

# **City of Saginaw, Texas**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023



City of Saginaw

# **City of Saginaw, Texas**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended September 30, 2023

Prepared By  
The City of Saginaw, Texas  
Finance Department



City of Saginaw

**City of Saginaw, Texas**  
 Annual Comprehensive Financial Report  
 For the Fiscal Year Ended September 30, 2023  
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# **Introductory Section**



City of Saginaw



City of Saginaw

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Saginaw, Texas 76179  
817-232-4640  
Fax 817-232-4644  
[www.ci.saginaw.tx.us](http://www.ci.saginaw.tx.us)

# City of Saginaw

February 6, 2024  
Honorable Mayor Todd Flippo,  
Members of the City Council,  
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Annual Comprehensive Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2023. 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, 2023. The independent auditor's report is located at the front of the financial section of this report.

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

## **The Reporting Entity**

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

The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles. Saginaw's population from the 2000 Census was 12,374; the 2010 Census was 19,806; and the 2020 Census was 24,860 (a 26% increase in the last ten years).

The City was incorporated in 1949 and is operating under a Charter adopted on January 19, 1988 and amended May 4, 2019. The City has a Council/Manager form of government, with the City Council comprised of seven members including the Mayor. All seven Council members are elected by place number and at large for three year staggered terms. The City Council is responsible for adopting ordinances and regulations governing the City, adopting the budget, determining policies, and appointing the City Manager, City Attorney, City Secretary, and Judge of the Municipal Court, as well as members of boards and commissions. The City Manager is responsible to the Council, for appointing and supervising employees of the City (except for those appointed by the Council) and for preparing and administering the annual budget and capital improvements program.

## **Services Provided**

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

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth by the GASB. Based on these criteria, all municipal services listed are included in the City's 2022-2023 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 1<sup>st</sup> to the City Council at least 45 days prior to the beginning of the fiscal year. The operating budget includes proposed expenditures and the means of financing them. Public hearings are held and the budget is adopted at a City Council meeting prior to the first day of the fiscal year.

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

## Internal Controls

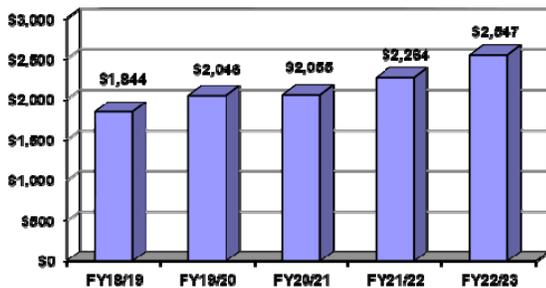
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

## ECONOMIC OUTLOOK AND FINANCIAL CONDITION

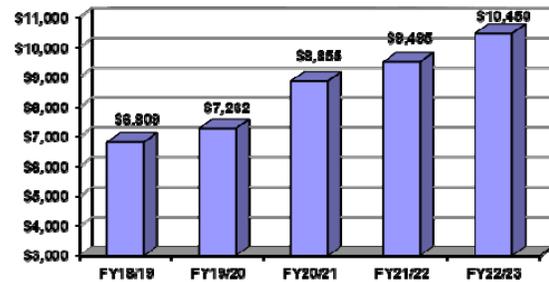
### Summary of Local Economy

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections have continued to grow and commercial and residential development continues. Our industrial base is composed of food manufacturer/processors, building material suppliers, transportation, flour milling and other essential businesses. The real estate market continues to see high demand with a tight inventory. For 2023/2024 the City had \$34.5 million (\$21M residential and \$13.5M commercial) in added value from new construction. New businesses include five new restaurants, a skilled nursing rehabilitation facility, and three commercial/industrial equipment suppliers. The Prose Apartments, the multi-family component of the UCD development opened, as well as, the Edition, a senior living complex. Sales tax collections for the current fiscal year to date are 4% (adjusted for a prior period audit payment) higher than last year.

**TAXABLE PROPERTY VALUES**  
(in millions)



**SALES TAX COLLECTIONS**  
(in thousands)



### Economic Prospects for the Future

Three mixed used developments, two strip centers, an industrial warehouse expansion, and a bulk food transportation company are under construction. A fourth mixed use development is in the planning stages. The redevelopment of the former Fire Station/Senior Center will begin this year and include at least two restaurants and an outdoor entertainment venue. A single family homes for rent neighborhood and a senior living facility are under construction. These projects which include residential, office, commercial, retail, and restaurants will continue to add to the City's tax base. Saginaw remains an attractive place for new homes and businesses due to our location, land availability, easy freeway access, good schools, low tax rates, and the general quality of life.

## **Long Term Financial Planning**

The current General Fund Reserve Policy states “The City will maintain and Emergency Reserve Fund balance in the General Fund of 25% of the operating budget.” The Enterprise Fund Emergency Reserve needs to be sufficient to operate the Water Department for 90 days. Both of these funds are to be used only in an emergency and only with Council approval. We are currently in compliance with both of these policies.

The City’s Comprehensive Master Plan was updated and approved by the City Council on March 1, 2022. The five-year Capital Improvements Plan was updated as part of the budget process. The plan focuses on completing infrastructure to support development, rehabilitating aging infrastructure, and maintaining existing infrastructure. The capital improvements plan is funded with 2020 Certificate of Obligations, the 2021 voter approved General Obligation bond program, fund balances, and revenues from the Street Maintenance Fund, and the Drainage Utility Fund. Voters approved all three bond propositions (Street and Roadway improvements, Parks improvements and new Senior Center, and a new Library) in the May, 2021 election.

Construction of the Fire Station was completed this year. Knowles Phase 1 is near completion and construction for Phase 2 and 3 has begun with an estimated completion in summer of 2025. Park improvements and the construction of the Library and Senior Activity Center has begun with an estimated completion in spring of 2025. The operating impact of these projects is being evaluated and will be considered during the budget process.

## **OTHER INFORMATION**

### **Independent Audit**

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

### **Certificate of Achievement**

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2022 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 2022-2023 annual budget document. In order to qualify for the Award, the City’s budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department’s dedication to producing documents that effectively communicate the City’s financial condition to the elected officials, city management and the general public.

## Acknowledgments

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

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

Respectfully submitted,



Gabe Reaume, City Manager

Respectfully submitted,



Kim Quin, Finance Director

**City of Saginaw, Texas**

Principal Officials  
September 30, 2023

**GOVERNING BODY**

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

**ADMINISTRATION**

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

# CITY OF SAGINAW



**NCTCOG Maps**  
www.dfwmaps.com

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





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Saginaw  
Texas**

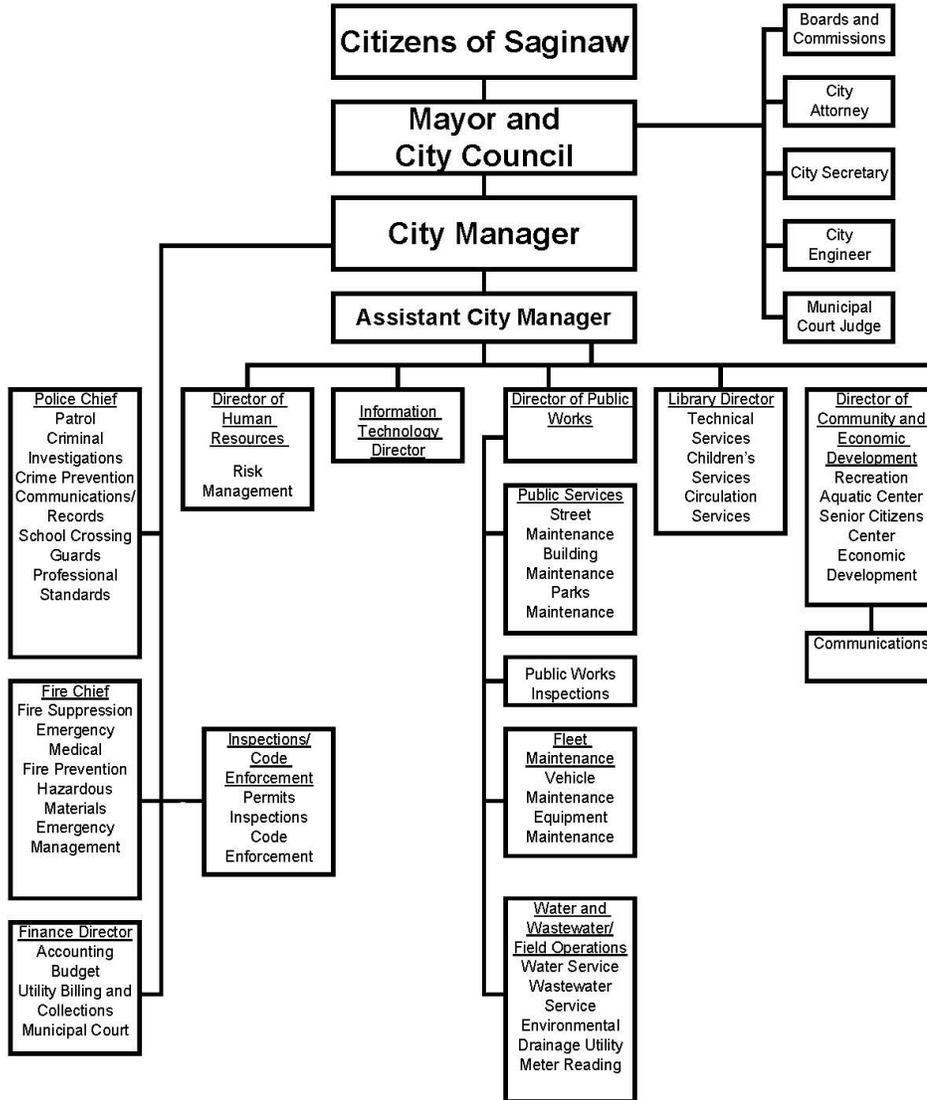
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# CITY OF SAGINAW ORGANIZATIONAL CHART





**City of Saginaw**

# **Financial Section**



**City of Saginaw**



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saginaw, Texas (City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

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

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

Weaver and Tidwell, L.L.P.  
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107  
Main: 817.332.7905

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 7 through 14 and 65 through 68, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
February 2, 2024



City of Saginaw

**CITY OF SAGINAW, TEXAS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2023  
(UNAUDITED)**

As management of the City of Saginaw, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

**IN BRIEF**

- The assets and deferred outflows of resources of the City of Saginaw exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by \$156,024,201 (net position). This number must be viewed in the context that the vast majority of the City's net position is net investment in capital assets of \$127,642,074 (82%) and that most capital assets of a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals \$11,330,251 (7%). The remaining \$17,051,876 (11%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.
- The City's total net position increased by \$18,039,178; governmental activities accounts for \$14,390,929 and business-type activities for \$3,648,249 of the increase. The increase is related to increased capital assets, increased deferred outflows related to pension, decreased deferred inflows related to pension partially offset by the increase in debt due in more than one year.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$72,940,071. Within this total \$58,383,025 is restricted by specific legal requirements or non-spendable and \$1,349,382 has been committed or assigned for specific types of expenditures. About 18% of this total amount, or \$13,207,664 is unassigned and available for use with the City's fund designation and policies.
- At the end of the current year, unassigned fund balance for the general fund of \$13,207,664 is 63% of the total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, municipal court, fire, police, emergency management, public services, parks, library, community services, fleet maintenance, inspections, animal services, information technology, communications, and economic development. The business-type activities of the City include water and wastewater services. The government-wide financial statements can be found on pages 19-21 of this report.

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

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

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

The City maintains eleven 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, eight Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 24-27.

**Proprietary Funds** – The City maintains one type of proprietary fund. The Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses the enterprise fund to account for its water and wastewater operations. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 31-34 of this report.

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-64.

**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, 2023, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$156,024,201.

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

#### City of Saginaw's Net Position

|                                  | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                  | 2023                    | 2022                 | 2023                     | 2022                 | 2023                  | 2022                  |
| Current and other assets         | \$ 83,472,924           | \$ 71,455,564        | \$ 14,461,105            | \$ 12,895,642        | \$ 97,934,029         | \$ 84,351,206         |
| Capital assets                   | 138,572,759             | 122,339,087          | 33,279,088               | 30,560,303           | 171,851,847           | 152,899,390           |
| <b>Total assets</b>              | <b>222,045,683</b>      | <b>193,794,651</b>   | <b>47,740,193</b>        | <b>43,455,945</b>    | <b>269,785,876</b>    | <b>237,250,596</b>    |
| Deferred outflows of resources   | 4,790,541               | 2,338,530            | 527,793                  | 255,445              | 5,318,334             | 2,593,975             |
| Long term liabilities            | 102,549,723             | 83,876,714           | 2,866,844                | 1,624,768            | 105,416,567           | 85,501,482            |
| Other liabilities                | 10,700,458              | 10,804,002           | 2,021,692                | 2,108,917            | 12,722,150            | 12,912,919            |
| <b>Total liabilities</b>         | <b>113,250,181</b>      | <b>94,680,716</b>    | <b>4,888,536</b>         | <b>3,733,685</b>     | <b>118,138,717</b>    | <b>98,414,401</b>     |
| Deferred inflows of resources    | 861,147                 | 3,118,498            | 80,145                   | 326,649              | 941,292               | 3,445,147             |
| <b>Net Position</b>              |                         |                      |                          |                      |                       |                       |
| Net Investment in capital assets | 95,130,777              | 85,015,778           | 32,511,297               | 29,710,705           | 127,642,074           | 114,726,483           |
| Restricted                       | 11,132,250              | 10,632,299           | 198,001                  | 187,413              | 11,330,251            | 10,819,712            |
| Unrestricted                     | 6,461,869               | 2,685,890            | 10,590,007               | 9,752,938            | 17,051,876            | 12,438,828            |
| <b>Total net position</b>        | <b>\$ 112,724,896</b>   | <b>\$ 98,333,967</b> | <b>\$ 43,299,305</b>     | <b>\$ 39,651,056</b> | <b>\$ 156,024,201</b> | <b>\$ 137,985,023</b> |

An additional portion of the City's net position \$11,330,251 (7%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$17,051,876 (11%) may be used to meet the City's ongoing obligation to citizens and creditors.

The increase in net position totals \$18,039,178; governmental activities increased by \$14,390,929 and business-type activities increased by \$3,648,249. The increase is related to increased capital assets, increased deferred outflows related to pension, decreased deferred inflows related to pension partially offset by the increase in debt due in more than one year.

**Analysis of the City's Operations** – The following table provides a summary of the City's operations for the year ended September 30, 2023. Overall, the City had an increase in net position of \$18,039,178. Total City revenues increased by \$18,159,409 compared to 2022. Governmental activity revenue increased by \$15,003,918 and business-type activity revenue increased by \$3,155,491. Governmental fees, fines, and charges for services increases are due to increases in construction inspection fees, rental inspections fees, and drainage fees partially offset by decreases in traffic citations and building permits. Operating grant increases are due to recognition of American Rescue Plan Act revenue. Capital grants and contributions are due to developer contributed assets related to the Square and Beltmill developments, as well as, developer contributions for North Old Decatur Road improvements, and Tarrant County's partial reimbursement of Knowles roadway improvements. General revenue increases are due to increased ad valorem tax revenue for debt service, sales tax, utility franchise fees, and interest earnings. Increased revenues for business-type activities is due to increased water sales, wastewater service, and wastewater surcharges. In addition, contributed assets were recorded for water and sewer lines at the Square and Beltmill developments.

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

|  | Governmental Activities |                      | Business-type Activities |                      | Total                 |                       |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|  | 2023                    | 2022                 | 2023                     | 2022                 | 2023                  | 2022                  |
| <b>Revenues</b>                              |                         |                      |                          |                      |                       |                       |
| Program revenues                             |                         |                      |                          |                      |                       |                       |
| Fees, fines and charges for services         | \$ 3,264,283            | \$ 2,942,588         | \$ 13,213,107            | \$ 12,285,560        | \$ 16,477,390         | \$ 15,228,148         |
| Operating grants and contributions           | 997,611                 | 269,618              | -                        | -                    | 997,611               | 269,618               |
| Capital grants and contributions             | 8,559,510               | 657,170              | 2,540,150                | 870,159              | 11,099,660            | 1,527,329             |
| General revenues                             |                         |                      |                          |                      |                       |                       |
| Ad valorem taxes                             | 13,952,095              | 11,782,661           | -                        | -                    | 13,952,095            | 11,782,661            |
| Sales taxes                                  | 10,450,488              | 9,494,855            | -                        | -                    | 10,450,488            | 9,494,855             |
| Franchise taxes                              | 1,783,344               | 1,629,409            | -                        | -                    | 1,783,344             | 1,629,409             |
| Other taxes                                  | 131,023                 | 129,131              | -                        | -                    | 131,023               | 129,131               |
| Penalties and interest                       | 20,101                  | 33,148               | 232,345                  | 120,533              | 252,446               | 153,681               |
| Interest income                              | 3,480,247               | 446,409              | 491,175                  | 72,329               | 3,971,422             | 518,738               |
| Miscellaneous                                | 123,476                 | 373,271              | 76,935                   | 49,640               | 200,411               | 422,911               |
| <b>Total revenues</b>                        | <b>42,762,178</b>       | <b>27,758,260</b>    | <b>16,553,712</b>        | <b>13,398,221</b>    | <b>59,315,890</b>     | <b>41,156,481</b>     |
| <b>Expenses</b>                              |                         |                      |                          |                      |                       |                       |
| General administrative office                | 3,357,010               | 3,111,631            | -                        | -                    | 3,357,010             | 3,111,631             |
| Municipal court                              | 222,339                 | 204,415              | -                        | -                    | 222,339               | 204,415               |
| Fire   | 4,556,370               | 4,080,989            | -                        | -                    | 4,556,370             | 4,080,989             |
| Police                                       | 6,189,931               | 5,461,474            | -                        | -                    | 6,189,931             | 5,461,474             |
| Public works                                 | 6,337,340               | 6,134,668            | -                        | -                    | 6,337,340             | 6,134,668             |
| Parks  | 597,075                 | 466,233              | -                        | -                    | 597,075               | 466,233               |
| Community services                           | 1,314,753               | 1,427,930            | -                        | -                    | 1,314,753             | 1,427,930             |
| Library                                      | 795,853                 | 707,863              | -                        | -                    | 795,853               | 707,863               |
| Inspections                                  | 957,192                 | 835,781              | -                        | -                    | 957,192               | 835,781               |
| Animal services                              | 554,318                 | 477,232              | -                        | -                    | 554,318               | 477,232               |
| Fleet maintenance                            | 674,642                 | 632,167              | -                        | -                    | 674,642               | 632,167               |
| Economic development                         | 81,610                  | 224,361              | -                        | -                    | 81,610                | 224,361               |
| Information technology                       | 496,470                 | 384,253              | -                        | -                    | 496,470               | 384,253               |
| Emergency management                         | 97,784                  | -                    | -                        | -                    | 97,784                | -                     |
| Communications                               | 156,048                 | -                    | -                        | -                    | 156,048               | -                     |
| Interest on long term debt                   | 2,766,529               | 1,885,591            | -                        | -                    | 2,766,529             | 1,885,591             |
| Water and wastewater                         | -                       | -                    | 12,121,448               | 10,314,089           | 12,121,448            | 10,314,089            |
| <b>Total expenses</b>                        | <b>29,155,264</b>       | <b>26,034,588</b>    | <b>12,121,448</b>        | <b>10,314,089</b>    | <b>41,276,712</b>     | <b>36,348,677</b>     |
| <b>Increases (decreases) in net position</b> |                         |                      |                          |                      |                       |                       |
| before transfers                             | 13,606,914              | 1,723,672            | 4,432,264                | 3,084,132            | 18,039,178            | 4,807,804             |
| Transfers                                    | 784,015                 | 700,535              | (784,015)                | (700,535)            | -                     | -                     |
| <b>Increase in net position</b>              | <b>14,390,929</b>       | <b>2,424,207</b>     | <b>3,648,249</b>         | <b>2,383,597</b>     | <b>18,039,178</b>     | <b>4,807,804</b>      |
| <b>Net position - October 1</b>              | <b>98,333,967</b>       | <b>95,909,760</b>    | <b>39,651,056</b>        | <b>37,267,459</b>    | <b>137,985,023</b>    | <b>133,177,219</b>    |
| <b>Net position - September 30</b>           | <b>\$ 112,724,896</b>   | <b>\$ 98,333,967</b> | <b>\$ 43,299,305</b>     | <b>\$ 39,651,056</b> | <b>\$ 156,024,201</b> | <b>\$ 137,985,023</b> |

Total City expenses increased by \$4,928,035 compared to 2022. For both governmental and business-type activities, pension related entries increased expenses due to the recording of changes in and amortization of deferred outflows and deferred inflows. Increases in Administration were due to employee assistance programs, increased legal advertising, engineering and legal fees. Increases in Fire include increased overtime and worker's compensation expense. Police had increases in overtime, worker's compensation expense, and building maintenance related to repairs to water heaters and the HVAC systems. Increases in Public Works include salary expense due to fewer vacancies than the previous year. There were also increases for city-wide building maintenance, sidewalk maintenance, street maintenance supplies, signal light repairs, mowing expense and contractual planning services. Increases in Parks were for mowing and replacing park benches, water stations, and waste receptacles. Community Service decreases were due to savings in the operation of the Aquatic Center. Due to a life guard shortage the Aquatic Center was not open as many hours as the previous year. There were also pool repairs in 2022 that were not necessary in 2023. Decreases in Economic Development reflect the Public Improvement District creation expenses in 2022 that were not necessary in 2023 and the last year of a sales tax rebate agreement in 2022. Increases in Information Technology are related to enhanced network security.

New cost centers were created for Emergency Management, formerly accounted for in Fire, and Communications, formerly accounted for in Administration. Enterprise Fund increased expenses are due to engineering fees, water purchases, wastewater treatment, and payment of a developer's agreement for the Square.

City governmental activities increased net position by \$14,390,929 and enterprise activities increased net position by \$3,648,249.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

At the end of the current fiscal year, the City of Saginaw's governmental funds reported combined ending fund balances of \$72,940,071. Approximately 18% of this total (\$13,207,664) constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes. The General Fund increased by \$1,627,444. The increase was primarily due to increased sales tax, increased construction inspection fees, increased interest earnings, and vacancy savings. The \$217,269 increase of fund balance in the Debt Service Fund reflects increased interest earnings. The increase of \$9,946,120 in the Capital Projects Fund reflects the use of previously issued debt for fire station construction, design and construction for the first phase of Knowles Drive and design of the Library and Senior Activity Center, sidewalk improvements, partially offset by the issuance of general obligation bonds for the construction of phases 2 and 3 of Knowles Drive and Parks Master Plan projects. The planned use of Crime Control and Prevention District fund balance for the replacement of patrol vehicles and the Computer Aided Dispatch/Records Management System was not necessary to due to increased sales tax collections and the delay of the CAD/RMS system conversion. The Drainage Utility fund balance decreased by \$1,433,224. Cash balances in the Drainage Utility Fund were used for the East Cement Creek Drainage Project. The Street Maintenance Fund balance increased by \$92,003 due to strong sales tax collections. There was an increase in the General Escrow Fund balance of \$1,125,127 due to developer contributions for future improvements to North Old Decatur Road, transfers to the insurance rate stabilization escrow, increased hotel occupancy tax collections, and a transfer to the economic development incentive escrow. The increase of \$498,033 in the Beltmill Public Improvement District Fund reflects the first year of assessments collected. The \$93,921 increase in the Donations Fund balance reflects higher donations than expenses for Animal Services, Library, and Beautification.

**Proprietary Fund** – The City's proprietary fund statements provide the same type of information found in the government-wide statements. Unrestricted net position of the Enterprise Fund is \$10,590,007. Total net position of the Enterprise Fund increased by \$3,648,249 from fiscal year 2022 to fiscal year 2023. The increase is due to increased water sales, wastewater fees, and interest earnings which are partially offset by the increased cost of water and wastewater service.

**Budgetary Highlights** – The City Council approved revisions to the original budget appropriations. General Fund revenues were increased by \$1,302,370 or 6.3%. Increased revenues were due to increased sales tax collections, utility franchise fees, and interest earnings. General Fund expenditure appropriations increased by \$342,720 or 1.5%. Increases related to a land purchase, a developer's agreement, and facility maintenance and repairs were partially offset by vacancy savings and a delay in capital outlay expense.

## **CAPITAL ASSETS**

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2023 amounts to \$171,851,847 (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:

- Land purchase for Library/Senior Activity Center (\$238,524).
- Developer contributed right-of-way (\$411,137).
- Thermal imaging and public safety equipment (\$576,438).
- Pumper Truck (\$903,377).
- Backhoe and trailer (\$174,426).
- Facility Improvements (\$485,451)
- Construction of the NW and Belt Mill booster pump stations (\$1,277,186).
- Construction of East Cement Creek Drainage improvements (\$2,134,419).
- Purchase of 3 service trucks (\$92,928).
- Purchase of 7 patrol vehicles (\$292,339).
- Purchase of 2 emergency generators (\$50,174).
- Design of Fairmont Sanitary Sewer Rehabilitation Phase 2 (\$42,000).
- Burlington Road reconstruction (\$448,108).
- Relocation of the Veteran's Memorial Park (\$169,045)
- Design of the Library/Senior Citizens Center facility (\$590,774).
- Replacement of Highland Station Park playground (\$318,840).
- Other intersection improvements (\$146,267).
- Design for W McLeroy Boulevard improvements Phase 3 (\$204,800).
- Construction for Knowles Drive improvements (\$4,867,579).
- Other City-wide equipment replacement (\$255,769).
- Developer contributed drainage system improvements (\$2,214,263).
- Developer contributed streets and sidewalks (\$2,711,235).
- Developer contributed water/wastewater system improvements (\$2,370,266).
- Sidewalk improvements (\$343,500).
- Construction of Fire Station 1 (\$3,886,479).

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

|                                       | Governmental Activities |                       | Business-type Activities |                      | Total                 |                       |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
|                                       | 2023                    | 2022                  | 2023                     | 2022                 | 2023                  | 2022                  |
| Land                                  | \$ 19,879,315           | \$ 19,229,654         | \$ 16,657                | \$ 16,657            | \$ 19,895,972         | \$ 19,246,311         |
| Improvements                          | 5,065,816               | 4,219,538             | -                        | -                    | 5,065,816             | 4,219,538             |
| Buildings                             | 33,707,777              | 19,857,944            | 154,587                  | 154,587              | 33,862,364            | 20,012,531            |
| Equipment                             | 13,076,200              | 11,515,187            | 1,757,099                | 1,651,361            | 14,833,299            | 13,166,548            |
| Infrastructure                        | 144,562,705             | 137,541,488           | 45,414,323               | 43,044,057           | 189,977,028           | 180,585,545           |
| Construction in progress              | 13,500,732              | 16,014,271            | 3,220,197                | 1,899,629            | 16,720,929            | 17,913,900            |
| Right-to-use subscription assets      | 113,529                 | -                     | -                        | -                    | 113,529               | -                     |
| Accumulated depreciation/amortization | (91,333,315)            | (86,038,995)          | (17,283,775)             | (16,205,988)         | (108,617,090)         | (102,244,983)         |
| <b>Total</b>                          | <b>\$ 138,572,759</b>   | <b>\$ 122,339,087</b> | <b>\$ 33,279,088</b>     | <b>\$ 30,560,303</b> | <b>\$ 171,851,847</b> | <b>\$ 152,899,390</b> |

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 46-47.

**DEBT ADMINISTRATION**

At the end of the fiscal year, the City had a total bonded debt of \$89,115,893.

**Outstanding Bond Debt at Year End**

|                            | Governmental Activities |                      | Business-type Activities |                   | Total                |                      |
|----------------------------|-------------------------|----------------------|--------------------------|-------------------|----------------------|----------------------|
|                            | 2023                    | 2022                 | 2023                     | 2022              | 2023                 | 2022                 |
| General obligations        | \$ 63,810,000           | \$ 51,315,000        | \$ 640,000               | \$ 790,000        | \$ 64,450,000        | \$ 52,105,000        |
| Certificates of obligation | 17,110,000              | 17,210,000           | -                        | -                 | 17,110,000           | 17,210,000           |
| Revenue bonds payable      | -                       | -                    | -                        | -                 | -                    | -                    |
| Tax notes                  | 705,000                 | 935,000              | -                        | -                 | 705,000              | 935,000              |
| Premiums on bonds          | 6,850,893               | 5,660,633            | -                        | -                 | 6,850,893            | 5,660,633            |
| <b>Total</b>               | <b>\$ 88,475,893</b>    | <b>\$ 75,120,633</b> | <b>\$ 640,000</b>        | <b>\$ 790,000</b> | <b>\$ 89,115,893</b> | <b>\$ 75,910,633</b> |

During the fiscal year, the City's total debt increased by \$13,205,260 or 17%. Enterprise Fund principal payments of \$150,000 and General Fund principal payments of \$3,425,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 48-51 of this report.

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

In the 2023-2024 budget, General Fund revenues and transfers in are budgeted to remain the same as (increase of \$16,180) the 2022-2023. American Rescue Act funding for property purchase and the Highland Station Park restroom are not budgeted in 2023-2024 and are offset by a budgeted increase in sales and property tax. General Fund revenues are comprised of 36% property tax, 34% sales tax, and 30% fees and transfers. Estimated net taxable value increased 14% from the preceding year with \$34.5 million in added value. Budgeted property tax revenues are \$7,805,825 in the General Fund and \$6,943,825 in the Debt Service Fund. General Fund expenditures and transfers increased by \$877,540 or 4% due salary increases. Funding is provided for salary adjustments to remain competitive in the labor market; most employees will receive a 10% salary increase and public safety employees will receive an additional 3% STEP increase. One-time expenses include replacement of fire emergency equipment, replacement of the arson canine vehicle, replacement of a public services truck, the last phase of the Americans with Disabilities Act plan update, a parks service truck, Aquatic Center repairs, Recreation Center repairs and equipment replacement, a code compliance vehicle, network fiber connection for the new Library/Senior Center building, an employee satisfaction survey, and communications equipment.

The 2023-2024 budget includes a 5% decrease in water rates and a 15% increase in wastewater rates based on the change in rates charged by our water and wastewater service provider, the City of Fort Worth. The Enterprise Fund budget has been balanced with the use of \$148,925 from fund balance for the replacement of two service trucks, consultant fees for lead/copper service line identification, and a water master plan update.

Drainage Utility fees will remain the same with the \$1,403,845 budgeted use of fund balance to complete the final phase of the East Cement Creek drainage improvements.

### **REQUEST FOR INFORMATION**

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

# **Basic Financial Statements**



**City of Saginaw**

# **Government-Wide Financial Statements**



City of Saginaw

**City of Saginaw, Texas**  
Statement of Net Position  
September 30, 2023

|  | <b>Primary Government</b>          |                                     |                       |
|--|------------------------------------|-------------------------------------|-----------------------|
|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
| <b>ASSETS</b>                            |                                    |                                     |                       |
| Deposits and investments                 | \$ 31,846,864                      | \$ 11,760,585                       | \$ 43,607,449         |
| Receivables:                             |                                    |                                     |                       |
| Taxes, net of allowance                  | 2,433,998                          | -                                   | 2,433,998             |
| Accounts, net of allowance               | 101,009                            | 1,747,020                           | 1,848,029             |
| Leases                                   | 358,265                            | -                                   | 358,265               |
| Grants                                   | 179,727                            | -                                   | 179,727               |
| Other                                    | 1,045,293                          | -                                   | 1,045,293             |
| Prepaid items                            | 4,160                              | -                                   | 4,160                 |
| Restricted assets:                       |                                    |                                     |                       |
| Deposits and investments                 | 47,503,608                         | 953,500                             | 48,457,108            |
| Capital assets:                          |                                    |                                     |                       |
| Land                                     | 19,879,315                         | 16,657                              | 19,895,972            |
| Improvements                             | 5,065,816                          | -                                   | 5,065,816             |
| Buildings                                | 33,707,777                         | 154,587                             | 33,862,364            |
| Equipment                                | 13,076,200                         | 1,757,099                           | 14,833,299            |
| Infrastructure                           | 144,562,705                        | 45,414,323                          | 189,977,028           |
| Construction in progress                 | 13,500,732                         | 3,220,197                           | 16,720,929            |
| Right-to-use subscription assets         | 113,529                            | -                                   | 113,529               |
| Accumulated depreciation                 | (91,333,315)                       | (17,283,775)                        | (108,617,090)         |
| Total assets                             | 222,045,683                        | 47,740,193                          | 269,785,876           |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>    |                                    |                                     |                       |
| Deferred charge for refunding            | 93,760                             | 11,132                              | 104,892               |
| Related to TMRS pension                  | 4,611,614                          | 505,730                             | 5,117,344             |
| Related to TMRS OPEB                     | 85,167                             | 10,931                              | 96,098                |
| Total deferred outflows of resources     | 4,790,541                          | 527,793                             | 5,318,334             |
| <b>LIABILITIES</b>                       |                                    |                                     |                       |
| Accounts payable and accrued liabilities | 2,903,829                          | 1,955,289                           | 4,859,118             |
| Accrued interest payable                 | 574,160                            | 1,056                               | 575,216               |
| Unearned revenue                         | 5,636,236                          | -                                   | 5,636,236             |
| Payable from restricted assets:          |                                    |                                     |                       |
| Contracts payable                        | 1,586,233                          | -                                   | 1,586,233             |
| Current portion of revenue bonds payable | -                                  | 155,000                             | 155,000               |
| Customer deposits                        | -                                  | 755,499                             | 755,499               |
| Noncurrent liabilities:                  |                                    |                                     |                       |
| Debt due within one year                 | 3,677,946                          | -                                   | 3,677,946             |
| Debt due in more than one year           | 85,148,380                         | 485,000                             | 85,633,380            |
| Net pension liability                    | 13,388,588                         | 1,493,852                           | 14,882,440            |
| Total OPEB liability                     | 334,809                            | 42,840                              | 377,649               |
| Total liabilities                        | 113,250,181                        | 4,888,536                           | 118,138,717           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>     |                                    |                                     |                       |
| Related to leased assets                 | 358,265                            | -                                   | 358,265               |
| Related to TMRS pension                  | 322,558                            | 59,951                              | 382,509               |
| Related to TMRS OPEB                     | 180,324                            | 20,194                              | 200,518               |
| Total deferred inflows of resources      | 861,147                            | 80,145                              | 941,292               |
| <b>NET POSITION</b>                      |                                    |                                     |                       |
| Net investment in capital assets         | 95,130,777                         | 32,511,297                          | 127,642,074           |
| Restricted for:                          |                                    |                                     |                       |
| Debt service                             | 846,118                            | 198,001                             | 1,044,119             |
| Street maintenance                       | 2,244,481                          | -                                   | 2,244,481             |
| Crime prevention                         | 1,556,629                          | -                                   | 1,556,629             |
| Drainage                                 | 2,335,818                          | -                                   | 2,335,818             |
| Public improvements                      | 531,795                            | -                                   | 531,795               |
| Other special revenue                    | 3,617,409                          | -                                   | 3,617,409             |
| Unrestricted                             | 6,461,869                          | 10,590,007                          | 17,051,876            |
| <b>TOTAL NET POSITION</b>                | <b>\$ 112,724,896</b>              | <b>\$ 43,299,305</b>                | <b>\$ 156,024,201</b> |

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

**City of Saginaw, Texas**  
Statement of Activities  
For the Fiscal Year Ended September 30, 2023

| Program Activities             | Expenses             | Program Revenues                     |                                    |                                  |
|--------------------------------|----------------------|--------------------------------------|------------------------------------|----------------------------------|
|                                |                      | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities:       |                      |                                      |                                    |                                  |
| General administrative offices | \$ 3,357,010         | \$ 186,132                           | \$ 245,616                         | \$ -                             |
| Municipal court                | 222,339              | 289,946                              | -                                  | -                                |
| Fire                           | 4,556,370            | 137,500                              | 389,553                            | -                                |
| Police                         | 6,189,931            | 3,927                                | 232,032                            | -                                |
| Public works                   | 6,337,340            | 1,011,821                            | -                                  | 8,559,510                        |
| Parks                          | 597,075              | -                                    | 112,392                            | -                                |
| Community services             | 1,314,753            | 644,928                              | -                                  | -                                |
| Library                        | 795,853              | 7,211                                | -                                  | -                                |
| Inspection                     | 957,192              | 955,188                              | -                                  | -                                |
| Animal services                | 554,318              | 27,630                               | 18,018                             | -                                |
| Fleet maintenance              | 674,642              | -                                    | -                                  | -                                |
| Economic development           | 81,610               | -                                    | -                                  | -                                |
| Information technology         | 496,470              | -                                    | -                                  | -                                |
| Emergency management           | 97,784               | -                                    | -                                  | -                                |
| Communications                 | 156,048              | -                                    | -                                  | -                                |
| Interest on long term debt     | 2,766,529            | -                                    | -                                  | -                                |
| Total governmental activities  | <u>29,155,264</u>    | <u>3,264,283</u>                     | <u>997,611</u>                     | <u>8,559,510</u>                 |
| Business-type activities:      |                      |                                      |                                    |                                  |
| Water and wastewater           | 12,121,448           | 13,213,107                           | -                                  | 2,540,150                        |
| Total business-type activities | <u>12,121,448</u>    | <u>13,213,107</u>                    | <u>-</u>                           | <u>2,540,150</u>                 |
| <b>TOTAL GOVERNMENT</b>        | <u>\$ 41,276,712</u> | <u>\$ 16,477,390</u>                 | <u>\$ 997,611</u>                  | <u>\$ 11,099,660</u>             |

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

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

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

| <b>Governmental<br/>Activities</b> | <b>Business- type<br/>Activities</b> | <b>Total</b>           |
|------------------------------------|--------------------------------------|------------------------|
| \$ (2,925,262)                     | \$ -                                 | \$ (2,925,262)         |
| 67,607                             | -                                    | 67,607                 |
| (4,029,317)                        | -                                    | (4,029,317)            |
| (5,953,972)                        | -                                    | (5,953,972)            |
| 3,233,991                          | -                                    | 3,233,991              |
| (484,683)                          | -                                    | (484,683)              |
| (669,825)                          | -                                    | (669,825)              |
| (788,642)                          | -                                    | (788,642)              |
| (2,004)                            | -                                    | (2,004)                |
| (508,670)                          | -                                    | (508,670)              |
| (674,642)                          | -                                    | (674,642)              |
| (81,610)                           | -                                    | (81,610)               |
| (496,470)                          | -                                    | (496,470)              |
| (97,784)                           | -                                    | (97,784)               |
| (156,048)                          | -                                    | (156,048)              |
| (2,766,529)                        | -                                    | (2,766,529)            |
| <u>(16,333,860)</u>                | <u>-</u>                             | <u>(16,333,860)</u>    |
| -                                  | 3,631,809                            | 3,631,809              |
| -                                  | 3,631,809                            | 3,631,809              |
| <u>\$ (16,333,860)</u>             | <u>\$ 3,631,809</u>                  | <u>\$ (12,702,051)</u> |
| <br>                               |                                      |                        |
| \$ 13,952,095                      | \$ -                                 | \$ 13,952,095          |
| 10,450,488                         | -                                    | 10,450,488             |
| 1,783,344                          | -                                    | 1,783,344              |
| 131,023                            | -                                    | 131,023                |
| 20,101                             | 232,345                              | 252,446                |
| 3,480,247                          | 491,175                              | 3,971,422              |
| 123,476                            | 76,935                               | 200,411                |
| 784,015                            | (784,015)                            | -                      |
| <u>30,724,789</u>                  | <u>16,440</u>                        | <u>30,741,229</u>      |
| 14,390,929                         | 3,648,249                            | 18,039,178             |
| <u>98,333,967</u>                  | <u>39,651,056</u>                    | <u>137,985,023</u>     |
| <u>\$ 112,724,896</u>              | <u>\$ 43,299,305</u>                 | <u>\$ 156,024,201</u>  |



**City of Saginaw**

# **Fund Financial Statements Governmental Funds**

**City of Saginaw, Texas**  
 Balance Sheet - Governmental Funds  
 September 30, 2023

|   | General              | Debt<br>Service     | Capital<br>Projects  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---------------------|----------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |                     |                      |                                |                                |
| Deposits and investments  | \$ 19,551,022        | \$ 1,397,952        | \$ -                 | \$ 10,897,890                  | \$ 31,846,864                  |
| Receivables:  |                      |                     |                      |                                |                                |
| Taxes, net of allowance   | 1,829,648            | 22,326              | -                    | 582,024                        | 2,433,998                      |
| Accounts  | 101,009              | -                   | -                    | -                              | 101,009                        |
| Leases  | 358,265              | -                   | -                    | -                              | 358,265                        |
| Grants  | 179,727              | -                   | -                    | -                              | 179,727                        |
| Other   | 119,321              | -                   | 777,406              | 148,566                        | 1,045,293                      |
| Prepaid items   | 740                  | -                   | -                    | 3,420                          | 4,160                          |
| Restricted assets:  |                      |                     |                      |                                |                                |
| Deposits and investments  | -                    | -                   | 47,503,608           | -                              | 47,503,608                     |
| <b>TOTAL ASSETS</b>   | <b>\$ 22,139,732</b> | <b>\$ 1,420,278</b> | <b>\$ 48,281,014</b> | <b>\$ 11,631,900</b>           | <b>\$ 83,472,924</b>           |
| <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>                        |                      |                     |                      |                                |                                |
| <b>LIABILITIES</b>  |                      |                     |                      |                                |                                |
| Accounts payable and accrued liabilities                                      | \$ 2,275,571         | \$ -                | \$ -                 | \$ 628,258                     | \$ 2,903,829                   |
| Payable from restricted assets:   |                      |                     |                      |                                |                                |
| Contracts payable   | -                    | -                   | 1,586,233            | -                              | 1,586,233                      |
| Unearned revenue  | 5,602,193            | -                   | -                    | 34,043                         | 5,636,236                      |
| <b>Total liabilities</b>  | <b>7,877,764</b>     | <b>-</b>            | <b>1,586,233</b>     | <b>662,301</b>                 | <b>10,126,298</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                      |                     |                      |                                |                                |
| Unavailable revenue - leased assets   | 358,265              | -                   | -                    | -                              | 358,265                        |
| Unavailable revenue - property taxes  | 25,964               | 22,326              | -                    | -                              | 48,290                         |
| <b>Total deferred inflows of resources</b>                                    | <b>384,229</b>       | <b>22,326</b>       | <b>-</b>             | <b>-</b>                       | <b>406,555</b>                 |
| <b>FUND BALANCES</b>  |                      |                     |                      |                                |                                |
| Nonspendable:   |                      |                     |                      |                                |                                |
| Prepays items   | 740                  | -                   | -                    | 3,420                          | 4,160                          |
| Restricted:   |                      |                     |                      |                                |                                |
| Debt service  | -                    | 1,397,952           | -                    | -                              | 1,397,952                      |
| Capital projects  | -                    | -                   | 46,694,781           | -                              | 46,694,781                     |
| Municipal court   | -                    | -                   | -                    | -                              | -                              |
| Hotel/motel tax   | -                    | -                   | -                    | -                              | -                              |
| Street maintenance  | -                    | -                   | -                    | 2,244,481                      | 2,244,481                      |
| Crime prevention  | -                    | -                   | -                    | 1,556,629                      | 1,556,629                      |
| Drainage  | -                    | -                   | -                    | 2,335,818                      | 2,335,818                      |
| Public improvements   | -                    | -                   | -                    | 531,795                        | 531,795                        |
| Other special revenue   | -                    | -                   | -                    | 3,617,409                      | 3,617,409                      |
| Committed:  |                      |                     |                      |                                |                                |
| Donations   | -                    | -                   | -                    | 680,047                        | 680,047                        |
| Assigned  | 669,335              | -                   | -                    | -                              | 669,335                        |
| Unassigned  | 13,207,664           | -                   | -                    | -                              | 13,207,664                     |
| <b>Total fund balances</b>  | <b>13,877,739</b>    | <b>1,397,952</b>    | <b>46,694,781</b>    | <b>10,969,599</b>              | <b>72,940,071</b>              |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 22,139,732</b> | <b>\$ 1,420,278</b> | <b>\$ 48,281,014</b> | <b>\$ 11,631,900</b>           | <b>\$ 83,472,924</b>           |

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

**City of Saginaw, Texas**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
September 30, 2023

**TOTAL FUND BALANCE - GOVERNMENTAL FUND** \$ 72,940,071

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 138,572,759

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. (574,160)

Revenues earned but not available within sixty days of the year end are not  
recognized as revenue on the fund financial statements. 48,290

Long-term liabilities, including bonds payable, subscriptions payable, and  
financed purchases 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 \$93,760 is reflected as a deferred  
outflow of resources on the Statement of Net Position (88,732,566)

Included in noncurrent liabilities is the recognition of the City's net pension liability  
required by GASB 68 in the amount of \$13,388,588, a deferred resource outflow  
related to TMRS of \$4,611,614, and a deferred resource inflow related to TMRS  
of \$322,558. This resulted in a decrease in net position. (9,099,532)

Included in noncurrent liabilities is the recognition of the City's total OPEB liability  
required by GASB 75 in the amount of \$334,809, a deferred resource outflow  
related to TMRS of \$5,028, and a deferred resource inflow related to TMRS of  
\$100,186. This resulted in a decrease in net position. (429,966)

**TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES** \$ 112,724,896

**City Of Saginaw, Texas**  
Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Governmental Funds  
For The Year Ended September 30, 2023

|  | <b>General</b>       | <b>Debt<br/>Service</b> | <b>Capital<br/>Projects</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|----------------------|-------------------------|-----------------------------|---|---|
| <b>REVENUES</b>  |                      |                         |                             |   |   |
| Taxes  | \$ 16,957,443        | \$ 6,228,865            | \$ -                        | \$ 3,164,858                            | \$ 26,351,166                           |
| Licenses and permits   | 392,973              | -                       | -                           | -                                       | 392,973                                 |
| Charges for services   | 137,500              | -                       | -                           | 1,011,821                               | 1,149,321                               |
| Fines and fees   | 880,286              | -                       | -                           | 14,073                                  | 894,359                                 |
| Interest income  | 946,360              | 188,588                 | 1,886,532                   | 458,767                                 | 3,480,247                               |
| Recreation income  | 314,980              | -                       | -                           | -                                       | 314,980                                 |
| Intergovernmental  | 796,605              | -                       | 2,845,640                   | -                                       | 3,642,245                               |
| Miscellaneous revenues                                       | 154,715              | -                       | -                           | 1,077,492                               | 1,232,207                               |
| Total revenues   | 20,580,862           | 6,417,453               | 4,732,172                   | 5,727,011                               | 37,457,498                              |
| <b>EXPENDITURES</b>  |                      |                         |                             |   |   |
| Current:   |                      |                         |                             |   |   |
| General administrative office                                | 2,385,061            | -                       | 100,400                     | 704,891                                 | 3,190,352                               |
| Municipal court  | 217,935              | -                       | -                           | -                                       | 217,935                                 |
| Fire   | 4,237,521            | -                       | -                           | -                                       | 4,237,521                               |
| Police   | 5,484,621            | -                       | -                           | 81,269                                  | 5,565,890                               |
| Public works   | 2,318,296            | -                       | -                           | -                                       | 2,318,296                               |
| Parks  | 408,079              | -                       | -                           | -                                       | 408,079                                 |
| Community services   | 1,124,311            | -                       | -                           | -                                       | 1,124,311                               |
| Library  | 741,632              | -                       | -                           | -                                       | 741,632                                 |
| Inspection   | 921,566              | -                       | -                           | -                                       | 921,566                                 |
| Animal services  | 526,138              | -                       | -                           | -                                       | 526,138                                 |
| City garage  | 634,734              | -                       | -                           | -                                       | 634,734                                 |
| Economic development   | 81,610               | -                       | -                           | -                                       | 81,610                                  |
| Information technology                                       | 456,127              | -                       | -                           | -                                       | 456,127                                 |
| Emergency management   | 96,566               | -                       | -                           | -                                       | 96,566                                  |
| Communications   | 154,339              | -                       | -                           | -                                       | 154,339                                 |
| Capital outlay   | 1,195,849            | -                       | 11,518,825                  | 3,666,290                               | 16,380,964                              |
| Debt service:  |                      |                         |                             |   |   |
| Principal retirement   | 36,631               | 3,425,000               | -                           | 64,376                                  | 3,526,007                               |
| Interest charges   | 636                  | 2,772,801               | -                           | 12,079                                  | 2,785,516                               |
| Fiscal agent's fees and<br>debt issuance costs               | -                    | 2,383                   | 241,874                     | -                                       | 244,257                                 |
| Total expenditures   | 21,021,652           | 6,200,184               | 11,861,099                  | 4,528,905                               | 43,611,840                              |
| Excess (deficiency) of revenues<br>over (under) expenditures | (440,790)            | 217,269                 | (7,128,927)                 | 1,198,106                               | (6,154,342)                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                      |                         |                             |   |   |
| Transfers in   | 2,342,502            | -                       | -                           | 383,615                                 | 2,726,117                               |
| Transfers out  | (383,615)            | -                       | (116,827)                   | (1,441,660)                             | (1,942,102)                             |
| Proceeds from right to use subscription assets               | 92,433               | -                       | -                           | 21,097                                  | 113,530                                 |
| Proceeds from financed purchases                             | 16,914               | -                       | -                           | 320,997                                 | 337,911                                 |
| Issuance of debt   | -                    | -                       | 15,590,000                  | -                                       | 15,590,000                              |
| Premium on bond issuance                                     | -                    | -                       | 1,601,874                   | -                                       | 1,601,874                               |
| Total other financing sources (uses)                         | 2,068,234            | -                       | 17,075,047                  | (715,951)                               | 18,427,330                              |
| Net change in fund balances                                  | 1,627,444            | 217,269                 | 9,946,120                   | 482,155                                 | 12,272,988                              |
| Fund Balance, beginning                                      | 12,250,295           | 1,180,683               | 36,748,661                  | 10,487,444                              | 60,667,083                              |
| <b>FUND BALANCE, ending</b>                                  | <b>\$ 13,877,739</b> | <b>\$ 1,397,952</b>     | <b>\$ 46,694,781</b>        | <b>\$ 10,969,599</b>                    | <b>\$ 72,940,071</b>                    |

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

## City of Saginaw, Texas

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities For the Fiscal Year Ended September 30, 2023

|   |                      |
|---|----------------------|
| <b>TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND</b>   | <b>\$ 12,272,988</b> |
| 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.   | 16,380,964           |
| Governmental funds do not recognize assets contributed by developers or grantors, or donated to the City. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.   | 5,333,623            |
| 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.   | (5,466,086)          |
| 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.  | (14,829)             |
| The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of an issuance in the amount of \$15,590,000, premium on issuance of \$1,601,874, repayments of \$3,425,000 and amortization of \$390,968 for premiums and deferred charges on refundings, which is the net effect of these differences in the treatment of long-term debt and related items. | (13,404,479)         |
| Financed purchases and subscriptions payable provide 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. This amount consists of financed purchases entered into during the year in the amount of \$376,450, subscriptions payable entered into in the amount of \$113,529 and repayments of \$76,800 and \$36,923, respectively.   | (350,434)            |
| Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.  | (228,914)            |
| Current year changes in the total OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.  | (18,640)             |
| 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.  | (99,151)             |
| 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   | (14,113)             |
| <b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>   | <b>\$ 14,390,929</b> |

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



**City of Saginaw**

# **Fund Financial Statements Proprietary Funds**



**City of Saginaw**

**City of Saginaw, Texas**  
Statement of Net Position  
Proprietary Funds  
September 30, 2023

|   | <b>Enterprise<br/>Fund</b>       |
|---|----------------------------------|
|   | <hr/>                            |
| <b>ASSETS</b>   |                                  |
| Current assets:                                       |                                  |
| Deposits and investments                              | \$ 11,760,585                    |
| Deposits and investments-restricted                   | 198,001                          |
| Receivables:  |                                  |
| Accounts receivable, net of allowance of \$49,496     | 987,243                          |
| Unbilled accounts                                     | 759,777                          |
| Total current assets                                  | <hr/> 13,705,606                 |
| Noncurrent assets:                                    |                                  |
| Capital assets, at cost:                              |                                  |
| Land and land improvements                            | 16,657                           |
| Buildings and improvements                            | 154,587                          |
| Waterworks and sewer system                           | 45,414,323                       |
| Machinery and equipment                               | 1,757,099                        |
| Construction in progress                              | 3,220,197                        |
| Accumulated depreciation                              | (17,283,775)                     |
| Total capital assets, net of accumulated depreciation | <hr/> 33,279,088                 |
| Deposits and investments-restricted                   | 755,499                          |
| Total noncurrent assets                               | <hr/> 34,034,587                 |
| Total assets  | <hr/> 47,740,193                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                 |                                  |
| Deferred charge for refunding                         | 11,132                           |
| Related to the TMRS pension                           | 505,730                          |
| Related to the TMRS OPEB                              | 10,931                           |
| Total deferred outflows of resources                  | <hr/> 527,793                    |
| <b>LIABILITIES</b>                                    |                                  |
| Current liabilities:                                  |                                  |
| Accounts payable and accrued liabilities              | 1,955,289                        |
| Accrued interest                                      | 1,056                            |
| Revenue bonds payable                                 | 155,000                          |
| Total current liabilities                             | <hr/> 2,111,345                  |
| Noncurrent liabilities:                               |                                  |
| Revenue bonds payable                                 | 485,000                          |
| Customer deposits                                     | 755,499                          |
| Net pension liability                                 | 1,493,852                        |
| Total OPEB liability                                  | 42,840                           |
| Total noncurrent liabilities                          | <hr/> 2,777,191                  |
| Total liabilities                                     | <hr/> 4,888,536                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                  |                                  |
| Related to the TMRS pension                           | 59,951                           |
| Related to the TMRS OPEB                              | 20,194                           |
| Total deferred inflows of resources                   | <hr/> 80,145                     |
| <b>NET POSITION</b>                                   |                                  |
| Net investment in capital assets                      | 32,511,297                       |
| Restricted for revenue bond retirement                | 198,001                          |
| Unrestricted  | 10,590,007                       |
| <b>TOTAL NET POSITION</b>                             | <hr/> <b>\$ 43,299,305</b> <hr/> |

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

# City of Saginaw, Texas

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

For the Fiscal Year Ended September 30, 2023

|   | <b>Enterprise<br/>Fund</b> |
|---|----------------------------|
| <b>OPERATING REVENUES</b>                         |                            |
| Water and sewer sales                             | \$ 10,944,722              |
| Penalties   | 232,345                    |
| Surcharges  | 2,268,385                  |
| Miscellaneous                                     | 76,935                     |
|   | <hr/>                      |
| Total operating revenue                           | 13,522,387                 |
| <b>OPERATING EXPENSES</b>                         |                            |
| Cost of sales and services                        | 8,077,957                  |
| Administrative                                    | 2,920,185                  |
| Depreciation                                      | 1,095,343                  |
|   | <hr/>                      |
| Total operating expenses                          | 12,093,485                 |
|   | <hr/>                      |
| Operating income                                  | 1,428,902                  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |                            |
| Investment income                                 | 491,175                    |
| Loss on sale of machinery and equipment           | (6,755)                    |
| Interest expense and agent fees                   | (21,208)                   |
|   | <hr/>                      |
| Total nonoperating revenues (expenses)            | 463,212                    |
|   | <hr/>                      |
| Income before capital contributions and transfers | 1,892,114                  |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>        |                            |
| Capital contributions                             | 2,370,266                  |
| Intergovernmental                                 | 157,655                    |
| Impact and tap fees                               | 12,229                     |
| Transfers out                                     | (885,125)                  |
| Transfers in                                      | 101,110                    |
|   | <hr/>                      |
| Total capital contributions and transfers         | 1,756,135                  |
|   | <hr/>                      |
| Change in net position                            | 3,648,249                  |
| Net position, beginning of year                   | 39,651,056                 |
|   | <hr/>                      |
| <b>NET POSITION, end of year</b>                  | <b>\$ 43,299,305</b>       |

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

**City of Saginaw, Texas**  
Statement of Cash Flows  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2023

|   | <b>Enterprise<br/>Fund</b> |
|---|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |                            |
| Cash received from customers  | \$ 13,331,693              |
| Cash paid to employees  | (1,051,053)                |
| Cash paid to suppliers  | (9,186,943)                |
|   | <hr/>                      |
| Net cash provided by operating activities                           | 3,093,697                  |
| <b>CASH FLOWS FROM NONCAPITAL<br/>FINANCING ACTIVITIES</b>          |                            |
| Transfers out to other funds  | (885,125)                  |
| Transfers from other funds  | 101,110                    |
|   | <hr/>                      |
| Net cash used in noncapital financing activities                    | (784,015)                  |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES</b> |                            |
| Intergovernmental revenues  | 157,655                    |
| Impact and tap fees   | 12,229                     |
| Principal paid on bonds   | (150,000)                  |
| Purchase of capital assets  | (1,450,617)                |
| Interest and fees paid on debt issuance                             | (15,890)                   |
|   | <hr/>                      |
| Net cash used in capital and related financing activities           | (1,446,623)                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                         |                            |
| Interest on investments   | 491,175                    |
|   | <hr/>                      |
| Net cash provided by investing activities                           | 491,175                    |
|   | <hr/>                      |
| Net change in cash  | 1,354,234                  |
| <b>CASH AND CASH EQUIVALENTS, beginning of year</b>                 | <hr/> 11,359,851           |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                       | <hr/> <hr/> \$ 12,714,085  |

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

**City of Saginaw, Texas**  
Statement of Cash Flows – Continued  
Proprietary Funds  
For the Fiscal Year Ended September 30, 2023

|   | Current<br>Assets    | Enterprise Fund<br>Restricted Assets |                   | Statement of<br>Cash Flows<br>Totals |
|---|----------------------|--------------------------------------|-------------------|--------------------------------------|
|   |                      | Current                              | Noncurrent        |                                      |
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS<br/>PER STATEMENT OF CASH FLOWS TO THE STATEMENT<br/>OF NET POSITION</b> |                      |                                      |                   |                                      |
| Cash and cash equivalents - beginning   | \$ 10,437,474        | \$ 187,413                           | \$ 734,964        | \$ 11,359,851                        |
| Net increase (decrease)   | 1,323,111            | 10,588                               | 20,535            | 1,354,234                            |
| Cash and cash equivalents - ending  | <u>\$ 11,760,585</u> | <u>\$ 198,001</u>                    | <u>\$ 755,499</u> | <u>\$ 12,714,085</u>                 |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                              |                      |                                      |                   |                                      |
| Operating income  |                      |                                      |                   | \$ 1,428,902                         |
| Adjustments to reconcile operating income to net cash   |                      |                                      |                   |                                      |
| Depreciation  |                      |                                      |                   | 1,095,343                            |
| (Increase) Decrease in accounts receivable  |                      |                                      |                   | (211,229)                            |
| (Increase) Decrease in deferred outflows of resources-pension   |                      |                                      |                   | (278,957)                            |
| (Increase) Decrease in deferred outflows of resources-OPEB  |                      |                                      |                   | 1,043                                |
| Increase (Decrease) in accounts payable and accrued expenses  |                      |                                      |                   | 732,640                              |
| Increase (Decrease) in customer deposits  |                      |                                      |                   | 20,535                               |
| Increase (Decrease) in net pension liability  |                      |                                      |                   | 568,783                              |
| Increase (Decrease) in total OPEB liability   |                      |                                      |                   | (16,859)                             |
| Increase (Decrease) in deferred inflows of resources-pension  |                      |                                      |                   | (246,504)                            |
| Net cash provided by operating activities   |                      |                                      |                   | <u>\$ 3,093,697</u>                  |
| <b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL<br/>AND INVESTING ACTIVITIES</b>                                 |                      |                                      |                   |                                      |
| Capital asset contributions from developers   |                      |                                      |                   | <u>\$ 2,370,266</u>                  |

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

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

#### **Note 1. Summary of Significant Accounting Policies**

##### **A. General Statement**

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

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the City are described below.

##### **B. Financial Reporting Entity**

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

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

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

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

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

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

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

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

Tax Increment Reinvestment Zone (TIRZ) Number One was created under Chapter 311 of the Texas Tax Code in order to designate a geographic area within the City as a tax increment reinvestment zone. TIRZ Number One is reported as a governmental activity in the government-wide financial statements and as a Special Revenue Fund in the governmental financial statements. The governing body of the TIRZ is the same as that of the primary government and the primary government has operational responsibility.

#### **C. Basis of Presentation**

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

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

#### **Fund Financial Statements**

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

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

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

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

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

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

#### **D. Measurement Focus and Basis of Accounting**

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

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

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Saginaw CCPD Fund, Enterprise Fund and Debt Service Fund. A budget is legally adopted for the General Fund, Saginaw CCPD Fund, Drainage Utility Fund, Street Maintenance Fund, Donations Funds, Beltmill PID Fund, Police Fund, Escrow Fund, TIRZ 1 Fund and Debt Service Fund.

Budgets for the General Fund, Saginaw CCPD Fund, Drainage Utility Fund, Street Maintenance Fund, Donations Funds, Escrow Fund, Beltmill PID Fund, Police Fund, TIRZ 1 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. Deposits and Investments**

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

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

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

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

#### **G. Interfund Receivables and Payables**

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

#### **H. Lease Receivable – Lessor**

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

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

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

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

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

#### **I. Capital Assets**

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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    |

#### **J. Accumulated Vacation, Compensatory Time and Sick Leave**

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Unused sick leave accumulated during the year is carried over into the next year with a maximum accrual of forty working days or twenty shifts. At the time of resignation or retirement, employees with ten or more years of service will be paid for unused sick leave. The compensated absences liability increased \$146,263 over the course of the fiscal year and ended September 30, 2023, with a liability of \$1,385,149.

#### **K. Nature and Purpose of Designations of Fund Balance**

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

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

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

#### **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.

#### **1. Spendable Fund Balance**

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

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 25% of the subsequent year's General Fund appropriated operating expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

#### **L. Net Position**

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

#### **M. Subscription-Based Information Technology Arrangements (SBITAs)**

The City has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The City recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with other capital assets, in the government-wide and proprietary fund financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of an SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the City is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

## **City of Saginaw, Texas**

### Notes to the Basic Financial Statements

#### **N. Pensions**

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

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

#### **O. Postemployment Benefits Other Than Pensions (OPEB)**

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

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

#### **P. Management's Use of Estimates**

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

#### **Q. Recent Accounting Pronouncements**

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (GASB 96)*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged.

**City of Saginaw, Texas**  
 Notes to the Basic Financial Statements

**Note 2. Deposits and Investments**

Deposits and investments as of September 30, 2023 consist of the following:

|                                      |                      |
|--------------------------------------|----------------------|
| Deposits with financial institutions | \$ 2,109,720         |
| Investments                          | <u>89,954,837</u>    |
|                                      | <u>\$ 92,064,557</u> |

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 30 days thus reducing the interest rate risk. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

As of September 30, 2023, the City had the following investments:

| <u>Investment Type</u> | <u>Weighted<br/>Average Amount</u> | <u>Maturity</u> |
|------------------------|------------------------------------|-----------------|
| TexPool                | \$ 89,954,837                      | 25 days         |

As of September 30, 2023, 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<br/>Legal Rating</u> | <u>Rating as of<br/>September 30, 2023</u> |
|------------------------|---------------|---------------------------------|--|
| TexPool                | \$ 89,954,837 | 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, 2023, other than external investment pools, the City did not have 5% or more of its investments with one issuer.

**Custodial Credit Risk**

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

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

At September 30, 2023, the carrying amount of the City's cash on hand and deposits were \$2,109,720 and the bank balance was \$2,560,940. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$2,310,940 secured with securities held by pledging financial institutions.

#### Investment in State Investment Pools

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

#### Note 3. Restricted Assets

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

|  |             |
|--|-------------|
| Debt Service - Interest and Sinking Fund |             |
| Cash and investments                     | \$ 198,001  |
| Refundable water and wastewater deposits | 755,499     |
|  | <hr/>       |
| Total                                    | \$ 953,500  |
|  | <hr/> <hr/> |

#### Note 4. Notes Receivable

During the year ended September 30, 2018, the City loaned \$460,000 to a residential developer to construct the Mariposa Apartment Homes at Spring Hollow. The purpose of the Loan was to assist Spring Hollow in meeting the requirements for a federal tax credit. As of September 30, 2023, the outstanding balance was \$1,000. The remaining balance is due over a 15 year term, bearing an interest rate of 3%.

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**Note 5. Capital Assets**

Capital asset activity for the year ended September 30, 2023, was as follows:

|  | Balance,<br>October 1,<br>2022 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance,<br>September 30,<br>2023 |
|--|--------------------------------|---------------------------|-----------------------------|-----------------------------------|
| Governmental activities:                                     |                                |                           |                             |                                   |
| Capital assets, not being depreciated/amortized:             |                                |                           |                             |                                   |
| Land   | \$ 19,229,654                  | \$ 649,661                | \$ -                        | \$ 19,879,315                     |
| Construction in progress                                     | 16,014,271                     | 12,982,859                | (15,496,398)                | 13,500,732                        |
| <b>Total capital assets, not being depreciated/amortized</b> | <b>35,243,925</b>              | <b>13,632,520</b>         | <b>(15,496,398)</b>         | <b>33,380,047</b>                 |
| Capital assets being depreciated/amortized:                  |                                |                           |                             |                                   |
| Buildings  | 19,857,944                     | 318,900                   | 13,530,933                  | 33,707,777                        |
| Right-to-use subscription assets                             | -                              | 113,529                   | -                           | 113,529                           |
| Improvements   | 4,219,538                      | 846,278                   | -                           | 5,065,816                         |
| Infrastructure   | 137,541,488                    | 5,055,752                 | 1,965,465                   | 144,562,705                       |
| Equipment  | 11,515,187                     | 1,747,608                 | (186,595)                   | 13,076,200                        |
| <b>Total capital assets, being depreciated/amortized</b>     | <b>173,134,157</b>             | <b>8,082,067</b>          | <b>15,309,803</b>           | <b>196,526,027</b>                |
| Less accumulated depreciation/amortization for:              |                                |                           |                             |                                   |
| Buildings  | 9,129,779                      | 625,912                   | -                           | 9,755,691                         |
| Right-to-use subscription assets                             | -                              | 33,825                    | -                           | 33,825                            |
| Improvements   | 1,399,473                      | 206,590                   | -                           | 1,606,063                         |
| Infrastructure   | 68,076,137                     | 3,704,585                 | -                           | 71,780,722                        |
| Equipment  | 7,433,606                      | 895,174                   | (171,766)                   | 8,157,014                         |
| <b>Total accumulated depreciation/amortization</b>           | <b>86,038,995</b>              | <b>5,466,086</b>          | <b>(171,766)</b>            | <b>91,333,315</b>                 |
| <b>Total capital assets being depreciated/amortized, net</b> | <b>87,095,162</b>              | <b>2,615,981</b>          | <b>15,481,569</b>           | <b>105,192,712</b>                |
| <b>Governmental activities capital assets, net</b>           | <b>\$ 122,339,087</b>          | <b>\$ 16,248,501</b>      | <b>\$ (14,829)</b>          | <b>\$ 138,572,759</b>             |

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

|   | Balance,<br>October 1,<br>2022 | Additions/<br>Completions | Retirements/<br>Adjustments | Balance,<br>September 30,<br>2023 |
|---|--------------------------------|---------------------------|-----------------------------|-----------------------------------|
| <b>Business-type Activities:</b>                    |                                |                           |                             |                                   |
| Capital assets, not being depreciated:              |                                |                           |                             |                                   |
| Land  | \$ 16,657                      | \$ -                      | \$ -                        | \$ 16,657                         |
| Construction in progress                            | 1,899,629                      | 1,320,568                 | -                           | 3,220,197                         |
| Total capital assets, not being depreciated         | 1,916,286                      | 1,320,568                 | -                           | 3,236,854                         |
| Capital assets, being depreciated:                  |                                |                           |                             |                                   |
| Buildings   | 154,587                        | -                         | -                           | 154,587                           |
| Water and wastewater system                         | 43,044,057                     | 2,370,266                 | -                           | 45,414,323                        |
| Equipment   | 1,651,361                      | 130,049                   | (24,311)                    | 1,757,099                         |
| Total capital assets, being depreciated             | 44,850,005                     | 2,500,315                 | (24,311)                    | 47,326,009                        |
| Less accumulated depreciation                       |                                |                           |                             |                                   |
| Buildings   | 86,068                         | 3,540                     | -                           | 89,608                            |
| Water and wastewater system                         | 14,757,954                     | 982,341                   | -                           | 15,740,295                        |
| Equipment   | 1,361,966                      | 109,462                   | (17,556)                    | 1,453,872                         |
| Total accumulated depreciation                      | 16,205,988                     | 1,095,343                 | (17,556)                    | 17,283,775                        |
| Total capital assets being depreciated, net         | 28,644,017                     | 1,404,972                 | (6,755)                     | 30,042,234                        |
| <b>Business-type activities capital assets, net</b> | <b>\$ 30,560,303</b>           | <b>\$ 2,725,540</b>       | <b>\$ (6,755)</b>           | <b>\$ 33,279,088</b>              |

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

|                                      |                     |
|--------------------------------------|---------------------|
| <b>Governmental activities:</b>      |                     |
| General administrative office        | \$ 143,033          |
| Municipal court                      | 2,163               |
| Fire                                 | 253,643             |
| Police                               | 538,232             |
| Public works                         | 4,004,072           |
| Community services                   | 179,745             |
| Library                              | 43,636              |
| Inspections/code enforcement         | 20,956              |
| Animal services                      | 20,976              |
| Fleet maintenance                    | 36,442              |
| Parks                                | 186,920             |
| Information technology               | 36,268              |
|                                      | <u>\$ 5,466,086</u> |
| <br><b>Business-type activities:</b> |                     |
| <b>Water and wastewater</b>          | <u>\$ 1,095,343</u> |

The City has active construction projects as of September 30, 2023. Total accumulated commitments for capital projects are \$18,350,373 for the Capital Projects Fund and \$1,169,477 for the Enterprise Fund.

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

**Note 6. Long-Term Debt**

At September 30, 2023, the City's bonds payable consisted of the following:

|  | <u>Governmental</u>  | <u>Business-type</u> |
|--|----------------------|----------------------|
| 2013 General Obligation Refunding Bonds, dated August 29, 2013, due in annual installments through September 1, 2033, bearing interest rates of 2% to 4.1%.    | \$ 4,685,000         | \$ -                 |
| 2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.         | 230,000              | -                    |
| 2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%. | 5,055,000            | -                    |
| 2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.     | -                    | 640,000              |
| 2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.         | 1,770,000            | -                    |
| 2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.                    | 5,975,000            | -                    |
| 2019 Tax Notes, dated September 17, 2019, due in annual installments through March 1, 2026, bearing an interest rate of 1.40%.                                 | 705,000              | -                    |
| 2019 General Obligation Refunding Bonds, dated November 13, 2019, due in annual installments through September 1, 2025, bearing an interest rate of 1.63%.     | 215,000              | -                    |
| 2020 General Obligation Refunding Bonds, dated June 1, 2020, due in annual installments through September 1, 2030, bearing an interest rate of 1.11%.          | 815,000              | -                    |
| 2020 Certificates of Obligation Bonds, dated August 15, 2020, due in annual installments through September 1, 2040, bearing interest rates of 2% to 4%.        | 17,110,000           | -                    |
| 2021 General Obligation Bonds, dated August 1, 2021, due in annual installments through September 1, 2041, bearing an interest rate of 2% to 4%.               | 7,630,000            | -                    |
| 2022 General Obligation Bonds, dated June 1, 2022, due in annual installments through September 1, 2042, bearing an interest rate of 4% to 5%.                 | 21,845,000           | -                    |
| 2023 General Obligation Bonds, dated April 1, 2023, due in annual installments through September 1, 2043, bearing an interest rate of 4% to 5%.                | 15,590,000           | -                    |
| Premium on bonds   | 6,850,893            | -                    |
| Total bonds payable  | <u>\$ 88,475,893</u> | <u>\$ 640,000</u>    |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

During 2023, The City issued \$15,590,000 of Series 2023 General Obligation Bonds. The debt was issued to pay the costs of capital projects. The Bonds have an annual interest rate ranging from 4% to 5% and the obligations are payable over the next 20 years.

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2023:

|                                       | Balance,<br>October 1,<br>2022 | Increases            | Decreases             | Balance,<br>September 30,<br>2023 | Due Within<br>One Year |
|---------------------------------------|--------------------------------|----------------------|-----------------------|-----------------------------------|------------------------|
| <b>Governmental activities:</b>       |                                |                      |                       |                                   |                        |
| General obligation bonds              | \$ 51,315,000                  | \$ 15,590,000        | \$ (3,095,000)        | \$ 63,810,000                     | \$ 2,925,000           |
| Certificates of obligation            | 17,210,000                     | -                    | (100,000)             | 17,110,000                        | 425,000                |
| Tax notes                             | 935,000                        | -                    | (230,000)             | 705,000                           | 230,000                |
| Financed purchases                    | -                              | 337,911              | (64,084)              | 273,827                           | 66,496                 |
| Subscriptions payable                 | -                              | 113,529              | (36,923)              | 76,606                            | 31,450                 |
| Premiums on bonds                     | 5,660,633                      | 1,601,874            | (411,614)             | 6,850,893                         | -                      |
| Net pension liability                 | 8,269,542                      | 5,119,046            | -                     | 13,388,588                        | -                      |
| Total OPEB liability                  | 486,539                        | -                    | (151,730)             | 334,809                           | -                      |
| <b>Total governmental activities</b>  | <b>\$ 83,876,714</b>           | <b>\$ 22,762,360</b> | <b>\$ (4,089,351)</b> | <b>\$ 102,549,723</b>             | <b>\$ 3,677,946</b>    |
| <b>Business-type activities:</b>      |                                |                      |                       |                                   |                        |
| General obligation bonds              | \$ 790,000                     | \$ -                 | \$ (150,000)          | \$ 640,000                        | \$ 155,000             |
| Net pension liability                 | 925,069                        | 568,783              | -                     | 1,493,852                         | -                      |
| Total OPEB liability                  | 59,699                         | -                    | (16,859)              | 42,840                            | -                      |
| <b>Total business-type activities</b> | <b>\$ 1,774,768</b>            | <b>\$ 568,783</b>    | <b>\$ (166,859)</b>   | <b>\$ 2,176,692</b>               | <b>\$ 155,000</b>      |

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

The annual requirements to amortize all debts outstanding as of September 30, 2023, are as follows:

| General Obligation Bonds                   |                         |                      |                      |
|--|-------------------------|----------------------|----------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                      |                      |
|  | Principal               | Interest             | Total                |
| 2024                                       | \$ 2,925,000            | \$ 2,863,332         | \$ 5,788,332         |
| 2025                                       | 2,845,000               | 2,465,698            | 5,310,698            |
| 2026                                       | 2,590,000               | 2,373,620            | 4,963,620            |
| 2027                                       | 3,035,000               | 2,292,601            | 5,327,601            |
| 2028                                       | 3,345,000               | 2,183,102            | 5,528,102            |
| 2029-2033                                  | 18,200,000              | 8,753,906            | 26,953,906           |
| 2034-2038                                  | 16,800,000              | 5,021,070            | 21,821,070           |
| 2039-2043                                  | 14,070,000              | 1,657,900            | 15,727,900           |
| <b>Totals</b>                              | <b>\$ 63,810,000</b>    | <b>\$ 27,611,229</b> | <b>\$ 91,421,229</b> |

**City of Saginaw, Texas**  
Notes to the Basic Financial Statements

| Certificates of Obligation                 |                         |                     |                      |
|--|-------------------------|---------------------|----------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                     |                      |
|  | Principal               | Interest            | Total                |
| 2024                                       | \$ 425,000              | \$ 634,700          | \$ 1,059,700         |
| 2025                                       | 800,000                 | 626,200             | 1,426,200            |
| 2026                                       | 815,000                 | 610,200             | 1,425,200            |
| 2027                                       | 840,000                 | 585,750             | 1,425,750            |
| 2028                                       | 865,000                 | 560,550             | 1,425,550            |
| 2029-2033                                  | 4,820,000               | 2,302,600           | 7,122,600            |
| 2034-2038                                  | 5,860,000               | 1,258,600           | 7,118,600            |
| 2039-2043                                  | 2,685,000               | 162,000             | 2,847,000            |
| <b>Totals</b>                              | <b>\$ 17,110,000</b>    | <b>\$ 6,740,600</b> | <b>\$ 23,850,600</b> |

| Tax Notes                                  |                         |                  |                   |
|--|-------------------------|------------------|-------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                  |                   |
|  | Principal               | Interest         | Total             |
| 2024                                       | \$ 230,000              | \$ 8,260         | \$ 238,260        |
| 2025                                       | 235,000                 | 5,005            | 240,005           |
| 2026                                       | 240,000                 | 1,680            | 241,680           |
| <b>Totals</b>                              | <b>\$ 705,000</b>       | <b>\$ 14,945</b> | <b>\$ 719,945</b> |

| General Obligation Bonds                   |                          |                  |                   |
|--|--------------------------|------------------|-------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Business-type Activities |                  |                   |
|  | Principal                | Interest         | Total             |
| 2024                                       | \$ 155,000               | \$ 12,672        | \$ 167,672        |
| 2025                                       | 160,000                  | 9,603            | 169,603           |
| 2026                                       | 160,000                  | 6,435            | 166,435           |
| 2027                                       | 165,000                  | 3,267            | 168,267           |
| <b>Totals</b>                              | <b>\$ 640,000</b>        | <b>\$ 31,977</b> | <b>\$ 671,977</b> |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Financed Purchases

During 2023, the City entered into agreements for the financed purchase of equipment, with each agreement having a maximum allowable amount equal to the principal due as scheduled. The future debt service principal and interest payment requirements for the agreements are as follows:

| Financed Purchases                         |                         |                  |                   |
|--|-------------------------|------------------|-------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Governmental Activities |                  |                   |
|  | Principal               | Interest         | Total             |
| 2024                                       | \$ 66,496               | \$ 10,304        | \$ 76,800         |
| 2025                                       | 68,998                  | 7,802            | 76,800            |
| 2026                                       | 71,594                  | 5,206            | 76,800            |
| 2027                                       | 66,739                  | 2,511            | 69,250            |
| 2028                                       | -                       | -                | -                 |
| <b>Totals</b>                              | <b>\$ 273,827</b>       | <b>\$ 25,823</b> | <b>\$ 299,650</b> |

#### Subscription Based Information Technology Arrangements (SBITA)

The City has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term, and ending subscription liability are as follows:

|          | Interest Rate(s) | Liability at<br>Commencement | SBITA Term<br>in Years | Ending<br>Balance |
|----------|------------------|------------------------------|------------------------|-------------------|
| Software | 4.055-5.298%     | \$ 113,529                   | 3-7                    | \$ 76,606         |

The future principal and interest SBITA payments as of fiscal year end are as follows:

| Subscriptions Payable                      |                          |                 |                  |
|--|--------------------------|-----------------|------------------|
| Due Fiscal<br>Year Ending<br>September 30, | Business-type Activities |                 |                  |
|  | Principal                | Interest        | Total            |
| 2024                                       | \$ 31,450                | \$ 3,478        | \$ 34,928        |
| 2025                                       | 32,831                   | 2,096           | 34,927           |
| 2026                                       | 2,847                    | 653             | 3,500            |
| 2027                                       | 2,997                    | 502             | 3,499            |
| 2028                                       | 3,157                    | 343             | 3,500            |
| 2029-2033                                  | 3,324                    | 176             | 3,500            |
| <b>Totals</b>                              | <b>\$ 76,606</b>         | <b>\$ 7,248</b> | <b>\$ 83,854</b> |

The value of the subscription assets at the end of the current fiscal year was \$113,529 and had accumulated amortization of \$33,825.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Note 7. Property Tax

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

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

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes (\$93,331 for the General Fund and \$78,606 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five-year statute of limitations.

#### Note 8. Pension Plan

##### Plan Description

The City participates as one of 919 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at [tmrs.com](http://tmrs.com).

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

##### Benefits Provided

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

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

|                                   |                           |
|-----------------------------------|---------------------------|
| Employee deposit rate             | 7%                        |
| Matching ratio (City to employee) | 2-1                       |
| A member is vested after          | 5 years                   |
| Updated service credit            | 100% Repeating, Transfers |
| Annuity increase (to retirees)    | 70% of CPI Repeating      |

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

#### Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

|  |             |
|--|-------------|
| Inactive employees or beneficiaries currently receiving benefits | 81          |
| Inactive employees entitled to but not yet receiving benefits    | 105         |
| Active employees   | 164         |
|  | <hr/>       |
|  | 350         |
|  | <hr/> <hr/> |

#### Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, 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 City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Saginaw were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 21.12% and 21.25% in calendar years 2022 and 2023, respectively. The city's contributions to TMRS for the year ended September 30, 2023, were \$2,266,421.

#### Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022 and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Actuarial Assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. The assumptions were adopted in 2019 and first used in the December 31, 2019, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2023 are summarized in the following table:

| Asset Class                      | Target Allocation | Long-Term Expected Real Rate of Return (Arithmetic) |
|----------------------------------|-------------------|---|
| Global Public Equity             | 35.0%             | 7.70%   |
| Core Fixed Income                | 6.0%              | 4.90%   |
| Non-Core Fixed Income            | 20.0%             | 8.70%   |
| Other Public and Private Markets | 12.0%             | 8.10%   |
| Real Estate                      | 12.0%             | 5.80%   |
| Hedge Funds                      | 5.0%              | 6.90%   |
| Private Equity                   | 10.0%             | 11.80%  |
| <b>Total</b>                     | <b>100.0%</b>     |   |

### Discount Rate

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

### Changes in the Net Pension Liability

|   | Increase (Decrease)            |                                    |                                    |
|---|--------------------------------|------------------------------------|------------------------------------|
|   | Total Pension Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net Pension Liability<br>(a) - (b) |
| Balance at December 31, 2021                                  | \$ 54,009,544                  | \$ 44,814,933                      | \$ 9,194,611                       |
| Changes for the year:   |                                |                                    |                                    |
| Service cost  | 1,995,996                      | -                                  | 1,995,996                          |
| Interest  | 3,637,636                      | -                                  | 3,637,636                          |
| Change of benefit terms                                       | -                              | -                                  | -                                  |
| Difference between expected and actual experience             | (197,924)                      | -                                  | (197,924)                          |
| Changes of assumptions  | -                              | -                                  | -                                  |
| Contributions - employer                                      | -                              | 2,266,421                          | (2,266,421)                        |
| Contributions - employee                                      | -                              | 751,180                            | (751,180)                          |
| Net investment income   | -                              | (3,275,194)                        | 3,275,194                          |
| Benefit payments, including refunds of employee contributions | (2,233,263)                    | (2,233,263)                        | -                                  |
| Administrative expense  | -                              | (28,308)                           | 28,308                             |
| Other changes   | -                              | 33,780                             | (33,780)                           |
| Net changes   | 3,202,445                      | (2,485,384)                        | 5,687,829                          |
| <b>Balance at December 31, 2022</b>                           | <b>\$ 57,211,989</b>           | <b>\$ 42,329,549</b>               | <b>\$ 14,882,440</b>               |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

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

|                              | 1% Decrease in<br>Discount Rate<br>(5.75%) | Discount Rate<br>(6.75%) | 1% Increase in<br>Discount Rate<br>(7.75%) |
|------------------------------|--|--------------------------|--|
| City's net pension liability | \$ 23,460,586                              | \$ 14,882,440            | \$ 7,896,638                               |

#### 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](http://www.tmr.com).

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

For the year ended September 30, 2023, the City recognized pension expense of \$2,562,985.

At September 30, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 479,997                           | \$ (382,509)                        |
| Changes in actuarial assumptions                            | 37,930                               | -                                   |
| Difference between projected and actual investment earnings | 2,933,580                            | -                                   |
| Contributions subsequent to the measurement date            | 1,665,837                            | -                                   |
| <b>Totals</b>   | <b>\$ 5,117,344</b>                  | <b>\$ (382,509)</b>                 |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

\$1,665,837 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 30, 2023 (i.e., recognized in the City's financial statements for the year ended September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended<br>December 31, |           |                         |
|----------------------------|-----------|-------------------------|
| 2023                       | \$        | 179,527                 |
| 2024                       |           | 780,580                 |
| 2025                       |           | 888,974                 |
| 2026                       |           | 1,224,557               |
| 2027                       |           | <u>(4,640)</u>          |
| <b>Totals</b>              | <b>\$</b> | <b><u>3,068,998</u></b> |

#### Note 9. Postemployment Benefits Other Than Pensions

##### Plan Description

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

The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The city may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

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

##### Benefits

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Employees Covered by Benefit Terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

|  |       |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefits | 64    |
| Inactive employees entitled to but not yet receiving benefits    | 22    |
| Active employees   | 164   |
|  | <hr/> |
|  | 250   |
|  | <hr/> |

#### Total OPEB Liability

The City's total OPEB liability of \$377,649 was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

#### Actuarial Assumptions

The total OPEB liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

|                        |                                    |
|------------------------|------------------------------------|
| Inflation              | 2.50%                              |
| Overall payroll growth | 3.5% to 11.5%, including inflation |
| Discount Rate          | 4.05%                              |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables and due to the size of the City, rates are multiplied by an additional factor of 100%. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor. Mortality rates for pre-retirement were based on the PUB(10) mortality tables, with the Public Safety table used for males and General Employee table used for females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Discount Rate

The discount rate was to measure the total OPEB liability was 4.05%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

|   | <u>Total OPEB Liability</u> |
|---|-----------------------------|
| Balance at December 31, 2021                      | \$ 546,238                  |
| Changes for the year:                             |                             |
| Service cost                                      | 33,268                      |
| Interest  | 10,278                      |
| Change of benefit terms                           | -                           |
| Difference between expected and actual experience | (2,387)                     |
| Changes of assumptions or other inputs            | (201,163)                   |
| Benefit payments                                  | <u>(8,585)</u>              |
| Net changes                                       | <u>(168,589)</u>            |
| <b>Balance at December 31, 2022</b>               | <b><u>\$ 377,649</u></b>    |

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

|                       | <u>1% Decrease in<br/>Discount Rate<br/>(3.05%)</u> | <u>Discount Rate<br/>(4.05%)</u> | <u>1% Increase in<br/>Discount Rate<br/>(5.05%)</u> |
|-----------------------|---|----------------------------------|---|
| City's OPEB liability | \$ 453,897  | \$ 377,649                       | \$ 318,505  |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

For the year ended September 30, 2023, the City recognized OPEB expense of \$30,200.

At September 30, 2023, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
|   | <u>                    </u>          | <u>                    </u>         |
| Differences between expected and actual economic experience | \$ 1,767                             | \$ (20,032)                         |
| Changes in actuarial assumptions                            | 87,276                               | (180,486)                           |
| Contributions subsequent to the measurement date            | <u>7,055</u>                         | <u>-</u>                            |
| <b>Total</b>  | <u>\$ 96,098</u>                     | <u>\$ (200,518)</u>                 |

\$7,055 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the measurement year ending December 30, 2023 (i.e., recognized in the City's financial statements for the year ended September 30, 2024). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended<br>December 31,  |                     |
|-----------------------------|---------------------|
| <u>                    </u> |                     |
| 2023                        | \$ (13,345)         |
| 2024                        | (15,148)            |
| 2025                        | (14,435)            |
| 2026                        | (15,038)            |
| 2027                        | (24,931)            |
| Thereafter                  | <u>(28,578)</u>     |
| <b>Total</b>                | <u>\$ (111,475)</u> |

**City of Saginaw, Texas**

Notes to the Basic Financial Statements

**Note 10. Commitments**

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

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

The City entered into an agreement in 2019, under Chapter 380 of the Texas Local Government Code, for the reimbursement of \$2,000,000 for the development costs for property development and roadway improvements. As of September 30, 2023, \$1,441,573 in costs have been incurred.

The City entered into an agreement in 2022 with a developer to build a booster pump at an estimated cost of \$1,344,638. As of September 30, 2022, \$1,323,273 in costs have been incurred.

The City entered into agreements with developers for assistance of demolition of a structure and for redevelopment of City property with estimated value of \$902,750. No costs have been incurred as of September 30, 2023.

**Note 11. Interfund Balances and Transfers**

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2023, there were no interfund balances outstanding.

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

| <u>Receivable Fund</u> | <u>Payable Fund</u>   | <u>Amount</u>       |
|------------------------|-----------------------|---------------------|
| General Fund           | Enterprise Fund       | \$ 885,125          |
| General Fund           | Saginaw CCPD Fund     | 1,191,825           |
| General Fund           | Donations Fund        | 20,575              |
| General Fund           | Escrow Fund           | 10,135              |
| General Fund           | Drainage Utility Fund | 118,015             |
| General Fund           | Capital Projects Fund | 116,827             |
| Enterprise Fund        | Drainage Utility Fund | 101,110             |
| Escrow Fund            | General Fund          | 383,615             |
|                        |                       | <u>\$ 2,827,227</u> |

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for indirect costs such as information systems services, administrative oversight, audit services, legal services, and building overhead costs, The Enterprise Fund also pays a portion of the cost of fleet maintenance.
- The Saginaw CCPD Fund to the General Fund for salaries and benefits for eleven patrol officers, one public services officer, one dispatcher, and half (1/2) of one of a school resource officers.
- The Donations Fund to the General Fund for salaries of seasonal part time student apprentices and a portion of administrative intern.
- The Escrow Fund to the General Fund for the overtime of police officers acting as bailiff for the Municipal Court.
- The Drainage Utility Fund to the General Fund for salaries and benefits of two drainage utility maintenance workers.
- The Capital Projects Fund to the General Fund for savings related to the Bailey Boswell Overpass Project.
- The Drainage Utility Fund to the Enterprise Fund for half (1/2) of the cost of the environmental specialist and environmental assistant.
- The General Fund to the Escrow Fund for the annual contribution to the equipment replacement escrow.

#### **Note 12. Risk Management**

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

#### **Note 13. Tax Abatements and Economic Incentive Agreements**

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. There were no property taxes abated under these programs in fiscal year 2023.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

#### Note 14. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2023 and beyond are listed as follows:

GASB Statement No. 91, Conduit Debt Obligations (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 was implemented in the City's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 was implemented in the City's fiscal year 2023 financial statements with no impact to amounts previously reported.

GASB Statement No. 99, Omnibus 2022 (GASB 99), enhances comparability in accounting and financial reporting and improves consistency of authoritative literature by addressing 1) practice issues that have been identified during implementation and application of certain GASB statements and 2) accounting and financial reporting for financial guarantees. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases were implemented in the City's fiscal year 2022 financial statements in conjunction with GASB 87. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. These requirements for GASB 99 were implemented in the City's fiscal year 2023 financial statements in conjunction with GASB 94 and GASB 96 as described in Note 1. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. These requirements for GASB 99 will be implemented in the City's fiscal year 2024 financial statements and the impact has not yet been determined.

## City of Saginaw, Texas

### Notes to the Basic Financial Statements

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

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

#### Note 15. Lease Receivable

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the term of the lease. The City receives monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases range from 3.0% to 5.0%. The City has \$358,265 remaining in lease receivables and deferred inflows as of September 30, 2023 recorded in the General Fund.

As of September 30, 2023, expectation of lease receipts through the expiration of all leases is as follows:

|           | Lease<br>Principal | Lease<br>Interest | Totals            |
|-----------|--------------------|-------------------|-------------------|
| 2024      | \$ 42,627          | \$ 10,898         | \$ 53,525         |
| 2025      | 21,730             | 9,180             | 30,910            |
| 2026      | 7,421              | 8,817             | 16,238            |
| 2027      | 7,643              | 8,595             | 16,238            |
| 2028      | 7,873              | 8,365             | 16,238            |
| 2029-2033 | 50,579             | 37,918            | 88,497            |
| 2034-2038 | 72,695             | 29,076            | 101,771           |
| 2039-2043 | 100,443            | 16,593            | 117,036           |
| 2044-2048 | 47,254             | 2,137             | 49,391            |
|           | <u>\$ 358,265</u>  | <u>\$ 131,579</u> | <u>\$ 489,844</u> |

#### Note 16. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2023 through February 2, 2024, the date the financial statements were issued.

## **Required Supplementary Information**



**City of Saginaw**

# City of Saginaw, Texas

## Schedule of Changes in Net Pension Liability and Related Ratios

### Texas Municipal Retirement System

|  | Year Ended December 31 |                      |                      |                      |                      |                      |                      |                      |                      |
|--|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2014                   | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 |
| <b>TOTAL PENSION LIABILITY</b>   |                        |                      |                      |                      |                      |                      |                      |                      |                      |
| Service cost   | \$ 1,094,648           | \$ 1,192,902         | \$ 1,237,546         | \$ 1,287,912         | \$ 1,567,813         | \$ 1,671,277         | \$ 1,762,184         | \$ 1,821,205         | \$ 1,995,996         |
| Interest (on the total pension liability)                              | 2,004,340              | 2,134,257            | 2,224,580            | 2,372,294            | 2,777,269            | 2,979,679            | 3,152,810            | 3,370,126            | 3,637,636            |
| Changes of benefit terms   | -                      | -                    | -                    | -                    | 3,431,070            | -                    | -                    | -                    | -                    |
| Difference between expected and actual experience                      | (494,746)              | (194,482)            | (306,070)            | (93,610)             | (144,360)            | (819,741)            | (1,584)              | 797,877              | (197,924)            |
| Change of assumptions  | -                      | 89,204               | -                    | -                    | -                    | 147,074              | -                    | -                    | -                    |
| Benefit payments, including refunds of employee contributions          | (793,956)              | (800,864)            | (752,837)            | (1,232,910)          | (1,043,059)          | (1,464,519)          | (1,453,169)          | (1,993,694)          | (2,233,263)          |
| Net change in total pension liability                                  | 1,810,286              | 2,421,017            | 2,403,219            | 2,333,686            | 6,588,733            | 2,513,770            | 3,460,241            | 3,995,514            | 3,202,445            |
| Total pension liability, beginning                                     | 28,483,078             | 30,293,364           | 32,714,381           | 35,117,600           | 37,451,286           | 44,040,019           | 46,553,789           | 50,014,030           | 54,009,544           |
| <b>TOTAL PENSION LIABILITY, ending (a)</b>                             | <b>\$ 30,293,364</b>   | <b>\$ 32,714,381</b> | <b>\$ 35,117,600</b> | <b>\$ 37,451,286</b> | <b>\$ 44,040,019</b> | <b>\$ 46,553,789</b> | <b>\$ 50,014,030</b> | <b>\$ 54,009,544</b> | <b>\$ 57,211,989</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>                                     |                        |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - employer   | \$ 1,247,471           | \$ 1,351,553         | \$ 1,404,336         | \$ 1,427,850         | \$ 1,491,686         | \$ 1,924,856         | \$ 2,057,464         | \$ 2,063,642         | \$ 2,266,421         |
| Contributions - employee   | 433,652                | 453,288              | 472,046              | 488,154              | 513,196              | 631,692              | 664,617              | 684,296              | 751,180              |
| Net investment income  | 1,120,846              | 31,855               | 1,527,402            | 3,497,782            | (880,810)            | 4,556,996            | 2,665,162            | 5,088,715            | (3,275,194)          |
| Benefit payments, including refunds of employee contributions          | (793,956)              | (800,864)            | (752,837)            | (1,232,910)          | (1,043,059)          | (1,464,519)          | (1,453,169)          | (1,993,694)          | (2,233,263)          |
| Administrative expense   | (11,699)               | (19,398)             | (17,251)             | (18,123)             | (17,017)             | (25,732)             | (17,230)             | (23,521)             | (28,308)             |
| Other  | (962)                  | (958)                | (929)                | (920)                | (889)                | (773)                | (672)                | 161                  | 33,780               |
| Net change in plan fiduciary net position                              | 1,995,352              | 1,015,476            | 2,632,767            | 4,161,833            | 63,107               | 5,622,520            | 3,916,172            | 5,819,599            | (2,485,384)          |
| Plan fiduciary net position, beginning                                 | 19,588,107             | 21,583,459           | 22,598,935           | 25,231,702           | 29,393,535           | 29,456,642           | 35,079,162           | 38,995,334           | 44,814,933           |
| <b>PLAN FIDUCIARY NET POSITION, ending (b)</b>                         | <b>\$ 21,583,459</b>   | <b>\$ 22,598,935</b> | <b>\$ 25,231,702</b> | <b>\$ 29,393,535</b> | <b>\$ 29,456,642</b> | <b>\$ 35,079,162</b> | <b>\$ 38,995,334</b> | <b>\$ 44,814,933</b> | <b>\$ 42,329,549</b> |
| <b>NET PENSION LIABILITY / (ASSET), ending (a) - (b)</b>               | <b>\$ 8,709,905</b>    | <b>\$ 10,115,446</b> | <b>\$ 9,885,898</b>  | <b>\$ 8,057,751</b>  | <b>\$ 14,583,377</b> | <b>\$ 11,474,627</b> | <b>\$ 11,018,696</b> | <b>\$ 9,194,611</b>  | <b>\$ 14,882,440</b> |
| Plan fiduciary net position as a percentage of total pension liability | 71.25%                 | 69.08%               | 71.85%               | 78.48%               | 66.89%               | 75.35%               | 77.97%               | 82.98%               | 73.99%               |
| Covered payroll  | \$ 7,227,528           | \$ 7,554,795         | \$ 7,867,428         | \$ 8,135,894         | \$ 8,553,265         | \$ 9,024,174         | \$ 9,494,529         | \$ 9,775,660         | \$ 10,731,159        |
| Net pension liability as a percentage of covered payroll               | 120.51%                | 133.89%              | 125.66%              | 99.04%               | 170.50%              | 127.15%              | 116.05%              | 94.06%               | 138.68%              |

#### Other Information:

##### Notes

There were no benefit changes during the year.

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

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

|  | Year Ended September 30 |                    |                    |                    |                     |                    |                   |                     |                    |
|--|-------------------------|--------------------|--------------------|--------------------|---------------------|--------------------|-------------------|---------------------|--------------------|
|  | 2015                    | 2016               | 2017               | 2018               | 2019                | 2020               | 2021              | 2022                | 2023               |
| Actuarially determined contribution                                  | \$ 1,247,471            | \$ 1,351,553       | \$ 1,404,336       | \$ 1,427,850       | \$ 1,491,686        | \$ 1,924,856       | \$ 2,057,164      | \$ 2,063,642        | \$ 2,266,421       |
| Contributions in relation to the actuarially determined contribution | 1,327,755               | 1,416,758          | 1,437,537          | 1,488,506          | 1,819,055           | 1,943,565          | 2,060,541         | 2,248,369           | 2,336,850          |
| Contribution deficiency (excess)                                     | <u>\$ (80,284)</u>      | <u>\$ (65,205)</u> | <u>\$ (33,201)</u> | <u>\$ (60,656)</u> | <u>\$ (327,369)</u> | <u>\$ (18,709)</u> | <u>\$ (3,377)</u> | <u>\$ (184,727)</u> | <u>\$ (70,429)</u> |
| Covered payroll  | \$ 7,431,617            | \$ 8,101,429       | \$ 8,085,355       | \$ 8,444,346       | \$ 8,911,253        | \$ 9,003,652       | \$ 9,609,280      | \$ 10,558,419       | \$ 10,882,799      |
| Contributions as a percentage of covered payroll                     | 17.87%                  | 17.49%             | 17.78%             | 17.63%             | 20.41%              | 21.59%             | 21.44%            | 21.29%              | 21.47%             |

**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 | 23 years (longest amortization ladder)  |
| Asset Valuation Method        | 10 Year smoothed market; 12% soft corridor  |
| Inflation                     | 2.50%   |
| Salary Increases              | 3.50% to 11.50% including inflation   |
| Investment Rate of Return     | 6.75%   |
| Retirement Age                | Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018   |
| Mortality                     | Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.<br>Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP. |

**Other Information:**

Notes There were no benefit changes during the year.  
 Only nine years of data is presented in accordance with GASB 68, paragraph 138. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

# City of Saginaw, Texas

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

|   | Year Ended December 31 |                   |                   |                   |                   |                   |
|---|------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2017                   | 2018              | 2019              | 2020              | 2021              | 2022              |
| <b>TOTAL OPEB LIABILITY</b>                             |                        |                   |                   |                   |                   |                   |
| Service cost  | \$ 14,645              | \$ 17,962         | \$ 17,146         | \$ 22,787         | \$ 28,348         | \$ 33,268         |
| Interest  | 11,297                 | 11,619            | 12,605            | 11,104            | 10,150            | 10,278            |
| Change of benefit terms                                 | -                      | -                 | -                 | -                 | -                 | -                 |
| Difference between expected and actual experience       | -                      | (13,397)          | (29,760)          | 2,855             | 150               | (2,387)           |
| Changes of assumptions or other inputs                  | 27,069                 | (24,428)          | 63,993            | 69,040            | 17,686            | (201,163)         |
| Benefit payments*                                       | (2,441)                | (2,566)           | (2,707)           | (2,848)           | (6,843)           | (8,585)           |
| Net change in total OPEB liability                      | 50,570                 | (10,810)          | 61,277            | 102,938           | 49,491            | (168,589)         |
| Total OPEB liability, beginning                         | 292,772                | 343,342           | 332,532           | 393,809           | 496,747           | 546,238           |
| <b>Total OPEB LIABILITY, ending</b>                     | <b>\$ 343,342</b>      | <b>\$ 332,532</b> | <b>\$ 393,809</b> | <b>\$ 496,747</b> | <b>\$ 546,238</b> | <b>\$ 377,649</b> |
| Covered-employee payroll                                | \$ 8,135,894           | \$ 8,553,265      | \$ 9,024,174      | \$ 9,494,529      | \$ 9,775,660      | \$ 10,731,159     |
| Total OPEB liability as a percentage of covered payroll | 4.22%                  | 3.89%             | 4.36%             | 5.23%             | 5.59%             | 3.52%             |

**Other Information:**

Notes: GASB 75, Paragraph 97, requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of December 31, 2022 - the period from January 30, 2022 - December 31, 2022.

Only six years of data is presented in accordance with GASB 75 paragraph 245. "The information for all periods for the 10-year schedules that are required to be presented as required supplementary information may not be available initially. In these cases, during the transition period, that information should be presented for as many years as are available. The schedules should not include information that is not measured in accordance with the requirements of this Statement."

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

## City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund  
Balance – Budget and Actual – General Fund  
For the Fiscal Year Ended September 30, 2023

|  | Budgeted Amounts |               | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget<br>Over / (Under) |
|--|------------------|---------------|-------------------------|---|
|  | Original         | Final         |                         |   |
| <b>REVENUES</b>  |                  |               |                         |   |
| Taxes  | \$ 15,561,280    | \$ 16,410,105 | \$ 16,957,443           | \$ 547,338                                      |
| Licenses and permits   | 616,100          | 381,100       | 392,973                 | 11,873  |
| Charges for services   | 102,000          | 112,000       | 137,500                 | 25,500  |
| Fines and fees   | 747,250          | 657,730       | 880,286                 | 222,556   |
| Interest income  | 144,000          | 665,000       | 946,360                 | 281,360   |
| Recreation income  | 320,540          | 312,190       | 314,980                 | 2,790   |
| Intergovernmental  | 93,505           | 832,125       | 796,605                 | (35,520)  |
| Miscellaneous revenues                                       | 150,565          | 177,975       | 154,715                 | (23,260)  |
| Total revenues   | 17,735,240       | 19,548,225    | 20,580,862              | 1,032,637                                       |
| <b>EXPENDITURES</b>  |                  |               |                         |   |
| Current:   |                  |               |                         |   |
| General administrative office                                | 2,217,735        | 2,342,430     | 2,385,061               | 42,631  |
| Municipal court  | 225,760          | 224,470       | 217,935                 | (6,535)   |
| Fire   | 4,305,935        | 4,310,135     | 4,237,521               | (72,614)  |
| Police   | 6,306,660        | 5,854,795     | 5,484,621               | (370,174)                                       |
| Public works   | 1,781,210        | 1,877,190     | 2,318,296               | 441,106   |
| Parks  | 376,420          | 461,105       | 408,079                 | (53,026)  |
| Community services   | 1,226,930        | 1,055,625     | 1,124,311               | 68,686  |
| Library  | 779,505          | 758,225       | 741,632                 | (16,593)  |
| Inspections/code enforcement                                 | 968,005          | 920,485       | 921,566                 | 1,081   |
| Animal services  | 505,650          | 508,700       | 526,138                 | 17,438  |
| City garage  | 677,065          | 628,760       | 634,734                 | 5,974   |
| Economic development   | 194,250          | 124,750       | 81,610                  | (43,140)  |
| Information technology                                       | 462,285          | 499,755       | 456,127                 | (43,628)  |
| Emergency management   | 147,075          | 95,615        | 96,566                  | 951   |
| Communications   | 129,820          | 127,625       | 154,339                 | 26,714  |
| Capital outlay   | 995,565          | 1,524,790     | 1,195,849               | (328,941)                                       |
| Debt service:  |                  |               |                         |   |
| Principal retirement   | -                | -             | 36,631                  | 36,631  |
| Interest charges   | -                | -             | 636                     | 636   |
| Total expenditures   | 21,299,870       | 21,314,455    | 21,021,652              | (292,803)                                       |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER EXPENDITURES</b> | (3,564,630)      | (1,766,230)   | (440,790)               | 1,325,440                                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                  |               |                         |   |
| Proceeds from right to use subscription assets               | -                | -             | 92,433                  | 92,433  |
| Proceeds from financed purchases                             | -                | -             | 16,914                  | 16,914  |
| Transfers in   | 2,220,740        | 2,341,870     | 2,342,502               | 632   |
| Transfers out  | (73,480)         | (383,615)     | (383,615)               | -   |
| Total other financing sources (uses)                         | 2,147,260        | 1,958,255     | 2,068,234               | 109,979   |
| Net change in fund balance                                   | (1,417,370)      | 192,025       | 1,627,444               | 1,435,419                                       |
| <b>FUND BALANCES, beginning of year</b>                      | 12,250,295       | 12,250,295    | 12,250,295              | -   |
| <b>FUND BALANCES, end of year</b>                            | \$ 10,832,925    | \$ 12,442,320 | \$ 13,877,739           | \$ 1,435,419                                    |

# **Combining and Individual Fund Financial Statements and Schedules**



**City of Saginaw**

## **Non-Major Governmental Funds**

**City of Saginaw, Texas**  
 Combining Balance Sheet  
 Non-Major Governmental Funds  
 September 30, 2023

|   | Special Revenue  |                  |                         |                             |                               |                   |                     |                     |                                      |
|---|------------------|------------------|-------------------------|-----------------------------|-------------------------------|-------------------|---------------------|---------------------|--------------------------------------|
|   | Police<br>Fund   | TIRZ 1<br>Fund   | Saginaw<br>CCPD<br>Fund | Drainage<br>Utility<br>Fund | Street<br>Maintenance<br>Fund | Donations<br>Fund | Belmill PID<br>Fund | Escrow<br>Fund      | Total Other<br>Governmental<br>Funds |
| <b>ASSETS</b>                               |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Deposits and investments                    | \$ 27,918        | \$ 11,016        | \$ 1,294,471            | \$ 2,658,165                | \$ 2,094,842                  | \$ 688,053        | \$ 522,971          | \$ 3,600,454        | \$ 10,897,890                        |
| Receivables                                 |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Other                                       | -                | -                | -                       | 92,689                      | -                             | 33,122            | -                   | 22,755              | 148,566                              |
| Taxes                                       | -                | -                | 431,717                 | -                           | 150,307                       | -                 | -                   | -                   | 582,024                              |
| Prepaid items                               | -                | -                | -                       | -                           | -                             | -                 | -                   | 3,420               | 3,420                                |
| <b>TOTAL ASSETS</b>                         | <b>\$ 27,918</b> | <b>\$ 11,016</b> | <b>\$ 1,726,188</b>     | <b>\$ 2,750,854</b>         | <b>\$ 2,245,149</b>           | <b>\$ 721,175</b> | <b>\$ 522,971</b>   | <b>\$ 3,626,629</b> | <b>\$ 11,631,900</b>                 |
| <b>LIABILITIES AND FUND BALANCES</b>        |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Liabilities:                                |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Accounts payable<br>and accrued liabilities | \$ 313           | \$ -             | \$ 197,164              | \$ 415,036                  | \$ 668                        | \$ 7,085          | \$ 2,192            | \$ 5,800            | \$ 628,258                           |
| Unearned revenue                            | -                | -                | -                       | -                           | -                             | 34,043            | -                   | -                   | 34,043                               |
| Total liabilities                           | 313              | -                | 197,164                 | 415,036                     | 668                           | 41,128            | 2,192               | 5,800               | 662,301                              |
| Fund balances:                              |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Nonspendable:                               |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Prepaid items                               | -                | -                | -                       | -                           | -                             | -                 | -                   | 3,420               | 3,420                                |
| Restricted:                                 |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Street maintenance                          | -                | -                | -                       | -                           | 2,244,481                     | -                 | -                   | -                   | 2,244,481                            |
| Crime prevention                            | 27,605           | -                | 1,529,024               | -                           | -                             | -                 | -                   | -                   | 1,556,629                            |
| Drainage                                    | -                | -                | -                       | 2,335,818                   | -                             | -                 | -                   | -                   | 2,335,818                            |
| Public improvements                         | -                | 11,016           | -                       | -                           | -                             | -                 | 520,779             | -                   | 531,795                              |
| Other special revenue                       | -                | -                | -                       | -                           | -                             | -                 | -                   | 3,617,409           | 3,617,409                            |
| Committed:                                  |                  |                  |                         |                             |                               |                   |                     |                     |                                      |
| Donations                                   | -                | -                | -                       | -                           | -                             | 680,047           | -                   | -                   | 680,047                              |
| Total fund balances                         | 27,605           | 11,016           | 1,529,024               | 2,335,818                   | 2,244,481                     | 680,047           | 520,779             | 3,620,829           | 10,969,599                           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>  | <b>\$ 27,918</b> | <b>\$ 11,016</b> | <b>\$ 1,726,188</b>     | <b>\$ 2,750,854</b>         | <b>\$ 2,245,149</b>           | <b>\$ 721,175</b> | <b>\$ 522,971</b>   | <b>\$ 3,626,629</b> | <b>\$ 11,631,900</b>                 |

**City of Saginaw, Texas**  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 Non-Major Governmental Funds  
 For the Fiscal Year Ended September 30, 2023

|  | Special Revenue  |                  |                         |                             |                               |                   |                      |                     | Total Other<br>Governmental<br>Funds |
|--|------------------|------------------|-------------------------|-----------------------------|-------------------------------|-------------------|----------------------|---------------------|--------------------------------------|
|  | Police<br>Fund   | TIRZ 1<br>Fund   | Saginaw<br>CCPD<br>Fund | Drainage<br>Utility<br>Fund | Street<br>Maintenance<br>Fund | Donations<br>Fund | Beltmill PID<br>Fund | Escrow<br>Fund      |                                      |
| <b>REVENUES</b>  |                  |                  |                         |                             |                               |                   |                      |                     |                                      |
| Taxes  | \$ -             | \$ 10,767        | \$ 1,896,877            | \$ -                        | \$ 657,970                    | \$ -              | 502,945              | \$ 96,299           | \$ 3,164,858                         |
| Fines and fees   | -                | -                | -                       | -                           | -                             | -                 | -                    | 14,073              | 14,073                               |
| Intergovernmental  | -                | -                | -                       | -                           | -                             | -                 | -                    | -                   | -                                    |
| Miscellaneous  | 2,063            | -                | -                       | -                           | -                             | 329,687           | -                    | 745,742             | 1,077,492                            |
| Interest income  | 9,746            | 249              | 51,913                  | 145,620                     | 88,946                        | 24,615            | 16,492               | 121,186             | 458,767                              |
| Charges for services   | -                | -                | -                       | 1,011,821                   | -                             | -                 | -                    | -                   | 1,011,821                            |
| Total revenues   | 11,809           | 11,016           | 1,948,790               | 1,157,441                   | 746,916                       | 354,302           | 519,437              | 977,300             | 5,727,011                            |
| <b>EXPENDITURES</b>  |                  |                  |                         |                             |                               |                   |                      |                     |                                      |
| Current:   |                  |                  |                         |                             |                               |                   |                      |                     |                                      |
| General administrative office  | -                | -                | -                       | 61,227                      | 206,805                       | 219,606           | 21,404               | 195,849             | 704,891                              |
| Police   | 7,044            | -                | 74,225                  | -                           | -                             | -                 | -                    | -                   | 81,269                               |
| Capital outlay   | -                | -                | 840,268                 | 2,310,313                   | 448,108                       | 37,797            | -                    | 29,804              | 3,666,290                            |
| Debt service:  |                  |                  |                         |                             |                               |                   |                      |                     |                                      |
| Principal retirement   | -                | -                | 60,876                  | -                           | -                             | 3,500             | -                    | -                   | 64,376                               |
| Interest charges   | -                | -                | 12,079                  | -                           | -                             | -                 | -                    | -                   | 12,079                               |
| Total expenditures   | 7,044            | -                | 987,448                 | 2,371,540                   | 654,913                       | 260,903           | 21,404               | 225,653             | 4,528,905                            |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 4,765            | 11,016           | 961,342                 | (1,214,099)                 | 92,003                        | 93,399            | 498,033              | 751,647             | 1,198,106                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                  |                  |                         |                             |                               |                   |                      |                     |                                      |
| Proceeds from right to use subscription assets                       | -                | -                | -                       | -                           | -                             | 21,097            | -                    | -                   | 21,097                               |
| Proceeds from financed purchases                                     | -                | -                | 320,997                 | -                           | -                             | -                 | -                    | -                   | 320,997                              |
| Transfers in   | -                | -                | -                       | -                           | -                             | -                 | -                    | 383,615             | 383,615                              |
| Transfers out  | -                | -                | (1,191,825)             | (219,125)                   | -                             | (20,575)          | -                    | (10,135)            | (1,441,660)                          |
| Total other financing sources (uses)                                 | -                | -                | (870,828)               | (219,125)                   | -                             | 522               | -                    | 373,480             | (715,951)                            |
| Net change in fund balances  | 4,765            | 11,016           | 90,514                  | (1,433,224)                 | 92,003                        | 93,921            | 498,033              | 1,125,127           | 482,155                              |
| Fund balances, beginning of year                                     | 22,840           | -                | 1,438,510               | 3,769,042                   | 2,152,478                     | 586,126           | 22,746               | 2,495,702           | 10,487,444                           |
| <b>FUND BALANCES, end of year</b>                                    | <b>\$ 27,605</b> | <b>\$ 11,016</b> | <b>\$ 1,529,024</b>     | <b>\$ 2,335,818</b>         | <b>\$ 2,244,481</b>           | <b>\$ 680,047</b> | <b>\$ 520,779</b>    | <b>\$ 3,620,829</b> | <b>\$ 10,969,599</b>                 |



City of Saginaw

## Special Revenue Funds

The following funds have legally adopted budgets:

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

Police Fund – Used to account for confiscated and asset forfeitures that were awarded to the City and approved expenditures.

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

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

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

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

TIRZ 1 Fund – Used to account for revenues generated from increased values of properties located within the zone. Expenses are incurred for the repayment of the related infrastructure cost.

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

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Saginaw Crime Control and Prevention District Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>                 | <u>2022</u>                 |
|--|-----------------------------|-----------------------------|
| <b>ASSETS</b>                              |                             |                             |
| Deposits and investments                   | \$ 1,294,471                | \$ 1,146,299                |
| Receivables                                |                             |                             |
| Other                                      | -                           | 3,146                       |
| Taxes, net of allowance                    | 431,717                     | 297,536                     |
|  | <u>                    </u> | <u>                    </u> |
| <b>TOTAL ASSETS</b>                        | <u>\$ 1,726,188</u>         | <u>\$ 1,446,981</u>         |
| <b>LIABILITIES AND FUND BALANCES</b>       |                             |                             |
| <b>LIABILITIES</b>                         |                             |                             |
| Accounts payable and accrued liabilities   | \$ 197,164                  | \$ 8,471                    |
|  | <u>                    </u> | <u>                    </u> |
| Total liabilities                          | 197,164                     | 8,471                       |
| <b>FUND BLANCES</b>                        |                             |                             |
| Restricted for crime prevention            | 1,529,024                   | 1,438,510                   |
|  | <u>                    </u> | <u>                    </u> |
| Total fund balances                        | 1,529,024                   | 1,438,510                   |
|  | <u>                    </u> | <u>                    </u> |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 1,726,188</u>         | <u>\$ 1,446,981</u>         |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Saginaw Crime Control and Prevention District Fund For the Fiscal Year Ended September 30, 2023 and 2022

|   | Budgeted Amounts |              | Actual       | Variance with       | Actual       |
|---|------------------|--------------|--------------|---------------------|--------------|
|   | Original         | Final        | GAAP         | Final Budget        | GAAP         |
|   |                  |              | Basis        | Positive (Negative) | Basis        |
|   |                  |              |              |                     | 2022         |
| <b>REVENUE</b>                          |                  |              |              |                     |              |
| Taxes                                   | \$ 1,632,000     | \$ 1,762,700 | \$ 1,896,877 | \$ 134,177          | \$ 1,732,282 |
| Intergovernmental                       | 2,500            | 2,500        | -            | (2,500)             | 3,146        |
| Interest income                         | 9,000            | 50,510       | 51,913       | 1,403               | 7,180        |
| Total revenues                          | 1,643,500        | 1,815,710    | 1,948,790    | 133,080             | 1,742,608    |
| <b>EXPENDITURES</b>                     |                  |              |              |                     |              |
| Uniforms                                | 13,010           | 13,010       | 8,289        | 4,721               | 1,125        |
| Data processing                         | 52,800           | 52,800       | 49,387       | 3,413               | 39,360       |
| Officer supplies and equipment          | 78,810           | 120,875      | 6,955        | 113,920             | 7,899        |
| Books                                   | 4,550            | 4,550        | 4,829        | (279)               | 4,471        |
| Crime prevention supplies               | 2,000            | 2,000        | 2,094        | (94)                | 709          |
| Tactical employee training              | 13,500           | 9,080        | 2,671        | 6,409               | 5,022        |
| Capital outlay                          | 773,295          | 483,425      | 840,268      | (356,843)           | 7,815        |
| Debt service:                           |                  |              |              |                     |              |
| Principal retirement                    | -                | -            | 60,876       | (60,876)            | -            |
| Interest charges                        | -                | -            | 12,079       | (12,079)            | -            |
| Total expenditures                      | 937,965          | 685,740      | 987,448      | (301,708)           | 66,401       |
| <b>EXCESS OF REVENUES</b>               |                  |              |              |                     |              |
| <b>OVER EXPENDITURES</b>                | 705,535          | 1,129,970    | 961,342      | (168,628)           | 1,676,207    |
| <b>OTHER FINANCING SOURCES (USES)</b>   |                  |              |              |                     |              |
| Proceeds from financed purchases        | -                | -            | 320,997      | 320,997             | -            |
| Transfers out                           | (1,191,825)      | (1,191,825)  | (1,191,825)  | -                   | (1,080,395)  |
| Total other financing sources (uses)    | (1,191,825)      | (1,191,825)  | (870,828)    | -                   | (1,080,395)  |
| <b>NET CHANGE IN FUND BALANCES</b>      | (486,290)        | (61,855)     | 90,514       | (168,628)           | 595,812      |
| <b>FUND BALANCES, beginning of year</b> | 1,438,510        | 1,438,510    | 1,438,510    | -                   | 842,698      |
| <b>FUND BALANCES, end of year</b>       | \$ 952,220       | \$ 1,376,655 | \$ 1,529,024 | \$ (168,628)        | \$ 1,438,510 |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Police Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>      | <u>2022</u>      |
|--|------------------|------------------|
| <b>ASSETS</b>                              |                  |                  |
| Deposits and investments                   | \$ 27,918        | \$ 19,404        |
| Receivables                                |                  |                  |
| Other                                      | -                | 3,436            |
| <b>TOTAL ASSETS</b>                        | <u>\$ 27,918</u> | <u>\$ 22,840</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                  |                  |
| <b>LIABILITIES</b>                         |                  |                  |
| Accounts payable and accrued liabilities   | 313              | \$ -             |
| Total liabilities                          | 313              | -                |
| <b>FUND BALANCES</b>                       |                  |                  |
| Restricted for crime prevention            | 27,605           | 22,840           |
| Total fund balances                        | 27,605           | 22,840           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 27,918</u> | <u>\$ 22,840</u> |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund

### Balance - Budget and Actual

#### Police Fund

For the Fiscal Year Ended September 30, 2023 and 2022

|  | Budgeted Amounts |           | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget<br>Positive (Negative) | Actual<br>GAAP<br>Basis<br>2022 |
|--|------------------|-----------|-------------------------|--|---------------------------------|
|  | Original         | Final     |                         |  |                                 |
| <b>REVENUE</b>   |                  |           |                         |  |                                 |
| Miscellaneous  | \$ -             | \$ 775    | \$ 2,063                | \$ 1,288   | \$ 7,295                        |
| Interest income  | -                | 300       | 9,746                   | 9,446  | 135                             |
| Total revenues   | -                | 1,075     | 11,809                  | 10,734   | 7,430                           |
| <b>EXPENDITURES</b>  |                  |           |                         |  |                                 |
| Supplies   | 10,000           | 10,000    | 5,590                   | 4,410  | -                               |
| Educational travel and training                                      | 2,500            | 2,500     | 1,454                   | 1,046  | -                               |
| Total expenditures   | 12,500           | 12,500    | 7,044                   | 5,456  | -                               |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (12,500)         | (11,425)  | 4,765                   | 16,190   | 7,430                           |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | (12,500)         | (11,425)  | 4,765                   | 16,190   | 7,430                           |
| <b>FUND BALANCES, beginning of year</b>                              | 22,840           | 22,840    | 22,840                  | -  | 15,410                          |
| <b>FUND BALANCES, end of year</b>                                    | \$ 10,340        | \$ 11,415 | \$ 27,605               | \$ 16,190  | \$ 22,840                       |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Drainage Utility Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>                              |                     |                     |
| Deposits and investments                   | \$ 2,658,165        | \$ 3,711,170        |
| Receivables                                |                     |                     |
| Other                                      | <u>92,689</u>       | <u>77,045</u>       |
| <b>TOTAL ASSETS</b>                        | <u>\$ 2,750,854</u> | <u>\$ 3,788,215</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                     |
| <b>LIABILITIES</b>                         |                     |                     |
| Accounts payable and accrued liabilities   | <u>\$ 415,036</u>   | <u>\$ 19,173</u>    |
| Total liabilities                          | 415,036             | 19,173              |
| <b>FUND BALANCES</b>                       |                     |                     |
| Restricted for drainage                    | <u>2,335,818</u>    | <u>3,769,042</u>    |
| Total fund balances                        | <u>2,335,818</u>    | <u>3,769,042</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 2,750,854</u> | <u>\$ 3,788,215</u> |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Drainage Utility Fund For the Fiscal Year Ended September 30, 2023 And 2022

|  | Budgeted Amounts |              | Actual       | Variance with       | Actual       |
|--|------------------|--------------|--------------|---------------------|--------------|
|  | Original         | Final        | GAAP         | Final Budget        | GAAP         |
|  |                  |              | Basis        | Positive (Negative) | Basis        |
|  |                  |              |              |                     | 2022         |
| <b>REVENUE</b>   |                  |              |              |                     |              |
| Interest income  | \$ 32,400        | \$ 145,800   | \$ 145,620   | \$ (180)            | \$ 24,115    |
| Charges for services   | 990,000          | 1,011,700    | 1,011,821    | 121                 | 835,850      |
| Total revenues   | 1,022,400        | 1,157,500    | 1,157,441    | (59)                | 859,965      |
| <b>EXPENDITURES</b>  |                  |              |              |                     |              |
| Uniforms   | 2,000            | 2,000        | 1,455        | 545                 | 2,098        |
| Officer supplies and equipment                                       | 45,000           | 45,000       | 32,799       | 12,201              | 24,735       |
| Disposal costs   | 10,000           | 10,000       | 11,340       | (1,340)             | 7,520        |
| Maintenance and repairs  | 8,000            | 8,000        | 5,141        | 2,859               | 2,700        |
| Employee training  | 1,500            | 1,500        | 3,237        | (1,737)             | 981          |
| Other  | 1,500            | 1,500        | 7,255        | (5,755)             | 5,418        |
| Capital outlay   | 2,453,000        | 2,453,000    | 2,310,313    | 142,687             | 22,900       |
| Total expenditures   | 2,521,000        | 2,521,000    | 2,371,540    | 149,460             | 66,352       |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (1,498,600)      | (1,363,500)  | (1,214,099)  | 149,401             | 793,613      |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                  |              |              |                     |              |
| Transfers out  | (219,125)        | (219,125)    | (219,125)    | -                   | (204,215)    |
| Total other financing sources (uses)                                 | (219,125)        | (219,125)    | (219,125)    | -                   | (204,215)    |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | (1,717,725)      | (1,582,625)  | (1,433,224)  | 149,401             | 589,398      |
| <b>FUND BALANCES, beginning of year</b>                              | 3,769,042        | 3,769,042    | 3,769,042    | -                   | 3,179,644    |
| <b>FUND BALANCES, end of year</b>                                    | \$ 2,051,317     | \$ 2,186,417 | \$ 2,335,818 | \$ 149,401          | \$ 3,769,042 |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Street Maintenance Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| <b>ASSETS</b>                              |                     |                     |
| Deposits and investments                   | \$ 2,094,842        | \$ 2,050,881        |
| Receivables                                |                     |                     |
| Taxes                                      | 150,307             | 106,323             |
| <b>TOTAL ASSETS</b>                        | <u>\$ 2,245,149</u> | <u>\$ 2,157,204</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                     |
| <b>LIABILITIES</b>                         |                     |                     |
| Accounts payable and accrued liabilities   | \$ 668              | \$ 4,726            |
| Total liabilities                          | 668                 | 4,726               |
| <b>FUND BALANCES</b>                       |                     |                     |
| Restricted for street maintenance          | 2,244,481           | 2,152,478           |
| Total fund balances                        | 2,244,481           | 2,152,478           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 2,245,149</u> | <u>\$ 2,157,204</u> |

**City of Saginaw, Texas**

Schedule of Revenues, Expenditures and Changes in Fund  
Balance – Budget and Actual  
Street Maintenance Fund  
For the Fiscal Year Ended September 30, 2023 and 2022

|  | <u>Budgeted Amounts</u> |                     | <u>Actual<br/>GAAP<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive (Negative)</u> | <u>Actual<br/>GAAP<br/>Basis<br/>2022</u> |
|--|-------------------------|---------------------|----------------------------------|---|---|
|  | <u>Original</u>         | <u>Final</u>        |                                  |   |   |
| <b>REVENUE</b>   |                         |                     |                                  |   |   |
| Taxes  | \$ 559,765              | \$ 613,985          | \$ 657,970                       | \$ 43,985   | \$ 597,121                                |
| Interest income  | 12,000                  | 88,440              | 88,946                           | 506   | 12,479                                    |
| Total revenues   | 571,765                 | 702,425             | 746,916                          | 44,491  | 609,600                                   |
| <b>EXPENDITURES</b>  |                         |                     |                                  |   |   |
| Maintenance and repairs  | 550,000                 | 225,215             | 206,805                          | 18,410  | 203,364                                   |
| Capital outlay   | 1,000,000               | 534,480             | 448,108                          | 86,372  | -   |
| Total expenditures   | 1,550,000               | 759,695             | 654,913                          | 104,782   | 203,364                                   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | (978,235)               | (57,270)            | 92,003                           | 149,273   | 406,236                                   |
| <b>FUND BALANCES, beginning of year</b>                              | 2,152,478               | 2,152,478           | 2,152,478                        | -   | 1,746,242                                 |
| <b>FUND BALANCES, end of year</b>                                    | <u>\$ 1,174,243</u>     | <u>\$ 2,095,208</u> | <u>\$ 2,244,481</u>              | <u>\$ 149,273</u>   | <u>\$ 2,152,478</u>                       |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Donations Fund  
 September 30, 2023 and 2022

|  | <b>2023</b>       | <b>2022</b>       |
|--|-------------------|-------------------|
| <b>ASSETS</b>                              |                   |                   |
| Deposits and investments                   | \$ 688,053        | \$ 608,747        |
| Receivables                                |                   |                   |
| Other                                      | 33,122            | 31,207            |
| <b>TOTAL ASSETS</b>                        | <b>\$ 721,175</b> | <b>\$ 639,954</b> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                   |
| <b>LIABILITIES</b>                         |                   |                   |
| Accounts payable and accrued liabilities   | \$ 7,085          | \$ 21,700         |
| Unearned revenue                           | 34,043            | 32,128            |
| Total liabilities                          | 41,128            | 53,828            |
| <b>FUND BALANCES</b>                       |                   |                   |
| Committed                                  | 680,047           | 586,126           |
| Total fund balances                        | 680,047           | 586,126           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <b>\$ 721,175</b> | <b>\$ 639,954</b> |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Donations Fund For the Fiscal Year Ended September 30, 2023 and 2022

|   | Budgeted Amounts |            | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget<br>Positive (Negative) | Actual<br>GAAP<br>Basis<br>2022 |
|---|------------------|------------|-------------------------|--|---------------------------------|
|   | Original         | Final      |                         |  |                                 |
| <b>REVENUE</b>                                  |                  |            |                         |  |                                 |
| Miscellaneous                                   | \$ 294,160       | \$ 327,470 | \$ 329,687              | \$ 2,217   | \$ 316,124                      |
| Interest income                                 | 1,315            | 24,520     | 24,615                  | 95   | 3,263                           |
| Total revenues                                  | 295,475          | 351,990    | 354,302                 | 2,312  | 319,387                         |
| <b>EXPENDITURES</b>                             |                  |            |                         |  |                                 |
| Contract services                               | 69,250           | 69,250     | 57,478                  | 11,772   | 47,280                          |
| Data processing                                 | 12,000           | 12,000     | 3,789                   | 8,211  | 9,319                           |
| Animal services                                 | -                | -          | -                       | -  | -                               |
| Supplies and equipment                          | 89,920           | 87,500     | 65,698                  | 21,802   | 89,885                          |
| Special programs                                | 25,750           | 91,750     | 87,281                  | 4,469  | 26,633                          |
| Maintenance and repairs                         | -                | 5,000      | 1,500                   | 3,500  | -                               |
| Other   | 1,000            | 2,600      | 3,860                   | (1,260)  | 1,254                           |
| Capital outlay                                  | -                | 18,000     | 37,797                  | (19,797)   | 55,548                          |
| Principal retirement                            | -                | -          | 3,500                   | (3,500)  | -                               |
| Total expenditures                              | 197,920          | 286,100    | 260,903                 | 25,197   | 229,919                         |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | 97,555           | 65,890     | 93,399                  | 27,509   | 89,468                          |
| <b>OTHER FINANCING SOURCES (USES)</b>           |                  |            |                         |  |                                 |
| Proceeds from right to use subscription assets  | -                | -          | 21,097                  | (21,097)   | -                               |
| Transfers out                                   | (20,575)         | (20,575)   | (20,575)                | -  | (17,740)                        |
| Total other financing sources (uses)            | (20,575)         | (20,575)   | 522                     | (21,097)   | (17,740)                        |
| <b>NET CHANGE IN FUND BALANCES</b>              | 76,980           | 45,315     | 93,921                  | 6,412  | 71,728                          |
| <b>FUND BALANCES, beginning of year</b>         | 586,126          | 586,126    | 586,126                 | -  | 514,398                         |
| <b>FUND BALANCES, end of year</b>               | \$ 663,106       | \$ 631,441 | \$ 680,047              | \$ 6,412   | \$ 586,126                      |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Beltmill PID Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>       | <u>2022</u>      |
|--|-------------------|------------------|
| <b>ASSETS</b>                              |                   |                  |
| Deposits and investments                   | \$ 522,971        | \$ 24,246        |
| <b>TOTAL ASSETS</b>                        | <u>\$ 522,971</u> | <u>\$ 24,246</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                   |                  |
| <b>LIABILITIES</b>                         |                   |                  |
| Accounts payable and accrued liabilities   | \$ 2,192          | \$ 1,500         |
| Total liabilities                          | 2,192             | 1,500            |
| <b>FUND BALANCES</b>                       |                   |                  |
| Restricted for public improvements         | 520,779           | 22,746           |
| Total fund balances                        | 520,779           | 22,746           |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 522,971</u> | <u>24,246</u>    |

**City of Saginaw, Texas**

Schedule of Revenues, Expenditures, and Changes in Fund

Balance – Budget and Actual

Beltmill PID Fund

For the Fiscal Year Ended September 30, 2023 and 2022

|   | <u>Budgeted Amounts</u> |              | <u>Actual<br/>GAAP<br/>Basis</u> | <u>Variance with<br/>Final Budget<br/>Positive (Negative)</u> | <u>Actual<br/>GAAP<br/>Basis<br/>2022</u> |
|---|-------------------------|--------------|----------------------------------|---|---|
|   | <u>Original</u>         | <u>Final</u> |                                  |   |   |
| <b>REVENUE</b>  |                         |              |                                  |   |   |
| Taxes   | \$ 495,455              | \$ 502,945   | \$ 502,945                       | \$ -  | \$ 35,000                                 |
| Interest income   | 2,640                   | 16,040       | 16,492                           | 452   | 191                                       |
| Total revenues  | 498,095                 | 518,985      | 519,437                          | 452   | 35,191                                    |
| <b>EXPENDITURES</b>   |                         |              |                                  |   |   |
| Contract services   | 18,000                  | 18,000       | 21,404                           | (3,404)   | 12,445                                    |
| Total expenditures  | 18,000                  | 18,000       | 21,404                           | (3,404)   | 12,445                                    |
| <b>EXCESS (DEFICENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 480,095                 | 500,985      | 498,033                          | (2,952)   | 22,746                                    |
| <b>FUND BALANCES, beginning of year</b>                             | 22,746                  | 22,746       | 22,746                           | -   | -   |
| <b>FUND BALANCES, end of year</b>                                   | \$ 502,841              | \$ 523,731   | \$ 520,779                       | \$ (2,952)  | \$ 22,746                                 |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 TIRZ 1 Fund  
 September 30, 2023 and 2022

|  | <u>2023</u>      | <u>2022</u> |
|--|------------------|-------------|
| <b>ASSETS</b>                              |                  |             |
| Deposits and investments                   | \$ 11,016        | \$ -        |
| <b>TOTAL ASSETS</b>                        | <u>\$ 11,016</u> | <u>\$ -</u> |
| <b>FUND BALANCES</b>                       |                  |             |
| <b>FUND BALANCES</b>                       |                  |             |
| Restricted for public improvements         | <u>11,016</u>    | <u>-</u>    |
| Total fund balances                        | <u>11,016</u>    | <u>-</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 11,016</u> | <u>\$ -</u> |

**City of Saginaw, Texas**

Schedule of Revenues, Expenditures and Changes in Fund

Balance – Budget and Actual

TIRZ 1 Fund

For the Fiscal Year Ended September 30, 2023 and 2022

|   | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance with</u>       | <u>Actual</u> |
|---|-------------------------|--------------|---------------|----------------------------|---------------|
|   | <u>Original</u>         | <u>Final</u> | <u>GAAP</u>   | <u>Final Budget</u>        | <u>GAAP</u>   |
|   |                         |              | <u>Basis</u>  | <u>Positive (Negative)</u> | <u>Basis</u>  |
|   |                         |              |               |                            | <u>2022</u>   |
| <b>REVENUE</b>                          |                         |              |               |                            |               |
| Taxes                                   | \$ 12,045               | \$ 12,045    | \$ 10,767     | \$ (1,278)                 | \$ -          |
| Interest income                         | 120                     | 120          | 249           | 129                        | -             |
| Total revenues                          | 12,165                  | 12,165       | 11,016        | (1,149)                    | -             |
| <b>EXCESS (DEFICENCY) OF REVENUES</b>   |                         |              |               |                            |               |
| <b>OVER (UNDER) EXPENDITURES</b>        | 12,165                  | 12,165       | 11,016        | (1,149)                    | -             |
| <b>FUND BALANCES, beginning of year</b> | -                       | -            | -             | -                          | -             |
| <b>FUND BALANCES, end of year</b>       | \$ 12,165               | \$ 12,165    | \$ 11,016     | \$ (1,149)                 | \$ -          |

**City of Saginaw, Texas**  
 Comparative Balance Sheets  
 Escrow Fund  
 September 30, 2023 and 2022

| <b>ASSETS</b>                              | <u>2023</u>         | <u>2022</u>         |
|--|---------------------|---------------------|
| Deposits and investments                   | \$ 3,600,454        | \$ 2,592,240        |
| Receivables                                |                     |                     |
| Other                                      | 22,755              | 20,451              |
| Prepaid items                              | 3,420               | -                   |
| <b>TOTAL ASSETS</b>                        | <u>\$ 3,626,629</u> | <u>\$ 2,612,691</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                     |                     |
| <b>LIABILITIES</b>                         |                     |                     |
| Accounts payable and accrued liabilities   | \$ 5,800            | \$ 116,989          |
| Total liabilities                          | 5,800               | 116,989             |
| <b>FUND BALANCES</b>                       |                     |                     |
| Nonspendable:                              |                     |                     |
| Prepaid items                              | 3,420               | -                   |
| Restricted                                 | 3,617,409           | 2,495,702           |
| Total fund balances                        | <u>3,620,829</u>    | <u>2,495,702</u>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b> | <u>\$ 3,626,629</u> | <u>\$ 2,612,691</u> |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Escrow Fund For the Fiscal Year Ended September 30, 2023 and 2022

|  | Budgeted Amounts |              | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget<br>Positive (Negative) | Actual<br>GAAP<br>Basis<br>2022 |
|--|------------------|--------------|-------------------------|--|---------------------------------|
|  | Original         | Final        |                         |  |                                 |
| <b>REVENUE</b>   |                  |              |                         |  |                                 |
| Taxes  | \$ 91,200        | \$ 91,200    | \$ 96,299               | \$ 5,099   | \$ 100,716                      |
| Fines and fees   | 24,105           | 13,705       | 14,073                  | 368  | 22,467                          |
| Miscellaneous revenues   | 583,380          | 734,605      | 745,742                 | 11,137   | 326,321                         |
| Interest income  | 6,310            | 115,220      | 121,186                 | 5,966  | 14,932                          |
| Total revenues   | 704,995          | 954,730      | 977,300                 | 22,570   | 464,436                         |
| <b>EXPENDITURES</b>  |                  |              |                         |  |                                 |
| Data processing  | -                | -            | -                       | -  | -                               |
| Entertainment  | 10,000           | 22,335       | 20,345                  | 1,990  | 1,690                           |
| Supplies and equipment   | 500              | 500          | 18,478                  | (17,978)   | 16,522                          |
| Maintenance and repairs  | 50,000           | 127,000      | 126,926                 | 74   | 212,818                         |
| Other  | 30,000           | 30,000       | 30,100                  | (100)  | 184,889                         |
| Capital outlay   | 46,500           | 49,745       | 29,804                  | 19,941   | 26,975                          |
| Total expenditures   | 137,000          | 229,580      | 225,653                 | 3,927  | 442,894                         |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | 567,995          | 725,150      | 751,647                 | 26,497   | 21,542                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                                |                  |              |                         |  |                                 |
| Transfers in   | 73,480           | 383,615      | 383,615                 | -  | 232,150                         |
| Transfers out  | (5,200)          | (9,500)      | (10,135)                | 635  | (116,258)                       |
| Total other financing sources (uses)                                 | 68,280           | 374,115      | 373,480                 | 635  | 115,892                         |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | 636,275          | 1,099,265    | 1,125,127               | (25,862)   | 137,434                         |
| <b>FUND BALANCES, beginning of year</b>                              | 2,495,702        | 2,495,702    | 2,495,702               | -  | 2,358,268                       |
| <b>FUND BALANCES, end of year</b>                                    | \$ 3,131,977     | \$ 3,594,967 | \$ 3,620,829            | \$ (25,862)  | \$ 2,495,702                    |



**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, 2023 and 2022

|   | <u>2023</u>         | <u>2022</u>         |
|---|---------------------|---------------------|
| <b>ASSETS</b>                                   |                     |                     |
| Deposits and investments                        | \$ 1,397,952        | \$ 1,180,684        |
| Receivables                                     |                     |                     |
| Taxes, net of allowance                         | <u>22,326</u>       | <u>25,306</u>       |
| <b>TOTAL ASSETS</b>                             | <u>\$ 1,420,278</u> | <u>\$ 1,205,990</u> |
| <b>DEFERRED INFLOWS AND FUND BALANCES</b>       |                     |                     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>            |                     |                     |
| Unavailable revenue - property taxes            | <u>\$ 22,326</u>    | <u>\$ 25,307</u>    |
| Total deferred inflows of resources             | 22,326              | 25,307              |
| <b>FUND BALANCES</b>                            |                     |                     |
| Restricted for debt service                     | <u>1,397,952</u>    | <u>1,180,683</u>    |
| Total fund balances                             | <u>1,397,952</u>    | <u>1,180,683</u>    |
| <b>TOTAL DEFERRED INFLOWS AND FUND BALANCES</b> | <u>\$ 1,420,278</u> | <u>\$ 1,205,990</u> |

# City of Saginaw, Texas

## Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual Debt Service Fund For the Fiscal Year Ended September 30, 2023 and 2022

|  | Budgeted Amounts    |                     | Actual<br>GAAP<br>Basis | Variance with<br>Final Budget<br>Positive (Negative) | Actual<br>GAAP<br>Basis<br>2022 |
|--|---------------------|---------------------|-------------------------|--|---------------------------------|
|  | Original            | Final               |                         |  |                                 |
| <b>REVENUES</b>  |                     |                     |                         |  |                                 |
| Current and delinquent general property tax - debt service portion | \$ 6,173,085        | \$ 6,216,880        | \$ 6,221,776            | \$ 4,896   | \$ 4,762,213                    |
| Penalties, interest and fees on delinquent taxes                   | 7,000               | 7,000               | 7,089                   | 89   | 13,545                          |
| Interest income  | 12,615              | 192,725             | 188,588                 | (4,137)  | 24,627                          |
| Miscellaneous  | -                   | -                   | -                       | -  | 3,455                           |
| Total revenues   | 6,192,700           | 6,416,605           | 6,417,453               | 848  | 4,803,840                       |
| <b>EXPENDITURES</b>  |                     |                     |                         |  |                                 |
| Bond principal payments  | 3,425,000           | 3,425,000           | 3,425,000               | -  | 3,160,000                       |
| Total principal payments   | 3,425,000           | 3,425,000           | 3,425,000               | -  | 3,160,000                       |
| Bond interest  | 2,810,005           | 2,772,805           | 2,772,801               | 4  | 1,536,376                       |
| Fiscal charges and debt issuance costs                             | 7,000               | 2,385               | 2,383                   | 2  | 8,915                           |
| Total interest payments  | 2,817,005           | 2,775,190           | 2,775,184               | 6  | 1,545,291                       |
| Total expenditures   | 6,242,005           | 6,200,190           | 6,200,184               | 6  | 4,705,291                       |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>   | (49,305)            | 216,415             | 217,269                 | 854  | 98,549                          |
| Fund balances, beginning of year                                   | 1,180,683           | 1,180,683           | 1,180,683               | -  | 1,082,134                       |
| <b>FUND BALANCES, end of year</b>                                  | <b>\$ 1,131,378</b> | <b>\$ 1,397,098</b> | <b>\$ 1,397,952</b>     | <b>\$ 854</b>  | <b>\$ 1,180,683</b>             |



**City of Saginaw**

## **Enterprise Fund**

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

**City of Saginaw, Texas**  
 Comparative Statements of Net Position  
 Enterprise Fund  
 September 30, 2023 and 2022

| <b>ASSETS</b>   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| <b>CURRENT ASSETS</b>   |               |               |
| Deposits and investments  | \$ 11,760,585 | \$ 10,437,474 |
| Deposits and investments-restricted   | 198,001       | 187,413       |
| Receivables:  |               |               |
| Accounts receivable, net of allowance of \$49,496 in 2023<br>and \$89,963 in 2022 | 987,243       | 841,784       |
| Unbilled accounts   | 759,777       | 694,007       |
| Total current assets  | 13,705,606    | 12,160,678    |
| <b>NONCURRENT ASSETS</b>  |               |               |
| Capital assets, at cost:  |               |               |
| Land and land improvements  | 16,657        | 16,657        |
| Buildings and improvements  | 154,587       | 154,587       |
| Waterworks and wastewater system  | 45,414,323    | 43,044,057    |
| Machinery and equipment   | 1,757,099     | 1,651,361     |
| Construction in progress  | 3,220,197     | 1,899,629     |
| Accumulated depreciation  | (17,283,775)  | (16,205,988)  |
| Total capital assets, net of accumulated depreciation                             | 33,279,088    | 30,560,303    |
| Deposits and investments-restricted   | 755,499       | 734,964       |
| Total noncurrent assets   | 34,034,587    | 31,295,267    |
| Total assets  | 47,740,193    | 43,455,945    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |               |               |
| Deferred charge for refunding   | 11,132        | 16,698        |
| Related to the TMRS pension   | 505,730       | 226,773       |
| Related to the TMRS OPEB  | 10,931        | 11,974        |
| Total deferred outflows of resources  | 527,793       | 255,445       |
|   |               |               |
| <b>LIABILITIES AND NET POSITION</b>   |               |               |
| <b>CURRENT LIABILITIES</b>  |               |               |
| Accounts payable and accrued liabilities  | 1,955,289     | 1,222,649     |
| Accrued interest  | 1,056         | 1,304         |
| Revenue bonds payable   | 155,000       | 150,000       |
| Total current liabilities   | 2,111,345     | 1,373,953     |
| <b>NONCURRENT LIABILITIES</b>   |               |               |
| Revenue bonds payable   | 485,000       | 640,000       |
| Customer deposits   | 755,499       | 734,964       |
| Net pension liability   | 1,493,852     | 925,069       |
| Total OPEB liability  | 42,840        | 59,699        |
| Total noncurrent liabilities  | 2,777,191     | 2,359,732     |
| Total liabilities   | 4,888,536     | 3,733,685     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |               |               |
| Related to the TMRS pension   | 59,951        | 324,342       |
| Related to the TMRS OPEB  | 20,194        | 2,307         |
| Total deferred inflows of resources   | 80,145        | 326,649       |
| <b>NET POSITION</b>   |               |               |
| Net investment in capital assets  | 32,511,297    | 29,710,705    |
| Restricted for  |               |               |
| Revenue bond retirement   | 198,001       | 187,413       |
| Unrestricted  | 10,590,007    | 9,752,938     |
| <b>TOTAL NET POSITION</b>   | \$ 43,299,305 | \$ 39,651,056 |

## City of Saginaw, Texas

### Comparative Statements of Revenues, Expenses and Changes in Net Position

#### Enterprise Fund

For the Fiscal Years Ended September 30, 2023 and 2022

|   | <u>2023</u>                | <u>2022</u>                |
|---|----------------------------|----------------------------|
| <b>OPERATING REVENUE</b>                          |                            |                            |
| Water and sewer sales                             | \$ 10,944,722              | \$ 10,514,996              |
| Penalties   | 232,345                    | 120,533                    |
| Surcharges  | 2,268,385                  | 1,770,564                  |
| Miscellaneous                                     | 76,935                     | 49,640                     |
|   | <hr/>                      | <hr/>                      |
| Total operating revenue                           | 13,522,387                 | 12,455,733                 |
| <b>OPERATING EXPENSES</b>                         |                            |                            |
| Cost of sales and services                        | 8,077,957                  | 6,946,920                  |
| Administrative                                    | 2,920,185                  | 2,292,824                  |
| Depreciation                                      | 1,095,343                  | 1,048,773                  |
|   | <hr/>                      | <hr/>                      |
| Total operating expenses                          | 12,093,485                 | 10,288,517                 |
|   |                            |                            |
| Operating income                                  | 1,428,902                  | 2,167,216                  |
| <b>NONOPERATING REVENUES (EXPENSES)</b>           |                            |                            |
| Investment income                                 | 491,175                    | 72,329                     |
| Loss on sale of machinery and equipment           | (6,755)                    | -                          |
| Interest expense and agent fees                   | (21,208)                   | (25,572)                   |
|   | <hr/>                      | <hr/>                      |
| Total nonoperating revenues (expenses)            | 463,212                    | 46,757                     |
|   |                            |                            |
| Income before capital contributions and transfers | 1,892,114                  | 2,213,973                  |
| <b>CAPITAL CONTRIBUTIONS AND TRANSFERS</b>        |                            |                            |
| Capital contributions                             | 2,370,266                  | 770,926                    |
| Intergovernmental                                 | 157,655                    | 59,103                     |
| Impact and tap fees                               | 12,229                     | 40,130                     |
| Transfers out                                     | (885,125)                  | (799,580)                  |
| Transfers in                                      | 101,110                    | 99,045                     |
|   | <hr/>                      | <hr/>                      |
| Total capital contributions and transfers         | 1,756,135                  | 169,624                    |
|   |                            |                            |
| Changes in net position                           | 3,648,249                  | 2,383,597                  |
| <b>NET POSITION, beginning of year</b>            | <hr/> 39,651,056           | <hr/> 37,267,459           |
| <b>NET POSITION, end of year</b>                  | <hr/> <u>\$ 43,299,305</u> | <hr/> <u>\$ 39,651,056</u> |

**City of Saginaw, Texas**

Comparative Statements of Cash Flows

Enterprise Fund

For the Fiscal Years Ended September 30, 2023 and 2022

|   | <u>2023</u>   | <u>2022</u>   |
|---|---------------|---------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                         |               |               |
| Cash received from customers  | \$ 13,331,693 | \$ 12,253,895 |
| Cash paid to employees  | (1,051,053)   | (1,215,979)   |
| Cash paid to suppliers  | (9,186,943)   | (7,606,177)   |
|   | <hr/>         | <hr/>         |
| Net cash provided by operating activities                           | 3,093,697     | 3,431,739     |
| <br><b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>          |               |               |
| Transfers out to other funds  | (885,125)     | (799,580)     |
| Transfers from other funds  | 101,110       | 99,045        |
|   | <hr/>         | <hr/>         |
| Net cash used in noncapital financing activities                    | (784,015)     | (700,535)     |
| <br><b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b> |               |               |
| Intergovernmental revenues  | 157,655       | 59,103        |
| Impact and tap fees   | 12,229        | 40,130        |
| Principal paid on bonds   | (150,000)     | (220,000)     |
| Purchase of capital assets  | (1,450,617)   | (782,608)     |
| Interest  | (15,890)      | (20,369)      |
|   | <hr/>         | <hr/>         |
| Net cash used in capital and related financing activities           | (1,446,623)   | (923,744)     |
| <br><b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |               |               |
| Interest on investments   | 491,175       | 72,329        |
|   | <hr/>         | <hr/>         |
| Net cash provided by investing activities                           | 491,175       | 72,329        |
|   | <hr/>         | <hr/>         |
| Net change in cash  | 1,354,234     | 1,879,789     |
| <br><b>CASH AND CASH EQUIVALENTS, beginning of year</b>             | <hr/>         | <hr/>         |
|   | 11,359,851    | 9,480,062     |
| <br><b>CASH AND CASH EQUIVALENTS, end of year</b>                   | <hr/>         | <hr/>         |
|   | \$ 12,714,085 | \$ 11,359,851 |

**City of Saginaw, Texas**

Comparative Statements of Cash Flows – Continued

Enterprise Fund

For the Fiscal Years Ended September 30, 2023 and 2022

|   | Current<br>Assets    | Restricted<br>Assets | 2023<br>Statement of<br>Cash Flows<br>Totals | 2022<br>Statement of<br>Cash Flows<br>Totals |
|---|----------------------|----------------------|--|--|
| <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b> |                      |                      |  |  |
| Cash and cash equivalents, beginning of year  | \$ 10,437,474        | \$ 922,377           | \$ 11,359,851                                | \$ 9,480,062                                 |
| Net increase (decrease)   | 1,323,111            | 31,123               | 1,354,234                                    | 1,879,789                                    |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>   | <b>\$ 11,760,585</b> | <b>\$ 953,500</b>    | <b>\$ 12,714,085</b>                         | <b>\$ 11,359,851</b>                         |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                          |                      |                      |  |  |
| Operating income  |                      |                      | \$ 1,428,902                                 | \$ 2,167,216                                 |
| Adjustments to reconcile operating income to net cash provided by operating activities:                         |                      |                      |  |  |
| Depreciation  |                      |                      | 1,095,343                                    | 1,048,773                                    |
| (Increase) Decrease in accounts receivable  |                      |                      | (211,229)                                    | (213,163)                                    |
| (Increase) Decrease in deferred outflows of resources-pension   |                      |                      | (278,957)                                    | (77,275)                                     |
| (Increase) Decrease in deferred outflows of resources-OPEB  |                      |                      | 1,043  | 224  |
| Increase (Decrease) in accounts payable and accrued expenses  |                      |                      | 732,640                                      | 537,524                                      |
| Increase (Decrease) in customer deposits  |                      |                      | 20,535                                       | 11,325                                       |
| Increase (Decrease) in net pension liability  |                      |                      | 568,783                                      | (182,409)                                    |
| Increase (Decrease) in total OPEB liability   |                      |                      | (16,859)                                     | 4,949  |
| Increase (Decrease) in deferred inflows of resources-pension  |                      |                      | (246,504)                                    | 134,575                                      |
| Net cash provided by operating activities   |                      |                      | \$ 3,093,697                                 | \$ 3,431,739                                 |
| <b>SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES</b>                             |                      |                      |  |  |
| Capital asset contributions from developers   |                      |                      | \$ 2,370,266                                 | \$ 770,926                                   |



**City of Saginaw**

**Statistical Section  
(Unaudited)**



**City of Saginaw**

**City of Saginaw, Texas**  
Statistical Section (Unaudited)

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

**Contents:**

Financial Trends ..... 108-117

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

Revenue Capacity..... 118-121

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

Debt Capacity..... 122-126

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

Demographic and Economic Information ..... 127-128

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

Operating Information..... 129-131

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

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

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

|  | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017*</u>          |
|--|----------------------|----------------------|----------------------|-----------------------|
| <b>GOVERNMENTAL ACTIVITIES</b>                     |                      |                      |                      |                       |
| Net investment in capital assets                   | \$ 52,280,544        | \$ 55,375,158        | \$ 56,038,750        | \$ 62,510,664         |
| Restricted   | 1,596,119            | 1,416,987            | 1,267,190            | 1,120,206             |
| Unrestricted                                       | 13,139,145           | 5,701,871            | 7,709,276            | 8,126,849             |
| <b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>  | 67,015,808           | 62,494,016           | 65,015,216           | 71,757,719            |
| <b>BUSINESS-TYPE ACTIVITIES</b>                    |                      |                      |                      |                       |
| Net investment in capital assets                   | 19,067,165           | 20,210,164           | 21,614,590           | 22,315,277            |
| Restricted   | 420,905              | 421,162              | 444,944              | 175,662               |
| Unrestricted                                       | 7,726,467            | 8,015,115            | 7,603,698            | 8,123,007             |
| <b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b> | 27,214,537           | 28,646,441           | 29,663,232           | 30,613,946            |
| <b>PRIMARY GOVERNMENT</b>                          |                      |                      |                      |                       |
| Net investment in capital assets                   | 71,347,709           | 75,585,322           | 77,653,340           | 84,825,941            |
| Restricted   | 2,017,024            | 1,838,149            | 1,712,134            | 1,295,868             |
| Unrestricted                                       | 20,865,612           | 13,716,986           | 15,312,974           | 16,249,856            |
| <b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>       | <u>\$ 94,230,345</u> | <u>\$ 91,140,457</u> | <u>\$ 94,678,448</u> | <u>\$ 102,371,665</u> |

\*2017 restated for GASB 75

**Table 1**

| <b>2018</b>           | <b>2019</b>           | <b>2020</b>           | <b>2021</b>           | <b>2022</b>           | <b>2023</b>           |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ 65,704,199         | \$ 70,565,446         | \$ 62,189,307         | \$ 84,992,122         | \$ 85,548,604         | \$ 95,130,777         |
| 6,958,205             | 7,659,462             | 7,491,338             | 9,112,393             | 10,690,770            | 11,132,250            |
| 3,446,846             | 263,251               | 17,660,209            | 1,805,245             | 2,094,593             | 6,461,869             |
| 76,109,250            | 78,488,159            | 87,340,854            | 95,909,760            | 98,333,967            | 112,724,896           |
| 23,273,899            | 24,688,409            | 28,198,820            | 29,067,806            | 29,787,001            | 32,511,297            |
| 179,178               | 184,466               | 185,900               | 185,657               | 187,413               | 198,001               |
| 8,410,610             | 9,664,848             | 8,317,961             | 8,013,996             | 9,676,642             | 10,590,007            |
| 31,863,687            | 34,537,723            | 36,702,681            | 37,267,459            | 39,651,056            | 43,299,305            |
| 88,978,098            | 95,253,855            | 90,388,127            | 114,059,928           | 115,335,605           | 127,642,074           |
| 7,137,383             | 7,843,928             | 7,677,238             | 9,298,050             | 10,878,183            | 11,330,251            |
| 11,857,456            | 9,928,099             | 25,978,170            | 9,819,241             | 11,771,235            | 17,051,876            |
| <u>\$ 107,972,937</u> | <u>\$ 113,025,882</u> | <u>\$ 124,043,535</u> | <u>\$ 133,177,219</u> | <u>\$ 137,985,023</u> | <u>\$ 156,024,201</u> |

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

|   | <b>2014</b>                | <b>2015</b>                | <b>2016</b>                | <b>2017</b>                |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>EXPENSES</b>   |                            |                            |                            |                            |
| Governmental activities:                                  |                            |                            |                            |                            |
| General administrative office                             | \$ 2,343,593               | \$ 2,126,569               | \$ 2,060,595               | \$ 1,924,614               |
| Municipal court   | 200,512                    | 184,794                    | 186,864                    | 190,521                    |
| Fire  | 2,955,138                  | 3,284,144                  | 3,242,317                  | 3,446,465                  |
| Police  | 4,038,792                  | 4,230,644                  | 4,434,955                  | 4,616,528                  |
| Public works  | 2,895,713                  | 3,422,440                  | 3,435,053                  | 3,705,943                  |
| Parks   | 208,076                    | 226,152                    | 294,992                    | 348,531                    |
| Community services  | 985,348                    | 1,076,881                  | 1,076,293                  | 1,130,034                  |
| Library   | 548,383                    | 564,913                    | 591,580                    | 624,921                    |
| Inspections   | 603,213                    | 716,049                    | 824,509                    | 861,619                    |
| Animal services   | -                          | -                          | -                          | -                          |
| Fleet maintenance   | 573,011                    | 531,903                    | 439,379                    | 513,948                    |
| Economic development                                      | 35,860                     | 19,363                     | 50,197                     | 46,520                     |
| Information technology                                    | -                          | -                          | -                          | -                          |
| Emergency management                                      | -                          | -                          | -                          | -                          |
| Communications  | -                          | -                          | -                          | -                          |
| Interest on long term debt                                | 916,082                    | 942,168                    | 994,113                    | 883,962                    |
| Total governmental activities                             | <u>16,303,721</u>          | <u>17,326,020</u>          | <u>17,630,847</u>          | <u>18,293,606</u>          |
| Business-type activities:                                 |                            |                            |                            |                            |
| Water and wastewater                                      | <u>7,068,008</u>           | <u>7,469,979</u>           | <u>8,355,662</u>           | <u>9,167,424</u>           |
| Total business-type activities                            | <u>7,068,008</u>           | <u>7,469,979</u>           | <u>8,355,662</u>           | <u>9,167,424</u>           |
| Total primary government expenses                         | <u>23,371,729</u>          | <u>24,795,999</u>          | <u>25,986,509</u>          | <u>27,461,030</u>          |
| <b>PROGRAM REVENUES</b>                                   |                            |                            |                            |                            |
| Governmental activities:                                  |                            |                            |                            |                            |
| Fines, fees and charges for services:                     |                            |                            |                            |                            |
| General administrative office                             | -                          | 40,118                     | 63,426                     | 32,724                     |
| Municipal court   | 543,001                    | 561,382                    | 441,298                    | 493,172                    |
| Fire  | 80,000                     | 80,000                     | 83,000                     | 84,000                     |
| Police  | 3,880                      | 4,248                      | 4,314                      | 3,822                      |
| Public works  | 577,267                    | 583,358                    | 592,078                    | 754,462                    |
| Community services  | 652,176                    | 670,826                    | 646,004                    | 665,004                    |
| Library   | 20,499                     | 18,982                     | 16,260                     | 16,944                     |
| Inspections   | 433,586                    | 740,778                    | 939,380                    | 961,945                    |
| Animal services *   | -                          | -                          | -                          | -                          |
| Operating grants and contributions:                       |                            |                            |                            |                            |
| General administrative office                             | -                          | -                          | -                          | -                          |
| Municipal court   | -                          | -                          | -                          | -                          |
| Fire  | 77,426                     | 24,992                     | 29,134                     | 54,529                     |
| Police  | 97,557                     | 209,835                    | 150,845                    | 179,592                    |
| Public works  | -                          | -                          | -                          | -                          |
| Parks   | -                          | -                          | -                          | -                          |
| Community services  | -                          | -                          | -                          | -                          |
| Library   | -                          | -                          | -                          | -                          |
| Inspections   | -                          | -                          | -                          | -                          |
| Animal services   | -                          | -                          | -                          | -                          |
| Information technology                                    | -                          | -                          | -                          | -                          |
| Capital grants and contributions:                         |                            |                            |                            |                            |
| Fire  | -                          | -                          | -                          | -                          |
| Police  | -                          | -                          | -                          | -                          |
| Public works  | 3,854,521                  | 1,457,517                  | 1,549,780                  | 5,835,552                  |
| <b>TOTAL GOVERNMENTAL ACTIVITIES AND PROGRAM REVENUES</b> | <u><u>\$ 6,339,913</u></u> | <u><u>\$ 4,392,036</u></u> | <u><u>\$ 4,515,519</u></u> | <u><u>\$ 9,081,746</u></u> |

\* Prior to 2018 Animal services was included in Inspections

**Table 2**  
(Page 1 of 2)

|    | 2018       | 2019         | 2020          | 2021         | 2022         | 2023          |
|----|------------|--------------|---------------|--------------|--------------|---------------|
| \$ | 2,306,824  | \$ 2,887,428 | \$ 2,801,551  | \$ 2,660,420 | \$ 3,053,160 | \$ 3,357,010  |
|    | 167,338    | 237,810      | 187,789       | 187,686      | 204,415      | 222,339       |
|    | 3,410,291  | 4,547,729    | 3,824,006     | 3,833,378    | 4,080,989    | 4,556,370     |
|    | 4,732,436  | 6,404,221    | 5,419,054     | 5,290,475    | 5,461,474    | 6,189,931     |
|    | 3,717,371  | 4,127,755    | 5,104,334     | 5,033,117    | 6,134,668    | 6,337,340     |
|    | 345,716    | 393,026      | 356,963       | 468,390      | 466,233      | 597,075       |
|    | 1,141,716  | 1,309,456    | 993,452       | 802,551      | 1,486,401    | 1,314,753     |
|    | 610,243    | 787,531      | 607,455       | 645,186      | 707,863      | 795,853       |
|    | 563,502    | 751,460      | 633,836       | 698,321      | 835,781      | 957,192       |
|    | 322,993    | 415,695      | 374,204       | 396,348      | 477,232      | 554,318       |
|    | 499,089    | 535,473      | 434,270       | 492,762      | 632,167      | 674,642       |
|    | 567,431    | 285,028      | 176,295       | 140,178      | 224,361      | 81,610        |
|    | -          | 384,523      | 374,852       | 389,186      | 384,253      | 496,470       |
|    | -          | -            | -             | -            | -            | 97,784        |
|    | -          | -            | -             | -            | -            | 156,048       |
|    | 1,017,739  | 915,915      | 892,956       | 1,403,680    | 1,885,591    | 2,766,529     |
|    | 19,402,689 | 23,983,050   | 22,181,017    | 22,441,678   | 26,034,588   | 29,155,264    |
|    | 10,295,498 | 9,727,920    | 10,969,259    | 9,679,904    | 10,314,089   | 12,121,448    |
|    | 10,295,498 | 9,727,920    | 10,969,259    | 9,679,904    | 10,314,089   | 12,121,448    |
|    | 29,698,187 | 33,710,970   | 33,150,276    | 32,121,582   | 36,348,677   | 41,276,712    |
|    | 77,113     | 43,455       | 42,410        | 216,266      | 142,250      | 186,132       |
|    | 416,477    | 387,843      | 348,604       | 464,072      | 427,608      | 289,946       |
|    | 84,000     | 87,150       | 94,815        | 97,020       | 100,755      | 137,500       |
|    | 4,439      | 6,574        | 3,075         | 3,174        | 3,414        | 3,927         |
|    | 776,501    | 794,783      | 815,726       | 823,078      | 835,850      | 1,011,821     |
|    | 692,897    | 811,469      | 443,782       | 455,009      | 656,095      | 644,928       |
|    | 15,309     | 8,978        | 5,212         | 6,886        | 6,506        | 7,211         |
|    | 1,025,588  | 959,843      | 923,088       | 1,278,968    | 741,666      | 955,188       |
|    | 20,044     | 25,433       | 30,307        | 32,119       | 28,444       | 27,630        |
|    | -          | -            | 23,844        | -            | 10,514       | 245,616       |
|    |            |              | 7,337         | 1,033        | -            | -             |
|    | 30,833     | 53,987       | 519,191       | 100,690      | 104,035      | 389,553       |
|    | 128,595    | 165,424      | 702,553       | 163,999      | 155,069      | 232,032       |
|    | -          |              | 431,927       | 3,982        | -            | -             |
|    |            |              | 650           | -            | -            | 112,392       |
|    |            |              | 33,959        | 1,739        | -            | -             |
|    |            |              | 2,016         | -            | -            | -             |
|    |            |              | 9,599         | -            | -            | -             |
|    |            |              | 7,357         | 449          | -            | 18,018        |
|    |            |              | 22,956        | 4,986        | -            | -             |
|    |            |              | 64,035        | -            | -            | -             |
|    |            |              | 15,623        | -            | -            | -             |
|    | 2,544,847  | 3,930,917    | 6,803,877     | 5,422,862    | 657,170      | 8,559,510     |
| \$ | 5,816,643  | \$ 7,275,856 | \$ 11,351,943 | \$ 9,076,332 | \$ 3,869,376 | \$ 12,821,404 |

# City of Saginaw, Texas

## Changes in Net Position

### Last Ten Fiscal Years

|   | 2014                | 2015                | 2016                | 2017                |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>BUSINESS-TYPE ACTIVITIES</b>                         |                     |                     |                     |                     |
| Charges for services:                                   |                     |                     |                     |                     |
| Water and wastewater                                    | \$ 8,910,914        | \$ 8,965,645        | \$ 8,733,275        | \$ 9,088,796        |
| Operating Grants and Contributions                      | -                   | -                   | -                   | -                   |
| Capital grants and contributions                        | 1,461,468           | 1,040,496           | 967,271             | 1,447,523           |
|   | <u>10,372,382</u>   | <u>10,006,141</u>   | <u>9,700,546</u>    | <u>10,536,319</u>   |
| Total business-type activities program revenues         |                     |                     |                     |                     |
|   | 10,372,382          | 10,006,141          | 9,700,546           | 10,536,319          |
| Total primary government program revenues               | 16,712,295          | 14,398,177          | 14,216,065          | 19,618,065          |
| <b>NET (EXPENSES) REVENUE</b>                           |                     |                     |                     |                     |
| Governmental activities                                 | (9,963,808)         | (12,933,984)        | (13,115,328)        | (9,211,860)         |
| Business-type activities                                | 3,304,374           | 2,536,162           | 1,344,884           | 1,368,895           |
|   | <u>(6,659,434)</u>  | <u>(10,397,822)</u> | <u>(11,770,444)</u> | <u>(7,842,965)</u>  |
| Total primary governmental net expenses                 |                     |                     |                     |                     |
|   | (6,659,434)         | (10,397,822)        | (11,770,444)        | (7,842,965)         |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b> |                     |                     |                     |                     |
| Governmental activities:                                |                     |                     |                     |                     |
| Taxes:  |                     |                     |                     |                     |
| Ad valorem  | 6,277,304           | 6,506,284           | 7,201,098           | 7,608,668           |
| Sales   | 5,709,850           | 5,786,769           | 5,790,661           | 6,198,989           |
| Franchise taxes   | 1,420,451           | 1,851,551           | 1,839,384           | 1,693,095           |
| Other taxes   | 18,682              | 32,116              | 28,626              | 32,666              |
| Penalties and interest                                  | 21,965              | 13,367              | 15,202              | 17,148              |
| Interest income   | 7,587               | 11,883              | 84,200              | 214,428             |
| Gain (Loss) on sale of assets                           | 26,704              | -                   | -                   | -                   |
| Miscellaneous revenues                                  | 206,735             | 110,595             | 125,952             | 116,691             |
| Transfers   | 964,673             | 564,120             | 551,405             | 590,530             |
|   | <u>14,653,951</u>   | <u>14,876,685</u>   | <u>15,636,528</u>   | <u>16,472,215</u>   |
| Total governmental activities                           |                     |                     |                     |                     |
|   | 14,653,951          | 14,876,685          | 15,636,528          | 16,472,215          |
| Business-type activities:                               |                     |                     |                     |                     |
| Interest income   | 2,508               | 4,529               | 26,998              | 63,794              |
| Gain on sale of assets                                  | 9,365               | -                   | -                   | -                   |
| Miscellaneous revenues                                  | 189,967             | 213,116             | 196,314             | 172,559             |
| Transfers   | (964,673)           | (564,120)           | (551,405)           | (590,530)           |
|   | <u>(762,833)</u>    | <u>(346,475)</u>    | <u>(328,093)</u>    | <u>(354,177)</u>    |
| Total business-type activities                          |                     |                     |                     |                     |
|   | (762,833)           | (346,475)           | (328,093)           | (354,177)           |
| Total primary government                                | 13,891,118          | 14,530,210          | 15,308,435          | 16,118,038          |
| <b>CHANGES IN NET POSITION</b>                          |                     |                     |                     |                     |
| Governmental activities                                 | 4,690,143           | 1,942,701           | 2,521,200           | 7,260,355           |
| Business-type activities                                | 2,541,541           | 2,189,687           | 1,016,791           | 1,014,718           |
|   | <u>7,231,684</u>    | <u>4,132,388</u>    | <u>3,537,991</u>    | <u>8,275,073</u>    |
| <b>TOTAL PRIMARY GOVERNMENT</b>                         | <u>\$ 7,231,684</u> | <u>\$ 4,132,388</u> | <u>\$ 3,537,991</u> | <u>\$ 8,275,073</u> |

**Table 2**  
(Page 2 of 2)

| <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   | <b>2022</b>   | <b>2023</b>   |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 10,434,663 | \$ 10,327,466 | \$ 10,798,406 | \$ 10,672,524 | \$ 12,285,560 | \$ 13,213,107 |
| -             |               |               |               |               |               |
| 1,360,420     | 2,233,163     | 2,706,220     | 43,434        | 870,159       | 2,540,150     |
| 11,795,083    | 12,560,629    | 13,504,626    | 10,715,958    | 13,155,719    | 15,753,257    |
| 17,611,726    | 19,836,485    | 24,856,569    | 19,792,290    | 17,025,095    | 28,574,661    |
| (13,586,046)  | (16,707,194)  | (10,829,074)  | (13,365,346)  | (22,165,212)  | (16,333,860)  |
| 1,499,585     | 2,832,709     | 2,535,367     | 1,036,054     | 2,841,630     | 3,631,809     |
| (12,086,461)  | (13,874,485)  | (8,293,707)   | (12,329,292)  | (19,323,582)  | (12,702,051)  |
| 8,172,372     | 8,911,747     | 9,670,822     | 10,451,254    | 11,782,661    | 13,952,095    |
| 6,356,478     | 6,809,346     | 7,262,055     | 8,855,456     | 9,494,855     | 10,450,488    |
| 1,660,835     | 1,764,936     | 1,612,023     | 1,561,343     | 1,629,409     | 1,783,344     |
| 79,388        | 105,233       | 77,679        | 109,813       | 129,131       | 131,023       |
| 22,706        | 14,604        | 12,581        | 10,590        | 33,148        | 20,101        |
| 475,921       | 657,032       | 255,256       | 22,000        | 446,409       | 3,480,247     |
| -             |               |               |               |               |               |
| 590,747       | 244,135       | 183,708       | 298,496       | 373,271       | 123,476       |
| 579,130       | 579,070       | 607,645       | 625,300       | 700,535       | 784,015       |
| 17,937,577    | 19,086,103    | 19,681,769    | 21,934,252    | 24,589,419    | 30,724,789    |
| 145,445       | 236,213       | 97,645        | 4,846         | 72,329        | 491,175       |
| -             |               |               |               |               |               |
| 183,841       | 184,184       | 139,591       | 149,178       | 170,173       | 309,280       |
| (579,130)     | (579,070)     | (607,645)     | (625,300)     | (700,535)     | (784,015)     |
| (249,844)     | (158,673)     | (370,409)     | (471,276)     | (458,033)     | 16,440        |
| 17,687,733    | 18,927,430    | 19,311,360    | 21,462,976    | 24,131,386    | 30,741,229    |
| 4,351,531     | 2,378,909     | 8,852,695     | 8,568,906     | 2,424,207     | 14,390,929    |
| 1,249,741     | 2,674,036     | 2,164,958     | 564,778       | 2,383,597     | 3,648,249     |
| \$ 5,601,272  | \$ 5,052,945  | \$ 11,017,653 | \$ 9,133,684  | \$ 4,807,804  | \$ 18,039,178 |

# City of Saginaw, Texas

## Fund Balances, Governmental Funds

Last Ten Fiscal Years

|   | <u>2014</u>          | <u>2015</u>          | <u>2016</u>          | <u>2017</u>          |
|---|----------------------|----------------------|----------------------|----------------------|
| <b>GENERAL FUND</b>                       |                      |                      |                      |                      |
| Nonspendable:                             |                      |                      |                      |                      |
| Prepaid items                             | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted:                               |                      |                      |                      |                      |
| Capital projects                          | 403,681              | -                    | -                    | -                    |
| Municipal court                           | 146,224              | -                    | -                    | -                    |
| Hotel/motel tax                           | 18,723               | -                    | -                    | -                    |
| Assigned                                  | 509,935              | 294,445              | 537,510              | 1,167,595            |
| Unassigned                                | 8,598,487            | 9,499,273            | 10,155,535           | 10,480,993           |
| <b>TOTAL GENERAL FUND</b>                 | <u>\$ 9,677,050</u>  | <u>\$ 9,793,718</u>  | <u>\$ 10,693,045</u> | <u>\$ 11,648,588</u> |
| <b>ALL OTHER GOVERNMENTAL FUNDS</b>       |                      |                      |                      |                      |
| Nonspendable                              |                      |                      |                      |                      |
| Prepaid items                             | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Restricted:                               |                      |                      |                      |                      |
| Debt service                              | 1,650,611            | 1,473,531            | 1,306,703            | 1,153,415            |
| Capital projects                          | 7,077,353            | 12,799,557           | 10,566,997           | 12,597,897           |
| Street maintenance                        | 900,917              | 1,137,598            | 1,283,877            | 1,452,255            |
| Crime prevention                          | 853,451              | 712,061              | 591,654              | 524,886              |
| Drainage                                  | 1,234,069            | 826,712              | 1,142,095            | 1,701,294            |
| Public improvements                       | -                    | -                    | -                    | -                    |
| Other                                     | -                    | 513,363              | 1,160,365            | 1,162,875            |
| Committed:                                |                      |                      |                      |                      |
| Donations                                 | 336,101              | 274,621              | 293,437              | 272,446              |
| <b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b> | <u>\$ 12,052,502</u> | <u>\$ 17,737,443</u> | <u>\$ 16,345,128</u> | <u>\$ 18,865,068</u> |

**Table 3**

| <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>          | <b>2022</b>          | <b>2023</b>          |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ -                 | \$ -                 | \$ 137,534           | \$ -                 | \$ 800               | \$ 740               |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| -                    | -                    | -                    | -                    | -                    | -                    |
| 885,540              | 729,080              | 2,882,850            | 1,901,425            | 785,625              | 669,335              |
| <u>10,714,852</u>    | <u>10,875,059</u>    | <u>9,936,029</u>     | <u>10,144,356</u>    | <u>11,463,870</u>    | <u>13,207,664</u>    |
| <u>\$ 11,600,392</u> | <u>\$ 11,604,139</u> | <u>\$ 12,956,413</u> | <u>\$ 12,045,781</u> | <u>\$ 12,250,295</u> | <u>\$ 13,877,739</u> |
| \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ 3,420             |
| 1,115,474            | 1,209,970            | 1,185,401            | 1,082,134            | 1,180,683            | 1,397,952            |
| 7,208,691            | 7,418,377            | 23,234,623           | 24,284,485           | 36,748,661           | 46,694,781           |
| 1,655,775            | 1,766,915            | 1,594,442            | 1,746,242            | 2,152,478            | 2,244,481            |
| 535,811              | 488,741              | 529,301              | 858,108              | 1,461,350            | 1,556,629            |
| 2,217,041            | 2,636,085            | 2,642,077            | 3,179,644            | 3,769,042            | 2,335,818            |
| -                    | -                    | -                    | -                    | 22,746               | 531,795              |
| 1,487,451            | 1,612,405            | 1,641,765            | 2,358,268            | 2,495,702            | 3,617,409            |
| <u>324,644</u>       | <u>429,164</u>       | <u>506,739</u>       | <u>514,398</u>       | <u>586,126</u>       | <u>680,047</u>       |
| <u>\$ 14,544,887</u> | <u>\$ 15,561,657</u> | <u>\$ 31,334,348</u> | <u>\$ 34,023,279</u> | <u>\$ 48,416,788</u> | <u>\$ 59,062,332</u> |

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

|   | <u>2014</u>         | <u>2015</u>         | <u>2016</u>         | <u>2017</u>         |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>REVENUES</b>   |                     |                     |                     |                     |
| Taxes   | \$ 13,444,020       | \$ 14,192,838       | \$ 14,877,738       | \$ 15,540,413       |
| Licenses and permits                                    | 329,948             | 627,876             | 740,192             | 929,188             |
| Charges for services                                    | 657,267             | 663,358             | 674,978             | 838,362             |
| Fines and fees  | 667,138             | 693,266             | 656,746             | 542,873             |
| Interest income   | 7,587               | 11,883              | 84,200              | 214,428             |
| Recreation income                                       | 494,346             | 512,677             | 487,081             | 496,969             |
| Intergovernmental                                       | 568,262             | 234,827             | 179,979             | 234,122             |
| Miscellaneous revenues                                  | 376,048             | 321,110             | 1,010,725           | 326,507             |
|   | <u>16,544,616</u>   | <u>17,257,835</u>   | <u>18,711,639</u>   | <u>19,122,862</u>   |
| <b>EXPENDITURES</b>                                     |                     |                     |                     |                     |
| Current:  |                     |                     |                     |                     |
| General administrative office                           | 2,301,845           | 2,191,774           | 1,963,039           | 2,075,890           |
| Municipal court   | 199,451             | 185,158             | 184,973             | 187,886             |
| Fire  | 3,694,807           | 2,932,965           | 3,177,233           | 3,280,597           |
| Police  | 3,753,226           | 3,967,015           | 4,075,546           | 4,273,272           |
| Public works  | 884,006             | 1,268,270           | 1,263,892           | 1,354,767           |
| Parks   | 227,791             | 240,528             | 266,949             | 352,766             |
| Community services                                      | 753,421             | 861,581             | 918,907             | 990,618             |
| Library   | 496,461             | 520,281             | 537,893             | 568,246             |
| Inspections   | 587,047             | 705,189             | 825,017             | 849,217             |
| Animal services *                                       | -                   | -                   | -                   | -                   |
| City garage   | 533,557             | 493,996             | 399,692             | 471,007             |
| Economic development                                    | 35,860              | 19,363              | 50,197              | 46,520              |
| Information technology**                                |                     |                     |                     |                     |
| Emergency management***                                 |                     |                     |                     |                     |
| Communications****                                      |                     |                     |                     |                     |
| Capital outlay  | 2,327,457           | 3,750,868           | 2,570,956           | 6,349,590           |
| Debt service:   |                     |                     |                     |                     |
| Principal retirement                                    | 2,214,750           | 2,056,785           | 2,539,654           | 2,667,570           |
| Interest charges  | 910,722             | 824,995             | 854,529             | 763,613             |
| Fiscal agent's fees and debt issuance costs             | 44,188              | 132,294             | 203,483             | 144,905             |
|   | <u>18,964,589</u>   | <u>20,151,062</u>   | <u>19,831,960</u>   | <u>24,376,464</u>   |
| Excess (deficiency) of revenues over expenditures       | (2,419,973)         | (2,893,227)         | (1,120,321)         | (5,253,602)         |
| Other financing sources (uses):                         |                     |                     |                     |                     |
| Capital lease proceeds                                  | 944,294             | -                   | -                   | -                   |
| Proceeds from right to use subscription assets          |                     |                     |                     |                     |
| Proceeds from financed purchases                        |                     |                     |                     |                     |
| Issuance of debt  | -                   | 8,000,000           | -                   | 7,830,000           |
| Proceeds from bond refunding                            | 2,130,000           | -                   | 5,910,000           | -                   |
| Premium on bond issuance                                | -                   | 130,716             | -                   | 308,555             |
| Payments to refunded bond escrow agent                  | (2,130,711)         | -                   | (5,834,072)         | -                   |
| Transfers in  | 2,827,420           | 3,713,702           | 1,726,230           | 1,697,052           |
| Transfers out   | (1,862,747)         | (3,149,582)         | (1,174,825)         | (1,106,522)         |
|   | <u>1,908,256</u>    | <u>8,694,836</u>    | <u>627,333</u>      | <u>8,729,085</u>    |
| Net change in fund balances                             | <u>\$ (511,717)</u> | <u>\$ 5,801,609</u> | <u>\$ (492,988)</u> | <u>\$ 3,475,483</u> |
| Debt service as a percentage of noncapital expenditures |                     |                     |                     |                     |
|   | 20.02%              | 17.86%              | 20.02%              | 19.37%              |

\* Prior to 2018 Animal services was included in Inspections

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

\*\*\* Prior to 2023 Emergency management was included in Fire

\*\*\*\* Prior to 2023 Communications was included in General administrative office

Table 4

| 2018           | 2019          | 2020          | 2021          | 2022          | 2023          |
|----------------|---------------|---------------|---------------|---------------|---------------|
| \$ 16,287,689  | \$ 17,610,628 | \$ 18,632,475 | \$ 20,976,412 | \$ 23,064,987 | \$ 26,351,166 |
| 951,542        | 858,901       | 773,813       | 668,169       | 502,521       | 392,973       |
| 860,401        | 881,933       | 910,541       | 920,098       | 936,605       | 1,149,321     |
| 525,876        | 529,770       | 536,473       | 1,117,050     | 705,117       | 894,359       |
| 475,921        | 657,032       | 255,256       | 22,000        | 446,409       | 3,480,247     |
| 520,798        | 524,686       | 162,412       | 163,056       | 344,113       | 314,980       |
| 159,428        | 219,411       | 2,661,433     | 5,326,134     | 802,187       | 3,642,245     |
| 1,091,494      | 555,747       | 509,849       | 1,054,895     | 851,327       | 1,232,207     |
| 20,873,149     | 21,838,108    | 24,442,252    | 30,247,814    | 27,653,266    | 37,457,498    |
| 2,217,124      | 2,536,360     | 2,692,380     | 3,073,314     | 3,116,047     | 3,190,352     |
| 168,421        | 212,743       | 187,064       | 191,718       | 212,097       | 217,935       |
| 3,982,620      | 3,826,258     | 3,965,267     | 3,864,642     | 4,158,484     | 4,237,521     |
| 4,638,904      | 5,358,286     | 5,072,762     | 5,103,232     | 5,421,737     | 5,565,890     |
| 1,609,303      | 1,835,898     | 2,330,346     | 1,652,954     | 2,579,899     | 2,318,296     |
| 339,015        | 379,478       | 538,609       | 337,404       | 319,152       | 408,079       |
| 959,782        | 998,499       | 811,155       | 645,986       | 1,367,624     | 1,124,311     |
| 569,005        | 601,026       | 568,571       | 626,724       | 708,877       | 741,632       |
| 579,082        | 600,849       | 625,717       | 716,646       | 906,530       | 921,566       |
| 398,633        | 329,854       | 389,122       | 471,758       | 483,263       | 526,138       |
| 456,219        | 434,837       | 392,030       | 457,527       | 665,366       | 634,734       |
| 567,978        | 243,050       | 176,840       | 140,178       | 224,361       | 81,610        |
|                | 327,680       | 427,319       | 398,731       | 398,691       | 456,127       |
|                |               |               |               |               | 96,566        |
|                |               |               |               |               | 154,339       |
| 5,761,665      | 2,276,933     | 6,464,727     | 16,290,487    | 12,188,359    | 16,380,964    |
| 2,555,536      | 2,495,000     | 3,015,000     | 2,725,000     | 3,160,000     | 3,526,007     |
| 1,012,169      | 886,610       | 741,720       | 1,391,033     | 1,536,376     | 2,785,516     |
| 5,200          | 53,300        | 376,873       | 193,968       | 290,867       | 244,257       |
| 25,820,656     | 23,396,661    | 28,775,502    | 38,281,302    | 37,737,730    | 43,611,840    |
| (4,947,507)    | (1,558,553)   | (4,333,250)   | (8,033,488)   | (10,084,464)  | (6,154,342)   |
| -              |               |               |               |               | 113,530       |
|                |               |               |               |               | 337,911       |
| -              | 2,000,000     | 17,345,000    | 8,435,000     | 22,260,000    | 15,590,000    |
| -              |               | 3,015,000     | -             | -             | -             |
| -              |               | 3,414,982     | 751,487       | 1,721,952     | 1,601,874     |
| -              |               | (2,924,412)   | -             | -             | -             |
| 1,705,322      | 1,840,082     | 1,957,493     | 4,831,194     | 2,351,293     | 2,726,117     |
| (1,126,192)    | (1,261,012)   | (1,349,848)   | (4,205,894)   | (1,650,758)   | (1,942,102)   |
| 579,130        | 2,579,070     | 21,458,215    | 9,811,787     | 24,682,487    | 18,427,330    |
| \$ (4,368,377) | \$ 1,020,517  | \$ 17,124,965 | \$ 1,778,299  | \$ 14,598,023 | \$ 12,272,988 |
| 19.07%         | 17.29%        | 17.60%        | 19.33%        | 18.56%        | 23.18%        |

**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> |
|--------------------|-----------------------|--------------------------------|-----------------------------------|-----------------------------------|------------------------------|---|-------------------------------------|--|
| 2013/14            | 6,223,951             | 6,184,458                      | 99.4%                             | 34,745                            | 6,219,203                    | 99.9%   | 4,748                               | 0.1%                                     |
| 2014/15            | 6,484,972             | 6,448,230                      | 99.4%                             | 34,215                            | 6,482,444                    | 100.0%  | 2,527                               | 0.0%                                     |
| 2015/16            | 7,175,560             | 7,141,585                      | 99.5%                             | 31,012                            | 7,172,597                    | 100.0%  | 2,963                               | 0.0%                                     |
| 2016/17            | 7,557,636             | 7,513,508                      | 99.4%                             | 38,682                            | 7,552,189                    | 99.9%   | 5,446                               | 0.1%                                     |
| 2017/18            | 8,075,537             | 8,027,316                      | 99.4%                             | 33,989                            | 8,061,305                    | 99.8%   | 14,232                              | 0.2%                                     |
| 2018/19            | 8,893,539             | 8,850,081                      | 99.5%                             | 36,337                            | 8,886,418                    | 99.9%   | 7,121                               | 0.1%                                     |
| 2019/20            | 9,671,868             | 9,625,725                      | 99.5%                             | 33,550                            | 9,659,275                    | 99.9%   | 12,593                              | 0.1%                                     |
| 2020/21            | 10,438,401            | 10,380,213                     | 99.4%                             | 42,436                            | 10,422,649                   | 99.8%   | 15,752                              | 0.2%                                     |
| 2021/22            | 11,695,914            | 11,633,510                     | 99.5%                             | 44,329                            | 11,677,840                   | 99.8%   | 18,074                              | 0.2%                                     |
| 2022/23            | 13,426,232            | 13,377,942                     | 99.6%                             | -                                 | 13,377,942                   | 99.6%   | 48,290                              | 0.4%                                     |

**City of Saginaw, Texas**

**Table 6**

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

| Fiscal Year | Real Property  |                        | Personal Property |                        | Total          |                        | Property Tax Rate Per \$100 |
|-------------|----------------|------------------------|-------------------|------------------------|----------------|------------------------|-----------------------------|
|             | Assessed Value | Estimated Actual Value | Assessed Value    | Estimated Actual Value | Assessed Value | Estimated Actual Value |                             |
| 2013/14     | 896,517,649    | 896,517,649            | 322,802,502       | 322,802,502            | 1,219,320,151  | 1,219,320,151          | 0.510000                    |
| 2014/15     | 956,608,601    | 956,608,601            | 319,120,061       | 319,120,061            | 1,275,728,662  | 1,275,728,662          | 0.510000                    |
| 2015/16*    | 962,111,241    | 962,111,241            | 354,242,308       | 354,242,308            | 1,316,353,549  | 1,316,353,549          | 0.544000                    |
| 2016/17     | 1,061,912,257  | 1,061,912,257          | 379,440,615       | 379,440,615            | 1,441,352,872  | 1,441,352,872          | 0.513000                    |
| 2017/18     | 1,205,160,927  | 1,205,160,927          | 365,041,273       | 365,041,273            | 1,570,202,200  | 1,570,202,200          | 0.495000                    |
| 2018/19     | 1,453,373,020  | 1,453,373,020          | 390,558,650       | 390,558,650            | 1,843,931,670  | 1,843,931,670          | 0.471800                    |
| 2019/20     | 1,628,809,088  | 1,628,809,088          | 417,203,024       | 417,203,024            | 2,046,012,112  | 2,046,012,112          | 0.459000                    |
| 2020/21     | 1,634,542,012  | 1,634,542,012          | 420,221,179       | 420,221,179            | 2,054,763,191  | 2,054,763,191          | 0.461579                    |
| 2021/22     | 1,811,505,128  | 1,811,505,128          | 452,536,472       | 452,536,472            | 2,264,041,600  | 2,264,041,600          | 0.479516                    |
| 2022/23     | 2,083,925,176  | 2,083,925,176          | 462,893,143       | 462,893,143            | 2,546,818,319  | 2,546,818,319          | 0.508042                    |

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

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

**City of Saginaw, Texas**

**Table 7**

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

| <b>Fiscal Year</b> | <b>General Fund</b> | <b>Debt Service Fund</b> | <b>Total</b> | <b>School</b> | <b>County (1)</b> | <b>State</b> | <b>Total</b> |
|--------------------|---------------------|--------------------------|--------------|---------------|-------------------|--------------|--------------|
| 2013/14            | 0.289024            | 0.220976                 | 0.510000     | 1.540000      | 0.641397          | 0.000000     | 2.691397     |
| 2014/15            | 0.298511            | 0.211489                 | 0.510000     | 1.540000      | 0.641397          | 0.000000     | 2.691397     |
| 2015/16            | 0.291937            | 0.252063                 | 0.544000     | 1.540000      | 0.641397          | 0.000000     | 2.725397     |
| 2016/17            | 0.293308            | 0.219692                 | 0.513000     | 1.540000      | 0.626627          | 0.000000     | 2.679627     |
| 2017/18            | 0.284186            | 0.210814                 | 0.495000     | 1.540000      | 0.608489          | 0.000000     | 2.643489     |
| 2018/19            | 0.291129            | 0.180671                 | 0.471800     | 1.540000      | 0.594499          | 0.000000     | 2.606299     |
| 2019/20            | 0.281655            | 0.177345                 | 0.459000     | 1.518000      | 0.588599          | 0.000000     | 2.565599     |
| 2020/21            | 0.284238            | 0.177341                 | 0.461579     | 1.496400      | 0.588599          | 0.000000     | 2.546578     |
| 2021/22            | 0.285058            | 0.194458                 | 0.479516     | 1.457500      | 0.583599          | 0.000000     | 2.520615     |
| 2022/23            | 0.273156            | 0.234886                 | 0.508042     | 1.434600      | 0.578599          | 0.000000     | 2.521241     |

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**

| 2023                                 |                    |                               | 2014                                |                    |                               |
|--------------------------------------|--------------------|-------------------------------|-------------------------------------|--------------------|-------------------------------|
| Taxpayer                             | Assessed Valuation | % of Total Assessed Valuation | Taxpayer                            | Assessed Valuation | % of Total Assessed Valuation |
| Miller Milling Company LLC           | \$ 53,081,314      | 2.08                          | Horizon Milling LLC                 | \$ 35,628,354      | 2.92                          |
| Ventura Foods LLC                    | 53,026,978         | 2.08                          | Ventura Foods LLC                   | 28,087,273         | 2.30                          |
| Ardent Mills/Cargill LLC             | 45,821,693         | 1.80                          | Conagra Foods Inc                   | 24,298,723         | 1.99                          |
| Trinity Industries Inc               | 28,427,710         | 1.12                          | Wal-Mart Real Estate Business Trust | 22,997,379         | 1.89                          |
| Gavilon Grain LLC                    | 28,031,483         | 1.10                          | Farmland Industries                 | 19,194,469         | 1.57                          |
| United Forestry Products Saginaw LLC | 26,433,712         | 1.04                          | CTI Holdings LLC                    | 15,928,147         | 1.31                          |
| CTI Foods Inc                        | 26,030,986         | 1.02                          | BNSF Railway Company                | 13,372,064         | 1.10                          |
| DOS Project LLC                      | 21,698,312         | 0.85                          | Universal Forest Products           | 12,262,471         | 1.01                          |
| BNSF Railway Company                 | 20,710,860         | 0.81                          | BKEP Materials                      | 10,446,148         | 0.86                          |
| Oncor Electric Delivery Co           | 20,201,990         | 0.79                          | Oncor Electric                      | 9,921,530          | 0.81                          |
|                                      |                    | <u>12.69</u>                  |                                     |                    | <u>15.76</u>                  |

Source: Information obtained from Tarrant Appraisal District

**City of Saginaw, Texas**  
Ratio of Outstanding Debt by Type  
Last Ten Fiscal Years

**Table 9**

| Fiscal Year | Governmental Activities  |                                  |                |           |                              | Business-Type Activities |                             |        |                              | Primary Government | % of Personal Income (a) | Per Capita (b) |
|-------------|--------------------------|----------------------------------|----------------|-----------|------------------------------|--------------------------|-----------------------------|--------|------------------------------|--------------------|--------------------------|----------------|
|             | General Obligation Bonds | Certificates of Obligation Bonds | Capital Leases | Tax Notes | Premiums/ Loss on Refundings | Water and Sewer Bonds    | Gen. Oblig. Refunding Bonds | Leases | Premiums/ Loss on Refundings | Total All Debt     |                          |                |
| 2013/14     | 17,010,000               | 6,830,000                        | 704,544        | -         | 429,375                      | 2,915,000                | 520,000                     | -      | 22,482                       | 28,431,401         | 5.20%                    | 1,396          |
| 2014/15     | 23,515,000               | 6,440,000                        | 532,760        | -         | 518,798                      | 2,490,000                | 465,000                     | -      | 17,294                       | 33,978,852         | 5.85%                    | 1,659          |
| 2015/16     | 25,310,000               | 2,440,000                        | 358,106        | -         | 477,503                      | 380,000                  | 2,000,000                   | -      | 12,106                       | 30,977,715         | 5.44%                    | 1,494          |
| 2016/17     | 30,980,000               | 2,110,000                        | 180,535        | -         | 729,335                      | 150,000                  | 1,810,000                   | -      | 6,918                        | 35,966,788         | 6.10%                    | 1,687          |
| 2017/18     | 28,765,000               | 1,950,000                        | -              | -         | 672,612                      | 100,000                  | 1,615,000                   | -      | 1,730                        | 33,104,342         | 4.79%                    | 1,523          |
| 2018/19     | 26,435,000               | 1,785,000                        | -              | 2,000,000 | 615,889                      | 50,000                   | 1,420,000                   | -      | -                            | 32,305,889         | 4.77%                    | 1,444          |
| 2019/20     | 25,735,000               | 17,345,000                       | -              | 1,570,000 | 3,764,136                    | -                        | 1,220,000                   | -      | -                            | 49,634,136         | 7.10%                    | 2,150          |
| 2020/21     | 31,890,000               | 17,310,000                       | -              | 1,160,000 | 4,270,201                    | -                        | 1,010,000                   | -      | -                            | 55,640,201         | 7.42%                    | 2,380          |
| 2021/22     | 51,315,000               | 17,210,000                       | -              | 935,000   | 5,660,633                    | -                        | 790,000                     | -      | -                            | 75,910,633         | 9.08%                    | 3,105          |
| 2022/23     | 63,810,000               | 17,110,000                       | 299,651        | 705,000   | 6,850,893                    | -                        | 640,000                     | -      | -                            | 89,415,544         | 10.44%                   | 3,580          |

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

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

**City of Saginaw, Texas**

**Table 10**

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

| <b>Fiscal Year</b> | <b>Estimated Population</b> | <b>Assessed Value</b> | <b>Total General Bonded Debt</b> | <b>Less Amounts Available for Debt Service</b> | <b>Net General Bonded Debt</b> | <b>Bonded Debt to Assessed Value</b> | <b>Net Bonded Debt per Capita</b> |
|--------------------|-----------------------------|-----------------------|----------------------------------|--|--------------------------------|--------------------------------------|-----------------------------------|
| 2013/14            | 20,370                      | 1,219,320,151         | 24,269,375                       | 1,596,119                                      | 22,673,256                     | 1.99%                                | 1,113                             |
| 2014/15            | 20,480                      | 1,275,728,662         | 30,473,798                       | 1,416,987                                      | 29,056,811                     | 2.39%                                | 1,419                             |
| 2015/16            | 20,740                      | 1,316,353,549         | 28,227,503                       | 1,267,190                                      | 26,960,313                     | 2.14%                                | 1,300                             |
| 2016/17            | 21,320                      | 1,441,352,872         | 33,819,335                       | 1,120,206                                      | 32,699,129                     | 2.35%                                | 1,534                             |
| 2017/18            | 21,730                      | 1,570,202,200         | 31,387,612                       | 1,062,127                                      | 30,325,485                     | 2.00%                                | 1,396                             |
| 2018/19            | 22,380                      | 1,843,931,670         | 30,835,889                       | 1,155,633                                      | 29,680,256                     | 1.67%                                | 1,326                             |
| 2019/20            | 23,090                      | 2,046,012,112         | 48,414,136                       | 1,028,491                                      | 47,385,645                     | 2.37%                                | 2,052                             |
| 2020/21            | 23,380                      | 2,054,763,191         | 54,630,201                       | 970,131  | 53,660,070                     | 2.66%                                | 2,295                             |
| 2021/22            | 24,450                      | 2,264,041,600         | 75,120,633                       | 730,981  | 74,389,652                     | 3.32%                                | 3,043                             |
| 2022/23            | 24,974                      | 2,546,818,319         | 88,475,893                       | 846,118  | 87,629,775                     | 3.47%                                | 3,509                             |

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, 2023

**Table 11**

| <u>Jurisdiction</u>   | <u>Net Debt<br/>Outstanding</u> | <u>Percentage<br/>Applicable<br/>to City<br/>of Saginaw</u> | <u>Amount<br/>Applicable<br/>to City<br/>of Saginaw</u> |
|---|---------------------------------|---|---|
| City of Saginaw   | \$ 88,475,893                   | 100.00%   | <u>\$ 88,475,893</u>                                    |
| Subtotal: City of Saginaw direct debt   |                                 |   | 88,475,893  |
| Eagle Mountain-Saginaw<br>Independent School District                           | 1,032,412,753                   | 18.47%  | 190,691,759   |
| Tarrant County *  | 387,767,000                     | 1.03%   | 3,976,219   |
| Tarrant County Hospital District  | 456,838,000                     | 1.03%   | 4,684,483   |
| Tarrant County College District   | 649,247,443                     | 1.03%   | <u>6,657,478</u>  |
| Subtotal: overlapping debt  |                                 |   | <u>206,009,939</u>                                      |
| Total direct and overlapping debt   |                                 |   | <u><u>\$ 294,485,832</u></u>                            |
| Ratio of direct and<br>overlapping funded debt to<br>taxable assessed valuation |                                 |   | <u>11.56%</u>   |
| Per capita direct and<br>overlapping bonded debt                                |                                 |   | <u>\$ 11,791.70</u>                                     |

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

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

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

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

**Table 12**

| <b>Year</b> | <b>Gross Revenue<br/>(1)</b> | <b>Direct Operating Expenses<br/>(2)</b> | <b>Net Revenue Available for Debt Service</b> | <b>Principal</b> | <b>Interest and Fiscal Charges</b> | <b>Total</b> | <b>Coverage Ratio</b> |
|-------------|------------------------------|--|---|------------------|------------------------------------|--------------|-----------------------|
| 2013/14     | 9,344,552                    | 6,253,171                                | 3,091,381                                     | 980,000          | 143,113                            | 1,123,113    | 2.75                  |
| 2014/15     | 9,637,603                    | 6,617,157                                | 3,020,446                                     | 480,000          | 128,904                            | 608,904      | 4.96                  |
| 2015/16     | 9,538,475                    | 7,420,919                                | 2,117,556                                     | 510,000          | 106,371                            | 616,371      | 3.44                  |
| 2016/17     | 9,961,902                    | 8,383,924                                | 1,577,978                                     | 420,000          | 70,984                             | 490,984      | 3.21                  |
| 2017/18     | 11,342,975                   | 9,477,554                                | 1,865,421                                     | 245,000          | 55,563                             | 300,563      | 6.21                  |
| 2018/19     | 11,225,184                   | 8,903,304                                | 2,321,880                                     | 245,000          | 52,841                             | 297,841      | 7.80                  |
| 2019/20     | 11,366,978                   | 10,025,116                               | 1,341,862                                     | 250,000          | 46,996                             | 296,996      | 4.52                  |
| 2020/21     | 10,873,942                   | 8,619,791                                | 2,254,151                                     | 210,000          | 34,238                             | 244,238      | 9.23                  |
| 2021/22     | 12,568,192                   | 9,239,744                                | 3,328,448                                     | 220,000          | 25,572                             | 245,572      | 13.55                 |
| 2022/23     | 14,025,791                   | 10,998,142                               | 3,027,649                                     | 150,000          | 21,208                             | 171,208      | 17.68                 |

- 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, 2023

**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 2023 was established at \$.508042 per \$100 of assessed valuation based on 100% of appraised value.

**City of Saginaw, Texas**

Demographic Statistics

Last Ten Fiscal Years

**Table 14**

| <b>Fiscal Year</b> | <b>Population</b> | <b>Personal Income</b> | <b>Per Capita Income (1)</b> | <b>School Enrollment (2)</b> | <b>Unemployment Rate (3)</b> |
|--------------------|-------------------|------------------------|------------------------------|------------------------------|------------------------------|
| 2013/14            | 20,370            | 546,812,280            | 26,844                       | 18,580                       | 5.00%                        |
| 2014/15            | 20,480            | 580,587,520            | 28,349                       | 19,198                       | 4.00%                        |
| 2015/16            | 20,740            | 569,416,700            | 27,455                       | 19,582                       | 4.10%                        |
| 2016/17            | 21,320            | 589,839,120            | 27,666                       | 19,293                       | 3.40%                        |
| 2017/18            | 21,730            | 691,818,010            | 31,837                       | 20,050                       | 3.20%                        |
| 2018/19            | 22,380            | 677,285,940            | 30,263                       | 21,027                       | 3.20%                        |
| 2019/20            | 23,090            | 698,772,670            | 30,263                       | 21,378                       | 6.30%                        |
| 2020/21            | 23,380            | 749,399,140            | 32,053                       | 22,382                       | 4.50%                        |
| 2021/22            | 24,450            | 835,921,050            | 34,189                       | 23,145                       | 3.50%                        |
| 2022/23            | 24,974            | 856,857,940            | 34,310                       | 23,415                       | 3.90%                        |

Sources:

1. US Census Bureau Quick Facts
2. Eagle Mountain-Saginaw Independent School District  
Enrollment is for the district. Enrollment for schools within the City of Saginaw is 5,778.
3. Bureau of Labor Statistics

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

**Table 15**

| <b>2023</b>                     |                  |  | <b>2014</b>                     |                  |  |
|---------------------------------|------------------|--|---------------------------------|------------------|--|
| <b>Employer</b>                 | <b>Employees</b> | <b>Percentage of Total City Employment</b> | <b>Employer</b>                 | <b>Employees</b> | <b>Percentage of Total City Employment</b> |
| Eagle Mountain-Saginaw ISD      | 3,303            | 29%  | Eagle Mountain-Saginaw ISD      | 2,131            | 23%  |
| Walmart Supercenter #5316       | 440              | 4%   | Wal Mart                        | 500              | 6%   |
| Ventura Foods                   | 398              | 3%   | Trinity North Amer. Freight Car | 381              | 4%   |
| Trinity North Amer. Freight Car | 370              | 3%   | Bana Box Incorporated           | 218              | 2%   |
| CTI Beanmaker&Chefco Foods      | 356              | 3%   | Ventura Foods                   | 215              | 2%   |
| Anchor Fabrication Corp.        | 290              | 3%   | CTI Chefco                      | 200              | 2%   |
| Ranger Fire Inc                 | 200              | 2%   | Russo Corporation               | 200              | 2%   |
| Russo Corporation               | 200              | 2%   | Ranger Fire Inc                 | 200              | 2%   |
| DOS Project                     | 189              | 2%   | DOS Project                     | 189              | 2%   |
| United Forestry Products, LLC   | 180              | 2%   | Texas Army National Guard       | 185              | 2%   |

**Source:** City Economic Development Department.  
 EMS ISD employment is for the district. Employment for district facilities within the City of Saginaw is 827.

**City of Saginaw, Texas**

**Table 16**

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

| Function/Program         | Full-time Equivalent Employees as of October 1 |              |              |              |              |              |              |              |              |              |
|--------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                          | 2023   | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         |
| General government:      |  |              |              |              |              |              |              |              |              |              |
| Administration           | 9.0  | 9.0          | 10.0         | 9.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 7.0          |
| Municipal court          | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Information technology * | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | -            | -            | -            | -            | -            |
| Public Safety:           |  |              |              |              |              |              |              |              |              |              |
| Fire                     | 29.0   | 29.0         | 30.0         | 30.0         | 28.0         | 27.0         | 27.0         | 27.0         | 27.0         | 27.0         |
| Emergency management     | 1.0  | 1.0          | -            | -            | -            | -            | -            | -            | -            | -            |
| Police                   | 55.5   | 55.5         | 53.0         | 53.0         | 50.0         | 46.5         | 46.5         | 45.5         | 44.5         | 44.5         |
| Public Works:            |  |              |              |              |              |              |              |              |              |              |
| Streets                  | 9.0  | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          | 9.0          |
| Parks maintenance        | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Building inspections     | 8.0  | 8.5          | 6.0          | 5.0          | 4.0          | 4.0          | 4.0          | 4.0          | 4.0          | 3.0          |
| Code enforcement         | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Animal services          | 6.0  | 6.0          | 6.0          | 4.5          | 4.5          | 4.5          | 4.5          | 4.5          | 3.5          | 3.0          |
| City garage              | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| Economic development     | -  | -            | -            | -            | 1.0          | -            | -            | -            | -            | -            |
| Community services       | 8.5  | 8.5          | 7.5          | 7.5          | 7.5          | 7.5          | 7.0          | 7.0          | 6.0          | 6.0          |
| Communications           | 1.0  | 1.0          | -            | -            | -            | -            | -            | -            | -            | -            |
| Library                  | 9.0  | 9.0          | 8.5          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          | 8.0          |
| Water/wastewater         | 20.0   | 20.0         | 19.0         | 18.0         | 18.0         | 17.0         | 17.0         | 16.0         | 16.0         | 16.0         |
| Drainage                 | 2.0  | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          | 2.0          |
| <b>Total</b>             | <b>168.0</b>                                   | <b>168.5</b> | <b>161.0</b> | <b>156.0</b> | <b>150.0</b> | <b>141.5</b> | <b>141.0</b> | <b>139.0</b> | <b>136.0</b> | <b>133.5</b> |

Source: City Budgets/Human Resources  
\*Previously reported in Administration

## City of Saginaw, Texas

### Operating Indicators by Function/Program Last Ten Fiscal Years

| <b>Function/Program</b>                     | <b>Fiscal Year</b> |             |             |             |
|---|--------------------|-------------|-------------|-------------|
|   | <b>2023</b>        | <b>2022</b> | <b>2021</b> | <b>2020</b> |
| Police:                                     |                    |             |             |             |
| Stations                                    | 1                  | 1           | 1           | 1           |
| Licensed Officers                           | 41                 | 41          | 41          | 41          |
| Patrol units on duty at any one time        | 4                  | 4           | 4           | 4           |
| Fire:                                       |                    |             |             |             |
| Stations                                    | 2                  | 2           | 2           | 2           |
| Firefighter/paramedics                      | 26                 | 26          | 26          | 26          |
| Library :                                   |                    |             |             |             |
| Number of libraries                         | 1                  | 1           | 1           | 1           |
| Volumes in collection                       | 58,589             | 54,847      | 60,703      | 60,990      |
| Average monthly circulation                 | 6,833              | 6,148       | 5,558       | 5,541       |
| Average monthly visitors                    | 4,498              | 4,298       | 3,851       | 3,419       |
| Public works:                               |                    |             |             |             |
| Streets (miles)                             | 96.6               | 94.9        | 94.9        | 92.9        |
| Streetlights*                               | 1,355              | 1,321       | 1,321       | 1,321       |
| Parks and recreation:                       |                    |             |             |             |
| Acreage                                     | 108.022            | 107.593     | 107.593     | 103.69      |
| Parks                                       | 7                  | 7           | 7           | 7           |
| Recreation Centers                          | 1                  | 1           | 1           | 1           |
| Senior/community Centers                    | 1                  | 1           | 1           | 2           |
| Water:                                      |                    |             |             |             |
| Number of water customers                   | 8,445              | 8,402       | 8,383       | 8,347       |
| Annual water consumption (1,000 gallons)    | 1,370,287          | 1,422,720   | 1,267,426   | 1,175,194   |
| Daily consumption (1,000 gallons)           | 3,754              | 3,898       | 3,472       | 3,220       |
| Water mains (miles)                         | 126.8              | 123.9       | 122.3       | 122.3       |
| Fire hydrants **                            | 1,198              | 1,171       | 1,171       | 1,171       |
| Storage capacity (thousands of gallons)     | 4,250              | 4,250       | 4,250       | 4,250       |
| Wastewater:                                 |                    |             |             |             |
| Number of wastewater customers              | 8,237              | 8,201       | 8,184       | 8,164       |
| Wastewater treated annually (1,000 gallons) | 927,762            | 847,252     | 949,816     | 940,582     |
| Sanitary sewers (miles)                     | 92.1               | 90.1        | 90.1        | 90.1        |
| Storm sewers (miles)                        | 23.4               | 21.7        | 21.6        | 20.3        |

Sources: Various city departments.

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

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

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

**Table 17**

| Fiscal Year |           |           |         |           |           |    |
|-------------|-----------|-----------|---------|-----------|-----------|----|
| 2019        | 2018      | 2017      | 2016    | 2015      | 2014      |    |
| 1           | 1         | 1         | 1       | 1         | 1         | 1  |
| 41          | 40        | 39        | 38      | 38        | 38        | 38 |
| 4           | 4         | 4         | 4       | 4         | 4         | 4  |
| 2           | 2         | 2         | 2       | 2         | 2         | 2  |
| 26          | 25        | 24        | 24      | 24        | 24        | 24 |
| 1           | 1         | 1         | 1       | 1         | 1         | 1  |
| 59,893      | 59,220    | 59,029    | 58,302  | 58,138    | 59,816    |    |
| 7,438       | 7,599     | 7,358     | 7,522   | 8,280     | 10,895    |    |
| 5,977       | 6,250     | 6,653     | 6,690   | 5,934     | 11,338    |    |
| 89.4        | 86.6      | 85.4      | 83.4    | 82.8      | 81.7      |    |
| 1,223       | 1,198     | 1,187     | 1,135   | 1,131     | 1,120     |    |
| 101         | 101       | 101       | 101     | 100       | 100       |    |
| 7           | 7         | 7         | 7       | 7         | 7         |    |
| 1           | 1         | 1         | 1       | 1         | 1         |    |
| 2           | 2         | 2         | 2       | 2         | 2         |    |
| 8,052       | 7,841     | 7,606     | 7,427   | 7,227     | 7,133     |    |
| 1,077,595   | 1,106,653 | 1,020,550 | 967,332 | 1,008,306 | 1,083,712 |    |
| 2,952       | 3,032     | 2,796     | 2,643   | 2,763     | 2,969     |    |
| 119.0       | 116.4     | 114.9     | 113.7   | 113.3     | 112.2     |    |
| 1,139       | 835       | 823       | 809     | 803       | 795       |    |
| 4,250       | 4,250     | 4,250     | 4,250   | 4,250     | 4,250     |    |
| 7,878       | 7,700     | 7,477     | 7,307   | 7,107     | 7,013     |    |
| 1,027,571   | 838,637   | 804,134   | 915,347 | 825,789   | 739,594   |    |
| 87.3        | 85.0      | 83.9      | 83.1    | 82.8      | 81.8      |    |
| 18.5        | 17.9      | 17.1      | 17.0    | 16.8      | 16.7      |    |

## **City of Saginaw, Texas**

### Continuing Financial Disclosure Tables

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2023. The last debt issue was sold in fiscal year ending September 30, 2023. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website [www.emma.msrb.org](http://www.emma.msrb.org).

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

**ASSESSED VALUATION**

**TABLE GO-1**

|   |                         |
|---|-------------------------|
| 2022 Actual Total Appraised Value of Taxable Property (100% of Actual)* | \$ 3,138,280,171        |
| Less Adjustments to Market Value:                                       |                         |
| Agriculture Productivity Value Loss                                     | 5,091,794               |
| Abatement   | -                       |
| Disabled and Deceased Veterans' Exemptions                              | 35,064,619              |
| Freeport Property   | 59,623,949              |
| Local, Option Over-65 / Disabled  | 152,730,841             |
| Pollution Control   | 116,795                 |
| Solar/Wind/Other  | 5,464,841               |
| Totally Exempt Property   | 195,750,746             |
| Cases before ARB, Incomplete Accounts & In process                      | <u>137,618,267</u>      |
| Total Adjustments to Market Value:                                      | <u>591,461,852</u>      |
| 2022 Certified Net Taxable Assessed Valuation                           | <u>\$ 2,546,818,319</u> |

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

Source: Tarrant County Appraisal District - September certified values

**GENERAL OBLIGATION BONDED DEBT**

**TABLE GO-2**

(As of September 30, 2023)

**General Obligation Debt Principal Outstanding:**

|   |                      |
|---|----------------------|
| General Obligation Refunding and Improvement Bonds, Series 2013 | \$ 4,685,000         |
| General Obligation Refunding Bonds, Series 2014                 | <u>230,000</u>       |
| General Obligation Bonds, Series 2015                           | <u>5,055,000</u>     |
| General Obligation Refunding Bonds, Series 2015                 | <u>640,000</u>       |
| General Obligation Refunding Bonds, Series 2016                 | <u>1,770,000</u>     |
| General Obligation Bonds, Series 2017                           | <u>5,975,000</u>     |
| 2019 Tax Note   | <u>705,000</u>       |
| General Obligation Refunding Bonds, Series 2019                 | <u>215,000</u>       |
| General Obligation Refunding Bonds, Series 2020                 | <u>815,000</u>       |
| 2020 Certificates of Obligation                                 | <u>17,110,000</u>    |
| General Obligation Bonds, Series 2021                           | <u>7,630,000</u>     |
| General Obligation Bonds, Series 2022                           | <u>21,845,000</u>    |
| General Obligation Bonds, Series 2023                           | <u>15,590,000</u>    |
| Total Gross General Obligation Debt Principal Outstanding:      | <u>\$ 82,265,000</u> |

**Less: Self-Supporting General Obligation Debt Principal**

|   |                   |
|---|-------------------|
| General Obligation Refunding Bonds, Series 2015 | 640,000           |
| Total Self-Supporting General Obligation Debt   | <u>\$ 640,000</u> |

**Total Net General Obligation Debt Principal Outstanding:**

\$ 81,625,000

General Obligation Interest and Sinking Fund Balance as of September 30, 2023 \$ 1,397,952

Ratio of Gross General Obligation Debt Principal to 2022 Net Assessed Valuation 3.23%

Ratio of Net General Obligation Debt Principal to 2022 Net Assessed Valuation 3.20%

2022 Net Taxable Assessed Value \$ 2,546,818,319

|   |                   |
|---|-------------------|
| Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) - | 24,974            |
| Per Capita 2022 Net Taxable Assessed Valuation -                            | <u>\$ 101,979</u> |
| Per Capita Gross General Obligation Debt Principal -                        | <u>\$ 3,294</u>   |
| Per Capita Net General Obligation Debt Principal -                          | <u>\$ 3,268</u>   |

**City of Saginaw, Texas**

Continuing Financial Disclosure Tables

General Obligation Tables

**OTHER OBLIGATIONS**

**TABLE GO-3**

**Financed Purchase Obligations**

The City entered into agreements for the financed purchase of public safety equipment, with the total capitalized cost of \$376,450 and an amortized value of \$376,244 at September 30, 2023.

The following is a schedule of future minimum payments under the financed purchase together with the present value of the net minimum lease payments as of September 30, 2023.

| <b>Fiscal<br/>Year</b>                      | <b>Future<br/>Minimum<br/>Payments</b> |
|---|--|
| 2024  | 76,800                                 |
| 2025  | 76,800                                 |
| 2026  | 76,800                                 |
| 2027  | 69,251                                 |
| Total minimum payments                      | \$ 299,651                             |
| Less: amount representing interest          | -                                      |
| Present value of future minimum<br>payments | <u>\$ 299,651</u>                      |

**FUND BALANCES**

**TABLE GO-4**

*(As of September 30, 2023)*

|  |                      |
|--|----------------------|
| General Operating Fund (Undesignated)      | \$ 8,402,739         |
| General Obligation Debt Service (I&S) Fund | 1,397,952            |
| Special Revenue Funds                      | 10,969,599           |
| Capital Projects Fund                      | 46,694,781           |
| Enterprise Fund (Undesignated)             | 6,126,213            |
| Revenue Bond Reserve                       | 167,103              |
| Revenue Bond Debt Service (I&S) Reserve    | 33,930               |
| General Fund Emergency Reserve             | 5,475,000            |
| Enterprise Fund Emergency Reserve          | 2,760,000            |
| Enterprise Fund (Designated)               | 1,700,762            |
| <b>Total</b>                               | <u>\$ 83,728,079</u> |

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

**PRINCIPAL TAXPAYERS 2022-2023**

**TABLE GO-5**

| <u>Name</u>                          | <u>Type of Business</u> | <u>2022 Net Taxable Assessed Valuation</u> | <u>% of Total 2022 Net Taxable Assessed Valuation</u> |
|--------------------------------------|-------------------------|--|---|
| Miller Milling Company LLC           | Food Processing Plant   | \$ 53,081,314                              | 2.08%   |
| Ventura Foods LLC                    | Food Processing Plant   | 53,026,978                                 | 2.08%   |
| Ardent Mills/Cargill LLC             | Food Processing Plant   | 45,821,693                                 | 1.80%   |
| Trinity Industries Inc               | Manufacturing           | 28,427,710                                 | 1.12%   |
| Gavilon Grain LLC                    | Food Processing Plant   | 28,031,483                                 | 1.10%   |
| United Forestry Products Saginaw LLC | Manufacturing           | 26,433,712                                 | 1.04%   |
| CTI Foods Inc                        | Food Processing Plant   | 26,030,986                                 | 1.02%   |
| DOS Project LLC                      | Food Processing Plant   | 21,698,312                                 | 0.85%   |
| BNSF Railway Company                 | Transportation          | 20,710,860                                 | 0.81%   |
| Oncor Electric Delivery Co           | Energy                  | 20,201,990                                 | 0.79%   |
|                                      | <b>Total</b>            | <b>\$ 323,465,038</b>                      | <b>12.70%</b>   |

2022 Net Taxable Assessed Valuation on August 17, 2022 \$ 2,546,818,319

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> |                          |
| 2013            | 1,219,320,151                         | 0.5100          | 6,223,951       | 99.37%               | 99.92%       | 9-30-14                  |
| 2014            | 1,275,728,662                         | 0.5100          | 6,484,972       | 99.43%               | 99.96%       | 9-30-15                  |
| 2015            | 1,316,353,549                         | 0.5440          | 7,175,560       | 99.53%               | 99.96%       | 9-30-16                  |
| 2016            | 1,441,352,872                         | 0.5130          | 7,557,636       | 99.42%               | 99.93%       | 9-30-17                  |
| 2017            | 1,570,202,200                         | 0.4950          | 8,075,537       | 99.40%               | 99.82%       | 9-30-18                  |
| 2018            | 1,843,931,670                         | 0.4718          | 8,893,539       | 99.51%               | 99.92%       | 9-30-19                  |
| 2019            | 2,046,012,112                         | 0.4590          | 9,671,868       | 99.52%               | 99.87%       | 9-30-20                  |
| 2020            | 2,054,763,191                         | 0.4616          | 10,438,401      | 99.44%               | 99.85%       | 9-30-21                  |
| 2021            | 2,264,041,600                         | 0.4795          | 11,695,914      | 99.47%               | 99.85%       | 9-30-22                  |
| 2022            | 2,546,818,319                         | 0.5080          | 13,426,232      | 99.64%               | 99.64%       | 9-30-23                  |

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

**TAX RATE DISTRIBUTION**

**TABLE GO-7**

|              | <u>2022-23</u>  | <u>2021-22</u>  | <u>2020-21</u>  | <u>2019-20</u>  | <u>2018-19</u>  | <u>2017-18</u>  | <u>2016-17</u>  |
|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund | \$0.2732        | \$0.2851        | \$0.2842        | \$0.2817        | \$0.2911        | \$0.2842        | \$0.2933        |
| I & S Fund   | \$0.2349        | \$0.1945        | \$0.1773        | \$0.1773        | \$0.1807        | \$0.2108        | \$0.2197        |
| TOTAL        | <u>\$0.5080</u> | <u>\$0.4795</u> | <u>\$0.4616</u> | <u>\$0.4590</u> | <u>\$0.4718</u> | <u>\$0.4950</u> | <u>\$0.5130</u> |

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

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

**TABLE GO-8**

|  | Fiscal Year Ended September 30 |                       |                      |                      |                       |                       |
|--|--------------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
|  | <u>2023</u>                    | <u>2022</u>           | <u>2021</u>          | <u>2020</u>          | <u>2019</u>           | <u>2018</u>           |
| <b>Revenues:</b>   |                                |                       |                      |                      |                       |                       |
| Taxes  | \$ 16,957,443                  | \$ 15,824,110         | \$ 14,703,088        | \$ 13,071,890        | \$ 12,454,203         | \$ 11,206,947         |
| Licenses and Permits   | 392,973                        | 502,521               | 668,169              | 773,813              | 858,901               | 951,542               |
| Charges for Services   | 137,500                        | 100,755               | 97,020               | 94,815               | 87,150                | 84,000                |
| Fines and Fees   | 880,286                        | 682,650               | 1,092,420            | 517,883              | 509,672               | 505,110               |
| Interest Income  | 946,360                        | 102,447               | 6,911                | 113,140              | 295,148               | 191,974               |
| Recreation Income  | 314,980                        | 344,113               | 163,056              | 162,412              | 524,686               | 520,798               |
| Intergovernmental  | 796,605                        | 216,784               | 229,848              | 1,423,032            | 216,779               | 135,821               |
| Miscellaneous Revenues   | 154,715                        | 198,132               | 170,872              | 182,049              | 224,606               | 601,504               |
| Total Revenues   | <u>\$ 20,580,862</u>           | <u>\$ 17,971,512</u>  | <u>\$ 17,131,384</u> | <u>\$ 16,339,034</u> | <u>\$ 15,171,145</u>  | <u>\$ 14,197,696</u>  |
| <b>Expenditures:</b>   |                                |                       |                      |                      |                       |                       |
| Current:   |                                |                       |                      |                      |                       |                       |
| General administrative office  | \$ 2,385,061                   | \$ 2,324,967          | \$ 2,601,057         | \$ 1,798,896         | \$ 1,846,648          | \$ 1,774,678          |
| Municipal court  | 217,935                        | 212,097               | 191,718              | 187,064              | 212,743               | 168,421               |
| Fire   | 4,237,521                      | 4,158,484             | 3,864,642            | 3,965,267            | 3,826,258             | 3,982,620             |
| Police   | 5,484,621                      | 5,363,151             | 5,018,523            | 5,001,254            | 5,284,720             | 4,546,478             |
| Public works   | 2,318,296                      | 2,579,899             | 1,652,954            | 1,916,939            | 1,835,898             | 1,609,303             |
| Parks  | 408,079                        | 319,152               | 337,404              | 538,609              | 379,478               | 339,015               |
| Community services   | 1,124,311                      | 1,309,153             | 645,986              | 811,155              | 998,499               | 959,782               |
| Library  | 741,632                        | 708,877               | 626,724              | 568,571              | 601,026               | 569,005               |
| Inspection   | 921,566                        | 906,530               | 716,646              | 625,717              | 600,849               | 579,082               |
| Animal services  | 526,138                        | 483,263               | 471,758              | 389,122              | 329,854               | 398,633               |
| Fleet Maintenance  | 634,734                        | 665,366               | 457,527              | 392,030              | 434,837               | 456,219               |
| Economic development   | 81,610                         | 224,361               | 140,178              | 176,840              | 243,050               | 567,978               |
| Information technology *   | 456,127                        | 398,691               | 398,731              | 427,319              | 327,680               | -                     |
| Emergency management**   | 96,566                         | -                     | -                    | -                    | -                     | -                     |
| Communications***  | 154,339                        | -                     | -                    | -                    | -                     | -                     |
| Capital Outlay   | 1,195,849                      | -                     | -                    | -                    | -                     | -                     |
| Debt service:  |                                |                       |                      |                      |                       |                       |
| Principal retirement   | 36,631                         | -                     | -                    | -                    | -                     | -                     |
| Interest charges   | 636                            | -                     | -                    | -                    | -                     | -                     |
| Total Expenditures   | <u>\$ 21,021,652</u>           | <u>\$ 19,653,991</u>  | <u>\$ 17,123,848</u> | <u>\$ 16,798,783</u> | <u>\$ 16,921,540</u>  | <u>\$ 15,951,214</u>  |
| Excess (Deficit) of Revenues<br>Over Expenditures                          | <u>\$ (440,790)</u>            | <u>\$ (1,682,479)</u> | <u>\$ 7,536</u>      | <u>\$ (459,749)</u>  | <u>\$ (1,750,395)</u> | <u>\$ (1,753,518)</u> |
| <b>Other Financing Sources (Uses):</b>                                     |                                |                       |                      |                      |                       |                       |
| Lease Proceeds   | \$ -                           | \$ -                  | \$ -                 | \$ -                 | \$ -                  | \$ -                  |
| Transfers In   | 2,342,502                      | 2,119,143             | 1,956,513            | 1,884,758            | 1,797,112             | 1,705,322             |
| Transfers Out  | (383,615)                      | (232,150)             | (2,874,681)          | (72,735)             | (42,970)              | -                     |
| Proceeds from right to use subscription a:                                 | 92,433                         | -                     | -                    | -                    | -                     | -                     |
| Proceed from financed purchases  | 16,914                         | -                     | -                    | -                    | -                     | -                     |
| Total Other Financing Sources (Uses)                                       | <u>\$ 2,068,234</u>            | <u>\$ 1,886,993</u>   | <u>\$ (918,168)</u>  | <u>\$ 1,812,023</u>  | <u>\$ 1,754,142</u>   | <u>\$ 1,705,322</u>   |
| Excess (Deficit) of Revenues/Other<br>Sources Over Expenditures/Other Uses | 1,627,444                      | 204,514               | (910,632)            | 1,352,274            | 3,747                 | (48,196)              |
| Fund Balance - Beginning of Year   | 12,250,295                     | 12,045,781            | 12,956,413           | 11,604,139           | 11,600,392            | 11,648,588            |
| Fund Balance - September 30  | <u>\$ 13,877,739</u>           | <u>\$ 12,250,295</u>  | <u>\$ 12,045,781</u> | <u>\$ 12,956,413</u> | <u>\$ 11,604,139</u>  | <u>\$ 11,600,392</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, 2023)

**Revenue Bond Debt Principal Outstanding:**

|  |                   |
|--|-------------------|
| Total Revenue Debt Principal Outstanding                                   | \$ -              |
|  | <u>\$ -</u>       |
| <b>Plus: Waterworks and Sewer System General Obligation Debt Principal</b> |                   |
| General Obligation Refunding Bonds, Series 2015                            | 640,000           |
| Total Waterworks and Sewer System General Obligation Debt                  | <u>\$ 640,000</u> |
| <b>Total Revenue Debt Principal Outstanding</b>                            | <u>\$ 640,000</u> |

**CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT**

**TABLE REV-2**

|  | Fiscal Year Ending September 30 |                     |                     |                     |                     |
|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|
|  | <u>2023</u>                     | <u>2022</u>         | <u>2021</u>         | <u>2020</u>         | <u>2019</u>         |
| Revenues <sup>(a)</sup>  | \$ 14,025,791                   | \$ 12,568,192       | \$ 10,868,948       | \$ 11,169,272       | \$ 10,924,433       |
| Expenses   | 10,998,142                      | 9,239,744           | 8,619,791           | 10,025,116          | 8,903,304           |
| Net Revenue Available for Debt Service                                   | <u>\$ 3,027,649</u>             | <u>\$ 3,328,448</u> | <u>\$ 2,249,157</u> | <u>\$ 1,144,156</u> | <u>\$ 2,021,129</u> |
| Annual Revenue Bond Debt Service Requirements                            | \$ -                            | \$ -                | \$ -                | \$ 51,500.00        | \$ 53,000.00        |
| Revenue Debt Service Coverage  | <u>-</u>                        | <u>-</u>            | <u>-</u>            | <u>22.22</u>        | <u>38.13</u>        |
| Annual Debt Service Requirements for all Bonds Paid from System Revenues | \$ 165,642                      | \$ 240,006          | \$ 234,171          | \$ 279,637          | \$ 280,005          |
| Debt Service Coverage on all Bonds Paid from System Revenues             | <u>18.28</u>                    | <u>13.87</u>        | <u>9.60</u>         | <u>4.09</u>         | <u>7.22</u>         |
| Customer Count :   |                                 |                     |                     |                     |                     |
| Water  | 8,445                           | 8,402               | 8,383               | 8,347               | 8,052               |
| Wastewater   | 8,237                           | 8,201               | 8,184               | 8,164               | 7,878               |
| <sup>(a)</sup> Does not include Impact Fees of:                          | \$ -                            | \$ -                | \$ 4,994            | \$ 197,706          | \$ 300,751          |

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, 2023)

|  |                                   |
|--|-----------------------------------|
| Fiscal Year 2023 Net Revenues Available for Debt Service   | <u>\$ 3,027,649</u>               |
| <b>Following the Issuance of the Bonds:</b>  |                                   |
| Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt Coverage            | <u>\$ -</u>                       |
| Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2024) Coverage             | <u>\$ 167,672</u><br><u>18.06</u> |
| Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt Coverage                     | <u>\$ -</u><br><u>-</u>           |
| Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2024-2027) Coverage | <u>\$ 167,994</u><br><u>18.02</u> |

**City of Saginaw, Texas**

Continuing Financial Disclosure Tables

Revenue Debt Tables

**SELF-SUPPORTING WATERWORKS AND WASTEWATER SYSTEM OBLIGATIONS  
HISTORICALLY PAID FROM NET SYSTEM REVENUES**

**TABLE REV-4**

*(As of September 30, 2023)*

|   | <u>Principal<br/>Outstanding</u> | <u>Amount of Principal<br/>Self-Supporting</u> |
|---|----------------------------------|--|
| General Obligation Refunding Bonds, Series 2015 | \$ 640,000                       | \$ 640,000                                     |
| Total   | <u>\$ 640,000</u>                | <u>\$ 640,000</u>                              |

| <u>Fiscal Year<br/>Ending<br/>Sept. 30</u> | <u>Self-Supporting<br/>General Obligation<br/>Debt Requirements</u> | <u>Waterworks and<br/>Wastewater System<br/>Debt Service</u> | <u>Total Debt Service<br/>Being Supported<br/>by Net System<br/>Revenues</u> |
|--|---|--|--|
| 2024                                       | 167,672   | -  | 167,672  |
| 2025                                       | 169,603   | -  | 169,603  |
| 2026                                       | 166,435   | -  | 166,435  |
| 2027                                       | 168,267   | -  | 168,267  |
|  | <u>\$ 671,977</u>   | <u>\$ -</u>  | <u>\$ 671,977</u>  |

**REVENUE BONDS AUTHORIZED BUT UNISSUED**

**TABLE REV-5**

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

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

**City of Saginaw, Texas**

Continuing Financial Disclosure Tables

Revenue Debt Tables

**WATER RATES**

**TABLE REV-6**

*(Based on Monthly Billing)*

| Rates<br>Effective<br>October 1, 2022   |                   |
|---|-------------------|
| <u>Residential</u>                      |                   |
| First 2,000 Gallons                     | \$17.18 (minimum) |
| 3,000 to 10,000 Gallons                 | 5.32 /M Gallons   |
| Over 10,000 Gallons                     | 5.67 /M Gallons   |
| <u>Multi-Family (Per Dwelling Unit)</u> |                   |
| First 2,000 Gallons                     | \$17.18 (minimum) |
| 3,000 to 8,000 Gallons                  | 5.67 /M Gallons   |
| Over 8,000 Gallons                      | 6.85 /M Gallons   |
| <u>Commercial / Industrial</u>          |                   |
| First 2,000 Gallons                     | \$17.18 (minimum) |
| 3,000 to 10,000 Gallons                 | 5.67 /M Gallons   |
| Over 10,000 Gallons                     | 6.85 /M Gallons   |

**PRINCIPAL WATER CUSTOMERS 2022-2023**

**TABLE REV-7**

*(As of September 30, 2023)*

| <u>Name of Customer</u>                  | <u>Average Monthly<br/>Consumption (Gals.)</u> | <u>Average<br/>Monthly Bill</u> |
|--|--|---------------------------------|
| CTI Foods                                | 9,410,833                                      | \$ 64,108.34                    |
| Ventura Foods                            | 3,255,417                                      | 22,336.93                       |
| DOS Project                              | 2,867,417                                      | 19,635.84                       |
| Eagle Mnt/Saginaw ISD                    | 1,314,833                                      | 9,034.20                        |
| City of Saginaw                          | 912,250  | 5,517.85                        |
| Fuel City Saginaw, LLC                   | 828,250  | 5,659.49                        |
| IMO US West, LLC (car wash)              | 617,250  | 4,239.38                        |
| The Ruston, LLC (apartments)             | 606,750  | 4,697.67                        |
| Ashton Apartment, LLC                    | 594,333  | 4,864.49                        |
| Fossil Creek 270, LLC (Prose apartments) | 546,333  | 4,839.72                        |
| <b>Total</b>                             | <b>20,953,666</b>                              | <b>\$ 144,934</b>               |

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

**WASTEWATER RATES**

**TABLE REV-8**

*(Based on Monthly Billing)*

| Rates<br>Effective<br>October 1, 2022          |                   |
|--|-------------------|
| <u>Residential</u>                             |                   |
| First 2,000 Gallons                            | \$19.27 (minimum) |
| Next 18,000 Gallons                            | 3.03 /M Gallons   |
| <u>Multi-Family (Per Dwelling Unit)</u>        |                   |
| First 2,000 Gallons                            | \$19.27 (minimum) |
| Over 2,000 Gallons                             | 5.26 /M Gallons   |
| <u>Commercial / Industrial (Non-Monitored)</u> |                   |
| First 2,000 Gallons                            | \$21.16 (minimum) |
| Over 2,000 Gallons                             | 5.26 /M Gallons   |
| <u>Commercial / Industrial (Monitored)</u>     |                   |
| First 2,000 Gallons                            | Based on Formula  |
| Over 2,000 Gallons                             | 5.26 /M Gallons   |

**PRINCIPAL WASTEWATER CUSTOMERS 2022-2023**

**TABLE REV-9**

*(As of September 30, 2023)*

| <u>Name of Customer</u>                  | <u>Average Monthly Bill</u> |
|--|-----------------------------|
| Eagle Mnt/Saginaw ISD                    | \$ 5,064.99                 |
| Ashton Apartments                        | 4,571.90                    |
| The Ruston, LLC (apartments)             | 4,449.43                    |
| Fossil Creek 270, LLC (Prose apartments) | 3,560.56                    |
| IMO US West, LLC (car wash)              | 3,257.38                    |
| Saginaw Crossing Apartments              | 2,155.37                    |
| American Homes 4 Rent                    | 1,675.34                    |
| Miller Milling Company                   | 1,592.36                    |
| Qualawash, Inc                           | 1,365.97                    |
| Alliance Residential Builders            | 1,324.57                    |
| <b>Total</b>                             | <b>\$ 29,017.87</b>         |

**WASTEWATER SYSTEM PRODUCTION**

**TABLE REV-10**

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

| <u>Fiscal Year</u> | <u>Annual Sewage Flow (000s Gallons)</u> | <u>Average Daily Flow (000s GPD)</u> | <u>Peak Daily Flow and Date (MGD)</u> |
|--------------------|--|--------------------------------------|---------------------------------------|
| 2014               | 739,594                                  | 2,026                                | 4.0 12-20-13                          |
| 2015               | 825,789                                  | 2,262                                | 6.3 05-29-15                          |
| 2016               | 915,347                                  | 2,508                                | 6.2 12-28-15                          |
| 2017               | 804,134                                  | 2,203                                | 6.3 09-14-17                          |
| 2018               | 838,637                                  | 2,298                                | 4.7 03-01-18                          |
| 2019               | 1,027,571                                | 2,815                                | 6.0 10-16-18                          |
| 2020               | 940,582                                  | 2,577                                | 6.0 3-16-20                           |
| 2021               | 949,816                                  | 2,602                                | 6.8 5-25-21                           |
| 2022               | 847,252                                  | 2,321                                | 5.6 8-22-22                           |
| 2023               | 927,762                                  | 2,542                                | 5.1 2-08-23                           |

## **Federal Awards Section**



**City of Saginaw**



**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance with Government Auditing Standards**

The Honorable Mayor and City Council  
City of Saginaw, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saginaw, Texas (the City), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated February 2, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Weaver and Tidwell, L.L.P.  
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107  
Main: 817.332.7905

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

The Honorable Mayor and City Council  
City of Saginaw, Texas

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
February 2, 2024



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance**

The Honorable Mayor and City Council  
City of Saginaw, Texas

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the City of Saginaw's (the City's) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS): the standards applicable to financial audit contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*): and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Weaver and Tidwell, L.L.P.  
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107  
Main: 817.332.7905

**CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)**

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Honorable Mayor and City Council  
City of Saginaw, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
February 2, 2024

**City of Saginaw, Texas**

Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended September 30, 2023

**I. Summary of the Auditor's Results:**

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. Internal control over financial reporting:
  - Material weakness(es) identified?  Yes  No
  - Significant deficiency(ies) identified that are not considered a material weakness?  Yes  None Reported
- c. Noncompliance material to financial statements noted?  Yes  No

Major Programs

- d. Internal control over major programs:
  - Material weakness(es) identified?  Yes  No
  - Significant deficiency (ies) identified that are not Considered a material weakness?  Yes  None Reported
- e. An unmodified opinion was issued on compliance for major Federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No
- g. Identification of major program:

| <u>Program/Cluster Name</u>                       | <u>Assistance Listing #</u> | <u>Amount</u> |
|---|-----------------------------|---------------|
| Coronavirus State and Local Fiscal Recovery Funds | 21.027                      | \$ 864,307    |

- h. The dollar threshold used to distinguish between type A and type B programs. \$750,000
- i. Auditee qualified as a low-risk auditee?  Yes  No

## **City of Saginaw, Texas**

Schedule of Findings and Questioned Costs (Continued)

For the Fiscal Year Ended September 30, 2023

### **II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.**

There were no matters reported.

### **III. Findings and Questioned Costs for Federal Awards**

There were no matters reported.

## **City of Saginaw, Texas**

Summary of Prior Audit Findings

For the Fiscal Year Ended September 30, 2022

### **IV. Summary of Prior Year Findings**

There were no matters reported.

**City of Saginaw, Texas**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2023

| Federal Grantor/<br>Pass-Through Grantor/<br>Program Title        | Assistance<br>Listing<br>Number | Pass-through<br>Identifying Number | Federal<br>Expenditures |
|---|---------------------------------|------------------------------------|-------------------------|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT                  |                                 |                                    |                         |
| Passed Through Tarrant County                                     |                                 |                                    |                         |
| Community Development Block Grants/Entitlement Grants - 48th Year | 14.218                          | B-22-UC-48-0001-56-70              | 169,327                 |
| Total U.S. Department of Housing and Urban Development            |                                 |                                    | <u>169,327</u>          |
| U.S. DEPARTMENT OF TREASURY                                       |                                 |                                    |                         |
| Direct Awards   |                                 |                                    |                         |
| Coronavirus State and Local Fiscal Recovery Funds                 | 21.027                          | N/A                                | 684,580                 |
| Passed Through Tarrant County Emergency Services District         |                                 |                                    |                         |
| Coronavirus State and Local Fiscal Recovery Funds                 | 21.027                          | N/A                                | 179,727                 |
| Total U.S. Department of Treasury                                 |                                 |                                    | <u>864,307</u>          |
| Total Expenditures of Federal Awards                              |                                 |                                    | <u>\$ 1,033,634</u>     |

## **City of Saginaw, Texas**

Notes to Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2023

### **Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City, and is presented on the modified accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2023.

The City elected not to use the de minimis indirect cost rate as allowed in the Uniform Guidance, section 414.

### **Note 2. Subrecipients**

Of the federal expenditures presented in the schedule, the City provided no federal awards to subrecipients.

### **Note 3. Non-Cash Assistance**

The City received non-cash assistance from Tarrant County in the form of sidewalk improvements during the fiscal year ended September 30, 2023. The expenditures are listed within the Schedule of Expenditures of Federal Awards under the Community Development Block grant for \$169,327.

### **Note 4. Loans**

At year-end, the City had no loans or loan guarantees outstanding with federal awarding agencies.