	1,084,943	73,513	1,006,819
Expenditures					
Uniforms	6,300	6,300	5,418	882	2,791
Data processing	48,000	48,000	45,543	2,457	41,275
Officer supplies and equipment	2,000	2,000	240	1,760	1,240
Books	3,500	3,500	2,850	650	6,950
Crime prevention supplies	2,000	2,000	1,085	915	1,111
Maintenance and repairs	-	-	15,694	(15,694)	20,792
Tactical employee training	12,500	12,500	10,518	1,982	11,123
Capital outlay	227,000	288,210	278,360	9,850	86,900
Total expenditures	301,300	362,510	359,708	2,802	172,182
Excess (deficiency) of revenues over expenditures	648,920	648,920	725,235	76,315	834,637
Other financing sources (uses)					
Operating transfers out	(848,630)	(848,630)	(848,630)	-	(821,700)
Total other financing sources (uses)	(848,630)	(848,630)	(848,630)	-	(821,700)
Net change in fund balance	(199,710)	(199,710)	(123,395)	76,315	12,937
Fund Balances - beginning of year	827,324	827,324	827,324	-	814,387
Fund Balances - end of year	\$ 627,614	\$ 627,614	\$ 703,929	\$ 76,315	\$ 827,324



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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Deposits and investments	\$1,473,530	\$ 1,650,611
Receivables		
Taxes, net of allowance	<u>15,237</u>	<u>17,112</u>
TOTAL ASSETS	<u>\$1,488,767</u>	<u>\$ 1,667,723</u>
DEFERRED INFLOWS AND FUND BALANCES		
Deferred inflows of resources		
Unavailable revenue - property taxes	<u>15,236</u>	<u>17,112</u>
Total deferred inflows of resources	15,236	17,112
Fund balance		
Restricted for debt service	<u>1,473,531</u>	<u>1,650,611</u>
Total fund balances	<u>1,473,531</u>	<u>1,650,611</u>
TOTAL DEFERRED INFLOWS AND FUND BALANCES	<u>\$1,488,767</u>	<u>\$ 1,667,723</u>

**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, 2015**

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2014
	Original	Final			
Revenues					
Current and delinquent general property tax - debt service portion	\$ 2,697,210	\$ 2,697,210	\$ 2,699,226	\$ 2,016	\$ 2,718,457
Penalties, interest and fees on delinquent taxes	7,000	7,000	5,512	(1,488)	9,096
Interest income	725	725	1,540	815	758
Total revenues	2,704,935	2,704,935	2,706,278	1,343	2,728,311
Expenditures					
Bond principal payments	1,940,000	1,940,000	1,885,000	55,000	1,975,000
Capital lease principal payments	171,785	171,785	171,785	-	239,750
Total principal payments	2,111,785	2,111,785	2,056,785	55,000	2,214,750
Bond interest	845,115	845,115	813,229	31,886	900,472
Capital lease and note interest	11,770	11,770	11,766	4	10,250
Fiscal charges and debt issuance costs	7,000	7,000	4,000	3,000	44,188
Total interest payments	863,885	863,885	828,995	34,890	954,910
Total expenditures	2,975,670	2,975,670	2,885,780	89,890	3,169,660
Excess (deficiency) of revenues over expenditures	(270,735)	(270,735)	(179,502)	91,233	(441,349)
Other financing sources (uses)					
Operating transfers in	69,460	69,460	-	(69,460)	596,895
Proceeds from bond refunding	-	-	-	-	2,130,000
Premium on bond issuance	-	-	2,422	2,422	-
Payment on bond refunding	-	-	-	-	(2,130,711)
Total other financing sources (uses)	69,460	69,460	2,422	(67,038)	596,184
Net change in fund balance	(201,275)	(201,275)	(177,080)	24,195	154,835
Fund Balances - beginning of year	1,650,611	1,650,611	1,650,611	-	1,495,776
Fund Balances - end of year	\$ 1,449,336	\$ 1,449,336	\$ 1,473,531	\$ 24,195	\$ 1,650,611



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, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Deposits and investments	\$ 8,437,760	\$ 7,193,784
Deposits and investments-restricted	421,162	420,905
Receivables		
Accounts receivable, net of allowance of \$57,626 in 2015 and \$65,747 in 2014	693,949	647,141
Unbilled accounts	513,078	481,385
Other	-	<u>7,342</u>
Total current assets	<u>10,065,949</u>	<u>8,750,557</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	31,844,644	31,228,867
Machinery and equipment	1,487,154	1,352,184
Construction in progress	564,465	143,635
Accumulated depreciation	<u>(10,949,089)</u>	<u>(10,371,283)</u>
Total capital assets, net of accumulated depreciation	<u>23,118,418</u>	<u>22,524,647</u>
Deposits and investments-restricted	<u>554,245</u>	<u>537,476</u>
Total noncurrent assets	<u>23,672,663</u>	<u>23,062,123</u>
Total assets	<u>33,738,612</u>	<u>31,812,680</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	64,040	77,290
Related to the TMRS pension	<u>122,021</u>	<u>97,086</u>
Total Deferred outflows of resources	<u>186,061</u>	<u>174,376</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	781,359	589,735
Accrued interest	9,665	9,665
Revenue bonds payable	<u>500,188</u>	<u>485,188</u>
Total current liabilities	<u>1,291,212</u>	<u>1,084,588</u>
Noncurrent liabilities		
Revenue bonds payable	2,472,106	2,972,294
Customer deposits	554,245	537,476
Net pension liability	<u>916,471</u>	<u>935,944</u>
Total noncurrent liabilities	<u>3,942,822</u>	<u>4,445,714</u>
Total liabilities	<u>5,234,034</u>	<u>5,530,302</u>
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	<u>44,198</u>	<u>-</u>
Total deferred inflows of resources	<u>44,198</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	20,210,164	19,067,165
Restricted for		
Revenue bond retirement	421,162	420,905
Unrestricted		
Undesignated	<u>8,015,115</u>	<u>6,968,684</u>
Total net position	<u>\$ 28,646,441</u>	<u>\$ 26,456,754</u>

CITY OF SAGINAW, TEXAS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating revenue		
Water and sewer sales	\$ 7,723,335	\$ 7,562,472
Penalties	118,112	116,521
Surcharges	1,242,310	1,348,442
Miscellaneous	95,004	73,446
	<u>9,178,761</u>	<u>9,100,881</u>
Total operating revenue	9,178,761	9,100,881
Operating expenses		
Cost of sales and services	5,013,457	4,670,511
Administrative	1,603,700	1,582,660
Depreciation	698,580	671,724
	<u>7,315,737</u>	<u>6,924,895</u>
Total operating expenses	7,315,737	6,924,895
Operating income	1,863,024	2,175,986
Nonoperating revenues (expenses)		
Investment income	4,529	2,508
Gain (Loss) on sale of machinery and equipment	(25,338)	9,365
Interest expense and agent fees	(128,904)	(143,113)
	<u>(149,713)</u>	<u>(131,240)</u>
Total nonoperating revenues (expenses)	(149,713)	(131,240)
Income before contributions and transfers	1,713,311	2,044,746
Capital contributions and transfers		
Capital contributions	586,183	1,229,670
Impact and tap fees	454,313	231,798
Transfers out	(604,855)	(1,013,878)
Transfers in	40,735	49,205
	<u>476,376</u>	<u>496,795</u>
Total capital contributions and transfers	476,376	496,795
Changes in net position	2,189,687	2,541,541
Net Position, beginning of year (as restated)	<u>26,456,754</u>	<u>23,915,213</u>
Net Position, end of year	<u>\$ 28,646,441</u>	<u>\$ 26,456,754</u>

**CITY OF SAGINAW, TEXAS
 COMPARATIVE STATEMENT OF CASH FLOWS
 ENTERPRISE FUND
 FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 9,124,371	\$ 9,101,836
Cash paid to employees	(823,514)	(788,128)
Cash paid to suppliers	<u>(5,602,229)</u>	<u>(5,550,413)</u>
Net cash provided by operating activities	2,698,628	2,763,295
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(2,519,690)	(1,013,878)
Transfer from other funds	<u>1,955,570</u>	<u>49,205</u>
Net cash used in noncapital financing activities	(564,120)	(964,673)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of machinery and equipment	-	9,365
Impact and tap fees	454,313	231,798
Proceeds from the issuance of bonds	-	520,000
Principal paid on revenue bonds	(480,000)	(980,000)
Payments on capital lease obligations	-	(235,490)
Purchase of capital assets	(731,506)	(184,893)
Interest	(119,342)	(150,944)
Fiscal agent fees	<u>(1,500)</u>	<u>(1,498)</u>
Net cash used in capital and related financing activities	(878,035)	(791,662)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>4,529</u>	<u>2,508</u>
Net cash provided by investing activities	<u>4,529</u>	<u>2,508</u>
Net change in cash	1,261,002	1,009,468
Cash and Cash Equivalents at the beginning of the year	<u>8,152,165</u>	<u>7,142,697</u>
Cash and Cash Equivalents at the end of the year	<u><u>\$ 9,413,167</u></u>	<u><u>\$ 8,152,165</u></u>

**CITY OF SAGINAW, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS – CONTINUED
ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

	Current	Restricted Assets	2015 Statement of Cash Flows Totals	2014 Statement of Cash Flows Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET				
Cash and cash equivalents - beginning balance	\$ 7,193,784	\$ 958,381	\$ 8,152,165	\$ 7,142,697
Net increase (decrease)	1,243,976	17,026	1,261,002	1,009,468
Cash and cash equivalents - ending	\$ 8,437,760	\$ 975,407	\$ 9,413,167	\$ 8,152,165
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income			\$ 1,863,024	\$ 2,175,986
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation			698,580	671,724
Increase in accounts receivable			(71,159)	(13,442)
Increase in deferred outflows of resources-pension			(24,935)	-
Decrease in accounts payable and accrued expenses			191,624	(85,370)
Increase in customer deposits			16,769	14,397
Decrease in net pension liability			(19,473)	-
Increase in deferred inflows of resources-pension			44,198	-
Net cash provided by operating activities			\$ 2,698,628	\$ 2,763,295
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers			\$ 586,183	\$ 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.

Contents	Page
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.	65-74
Revenue Capacity These schedules contain information to help the reader assess one of the government's most significant local source revenues, property taxes.	75-78
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.	79-83
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.	84-85
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.	86-88

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities				
Net investment in capital assets	\$ 44,426,385	\$ 43,470,367	\$ 42,189,355	\$ 41,370,363
Restricted	692,411	836,097	976,011	852,265
Unrestricted	<u>9,411,787</u>	<u>11,355,703</u>	<u>12,696,515</u>	<u>12,736,406</u>
Total governmental activities net assets	<u>\$ 54,530,583</u>	<u>\$ 55,662,167</u>	<u>\$ 55,861,881</u>	<u>\$ 54,959,034</u>
Business-type activities				
Net investment in capital assets	\$ 15,258,061	\$ 13,210,135	\$ 15,203,616	\$ 16,275,619
Restricted	486,623	1,218,878	513,882	518,066
Unrestricted	<u>7,311,453</u>	<u>7,922,263</u>	<u>7,090,928</u>	<u>5,888,777</u>
Total business-type activities net assets	<u>\$ 23,056,137</u>	<u>\$ 22,351,276</u>	<u>\$ 22,808,426</u>	<u>\$ 22,682,462</u>
Primary government				
Net investment in capital assets	\$ 59,684,446	\$ 56,680,502	\$ 57,392,971	\$ 57,645,982
Restricted	1,179,034	2,054,975	1,489,893	1,370,331
Unrestricted	<u>16,723,240</u>	<u>19,277,966</u>	<u>19,787,443</u>	<u>18,625,183</u>
Total primary government assets	<u>\$ 77,586,720</u>	<u>\$ 78,013,443</u>	<u>\$ 78,670,307</u>	<u>\$ 77,641,496</u>

*2013 restated for GASB 65

**2014 restated for GASB 68

TABLE 1

2010	2011	2012	2013*	2014**	2015
\$ 42,319,951	\$ 44,362,424	\$ 45,854,628	\$ 48,872,324	\$ 52,280,544	\$ 55,375,158
1,300,786	1,348,022	1,384,617	1,828,513	1,596,119	1,416,987
13,800,224	13,807,108	14,302,944	11,624,828	6,674,652	5,701,871
<u>\$ 57,420,961</u>	<u>\$ 59,517,554</u>	<u>\$ 61,542,189</u>	<u>\$ 62,325,665</u>	<u>\$ 60,551,315</u>	<u>\$ 62,494,016</u>
\$ 15,624,168	\$ 16,165,325	\$ 16,699,361	\$ 17,623,648	\$ 19,067,165	\$ 20,210,164
577,205	436,461	437,166	420,735	420,905	421,162
6,249,006	6,504,546	7,008,669	6,628,613	6,968,684	8,015,115
<u>\$ 22,450,379</u>	<u>\$ 23,106,332</u>	<u>\$ 24,145,196</u>	<u>\$ 24,672,996</u>	<u>\$ 26,456,754</u>	<u>\$ 28,646,441</u>
\$ 57,944,119	\$ 60,527,749	\$ 62,553,989	\$ 66,495,972	\$ 71,347,709	\$ 75,585,322
1,877,991	1,784,483	1,821,783	2,249,248	2,017,024	1,838,149
20,049,230	20,311,654	21,311,613	18,253,441	13,643,336	13,716,986
<u>\$ 79,871,340</u>	<u>\$ 82,623,886</u>	<u>\$ 85,687,385</u>	<u>\$ 86,998,661</u>	<u>\$ 87,008,069</u>	<u>\$ 91,140,457</u>

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

	2006	2007	2008	2009
Expenses				
Governmental activities:				
General administrative office	\$ 1,662,869	\$ 1,510,834	\$ 1,826,087	\$ 1,913,944
Municipal court	175,909	173,795	205,773	220,745
Fire	2,109,883	2,357,074	2,809,960	2,735,528
Police	2,596,794	3,383,062	3,452,302	3,519,529
Public works	3,772,225	3,720,923	3,524,022	3,440,255
Parks *	-	-	-	-
Recreation	742,411	1,144,105	1,108,337	1,269,148
Library	435,045	570,070	599,434	563,843
Inspection	730,758	468,160	510,912	542,983
Janitorial	80,753	62,883	57,001	-
Fleet maintenance	389,764	426,217	556,402	426,987
Economic development	40,825	38,076	40,478	30,808
Interest on long term debt	955,174	1,033,565	1,087,088	1,049,129
Total governmental activities	13,692,410	14,888,764	15,777,796	15,712,899
Business-type activities				
Water and wastewater	5,655,141	7,130,097	6,044,664	6,265,358
Total business-type activities	5,655,141	7,130,097	6,044,664	6,265,358
Total Primary government expenses	19,347,551	22,018,861	21,822,460	21,978,257
Program Revenues				
Governmental activities:				
Fines, Fees and charges for Services				
General administrative office	-	-	-	-
Municipal court	299,763	471,283	421,785	422,800
Fire	69,000	74,250	80,625	73,125
Police	4,064	5,615	6,505	5,536
Public works	505,705	425,386	427,491	446,975
Recreation	405,401	592,727	638,931	650,111
Library	26,373	28,630	23,041	31,654
Inspection	484,333	358,065	296,169	344,831
Operating Grants and Contributions				
General administrative office	-	-	-	-
Fire	171,706	85,801	374,297	541,018
Police	64,226	109,999	73,477	86,959
Public Works	-	-	-	-
Capital Grants and Contributions				
Public works	2,970,632	87,083	-	-
Total governmental activities program revenues	5,001,203	2,238,839	2,342,321	2,603,009

* Prior to 2013 Parks was included in Recreation

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

2010	2011	2012	2013*	2014	2015
\$ 2,262,203	\$ 2,401,322	\$ 2,214,653	\$ 2,385,797	\$ 2,343,593	\$ 2,126,569
225,191	200,323	193,082	185,237	200,512	184,794
2,672,742	2,713,654	2,864,618	2,858,957	2,955,138	3,284,144
3,667,446	3,698,868	3,848,768	3,860,896	4,038,792	4,230,644
3,058,371	3,301,972	3,177,703	3,465,002	2,895,713	3,422,440
-	-	-	195,900	208,076	226,152
1,086,742	1,168,490	1,078,909	969,556	985,348	1,076,881
569,505	558,945	524,847	540,261	548,383	564,913
579,670	589,130	565,326	583,930	603,213	716,049
-	-	-	-	-	-
440,832	538,987	566,689	546,241	573,011	531,903
12,439	142	14,504	64,779	35,860	19,363
1,042,557	1,015,329	866,299	1,162,182	916,082	942,168
<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>17,326,020</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>7,469,979</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>7,469,979</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>	<u>24,795,999</u>
-	-	-	-	-	40,118
436,988	408,017	476,100	459,209	543,001	561,382
75,250	79,250	80,000	80,226	80,000	80,000
4,359	3,889	4,814	3,850	3,880	4,248
421,802	430,697	431,564	563,194	577,267	583,358
640,832	659,004	669,578	680,961	652,176	670,826
28,357	19,379	17,730	18,668	20,499	18,982
346,402	311,149	296,414	377,646	433,586	740,778
-	-	-	-	-	-
310,411	151,412	76,328	57,337	77,426	24,992
80,824	76,223	156,535	75,477	97,557	209,835
-	-	84,999	-	-	-
-	-	-	-	-	-
<u>2,771,279</u>	<u>3,080,767</u>	<u>1,959,028</u>	<u>1,271,666</u>	<u>3,854,521</u>	<u>1,457,517</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>	<u>4,392,036</u>

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

	2006	2007	2008	2009
Business-type activities				
Charges for services				
Water and wastewater	\$ 6,395,934	\$ 5,948,134	\$ 6,497,059	\$ 6,550,174
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	1,732,134	586,282	287,675	94,633
Total business-type activities program revenues	<u>8,128,068</u>	<u>6,534,416</u>	<u>6,784,734</u>	<u>6,644,807</u>
Total primary government program revenues	<u>13,129,271</u>	<u>8,773,255</u>	<u>9,127,055</u>	<u>9,247,816</u>
Net (Expenses) Revenue				
Governmental Activities	(8,691,207)	(12,649,925)	(13,435,475)	(13,109,890)
Business-type Activities	2,472,927	(595,681)	740,070	379,449
Total Primary governmental net expenses	<u>(6,218,280)</u>	<u>(13,245,606)</u>	<u>(12,695,405)</u>	<u>(12,730,441)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Taxes:				
Ad valorem	4,779,910	5,018,022	5,152,750	5,060,742
Sales	5,339,856	5,551,551	5,786,363	4,829,521
Franchise taxes	1,190,759	1,171,259	1,258,549	1,295,929
Other taxes	9,630	13,577	13,437	13,580
Penalties and interest	19,502	25,359	10,778	16,990
Interest income	702,686	804,852	591,222	145,855
Gain (Loss) on sale of assets	39,735	39,735	14,166	13,030
Miscellaneous revenues	397,814	535,813	220,521	211,380
Transfers	570,138	621,341	587,323	620,016
Total Governmental Activities	<u>13,050,030</u>	<u>13,781,509</u>	<u>13,635,109</u>	<u>12,207,043</u>
Business-type Activities:				
Interest income	262,208	449,755	229,860	69,807
Gain on Sale of Assets	-	-	-	-
Miscellaneous revenues	29,443	62,406	74,543	44,796
Transfers	(570,138)	(621,341)	(587,323)	(620,016)
Total Business-type Activities	<u>(278,487)</u>	<u>(109,180)</u>	<u>(282,920)</u>	<u>(505,413)</u>
Total Primary Government	<u>12,771,543</u>	<u>13,672,329</u>	<u>13,352,189</u>	<u>11,701,630</u>
Changes in Net Position				
Governmental Activities	4,358,823	1,131,584	199,634	(902,847)
Business-type Activities	2,194,440	(704,861)	457,150	(125,964)
Total Primary Government	<u>\$ 6,553,263</u>	<u>\$ 426,723</u>	<u>\$ 656,784</u>	<u>\$ (1,028,811)</u>

Source: Comprehensive Annual Financial Reports
* 2013 restated for GASB 65

TABLE 2
(PAGE 2 of 2)

2010	2011	2012	2013*	2014	2015
\$ 6,802,875	\$ 7,973,010	\$ 8,374,910	\$ 8,419,089	\$ 8,910,914	\$ 8,965,645
-	-	-	-	-	-
564,691	76,931	389,921	88,737	1,461,468	1,040,496
7,367,566	8,049,941	8,764,831	8,507,826	10,372,382	10,006,141
12,484,070	13,269,728	13,017,921	12,096,060	16,712,295	14,398,177
(10,501,194)	(10,967,375)	(11,662,308)	(13,230,504)	(9,963,808)	(12,933,984)
582,867	1,585,409	1,791,992	1,266,091	3,304,374	2,536,162
(9,918,327)	(9,381,966)	(9,870,316)	(11,964,413)	(6,659,434)	(10,397,822)
5,456,995	5,436,698	5,758,607	5,750,493	6,277,304	6,506,284
5,002,665	4,986,291	5,365,461	5,528,937	5,709,850	5,786,769
1,256,027	1,332,768	1,552,095	1,503,183	1,420,451	1,851,551
13,773	11,791	14,968	82,634	18,682	32,116
12,622	19,516	8,350	21,585	21,965	13,367
39,895	23,208	20,389	16,172	7,587	11,883
29,731	23,609	-	-	26,704	-
185,473	200,262	120,803	201,147	206,735	110,595
965,950	1,029,825	846,270	909,829	964,673	564,120
12,963,131	13,063,968	13,686,943	14,013,980	14,653,951	14,876,685
15,898	8,544	5,892	7,146	2,508	4,529
31,087	2,356	2,835	12,000	9,365	-
104,015	89,469	84,415	152,392	189,967	213,116
(965,950)	(1,029,825)	(846,270)	(909,829)	(964,673)	(564,120)
(814,950)	(929,456)	(753,128)	(738,291)	(762,833)	(346,475)
12,148,181	12,134,512	12,933,815	13,275,689	13,891,118	14,530,210
2,461,937	2,096,593	2,024,635	783,476	4,690,143	1,942,701
(232,083)	655,953	1,038,864	527,800	2,541,541	2,189,687
\$ 2,229,854	\$ 2,752,546	\$ 3,063,499	\$ 1,311,276	\$ 7,231,684	\$ 4,132,388

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

	2006	2007	2008	2009
General Fund				
Unreserved	\$ 8,342,180	\$ 9,670,921	\$ 10,300,997	\$ 9,989,714
Restricted				
Capital projects	-	-	-	-
Municipal court	-	-	-	-
Hotel/motel tax	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 8,342,180</u>	<u>\$ 9,670,921</u>	<u>\$ 10,300,997</u>	<u>\$ 9,989,714</u>
All Other Governmental Funds				
Reserved for:				
Reserved for construction	\$ 2,368,204	\$ 5,421,657	\$ 4,047,653	\$ 4,239,749
Reserved for debt service	632,707	789,622	943,269	900,810
Reserved for police department	16,637	9,756	6,467	7,510
Reserved for Saginaw CCPD	1,373,281	867,248	1,226,873	1,056,041
Reserved for drainage projects	194,495	417,401	525,041	637,247
Reserved for street maintenance projects	-	-	185,857	451,055
Reserved for animal services	-	-	-	3,173
Reserved for parks	-	-	-	24,602
Reserved for library	-	-	-	111,469
Reserved for beautification	-	-	-	78,367
Reserved for senior center	-	-	-	-
Reserved for fire	-	-	-	603
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Street maintenance	-	-	-	-
Crime prevention	-	-	-	-
Drainage	-	-	-	-
Other	-	-	-	-
Committed				
Donations	-	-	-	-
Total all other governmental funds	<u>\$ 4,585,324</u>	<u>\$ 7,505,684</u>	<u>\$ 6,935,160</u>	<u>\$ 7,510,626</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

2010	2011	2012	2013	2014	2015
\$ 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	294,445
-	9,169,052	8,477,945	8,637,536	8,598,487	9,499,273
<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>	<u>\$ 9,793,718</u>
\$ 4,277,000	\$ -	\$ -	\$ -	\$ -	\$ -
1,121,903	-	-	-	-	-
7,916	-	-	-	-	-
989,063	-	-	-	-	-
718,018	-	-	-	-	-
403,583	-	-	-	-	-
4,322	-	-	-	-	-
24,508	-	-	-	-	-
141,204	-	-	-	-	-
105,389	-	-	-	-	-
670	-	-	-	-	-
2,970	-	-	-	-	-
-	1,184,312	1,350,299	1,495,776	1,650,611	1,473,531
-	1,795,653	1,802,072	8,138,595	7,077,353	12,799,557
-	482,269	666,275	721,837	900,917	1,137,598
-	948,234	838,641	836,825	853,451	712,061
-	928,878	924,869	1,139,878	1,234,069	826,712
-	-	-	-	-	513,363
-	319,242	357,682	323,967	336,101	274,621
<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>	<u>\$ 17,737,443</u>

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

	2006	2007	2008	2009
Revenues:				
Taxes	\$ 11,270,983	\$ 11,752,870	\$ 12,241,907	\$11,395,798
Licenses and permits	470,872	338,520	272,611	305,000
Charges for services	475,881	500,938	500,405	520,100
Fines and fees	459,755	551,067	492,737	499,821
Interest income	702,686	804,852	591,222	145,855
Recreation income	342,695	528,746	569,487	544,513
Intergovernmental	-	-	-	-
Miscellaneous revenues	738,420	833,394	741,769	957,983
Total revenues	14,461,292	15,310,387	15,410,138	14,369,070
Expenditures:				
Current:				
General administrative office	1,626,702	1,505,262	1,803,525	1,855,477
Municipal court	175,510	173,396	205,373	216,990
Fire	2,350,782	2,428,970	2,630,835	2,552,394
Police	2,442,792	2,863,106	3,240,527	3,350,395
Public works	933,192	1,203,546	924,431	1,261,954
Parks *	-	-	-	-
Recreation	516,409	999,445	987,201	1,051,504
Library	381,868	520,671	497,036	523,068
Inspection	730,326	471,479	494,175	524,837
Janitorial	80,753	62,883	57,001	-
City garage	389,564	432,394	554,219	422,368
Economic development	40,825	38,076	40,478	28,571
Capital outlay	4,916,195	4,187,891	1,630,028	1,227,084
Bond sale expense	-	-	-	-
Debt Service:				
Principal retirement	1,440,343	1,570,253	1,825,148	1,907,758
Interest charges	922,820	971,387	1,044,075	1,004,545
Fiscal agent's fees and debt issuance costs	66,165	77,566	3,857	37,958
Total expenditures	17,014,246	17,506,325	15,937,909	15,964,903
Excess (deficiency) of revenues over expenditures	(2,552,954)	(2,195,938)	(527,771)	(1,595,833)
Other financing sources (uses)				
Capital lease proceeds	-	-	-	-
Proceeds from issuance of debt	1,415,000	5,823,698	-	1,240,000
Proceeds on refunding bonds	3,580,000	-	-	-
Premium on bond issuance	-	-	-	-
Payments to refunded bond escrow agent	(3,516,850)	-	-	-
Transfers in	1,166,457	1,244,685	1,548,513	1,835,464
Transfers out	(596,319)	(623,344)	(961,190)	(1,215,448)
Total other financing sources (uses)	2,048,288	6,445,039	587,323	1,860,016
Net change in fund balances	\$ (504,666)	\$ 4,249,101	\$ 59,552	\$ 264,183
Debt service as a percentage of noncapital expenditures	20.26%	19.83%	20.53%	21.08%

* Prior to 2013 Parks was included in Recreation

TABLE 4

2010	2011	2012	2013	2014	2015
\$11,759,167	\$11,796,561	\$12,695,493	\$ 12,899,890	\$ 13,444,020	\$ 14,192,838
303,744	208,259	263,964	248,764	329,948	627,876
497,052	509,947	511,564	643,420	657,267	663,358
508,003	530,286	526,280	606,759	667,138	693,266
39,895	23,208	20,389	16,172	7,587	11,883
487,707	526,158	530,051	519,857	494,346	512,677
-	-	-	-	568,262	234,827
<u>3,377,019</u>	<u>3,669,006</u>	<u>1,133,483</u>	<u>1,770,581</u>	<u>376,048</u>	<u>321,110</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>	<u>17,257,835</u>
2,202,389	2,412,083	2,648,603	2,343,521	2,301,845	2,191,774
219,898	196,849	191,515	184,091	199,451	185,158
2,540,632	2,419,816	2,615,170	2,671,135	3,694,807	2,932,965
3,370,025	3,417,127	3,563,149	3,571,926	3,753,226	3,967,015
890,697	973,762	1,353,299	1,497,039	884,006	1,268,270
-	-	-	200,943	227,791	240,528
841,511	927,060	848,830	737,735	753,421	861,581
512,830	501,277	470,013	488,445	496,461	520,281
555,629	572,152	554,909	602,180	587,047	705,189
-	-	-	-	-	-
435,274	522,760	525,903	508,511	533,557	493,996
12,439	142	14,504	64,779	35,860	19,363
4,476,313	5,582,508	979,538	5,343,768	2,327,457	3,750,868
-	-	-	-	-	-
1,452,094	1,524,223	1,610,000	1,700,000	2,214,750	2,056,785
993,891	977,169	836,587	679,214	910,722	824,995
-	-	-	-	-	-
<u>42,141</u>	<u>5,946</u>	<u>104,626</u>	<u>183,823</u>	<u>44,188</u>	<u>132,294</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>20,151,062</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>	<u>(2,893,227)</u>
-	-	-	-	944,294	-
1,790,000	-	-	7,895,000	-	8,000,000
-	-	92,914	1,180,000	2,130,000	-
-	-	-	302,597	-	130,716
-	-	-	(1,221,742)	(2,130,711)	-
2,013,286	1,980,360	1,813,360	4,011,199	2,827,420	3,713,702
<u>(1,047,336)</u>	<u>(950,535)</u>	<u>(967,090)</u>	<u>(3,101,370)</u>	<u>(1,862,747)</u>	<u>(3,149,582)</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>8,694,836</u>
<u>\$ 1,182,774</u>	<u>\$ (1,739,624)</u>	<u>\$ 303,762</u>	<u>\$ 4,994,017</u>	<u>\$ (511,717)</u>	<u>\$ 5,801,609</u>
18.11%	17.49%	16.56%	15.50%	20.02%	17.86%

**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>
2005/06	4,708,777	4,623,656	98.2%	74,570	4,698,226	99.8%	10,551	0.2%
2006/07	4,992,355	4,922,329	98.6%	63,500	4,985,829	99.9%	6,526	0.1%
2007/08	5,138,154	5,081,928	98.9%	47,721	5,129,649	99.8%	8,505	0.2%
2008/09	5,241,665	5,170,741	98.6%	63,185	5,233,926	99.9%	7,739	0.1%
2009/10	5,444,770	5,390,942	99.0%	43,892	5,434,834	99.8%	9,936	0.2%
2010/11	5,436,187	5,391,855	99.2%	36,976	5,428,831	99.9%	7,356	0.1%
2011/12	5,724,960	5,691,320	99.4%	22,228	5,713,548	99.8%	11,411	0.2%
2012/13	5,739,750	5,704,489	99.4%	23,318	5,727,807	99.8%	11,943	0.2%
2013/14	6,223,951	6,184,458	99.4%	20,756	6,205,214	99.7%	18,736	0.3%
2014/15	6,484,972	6,448,230	99.4%	0	6,448,230	99.4%	36,742	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	
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
2014/15	956,608,601	956,608,601	319,120,061	319,120,061	1,275,728,662	1,275,728,662	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>
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
2014/15	0.298511	0.211489	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

2015			2005		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Conagra Foods	\$ 34,556,278	2.71	Cargill	\$ 11,795,247	1.29
Ventura Foods	28,538,031	2.24	Oncor Electric Delivery	9,525,135	1.04
Walmart	22,176,995	1.74	Universal Forest Products	8,964,821	0.98
Horizon Milling	18,781,147	1.47	Trinity Industries	8,794,523	0.96
Trinity Industries	18,153,299	1.42	Albertson's Inc	7,907,213	0.87
CTI Holdings	15,642,489	1.23	Ventura Foods	7,610,941	0.83
Universal Forest Products	13,981,098	1.10	Norton Metal Products	6,611,051	0.72
BNSF Railway Company	13,300,767	1.04	Farmland Industries	6,461,579	0.71
Wright Asphalt Products Inc	11,745,018	0.92	Walmart	6,109,160	0.67
Norton Metal Products Inc	10,752,685	<u>0.84</u>	BNSF Railway Company	5,218,915	<u>0.57</u>
		<u>14.71</u>			<u>8.64</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	Total All Debt		
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
2014/15	23,515,000	6,440,000	532,759	2,490,000	465,000	-	536,092	33,978,851	5.85%	1,659

(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>
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	24,269,375	1,596,119	22,673,256	1.99%	1,113
2014/15	20,480	1,275,728,662	30,473,798	1,416,987	29,056,811	2.39%	1,419

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

**CITY OF SAGINAW, TEXAS
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
SEPTEMBER 30, 2015**

TABLE 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	\$ 31,006,557	100.00%	\$ 31,006,557
Subtotal: City of Saginaw direct debt			\$ 31,006,557
Eagle Mountain-Saginaw Independent School District	571,689,311	18.69%	106,822,870
Tarrant County	360,514,193	0.94%	3,393,482
Tarrant County Hospital District	45,035,000	0.94%	423,910
Tarrant County College District	0	0.94%	<u>0</u>
Subtotal: overlapping debt			<u>\$ 110,640,262</u>
Total direct and overlapping debt			<u>\$ 141,646,819</u>
Ratio of direct and overlapping funded debt to taxable assessed valuation			<u>11.10%</u>
Per capita direct and overlapping bonded debt			<u>6,916</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

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
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
2014/15	9,637,603	6,617,157	3,020,446	480,000	128,904	608,904	4.96

- 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, 2015**

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 2015 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>
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%
2014/15	20,480	580,587,520	28,349	19,198	4.00%

- 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 NINE YEARS AGO**

TABLE 15

2015			2006		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Eagle Mountain-Saginaw ISD	2,304	24%	Eagle Mountain-Saginaw ISD	1,283	
Trinity N. Amer.Freight Car Inc.	800	8%	Wal Mart	485	
Wal Mart Supercenter #5316	500	5%	Trinity Industries	360	
Texas Army National Guard	245	3%	Universal Forest Products	220	
Bana Box Inc.	218	2%	Trinity Plastics	200	
Ventura Foods	215	2%	Anchor Fabrication	184	
Russo Corporation	200	2%	Ventura Foods	165	
CTI Chefco Foods	200	2%	Bana Box, Inc.	145	
Ranger Fire	200	2%	Albertsons	130	
DOS Project - Standard Meat	189	2%	Cargill, Inc.	120	

Source: City Economic Development Division.

Note: Percentage of Total City Employment not available for 2006

**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>2015</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>
General government										
Administration	8	7	7	7	7	7	7	7	6	6
Municipal Court	2	2	2	2	3	3	3	3	3	2
Public Safety										
Fire	27	27	27	27	27	26	26	25	25	24
Police	44.5	44.5	44.5	44.5	43.5	43.5	49.5	51.5	46.5	42
Public Works										
Streets	9	9	9	9	11	9	9	9	9	9
Parks Maintenance (a)	2	2	2	2	0	0	0	0	0	0
Building Inspections	4	3	3	3	4	4	3.5	3.5	3.5	3.5
Code Enforcement (b)	2	2	2	2	0	0	0	0	0	0
Animal Services	3.5	3	3	3	4	4	4	4	4	4
Janitor	0	0	0	0	0	0	0	0	0	1
City Garage	2	2	2	2	2	2	2	2	2	2
Economic Development	0	0	0	0	0	0.5	1	1	1	1
Recreation & Community Services	6	6	6	6	6	8.5	8.5	9.5	9.5	8
Library	8	8	9	9	9	9	8.5	9	9	9
Water/Wastewater	16	16	16	16	16.5	16.5	16.5	16.5	16.5	16.5
Drainage	2	2	2	2	2.5	2.5	2.5	2.5	2.5	2.5
Total	136	134	134.5	134.5	135.5	135.5	141	143.5	137.5	130.5

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>	Fiscal Year			
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Police				
Stations	1	1	1	1
Licensed Officers	38	38	38	38
Patrol units on duty at any one time	4	4	4	4
Fire				
Stations	2	2	2	2
Firefighter/paramedics	24	24	24	24
Library				
Number of libraries	1	1	1	1
Volumes in collection	57,882	59,816	56,420	55,838
Average monthly circulation	8,280	10,895	11,590	9,877
Average monthly visitors	5,934	11,338	15,485	13,749
Public works				
Streets (miles)	82.8	81.7	79.2	79.2
Streetlights*	1,131	1,120	1084	1,084
Parks and recreation				
Acreage	100	100	100	100
Parks	7	7	7	7
Recreation Centers	1	1	1	1
Senior/community Centers	2	2	2	2
Water				
Number of water customers	7,227	7,133	7,042	6,964
Annual water consumption (1,000 gallons)	1,008,306	1,083,712	1,032,241	1,109,997
Daily consumption (1,000 gallons)	2,763	2,969	2,828	3,041
Water mains (miles)	113.3	112.2	109.5	109.5
Fire hydrants	803	795	766	766
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250
Wastewater				
Number of wastewater customers	7,107	7,013	6,930	6,859
Wastewater treated annually (1,000 gallons)	825,789	739,594	750,644	858,778
Sanitary sewers (miles)	83	82	79.8	79.8
Storm sewers (miles)	16.8	16.7	15.9	15.9

Sources: Various city departments.

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

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

TABLE 17

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
1	1	1	1	1	1
38	39	39	41	39	34
4	4	4	4	4	4
2	2	2	2	2	2
24	24	24	24	23	23
1	1	1	1	1	1
54,830	53,358	50,308	54,853	53,523	51,072
12,200	11,500	12,555	13,069	12,841	12,757
12,967	10,356	10,356	8,187	7,731	7,562
78.5	78.5	78.5	78.5	78.5	78.5
1,074	1,058	1,058	1,058	1,058	1,098
100	100	100	100	100	100
7	7	7	7	7	7
1	1	1	1	1	1
2	2	2	2	2	2
6,935	6,812	6,805	6,750	6,741	6,611
1,174,505	1,047,830	1,047,830	1,061,546	907,325	1,064,548
3,218	2,871	2,871	2,908	2,485	2,916
108.6	107.8	107.8	107.8	107.6	91.7
751	741	741	741	739	739
4,250	4,250	4,250	4,250	2,750	2,750
6,830	6,722	6,722	6,717	6,656	6,535
785,139	773,199	773,199	788,198	889,600	684,857
79.5	79.2	79.2	79.2	79.0	76.9
15.0	14.9	14.9	14.9	14.8	14.8

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, 2015, from the last debt issues that were sold in fiscal year ending September 30, 2015. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website www.emma.msrb.org.

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

ASSESSED VALUATION

TABLE GO-1

2014 Actual Total Appraised Value of Taxable Property (100% of Actual)*		\$ 1,582,453,023
Less Adjustments to Market Value:		
Agriculture Productivity Value Loss	13,499,999	
Abatement	40,995,647	
Disabled and Deceased Veterans' Exemptions	5,717,001	
Freeport Property	65,753,386	
Goods in Transit	12,094,765	
Local, Option Over-65 / Disabled	47,991,550	
Pollution Control	624,965	
Solar/Wind/Other	220	
Totally Exempt Property	94,598,386	
Cases before ARB and Incomplete Accounts	<u>25,448,442</u>	
Total Adjustments to Market Value:		<u>306,724,361</u>
2014 Certified Net Taxable Assessed Valuation		<u><u>\$ 1,275,728,662</u></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

GENERAL OBLIGATION BONDED DEBT

TABLE GO-2

(As of September 30, 2015)

General Obligation Debt Principal Outstanding:

General Obligation Refunding and Improvement Bonds, Series 2006	\$ 2,620,000
Combination Tax and Revenue Certificates of Obligation, Series 2006	<u>1,360,000</u>
Combination Tax and Revenue Certificates of Obligation, Series 2007	<u>2,675,000</u>
Combination Tax and Revenue Certificates of Obligation, Series 2009	<u>930,000</u>
Combination Tax and Revenue Certificates of Obligation, Series 2010	<u>1,475,000</u>
General Obligation Refunding Bonds, Series 2012	<u>2,795,000</u>
General Obligation Refunding and Improvement Bonds, Series 2013	<u>8,150,000</u>
General Obligation Refunding Bonds, Series 2014	<u>2,415,000</u>
General Obligation Bonds, Series 2015	<u>8,000,000</u>
Total Gross General Obligation Debt Principal Outstanding:	<u>\$ 30,420,000</u>

Less: Self-Supporting General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2014	\$ 465,000
Total Self-Supporting General Obligation Debt	<u>\$ 465,000</u>

Total Net General Obligation Debt Principal Outstanding:

\$ 29,955,000

General Obligation Interest and Sinking Fund Balance as of September 30, 2015

\$ 1,473,531

Ratio of Gross General Obligation Debt Principal to 2014 Net Assessed Valuation

2.38%

Ratio of Net General Obligation Debt Principal to 2014 Net Assessed Valuation

2.35%

2014 Net Taxable Assessed Value

\$ 1,275,728,662

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

20,480

Per Capita 2014 Net Taxable Assessed Valuation -

\$ 62,291

Per Capita Gross General Obligation Debt Principal -

\$ 1,485

Per Capita Net General Obligation Debt Principal -

\$ 1,463

**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 equipment with the total capitalized cost of \$944,294 and an amortized value of \$910,799 at September 30, 2015.

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, 2015.

<u>Fiscal Year</u>	<u>Future Minimum Payments</u>
2016	\$ 183,551
2017	183,551
2018	<u>183,550</u>
Total minimum lease payments	\$ 550,652
Less: amount representing interest	<u>(17,893)</u>
Present value of future minimum lease payments	<u>\$ 532,759</u>

FUND BALANCES

TABLE GO-4

(As of September 30, 2015)

General Operating Fund (Undesignated)	\$ 7,343,718
General Obligation Debt Service (I&S) Fund	<u>1,473,531</u>
Special Revenue Funds	<u>3,464,355</u>
Capital Projects Fund	<u>12,799,557</u>
Enterprise Fund (Undesignated)	<u>3,876,803</u>
Revenue Bond Reserve	<u>314,594</u>
Revenue Bond Debt Service (I&S) Reserve	<u>106,567</u>
General Fund Emergency Reserve	<u>2,450,000</u>
Enterprise Fund Emergency Reserve	<u>1,900,000</u>
Enterprise Fund (Designated)	<u>2,302,352</u>
Total	<u>\$ 36,031,478</u>

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

PRINCIPAL TAXPAYERS 2014-2015

TABLE GO-5

<u>Name</u>	<u>Type of Business</u>	<u>2014 Net Taxable Assessed Valuation</u>	<u>% of Total 2014 Net Taxable Assessed Valuation</u>
Conagra Foods	Food Processing Plant	\$ 34,556,278	2.71%
Ventura Foods	Food Processing Plant	28,538,031	2.24%
Walmart	Retail	22,176,995	1.74%
Horizon Milling	Food Processing Plant	18,781,147	1.47%
Trinity Industries	Manufacturing	18,153,299	1.42%
CTI Holdings	Food Processing Plant	15,642,489	1.23%
Universal Forest Products	Manufacturing	13,981,098	1.10%
BNSF Railway Company	Transportation	13,300,767	1.04%
Wright Asphalt Products Inc	Manufacturing	11,745,018	0.92%
Norton Metal Products Inc	Manufacturing	10,752,685	0.84%
	Total	\$187,627,807	14.71%

2014 Net Taxable Assessed Valuation \$ 1,275,728,662
on Sept. 01

Source: Tarrant County Appraisal District

PROPERTY TAX RATES AND COLLECTIONS

TABLE GO-6

<u>Tax Year</u>	<u>Net Taxable Assessed Valuation</u>	<u>Tax Rate</u>	<u>Tax Levy</u>	<u>% Collections</u>		<u>Fiscal Year Ended</u>
				<u>Current</u>	<u>Total</u>	
2005	913,985,248	0.5100	4,708,777	98.19%	99.78%	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%	99.85%	9-30-09
2009	1,137,872,458	0.4491	5,444,770	99.01%	99.82%	9-30-10
2010	1,112,366,436	0.4840	5,436,187	99.18%	99.86%	9-30-11
2011	1,192,700,025	0.4800	5,724,960	99.41%	99.80%	9-30-12
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.79%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.70%	9-30-14
2014	1,275,728,662	0.5100	6,484,972	99.43%	99.43%	9-30-15

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

TAX RATE DISTRIBUTION

TABLE GO-7

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>
General Fund	\$0.2985	\$0.2890	\$0.3001	\$0.2871	\$0.2856	\$0.2639	\$0.2239
I & S Fund	<u>\$0.2115</u>	<u>\$0.2210</u>	<u>\$0.1899</u>	<u>\$0.1929</u>	<u>\$0.1984</u>	<u>\$0.1852</u>	<u>\$0.2221</u>
TOTAL	<u>\$0.5100</u>	<u>\$0.5100</u>	<u>\$0.49000</u>	<u>\$0.4800</u>	<u>\$0.4840</u>	<u>\$0.4491</u>	<u>\$0.4460</u>

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

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

TABLE GO-8

	Fiscal Year Ended September 30				
	2015	2014	2013	2012	2011
Revenues:					
Taxes	\$ 10,089,566	\$ 9,355,084	\$ 9,318,103	\$ 9,102,223	\$ 8,389,939
Licenses and Permits	627,876	329,948	248,764	263,964	208,259
Charges for Services	80,000	80,000	80,226	80,000	79,250
Fines and Fees	665,378	667,138	606,759	526,280	530,286
Interest Income	5,183	3,380	10,306	13,385	14,236
Recreation Income	512,677	494,346	519,857	530,051	526,158
Intergovernmental	173,618	167,380	-	-	-
Miscellaneous Revenues	112,137	206,935	328,257	284,863	443,119
Total Revenues	<u>\$ 12,266,435</u>	<u>\$ 11,304,211</u>	<u>\$ 11,112,272</u>	<u>\$ 10,800,766</u>	<u>\$ 10,191,247</u>
Expenditures:					
Current:					
General Administrative Office	\$ 1,632,392	\$ 1,983,715	\$ 1,855,433	\$ 2,267,349	\$ 1,965,821
Municipal Court	185,158	199,451	184,091	191,515	196,849
Fire	2,932,965	3,694,807	2,671,135	2,615,170	2,419,816
Police	3,864,955	3,667,944	3,486,634	3,444,157	3,347,094
Public Works	1,268,270	884,006	1,497,039	1,353,299	973,762
Parks	240,528	227,791	200,943	-	-
Recreation	861,581	753,421	737,735	848,830	927,060
Library	520,281	496,461	488,445	470,013	501,277
Inspection	705,189	587,047	602,180	554,909	572,152
Fleet Maintenance	493,996	533,557	508,511	525,903	522,760
Economic Development	19,363	35,860	64,779	14,504	142
Total Expenditures	<u>\$ 12,724,678</u>	<u>\$ 13,064,060</u>	<u>\$ 12,296,925</u>	<u>\$ 12,285,649</u>	<u>\$ 11,426,733</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ (458,243)</u>	<u>\$ (1,759,849)</u>	<u>\$ (1,184,653)</u>	<u>\$ (1,484,883)</u>	<u>\$ (1,235,486)</u>
Other Financing Sources (Uses):					
Lease Proceeds	\$ -	\$ 944,294	\$ -	\$ -	\$ -
Operating Transfers In	1,582,674	1,501,850	1,572,750	1,507,395	1,653,165
Operating Transfers Out	(1,007,763)	(593,636)	(2,111,120)	-	(19,345)
Total Other Financing Sources (Uses)	<u>\$ 574,911</u>	<u>\$ 1,852,508</u>	<u>\$ (538,370)</u>	<u>\$ 1,507,395</u>	<u>\$ 1,633,820</u>
Excess (Deficit) of Revenues/Other Sources Sources Over Expenditures/Other Uses	116,668	92,659	(1,723,023)	22,512	398,334
Fund Balance - Beginning of Year	9,677,050	9,584,391	11,307,414	11,284,902	10,886,568
Fund Balance - September 30	<u>\$ 9,793,718</u>	<u>\$ 9,677,050</u>	<u>\$ 9,584,391</u>	<u>\$ 11,307,414</u>	<u>\$ 11,284,902</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, 2015)

Revenue Bond Debt Principal Outstanding:	
Waterworks and Sewer System Revenue Bonds, Series 2006	1,790,000
Waterworks and Sewer System Revenue Refunding Bonds, Series 2010	700,000
Total Revenue Debt Principal Outstanding	<u>\$2,490,000</u>
Plus: Waterworks and Sewer System General Obligation Debt Principal	
General Obligation Refunding Bonds, Series 2014	\$ 465,000
Total Waterworks and Sewer System General Obligation Debt	<u>\$ 465,000</u>
Total Revenue Debt Principal Outstanding	<u><u>\$2,955,000</u></u>

CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT **TABLE REV-2**

	Fiscal Year Ending September 30				
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Revenues ^(a)	\$9,268,305	\$9,164,561	\$8,621,454	\$8,507,922	\$8,102,183
Expenses	<u>6,617,157</u>	<u>6,253,171</u>	<u>6,294,404</u>	<u>6,096,024</u>	<u>5,603,937</u>
Net Revenue Available for Debt Service	<u>\$2,651,148</u>	<u>\$2,911,390</u>	<u>\$2,327,050</u>	<u>\$2,411,898</u>	<u>\$2,498,246</u>
Annual Revenue Bond Debt Service Requirements	\$ 529,885	\$ 520,978	\$ 639,677	\$ 708,840	\$ 707,840
Revenue Debt Service Coverage	<u>5.00</u> x	<u>5.59</u> x	<u>3.64</u> x	<u>3.40</u> x	<u>3.53</u> x
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 599,343	\$ 558,192	\$ 700,061	\$ 770,175	\$ 769,924
Debt Service Coverage on all Bonds Paid from System Revenues	<u>4.42</u> x	<u>5.22</u> x	<u>3.32</u> x	<u>3.13</u> x	<u>3.24</u> x
Customer Count :					
Water	7,227	7,133	7,042	6,964	6,935
Wastewater	7,107	7,013	6,930	6,859	6,830
^(a) Does not include Impact Fees of:	\$ 369,298	\$ 179,991	\$ 57,909	\$ 82,953	\$ 48,127

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, 2015)

Fiscal Year 2015 Net Revenues Available for Debt Service	<u>\$2,651,148</u>
Following the Issuance of the Bonds:	
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2016) Coverage	<u>\$ 528,250</u> <u>5.02</u> X
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2016) Coverage	<u>\$ 597,504</u> <u>4.44</u> X
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2016-2027) Coverage	<u>\$ 252,986</u> <u>10.48</u> X
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2016-2027) Coverage	<u>\$ 294,912</u> <u>8.99</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, 2015)

	Principal Outstanding	Amount of Principal Self-Supporting
General Obligation Refunding Bonds, Series 2014	\$ 2,415,000	\$ 465,000
Total	\$ 2,415,000	\$ 465,000

Fiscal Year Ending Sept. 30	Self-Supporting General Obligation Debt Requirements	Waterworks and Wastewater System Debt Service	Total Debt Service Being Supported by Net System Revenues
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>\$ 503,109</u>	<u>\$ 3,035,838</u>	<u>\$ 3,538,946</u>

REVENUE BONDS AUTHORIZED BUT UNISSUED

TABLE REV-5

Date Authorized	Purpose	Amount Authorized	Issued To Date	Unissued
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, 2014
<u>Residential</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.54 /M Gallons
Over 10,000 Gallons	4.83 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 8,000 Gallons	4.83 /M Gallons
Over 8,000 Gallons	5.84 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.83 /M Gallons
Over 10,000 Gallons	5.84 /M Gallons

PRINCIPAL WATER CUSTOMERS 2014-2015

TABLE REV-7

(As of September 30, 2015)

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	11,087,167	\$ 64,726
DOS Project	2,099,167	12,254
Ventura Foods	1,655,667	9,504
Eagle Mnt/Saginaw ISD	1,105,083	6,459
Williamsburg Village Apartments	897,250	5,652
Saginaw Crossing Apartments	727,417	4,539
Camelot Square Apartments	565,167	3,830
Blueknight Energy Partners	513,750	2,890
Unkuk inc	401,333	2,334
Ardent Mills, LLC	362,667	2,113
Total	<u>19,414,667</u>	<u>\$ 114,302</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 2014-2015 **TABLE REV-9**

(As of September 30, 2015)

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Williamsburg Village Apartments	\$ 5,054.30
Saginaw Crossing Apartments	3,922.36
Camelot Square Apartments	3,580.05
Eagle Mnt/Saginaw ISD	2,562.91
Unkuk Inc	1,638.29
Qualwash, Inc	1,373.79
Wal-Mart Stores Texas, Inc	1,190.15
Southern Star Concrete	1,178.81
American Homes 4 Rent	1,104.39
Trinity Industries	920.16
Total	<u>\$22,525.20</u>

WASTEWATER SYSTEM PRODUCTION **TABLE REV-10**

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

<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>	
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
2015	825,789	2,262	6.3	05-29-15