

City of Saginaw, Texas

Comprehensive Annual Financial Report
For the Fiscal Year Ended September 30, 2020



City of Saginaw

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



City of Saginaw

City of Saginaw, Texas
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended September 30, 2020
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Introductory Section



City of Saginaw



City of Saginaw

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City of Saginaw

January 19, 2021
Honorable Mayor Todd Flippo,
Members of the City Council,
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Comprehensive Annual Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2020. 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, LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended September 30, 2020. The independent auditor's report is located at the front of the financial section of this report.

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

The Reporting Entity

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

The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles. Saginaw's population from the 1990 Census was 8,551. The 2000 Census was 12,374 and the 2010 Census was 19,806. The 2020 population estimate is 23,090.

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 2019-2020 financial statements.

Basis of Accounting

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

Budgetary Controls

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

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

Internal Controls

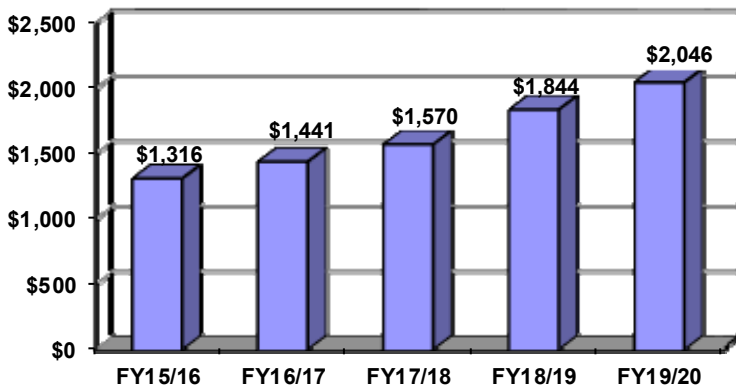
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

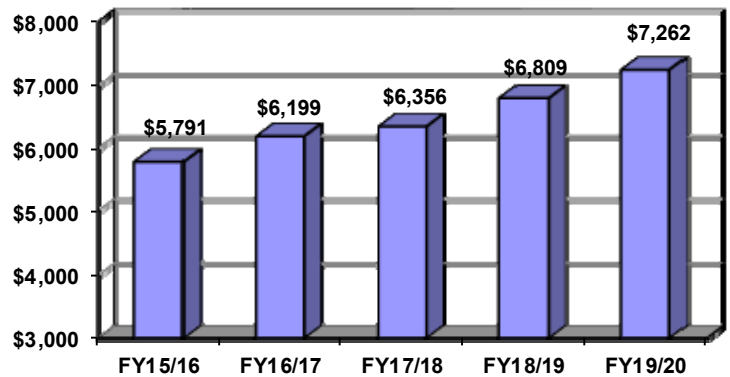
Summary of Local Economy

The local economy in Saginaw remained strong through the fiscal year. Saginaw has seen very little effect from the coronavirus associated shut-downs due to our diverse business demographics. Our industrial base is composed of food manufacturer/processors, building material suppliers, transportation, flour milling and other essential businesses that have continued to operate. The real estate market continues to see high demand with a tight inventory. For 2020/2021 the City had \$57 million (\$45 million residential and \$12 million commercial) in added value from new construction. New businesses include a uniform company, law office, medical testing lab, chiropractic office, beverage distribution supplier, automobile detailer, two doctor's offices, a dermatology clinic, Shipley's Do-Nuts, an oil change business, two dentist offices, and a frozen drink retailer. Sales tax collections for the current fiscal year to date are about the same as last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Construction of two mixed used developments, Saginaw Skilled Nursing Facility, All Storage climate controlled mini warehouses, a health club, and a fast food restaurant will begin in the coming year. These projects 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 an 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 and the five-year Capital Improvement Plan was updated in 2016. The plan's theme is "Preparing for Build-out". The plan focuses on completing infrastructure to support development, rehabilitating aging infrastructure, and maintaining existing infrastructure. The capital improvements plan is funded with cash on hand and revenues from the Street Maintenance Fund, and the Drainage Utility Fund. No significant additional operating costs are projected to be incurred related to these capital expenditures.

Certificates of Obligation (\$20.5 million) were issued for the design and construction of a new central fire station, and design for Knowles Drive and Old Decatur Road North. Fire Station construction will begin in the coming year. The Saginaw City Council is reviewing recommendations for a 2021 bond election. Projects under consideration are Knowles Drive reconstruction, a new Library and Senior Citizen's Center, renovation to the existing Library, Parks Improvements, and West McLeroy Boulevard reconstruction.

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, 2019 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 2019-2020 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

Acknowledgments

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

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

Respectfully submitted,

A handwritten signature in cursive script that reads "Gabe Reaume".

Gabe Reaume, City Manager

City of Saginaw, Texas

Principal Officials
September 30, 2020

GOVERNING BODY

Todd Flippo.....Mayor
Valerie Junkersfeld.....Mayor Pro-Tem, Councilmember, Place 3
Charles Beasley..... Councilmember, Place 1
Patrick Farr..... Councilmember, Place 2
Charles Tucker..... Councilmember, Place 4
Cindy Bighorse..... Councilmember, Place 5
Mary Copeland..... Councilmember, Place 6

ADMINISTRATION

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

CITY OF SAGINAW



NCTCOG Maps
www.dfwmaps.com

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Saginaw
Texas**

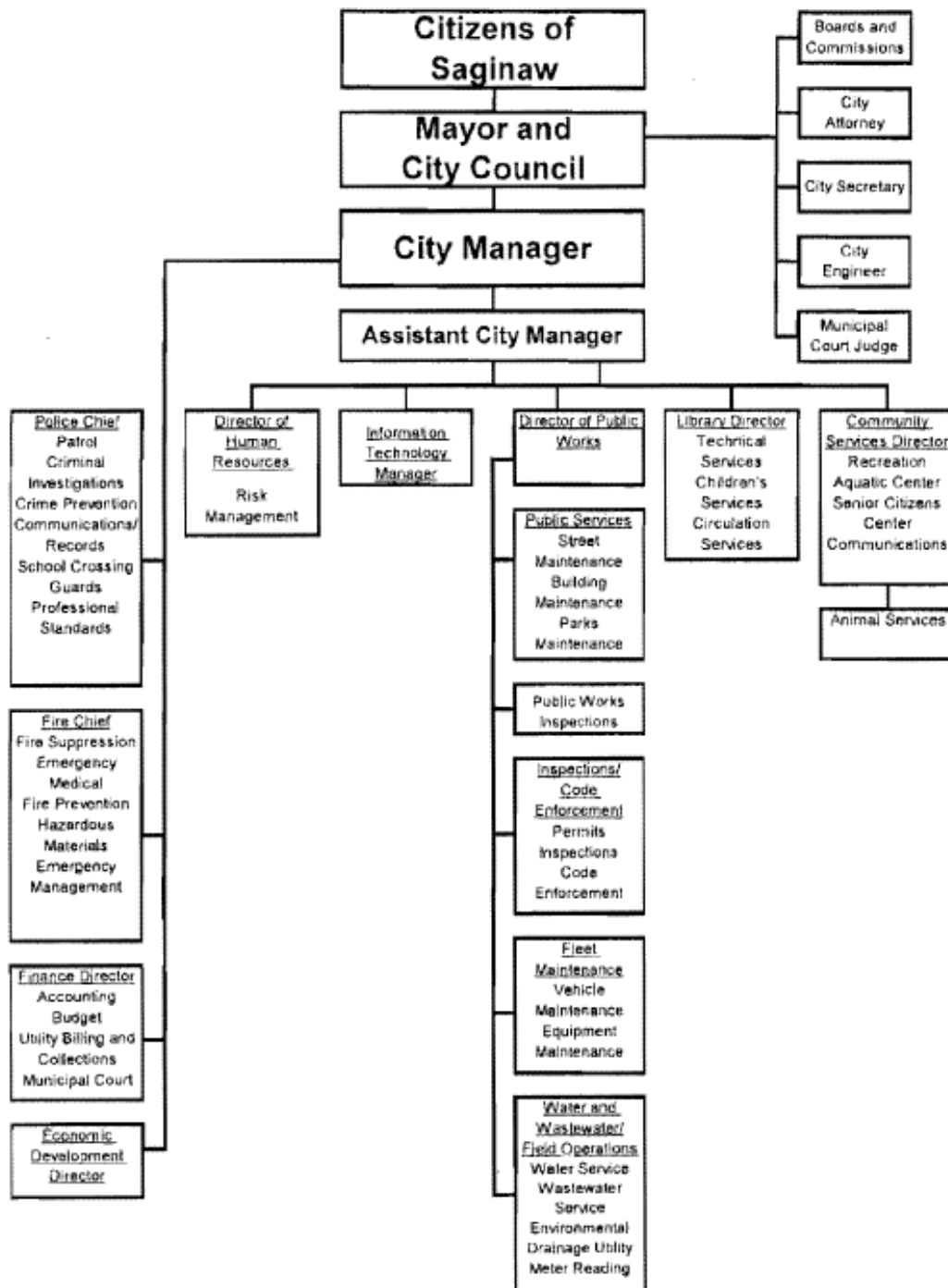
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

**CITY OF SAGINAW
ORGANIZATIONAL CHART
2019-2020**





City of Saginaw

Financial Section



City of Saginaw



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Saginaw, Texas (the City) as of and for the year ended September 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2020, 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.

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

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, Texas Municipal Retirement System OPEB schedule, and budgetary comparison information on pages 5 through 13 and 61 through 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 14, 2021

**CITY OF SAGINAW, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2020
(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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Saginaw exceeded its liabilities at the close of the most recent fiscal year by \$124,043,535 (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 \$90,388,127 (73%) 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 \$7,677,238 (6%). The remaining \$25,978,170 (21%) 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 \$11,017,653. Increases in current, other, and capital assets are partially offset by a decrease in deferred outflows related to pension, as well as, increases in long term liabilities due to the issuance of debt and an increase in deferred inflows related to pension.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$44,290,761. Within this total \$30,827,609 is restricted by specific legal requirements and \$3,389,589 has been committed and assigned to specific types of expenditures. About 22% of this total amount, or \$9,936,029 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 \$9,936,029 is 59% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, municipal court, fire, police, public services, parks, library, community services, fleet maintenance, inspections, animal services, information technology, 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 eight governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, five 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 30-33 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 35-58.

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, 2020, the City of Saginaw’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$124,043,535.

The largest portion of the City’s net position (73%) 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	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 47,998,167	\$ 30,031,622	\$ 11,109,988	\$ 12,673,543	\$ 59,108,155	\$ 42,705,165
Capital assets	102,317,130	93,131,516	29,390,990	26,113,970	131,708,120	119,245,486
Total assets	150,315,297	123,163,138	40,500,978	38,787,513	190,816,275	161,950,651
Deferred outflows of resources	1,745,292	2,914,355	189,746	352,885	1,935,038	3,267,240
Long term liabilities	56,148,673	41,173,795	2,211,057	2,756,280	58,359,730	43,930,075
Other liabilities	6,713,581	5,935,387	1,541,995	1,781,635	8,255,576	7,717,022
Total liabilities	62,862,254	47,109,182	3,753,052	4,537,915	66,615,306	51,647,097
Deferred inflows of resources	1,857,481	480,152	234,991	64,760	2,092,472	544,912
Net Position						
Net Investment in capital assets	62,189,307	70,565,446	28,198,820	24,688,409	90,388,127	95,253,855
Restricted	7,491,338	7,659,462	185,900	184,466	7,677,238	7,843,928
Unrestricted	17,660,209	263,251	8,317,961	9,664,848	25,978,170	9,928,099
Total net position	\$ 87,340,854	\$ 78,488,159	\$ 36,702,681	\$ 34,537,723	\$ 124,043,535	\$ 113,025,882

An additional portion of the City’s net position \$7,677,238 (6%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$25,978,170 (21%) may be used to meet the City’s ongoing obligation to citizens and creditors.

The \$11,017,653 increase in net position is a result of increased capital assets and certificates of obligation proceeds partially offset by a decrease in deferred outflows and an increase in deferred inflows both related to pension. Long term liabilities increased due to the increased debt partially offset by a decrease in net pension liability. As of September 30, 2020, the City is able to report positive balances in all categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended September 30, 2020. Overall the City had an increase in net position of \$11,017,653. Total City revenues increased by \$5,404,014. Revenue increases are due to contributed assets of Basswood Crossing Phase 2 and Bar C Ranch Phases 1 and 2 residential developments, CARES Act funding through Tarrant County, ad valorem tax revenue due to higher property values and an increased tax rate to cover projected increased operating costs. Sales tax collections increased due to a strong local economy and continued construction activity. Charges for water services increased due to increased residential water usage. Fines, fees and governmental charges for services were down due to reduced services and activity during the stay at home, social distancing, and other health mandates. Franchise fees collected were down for gas, electric, and telecommunication utilities. Hotel/Motel tax collections were down due to the decrease in travel. Penalty and miscellaneous revenue were down due to the suspension of utility late fees and cut off fees for nine months of the year. Interest earnings are lower due to lower interest rates.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Fees, fines and charges for services	\$ 2,707,019	\$ 3,125,528	\$ 10,798,406	\$ 10,327,466	\$ 13,505,425	\$ 13,452,994
Operating grants and contributions	1,761,389	219,411	-	-	1,761,389	219,411
Capital grants and contributions	6,883,535	3,930,917	2,706,220	2,233,163	9,589,755	6,164,080
General revenues						
Ad valorem taxes	9,670,822	8,911,747	-	-	9,670,822	8,911,747
Sales taxes	7,262,055	6,809,346	-	-	7,262,055	6,809,346
Franchise taxes	1,612,023	1,764,936	-	-	1,612,023	1,764,936
Other taxes	77,679	105,233	-	-	77,679	105,233
Penalties and interest	12,581	14,604	83,008	106,370	95,589	120,974
Interest income	255,256	657,032	97,645	236,213	352,901	893,245
Miscellaneous	183,708	244,135	56,583	77,814	240,291	321,949
Total revenues	30,426,067	25,782,889	13,741,862	12,981,026	44,167,929	38,763,915
Expenses						
General administrative office	2,801,551	2,887,428	-	-	2,801,551	2,887,428
Municipal court	187,789	237,810	-	-	187,789	237,810
Fire	3,824,006	4,547,729	-	-	3,824,006	4,547,729
Police	5,419,054	6,404,221	-	-	5,419,054	6,404,221
Public works	5,104,334	4,127,755	-	-	5,104,334	4,127,755
Parks	356,963	393,026	-	-	356,963	393,026
Community services	993,452	1,309,456	-	-	993,452	1,309,456
Library	607,455	787,531	-	-	607,455	787,531
Inspections	633,836	751,460	-	-	633,836	751,460
Animal services	374,204	415,695	-	-	322,993	415,695
Fleet maintenance	434,270	535,473	-	-	434,270	535,473
Economic development	176,295	285,028	-	-	176,295	285,028
Information technology	374,852	384,523	-	-	-	-
Interest on long term debt	892,956	915,915	-	-	892,956	915,915
Water and Wastewater	-	-	10,969,259	9,727,920	10,969,259	9,727,920
Total expenses	22,181,017	23,983,050	10,969,259	9,727,920	33,150,276	33,710,970
Increases (decreases) in net position						
before transfers	8,245,050	1,799,839	2,772,603	3,253,106	11,017,653	5,052,945
Transfers	607,645	579,070	(607,645)	(579,070)	-	-
Increase in net position	8,852,695	2,378,909	2,164,958	2,674,036	11,017,653	5,052,945
Net position - October 1	78,488,159	76,109,250	34,537,723	31,863,687	113,025,882	107,972,937
Net position - September 30	\$ 87,340,854	\$ 78,488,159	\$ 36,702,681	\$ 34,537,723	\$ 124,043,535	\$ 113,025,882

Total City expenses decreased by \$560,694. There are city wide decreases in pension expense. The decrease in General Administration pension expense is partially offset by costs associated with an additional management analyst position. Municipal court had an additional decrease due to a software upgrade in the previous year. The Fire Department decrease in pension expense is partially offset by expenses related to an additional firefighter and additional overtime necessary to maintain minimum staffing levels during the public health crisis. The Police Department decreases for pension and capital outlay are partially offset by increases due to an additional jailer and the first year of depreciation expense for the public safety radio system. Public Works increases are due to the completion of the Food Truck/Farmers Market and the Basswood Development agreement, as well as, the first year depreciation for the Bailey Boswell Road project and depreciation on the contributed infrastructure for Basswood Crossing Phase 2 and Bar C Ranch Phases 1 and 2. In addition to the reduction in pension expense for Community Services and Library there were decreases in operating expense due to the closure of facilities and/or reduced services for part of the year as a result of the COVID-19 pandemic. Inspections had partial offsetting increases due to salary adjustments for inspection staff and renovations to the Depot building for additional office space. Partial offsetting expenses for Animal Services is due to fewer vacancies in fiscal year 2019/2020. Fleet Maintenance had a decrease in fuel expense due to both the cost of fuel and less usage. Economic Development had a reduction due to the reassignment of responsibilities to existing personnel instead of replacing the director position. Offsetting increases in Information Technology are due to several server replacements and the phone system upgrade. The increase in the Enterprise Fund is due to expenses for inflow and infiltration repairs, FM 156 utility relocation, and Fairmont Sewer rehabilitation.

City Governmental activities increased net position by \$8,852,695 and Enterprise Fund activities increased net position by \$2,164,958.

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 \$44,290,761. Approximately 22% of this total (\$9,936,029) 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 \$1,352,274. The planned use of fund balance did not occur due to increased sales tax collections, development related fees, and the delay of the Bailey Boswell Overpass project. CARES Act funding offset increased expenses related to the pandemic. There were also savings realized through careful management of the hiring process and program reductions. The \$24,569 decrease of fund balance in the Debt Service Fund reflects debt issuance costs. The increase of \$15,816,246 in the Capital Projects Fund reflects the use of previously issued bonds offset by the issuance of Certificates of Obligation for the construction of a fire station and design for street projects. The planned decrease in the Drainage Utility Fund did not occur due to the delay of the East Cement Creek drainage improvement project. The planned drawdown of the Crime Control and Prevention District Fund was less than budgeted due to higher than budgeted sales tax collections. The Street Maintenance Fund balance decrease of \$172,473 was less than originally budgeted due to increased sales tax collections and the delay of the Burlington Road reconstruction project. There was an increase in the Donations Fund balance of \$77,575. Donation balance increases for Parks, Library, and Beautification will be used for future projects/programs. Escrow Fund balance increased due to the transfer from General Fund for future equipment replacement and economic development incentives.

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 \$8,317,961. Total net position of the Enterprise Fund increased by \$2,164,958 from fiscal year 2019 to fiscal year 2020. The

increase is due to increased water sales, wastewater fees, and contributed water and sewer lines for Basswood Crossing Phase 2 and Bar C Ranch Phases 1 and 2. The increases are partially offset by the use of existing resources for the Fairmont sewer, BNSF utility relocation, FM 156 utility relocation and inflow/infiltration projects.

Budgetary Highlights – The City Council approved revisions to the original budget appropriations. General Fund revenues were increased by \$1,286,335 or 7.6%. Increased revenues were due to the CARES Act distribution and increased sales tax collections. The increased sales tax collections helped to offset the decreases in court and recreation fees. General Fund expenditure appropriations decreased by \$44,460 or 0.3% because of the delayed Bailey Boswell Overpass project, vacancy savings, and program expense savings due to social distancing and stay at home mandates. The decreases were partially offset by the completion of the signal at McLeroy and Knowles, Willow Creek Park playground, and Food Truck/Farmer’s Market projects carried forward from the previous year.

The budgeted revenues of the Enterprise and Enterprise Escrow Fund were increased to reflect increased water sales, wastewater charges, and water impact fees. Budgeted expenses were modified for increased volumes of water purchased and wastewater treated offset by a decrease in expenses for the delay of the Saginaw Boulevard 16" water line project.

Both revenues and expenses of the Capital Projects Fund budget were modified for the issuance of debt. Project expenses were for the completion of the playground at Willow Creek Park, land for future municipal facilities, and design for Knowles Drive, the Fire Station, and Old Decatur Road North.

The Crime Control and Prevention District revenue budget was increased by \$122,565 or 10% due to increased sales tax collections. Expenses were reduced by \$12,500 to reflect the reduction of in-person training.

The Drainage Fund revenues decreased due to lower interest earnings. Expenditures were reduced by \$828,145 or 45% due to the delay of the East Cement Creek Drainage project.

Street Maintenance Fund revenues were increase by \$45,800 or 10.5% to reflect increased sales tax collections. Expenses were increased by \$502,570 for the Burlington Road reconstruction project which was delayed again due to other construction in the area.

The Donations Fund revenues were increased a total of \$11,020 due to additional donations for the Train and Grain Festival partially offset by a decrease in interest earnings. Expenditures were increased by \$46,155 for additions to the holiday light display and video monitoring in the parks.

The budgeted revenues in the General Escrow Fund were increased by \$18,590 for a transfer for future Economic Development incentives partially offset by a decrease in hotel/motel tax collections. Expenditures increased by \$109,040 as for the carry forward of the Basswood Developer’s agreement and the management contract for the Farmer’s Market.

CAPITAL ASSETS

The City of Saginaw’s investment in capital assets for its governmental and business-type activities as of September 30, 2020 amounts to \$131,708,120 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

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

- Completion of the East Bailey Boswell Road project (\$254,181).
- Continued construction of the Bailey Boswell Overpass (\$1,979,593).
- Completion of the Food Truck Park (\$164,821).
- Design of the Saginaw Boulevard 16" water line Phase 2 (\$71,153).
- Completion of all abilities playground at Willow Creek Park (\$543,352).
- BNSF utility relocation (\$885,833).
- Emergency medical equipment (\$181,700).
- Continued design for East Cement Creek Drainage Phase 2 (\$160,980).
- Completion of traffic signal at West McLeroy Boulevard and Knowles (\$56,209).
- East McLeroy curb and gutter and repaving (\$369,952).
- Roof replacement at the Depot (\$22,227).
- Fire dispatch equipment (\$50,727).
- Completion of the public safety radio system (\$23,016)
- Police Department parking lot (\$79,900).
- Additions to the holiday light display (\$41,442).
- City-wide equipment replacement (\$636,156) and sanitation equipment (\$52,909).
- Water meter replacements (\$675,914).
- Donated streets, drainage, ROW and park land Basswood Crossing Phase2 (\$3,955,495).
- Donated water and sewer lines for Basswood Crossing Phase 2 (\$1,043,758).
- Donated streets, drainage, and ROW for Bar C Ranch Phase 1 & 2 (\$2,025,635).
- Donated water and sewer lines for Bar C Ranch Phase 1 & 2 (\$1,333,196).
- Sidewalk improvements (\$25,800).
- Design for north Old Decatur Road and Knowles Drive (\$1,069,616).
- Land for future municipal facilities (\$1,558,333).
- Design for new fire station (\$278,923) and intersection improvements (32,000).

Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 18,741,913	\$ 15,674,160	\$ 16,657	\$ 16,657	\$ 18,758,570	\$ 15,690,817
Improvements	2,497,588	1,943,249	-	-	2,497,588	1,943,249
Buildings	19,784,753	19,733,581	154,587	154,587	19,939,340	19,888,168
Equipment	10,452,258	9,691,892	1,591,260	1,476,322	12,043,518	11,168,214
Infrastructure	121,180,527	102,628,780	41,599,558	37,630,137	162,780,085	140,258,917
Construction in progress	6,331,829	15,994,458	173,961	102,808	6,505,790	16,097,266
Accumulated depreciation	(76,671,738)	(72,534,604)	(14,145,033)	(13,266,541)	(90,816,771)	(85,801,145)
Total	\$ 102,317,130	\$ 93,131,516	\$ 29,390,990	\$ 26,113,970	\$ 131,708,120	\$ 119,245,486

Additional information on the City of Saginaw’s capital assets can be found in Note 5 on pages 44-45.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$49,634,136.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligations	\$ 25,735,000	\$ 26,435,000	\$ 1,220,000	\$ 1,420,000	\$ 26,955,000	\$ 27,855,000
Certificates of obligation	17,345,000	1,785,000	-	-	17,345,000	1,785,000
Revenue bonds payable	-	-	-	50,000	-	50,000
Tax notes	1,570,000	2,000,000	-	-	1,570,000	2,000,000
Premiums on bonds	3,764,136	615,889	-	-	3,764,136	615,889
Total	\$ 48,414,136	\$ 30,835,889	\$ 1,220,000	\$ 1,470,000	\$ 49,634,136	\$ 32,305,889

During the fiscal year, the City's total debt increased by \$17,328,247 or 53.6%. Enterprise Fund principal payments of \$250,000 and General Fund principal payments of \$3,015,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA/Stable and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA/Stable and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 46-49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2020-2021 budget, General Fund revenues and transfers in are budgeted to decrease by \$1,108,825 (6%) from the 2019-2020 revised budget due to the one-time distribution of CARES Act funding in 2019-2020. General Fund revenues are comprised of 37% property tax, 32% sales tax, and 31% of the fees and transfers. Estimated net taxable value increased 3.4% from the preceding year with \$56.7 million in added value. Budgeted property tax revenues are \$6,249,000 in the General Fund and \$3,898,855 in the Debt Service Fund. General Fund expenditures and transfers increased by \$2,375,740 or 13.5% due to the \$2.6 million use of General Fund balance for the Bailey Boswell overpass project. Funding is provided for a 3% salary increase and an additional administrative position for Inspection/Code Enforcement. One-time expenses include the replacement of a public services truck, intersection evaluations for the Americans with Disabilities Act plan update, and funding for a Parks master plan. An additional \$1.3 million may be budgeted from fund balance as infrastructure construction progresses for "the Square" mixed use development at the north entrance to the City.

The 2020-2021 budget includes a 2.5% increase in water rates and a 5% decrease 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 \$211,305 from fund balance for one-time capital items. Water meter replacements will continue and a resiliency emergency response plan will be developed. Water impact fees will fund phase 2 of the Saginaw Boulevard 16" water line project and a northwest booster pump station.

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.



City of Saginaw

Basic Financial Statements



City of Saginaw

Government-wide Financial Statements



City of Saginaw

City of Saginaw, Texas
Statement of Net Position
September 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	\$ 21,607,393	\$ 8,847,070	\$ 30,454,463
Receivables:			
Taxes, net of allowance	1,321,947	-	1,321,947
Accounts, net of allowance	90,487	1,378,727	1,469,214
Other	1,014,385	-	1,014,385
Prepaid	137,534	-	137,534
Notes Receivable	1,000	-	1,000
Restricted assets:			
Deposits and investments	23,825,421	884,191	24,709,612
Capital assets:			
Land	18,741,913	16,657	18,758,570
Improvements	2,497,588	-	2,497,588
Buildings	19,784,753	154,587	19,939,340
Equipment	10,452,258	1,591,260	12,043,518
Infrastructure	121,180,527	41,599,558	162,780,085
Construction in progress	6,331,829	173,961	6,505,790
Accumulated depreciation	(76,671,738)	(14,145,033)	(90,816,771)
Total assets	150,315,297	40,500,978	190,816,275
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	241,417	27,830	269,247
Related to TMRS pension	1,454,600	155,563	1,610,163
Related to TMRS OPEB	49,275	6,353	55,628
Total deferred outflows of resources	1,745,292	189,746	1,935,038
LIABILITIES			
Accounts payable and accrued liabilities	1,921,885	631,690	2,553,575
Accrued interest payable	119,476	2,014	121,490
Unearned revenue	325,833	-	325,833
Payable from restricted assets:			
Contracts payable	1,413,545	-	1,413,545
Current portion of revenue bonds payable	-	210,000	210,000
Customer deposits	-	698,291	698,291
Noncurrent liabilities:			
Debt due within one year	2,725,000	-	2,725,000
Debt due in more than one year	45,689,136	1,010,000	46,699,136
Net pension liability	10,316,997	1,157,630	11,474,627
Total OPEB liability	350,382	43,427	393,809
Total liabilities	62,862,254	3,753,052	66,615,306
DEFERRED INFLOWS OF RESOURCES			
Related to TMRS pension	1,825,734	231,213	2,056,947
Related to TMRS OPEB	31,747	3,778	35,525
Total deferred inflows of resources	1,857,481	234,991	2,092,472
NET POSITION			
Net investment in capital assets	62,189,307	28,198,820	90,388,127
Restricted for:			
Debt service	1,083,753	185,900	1,269,653
Street maintenance	1,594,442	-	1,594,442
Crime prevention	529,301	-	529,301
Drainage	2,642,077	-	2,642,077
Other special revenue	1,641,765	-	1,641,765
Unrestricted	17,660,209	8,317,961	25,978,170
TOTAL NET POSITION	\$ 87,340,854	\$ 36,702,681	\$ 124,043,535

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

City of Saginaw, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2020

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative offices	\$ 2,801,551	\$ 42,410	\$ 23,844	\$ -
Municipal court	187,789	348,604	7,337	-
Fire	3,824,006	94,815	519,191	64,035
Police	5,419,054	3,075	702,553	15,623
Public works	5,104,334	815,726	431,927	6,803,877
Parks	356,963	-	650	-
Community services	993,452	443,782	33,959	-
Library	607,455	5,212	2,016	-
Inspection	633,836	923,088	9,599	-
Animal services	374,204	30,307	7,357	-
City garage	434,270	-	-	-
Economic development	176,295	-	-	-
Information technology	374,852	-	22,956	-
Interest on long term debt	892,956	-	-	-
Total governmental activities	<u>22,181,017</u>	<u>2,707,019</u>	<u>1,761,389</u>	<u>6,883,535</u>
Business-type activities:				
Water and wastewater	<u>10,969,259</u>	<u>10,798,406</u>	<u>-</u>	<u>2,706,220</u>
Total business-type activities	<u>10,969,259</u>	<u>10,798,406</u>	<u>-</u>	<u>2,706,220</u>
TOTAL GOVERNMENT	<u><u>\$ 33,150,276</u></u>	<u><u>\$ 13,505,425</u></u>	<u><u>\$ 1,761,389</u></u>	<u><u>\$ 9,589,755</u></u>

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

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

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

Governmental Activities	Business- type Activities	Total
\$ (2,735,297)	\$ -	\$ (2,735,297)
168,152	-	168,152
(3,145,965)	-	(3,145,965)
(4,697,803)	-	(4,697,803)
2,947,196	-	2,947,196
(356,313)	-	(356,313)
(515,711)	-	(515,711)
(600,227)	-	(600,227)
298,851	-	298,851
(336,540)	-	(336,540)
(434,270)	-	(434,270)
(176,295)	-	(176,295)
(351,896)	-	(351,896)
(892,956)	-	(892,956)
(10,829,074)	-	(10,829,074)
-	2,535,367	2,535,367
-	2,535,367	2,535,367
\$ (10,829,074)	\$ 2,535,367	\$ (8,293,707)
\$ 9,670,822	\$ -	\$ 9,670,822
7,262,055	-	7,262,055
1,612,023	-	1,612,023
77,679	-	77,679
12,581	83,008	95,589
255,256	97,645	352,901
183,708	56,583	240,291
607,645	(607,645)	-
19,681,769	(370,409)	19,311,360
8,852,695	2,164,958	11,017,653
78,488,159	34,537,723	113,025,882
\$ 87,340,854	\$ 36,702,681	\$ 124,043,535



City of Saginaw

Fund Financial Statements Governmental Funds

City of Saginaw, Texas
 Balance Sheet - Governmental Funds
 September 30, 2020

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 13,810,075	\$ 1,185,400	\$ -	\$ 6,611,918	\$ 21,607,393
Receivables:					
Taxes, net of allowance	996,307	17,829	-	307,811	1,321,947
Accounts	90,487	-	-	-	90,487
Other	77,332	-	822,747	114,306	1,014,385
Prepaid items	137,534	-	-	-	137,534
Note receivable	1,000	-	-	-	1,000
Restricted assets					
Deposits and investments	-	-	23,825,421	-	23,825,421
TOTAL ASSETS	\$ 15,112,735	\$ 1,203,229	\$ 24,648,168	\$ 7,034,035	\$ 47,998,167
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	\$ 1,833,938	\$ -	\$ -	\$ 87,947	\$ 1,921,885
Payable from restricted assets:					
Contracts payable	-	-	1,413,545	-	1,413,545
Unearned revenue	294,069	-	-	31,764	325,833
Total liabilities	2,128,007	-	1,413,545	119,711	3,661,263
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	28,315	17,828	-	-	46,143
Total deferred inflows of resources	28,315	17,828	-	-	46,143
Fund balances:					
Nonspendable					
Prepays items	137,534	-	-	-	137,534
Restricted:					
Debt service	-	1,185,401	-	-	1,185,401
Capital projects	-	-	23,234,623	-	23,234,623
Street maintenance	-	-	-	1,594,442	1,594,442
Crime prevention	-	-	-	529,301	529,301
Drainage	-	-	-	2,642,077	2,642,077
Other special revenue	-	-	-	1,641,765	1,641,765
Committed:					
Donations	-	-	-	506,739	506,739
Assigned for future capital purchases	2,882,850	-	-	-	2,882,850
Unassigned	9,936,029	-	-	-	9,936,029
Total fund balances	12,956,413	1,185,401	23,234,623	6,914,324	44,290,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 15,112,735	\$ 1,203,229	\$ 24,648,168	\$ 7,034,035	\$ 47,998,167

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

City of Saginaw, Texas

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2020

TOTAL FUND BALANCE - GOVERNMENTAL FUND	\$ 44,290,761
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	102,317,130
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.	(119,476)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	46,143
Long-term liabilities, including bonds payable and capital leases are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of \$241,417 is reflected as a deferred outflow of resources on the Statement of Net Position.	(48,172,719)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$10,316,997, a deferred resource outflow related to TMRS of \$1,454,600, and a deferred resource inflow related to TMRS of \$1,825,734. This resulted in a decrease in net position.	(10,688,131)
Included in noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB 75 in the amount of \$350,382, a deferred resource outflow related to TMRS of \$49,275, and a deferred resource inflow related to TMRS of \$31,747. This resulted in a decrease in net position.	(332,854)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 87,340,854</u>

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

City Of Saginaw, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2020

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 13,071,890	\$ 3,740,364	\$ -	\$ 1,820,221	\$ 18,632,475
Licenses and permits	773,813	-	-	-	773,813
Charges for services	94,815	-	-	815,726	910,541
Fines and fees	517,883	-	-	18,590	536,473
Interest income	113,140	22,227	61,243	58,646	255,256
Recreation income	162,412	-	-	-	162,412
Intergovernmental	1,423,032	-	1,236,154	2,247	2,661,433
Miscellaneous revenues	182,049	-	-	327,800	509,849
Total revenues	16,339,034	3,762,591	1,297,397	3,043,230	24,442,252
EXPENDITURES					
Current:					
General administrative office	1,798,896	-	-	893,484	2,692,380
Municipal court	187,064	-	-	-	187,064
Fire	3,965,267	-	-	-	3,965,267
Police	5,001,254	-	-	71,508	5,072,762
Public works	1,916,939	-	413,407	-	2,330,346
Parks	538,609	-	-	-	538,609
Community services	811,155	-	-	-	811,155
Library	568,571	-	-	-	568,571
Inspection	625,717	-	-	-	625,717
Animal services	389,122	-	-	-	389,122
City garage	392,030	-	-	-	392,030
Economic development	176,840	-	-	-	176,840
Information technology	427,319	-	-	-	427,319
Capital outlay	-	-	5,571,881	892,846	6,464,727
Principal retirement	-	3,015,000	-	-	3,015,000
Interest charges	-	741,720	-	-	741,720
Fiscal agent's fees and debt issuance costs	-	121,028	255,845	-	376,873
Total expenditures	16,798,783	3,877,748	6,241,133	1,857,838	28,775,502
Excess (deficiency) of revenues over expenditures	(459,749)	(115,157)	(4,943,736)	1,185,392	(4,333,250)
OTHER FINANCING SOURCES (uses)					
Transfers in	1,884,758	-	-	72,735	1,957,493
Transfers out	(72,735)	-	-	(1,277,113)	(1,349,848)
Proceeds from bond refunding	-	3,015,000	-	-	3,015,000
Issuance of debt	-	-	17,345,000	-	17,345,000
Premium on bond issuance	-	-	3,414,982	-	3,414,982
Payment to escrow agent	-	(2,924,412)	-	-	(2,924,412)
Total other financing sources (uses)	1,812,023	90,588	20,759,982	(1,204,378)	21,458,215
Net change in fund balances	1,352,274	(24,569)	15,816,246	(18,986)	17,124,965
Fund Balance, beginning	11,604,139	1,209,970	7,418,377	6,933,310	27,165,796
FUND BALANCE, ending	\$ 12,956,413	\$ 1,185,401	\$ 23,234,623	\$ 6,914,324	\$ 44,290,761

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

City of Saginaw, Texas

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended September 30, 2020

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	\$ 17,124,965
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.	7,428,080
Governmental funds do not recognize assets contributed by developers 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.	5,981,130
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(4,223,596)
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 \$17,345,000, premium on issuance of \$3,414,982, net proceeds on refunding issuances of \$90,588, repayments of \$3,015,000 and amortization of \$273,817 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.	(17,561,753)
Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items increased net position.	176,320
Current year changes in the net OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.	(26,956)
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.	(48,180)
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.	2,685
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	<u>\$ 8,852,695</u>

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



City of Saginaw

Fund Financial Statements Proprietary Funds

City of Saginaw, Texas
Statement of Net Position
Proprietary Funds
September 30, 2020

	Enterprise Fund
	<hr/>
ASSETS	
Current assets:	
Deposits and investments	\$ 8,847,070
Deposits and investments-restricted	185,900
Receivables:	
Accounts receivable, net of allowance of \$62,357	804,376
Unbilled accounts	574,351
Total current assets	<hr/> 10,411,697
Noncurrent assets:	
Capital assets, at cost:	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	41,599,558
Machinery and equipment	1,591,260
Construction in progress	173,961
Accumulated depreciation	(14,145,033)
Total capital assets, net of accumulated depreciation	<hr/> 29,390,990
Deposits and investments-restricted	698,291
Total noncurrent assets	<hr/> 30,089,281
Total assets	<hr/> 40,500,978
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	27,830
Related to the TMRS pension	155,563
Related to the TMRS OPEB	6,353
Total deferred outflows of resources	<hr/> 189,746
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	631,690
Accrued interest	2,014
Revenue bonds payable	210,000
Total current liabilities	<hr/> 843,704
Noncurrent liabilities:	
Revenue bonds payable	1,010,000
Customer deposits	698,291
Net pension liability	1,157,630
Total OPEB liability	43,427
Total noncurrent liabilities	<hr/> 2,909,348
Total liabilities	<hr/> 3,753,052
DEFERRED INFLOWS OF RESOURCES	
Related to the TMRS pension	231,213
Related to the TMRS OPEB	3,778
Total deferred inflows of resources	<hr/> 234,991
NET POSITION	
Net investment in capital assets	28,198,820
Restricted for revenue bond retirement	185,900
Unrestricted	8,317,961
TOTAL NET POSITION	<hr/> <hr/> \$ 36,702,681

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

City of Saginaw, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Fiscal Year Ended September 30, 2020

	Enterprise Fund
	<hr/>
OPERATING REVENUES	
Water and sewer sales	\$ 9,100,141
Penalties	83,008
Surcharges	1,698,265
Miscellaneous	56,583
	<hr/>
Total operating revenue	10,937,997
OPERATING EXPENSES	
Cost of sales and services	6,294,884
Administrative	3,730,232
Depreciation	899,217
	<hr/>
Total operating expenses	10,924,333
	<hr/>
Operating income	13,664
NONOPERATING REVENUES (EXPENSES)	
Investment income	97,645
Gain (Loss) on sale of machinery and equipment	2,070
Interest expense and agent fees	(46,996)
	<hr/>
Total nonoperating revenues (expenses)	52,719
	<hr/>
Income before contributions and transfers	66,383
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	2,376,954
Impact and tap fees	329,266
Transfers out	(693,830)
Transfers in	86,185
	<hr/>
Total capital contributions and transfers	2,098,575
	<hr/>
Change in net position	2,164,958
Net position, beginning	34,537,723
	<hr/>
NET POSITION, ending	\$ 36,702,681
	<hr/> <hr/>

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

City of Saginaw, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 11,031,487
Cash paid to employees	(1,003,766)
Cash paid to suppliers	(9,279,286)
	<hr/>
Net cash provided by operating activities	748,435
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out to other funds	(693,830)
Transfers from other funds	86,185
	<hr/>
Net cash used in noncapital financing activities	(607,645)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of machinery and equipment	2,070
Impact and tap fees	329,266
Principal paid on bonds	(250,000)
Purchase of capital assets	(1,799,283)
Interest and fees paid on debt issuance	(31,593)
Fiscal agent fees	750
	<hr/>
Net cash used in capital and related financing activities	(1,748,790)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	97,645
	<hr/>
Net cash provided by investing activities	97,645
	<hr/>
Net change in cash	(1,510,355)
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 11,241,616
CASH AND CASH EQUIVALENTS, end of year	<hr/> <u>\$ 9,731,261</u>

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

City of Saginaw, Texas
Statement of Cash Flows – Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2020

	Current Assets	Enterprise Fund Restricted Assets		Statement of Cash Flows Totals
		Current	Noncurrent	
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - beginning	\$ 10,399,149	\$ 184,466	\$ 658,001	\$ 11,241,616
Net increase (decrease)	<u>(1,552,079)</u>	<u>1,434</u>	<u>40,290</u>	<u>(1,510,355)</u>
Cash and cash equivalents - ending	<u>\$ 8,847,070</u>	<u>\$ 185,900</u>	<u>\$ 698,291</u>	<u>\$ 9,731,261</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				\$ 13,664
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation				899,217
Decrease in accounts receivable				53,200
Decrease in deferred outflows of resources-pension				152,424
Increase in deferred outflows of resources-OPEB				(5,894)
Decrease in accounts payable and accrued expenses				(239,474)
Increase in customer deposits				40,290
Decrease in net pension liability				(341,963)
Increase in total OPEB liability				6,740
Increase in deferred inflows of resources-pension				170,231
Net cash provided by operating activities				<u>\$ 748,435</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				<u>\$ 2,376,954</u>

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



City of Saginaw

City of Saginaw, Texas

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

A. General Statement

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

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

B. Financial Reporting Entity

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

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

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

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

C. Basis of Presentation

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

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

Fund Financial Statements

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

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

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

E. Budgetary Control

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

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

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

All appropriations lapse on September 30 of the fiscal year.

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

F. Cash and Investments

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

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

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

G. Interfund Receivables and Payables

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

City of Saginaw, Texas
Notes to the Basic Financial Statements

H. Capital Assets

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

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

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

I. Accumulated Vacation, Compensatory Time and Sick Leave

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Unused sick leave accumulated during the year is carried over into the next year with a maximum accrual of forty working days or twenty shifts. At the time of resignation or retirement, employees with ten or more years of service will be paid for unused sick leave. The compensated absences liability increased \$232,460 over the course of the fiscal year and ended September 30, 2020 with a liability of \$1,191,377.

J. Nature and Purpose of Designations of Fund Balance

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

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

1. *Nonspendable Fund Balance*

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

2. *Spendable Fund Balance*

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

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 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.

K. Net Position

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

L. Pensions

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

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

M. 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.

City of Saginaw, Texas

Notes to the Basic Financial Statements

N. Management’s Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates. The assumptions utilized for purposes of measuring the net pension liability, 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.

Note 2. Cash and Investments

Cash and investments as of September 30, 2020 consist of the following:

Deposits with financial institutions	\$ 1,035,065
Investments	<u>54,129,010</u>
	<u>\$ 55,164,075</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, 2020, the City had the following investments:

<u>Investment Type</u>	<u>Weighted Average Amount</u>	<u>Maturity</u>
TexPool	\$ 54,129,010	38 days

As of September 30, 2020, the City did not invest in any securities which are highly sensitive to interest rate fluctuations.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the City’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of September 30, 2020</u>
TexPool	\$ 54,129,010	AAA	AAAm

City of Saginaw, Texas
Notes to the Basic Financial Statements

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, 2020, 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.

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

At September 30, 2020, the carrying amount of the City's cash on hand and deposits were \$1,035,065 and the bank balance was \$2,654,541. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$2,404,541 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	\$ 185,900
Refundable water and wastewater deposits	698,291
	<hr/>
Total	\$ 884,191
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City of Saginaw, Texas
Notes to the Basic Financial Statements

Note 4. Notes Receivable

During the year ended September 30, 2018, the City loaned \$460,000 to a residential developer to construct the Mariposa Apartment Homes at Spring Hollow. The purpose of the Loan was to assist Spring Hollow in meeting the requirements for a federal tax credit. As of September 30, 2020, the outstanding balance was \$1,000. The remaining balance is due over a 15 year term, bearing an interest rate of 3%.

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2020, was as follows:

	Balance, October 1, 2019	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2020
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 15,674,160	\$ 3,067,753	\$ -	\$ 18,741,913
Construction in progress	15,994,458	4,891,848	(14,554,477)	6,331,829
Total capital assets, not being depreciate	31,668,618	7,959,601	(14,554,477)	25,073,742
Capital assets being depreciated:				
Buildings	19,733,581	51,172	-	19,784,753
Improvements	1,943,249	554,339	-	2,497,588
Infrastructure	102,628,780	18,551,747	-	121,180,527
Equipment	9,691,892	846,828	(86,462)	10,452,258
Total capital assets, being depreciated	133,997,502	20,004,086	(86,462)	153,915,126
Less accumulated depreciation for:				
Buildings	7,633,838	506,499	-	8,140,337
Improvements	1,023,837	98,699	-	1,122,536
Infrastructure	58,582,560	2,854,357	-	61,436,917
Equipment	5,294,369	764,041	(86,462)	5,971,948
Total accumulated depreciation	72,534,604	4,223,596	(86,462)	76,671,738
Total capital assets being depreciated, net	61,462,898	15,780,490	-	77,243,388
Governmental activities capital assets, net	\$ 93,131,516	\$ 23,740,091	\$ (14,554,477)	\$ 102,317,130

City of Saginaw, Texas
Notes to the Basic Financial Statements

	Balance, October 1, 2019	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2020
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	102,808	71,153	-	173,961
Total capital assets, not being depreciate	119,465	71,153	-	190,618
Capital assets, being depreciated:				
Buildings	154,587	-	-	154,587
Water and wastewater system	37,630,137	3,969,421	-	41,599,558
Equipment	1,476,322	135,663	(20,725)	1,591,260
Total capital assets, being depreciated	39,261,046	4,105,084	(20,725)	43,345,405
Less accumulated depreciation				
Buildings	75,438	3,550	-	78,988
Water and wastewater system	12,148,884	791,357	-	12,940,241
Equipment	1,042,219	104,310	(20,725)	1,125,804
Total accumulated depreciation	13,266,541	899,217	(20,725)	14,145,033
Total capital assets being depreciated, net	25,994,505	3,205,867	-	29,200,372
Business-type activities capital assets, net	\$ 26,113,970	\$ 3,277,020	\$ -	\$ 29,390,990

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

Governmental activities:	
General administrative office	\$ 134,879
Municipal court	2,169
Fire	220,011
Police	428,816
Public works	3,040,397
Community services	187,913
Library	44,614
Inspections/code enforcement	14,694
Animal services	10,974
Fleet maintenance	44,736
Parks	89,691
Information technology	4,702
	<u>\$ 4,223,596</u>
Business-type activities:	
Water and wastewater	<u>\$ 899,217</u>

The City has active construction projects as of September 30, 2020. Total accumulated commitments for capital projects are \$11,178,097 for the Capital Projects Fund and \$27,979 for the General Fund.

City of Saginaw, Texas
Notes to the Basic Financial Statements

Note 6. Long-Term Debt

At September 30, 2020, 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%	6,070,000	-
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	905,000	145,000
2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%.	6,105,000	-
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	1,075,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	3,085,000	-
2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.	6,965,000	-
2019 Tax Notes, dated September 17, 2019, due in annual installments through March 1, 2026, bearing an interest rate of 1.40%.	1,570,000	
2019 General Obligation Refunding Bonds, dated November 13, 2019, due in annual installments through September 1, 2025, bearing an interest rate of 1.63%.	1,470,000	-
2020 General Obligation Refunding Bonds, dated June 1, 2020, due in annual installments through September 1, 2030, bearing an interest rate of 1.11%.	1,135,000	-
2020 Certificates of Obligation Bonds, dated August 15, 2020, due in annual installments through September 1, 2040, bearing interest rates of 2% to 4%	17,345,000	-
Premium on bonds	<u>3,764,136</u>	<u>-</u>
Total bonds payable	<u>\$ 48,414,136</u>	<u>\$ 1,220,000</u>

City of Saginaw, Texas

Notes to the Basic Financial Statements

During 2020, The City issued \$1,880,000 in General Obligation Refunding Bonds with an interest rate of 1.63%. \$615,000 was used to advance refund the outstanding Series 2009 Certificates of Obligation Bonds and \$1,215,000 was used to advance refund this outstanding Series 2012 General Obligation Refunding Bonds. The net proceeds of \$1,836,823 (after payment of issuance costs) and City contribution of \$9,075 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining principal at September 30, 2020 related to the refunded bonds. The refunding resulted in a decrease in the City's debt service payments of \$52,322, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$49,646.

During 2020, The City issued \$1,135,000 in General Obligation Refunding Bonds with an interest rate of 1.11%. \$1,085,000 was used to advance refund a portion of the Series 2010 Certificates of Obligation Bonds. The net proceeds of \$1,087,590 (after payment of issuance costs) and City contribution of \$17,660 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining principal at September 30, 2020 related to the refunded bonds. The refunding resulted in a decrease in the City's debt service payments of \$124,184, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$119,000.

During 2020, The City issued \$17,345,000 of Series 2020 General Obligation Bonds. The debt was issued to pay the costs of capital projects. The Bonds have an annual interest rate ranging from 2% to 4% 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, 2020:

	Balance, October 1, 2019	Increases	Decreases	Balance, September 30, 2020	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 26,435,000	\$ 3,015,000	\$ (3,715,000)	\$ 25,735,000	\$ 2,280,000
Certificates of obligation	1,785,000	17,345,000	(1,785,000)	17,345,000	35,000
Tax notes	2,000,000	-	(430,000)	1,570,000	410,000
Premiums on bonds	615,889	3,414,982	(266,735)	3,764,136	-
Net pension liability	13,083,784	-	(2,766,787)	10,316,997	-
Total OPEB liability	295,845	54,537	-	350,382	-
Total governmental activities	\$ 44,215,518	\$ 23,829,519	\$ (8,963,522)	\$ 59,081,515	\$ 2,725,000
Business-type activities:					
Revenue bonds	\$ 50,000	\$ -	\$ (50,000)	\$ -	\$ -
General obligation bonds	1,420,000	-	(200,000)	1,220,000	210,000
Net pension liability	1,499,593	-	(341,963)	1,157,630	-
Total OPEB liability	36,687	6,740	-	43,427	-
Total business-type activities	\$ 3,006,280	\$ 6,740	\$ (591,963)	\$ 2,421,057	\$ 210,000

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

City of Saginaw, Texas
Notes to the Basic Financial Statements

The annual requirements to amortize all debts outstanding as of September 30, 2020, are as follows:

<u>General Obligation Bonds</u>			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 2,280,000	\$ 712,937	\$ 2,992,937
2022	2,335,000	663,444	2,998,444
2023	2,375,000	612,763	2,987,763
2024	2,110,000	561,023	2,671,023
2025	1,815,000	510,698	2,325,698
2026-2030	7,630,000	1,882,932	9,512,932
2031-2035	6,175,000	726,119	6,901,119
2036-2040	1,015,000	45,900	1,060,900
Totals	\$ 25,735,000	\$ 5,715,816	\$ 31,450,816

<u>Certificates of Obligation</u>			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 35,000	\$ 670,272	\$ 705,272
2022	100,000	640,700	740,700
2023	100,000	637,700	737,700
2024	425,000	634,700	1,059,700
2025	800,000	626,200	1,426,200
2026-2030	4,335,000	2,790,100	7,125,100
2031-2035	5,210,000	1,909,400	7,119,400
2036-2040	6,340,000	780,200	7,120,200
Totals	\$ 17,345,000	\$ 8,689,272	\$ 26,034,272

<u>Tax Notes</u>			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 410,000	\$ 19,110	\$ 429,110
2022	225,000	14,665	239,665
2023	230,000	11,480	241,480
2024	230,000	8,260	238,260
2025	235,000	5,005	240,005
2026-2030	240,000	1,680	241,680
Totals	\$ 1,570,000	\$ 60,200	\$ 1,630,200

City of Saginaw, Texas
Notes to the Basic Financial Statements

General Obligation Bonds			
Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2021	\$ 210,000	\$ 24,170	\$ 234,170
2022	220,000	20,004	240,004
2023	150,000	15,642	165,642
2024	155,000	12,672	167,672
2025	160,000	9,603	169,603
2026-2030	325,000	9,702	334,702
Totals	\$ 1,220,000	\$ 91,793	\$ 1,311,793

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 (\$152,087 for the General Fund and \$141,490 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

Note 8. Pension Plan

Plan Description

The City of Saginaw participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

Benefits

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

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

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

Employee deposit rate	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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to but not yet receiving benefits	86
Active employees	149
	<hr/>
	294
	<hr/> <hr/>

Contributions

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

Employees for the City of Saginaw were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 21.33% and 21.67% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020, were \$1,924,856 and were equal to the required contributions.

City of Saginaw, Texas

Notes to the Basic Financial Statements

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2019 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 is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% 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. They 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 in order to satisfy the short-term and long-term funding needs of TMRS.

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2018	\$ 44,040,019	\$ 29,456,642	\$ 14,583,377
Changes for the year:			
Service cost	1,671,277		1,671,277
Interest	2,979,679		2,979,679
Change of benefit terms	-		-
Difference between expected and actual experience	(819,741)		(819,741)
Changes of assumptions	147,074		147,074
Contributions - employer		1,924,856	(1,924,856)
Contributions - employee		631,692	(631,692)
Net investment income		4,556,996	(4,556,996)
Benefit payments, including refunds of employee contributions	(1,464,519)	(1,464,519)	-
Administrative expense		(25,732)	25,732
Other changes		(773)	773
Net changes	2,513,770	5,622,520	(3,108,750)
Balance at December 31, 2019	\$ 46,553,789	\$ 35,079,162	\$ 11,474,627

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 18,511,265	\$ 11,474,627	\$ 5,728,004

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,745,450.

At September 30, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experienc	\$ -	\$ (1,002,679)
Changes in actuarial assumptions	138,752	-
Difference between projected and actual investment earnings	-	(1,054,268)
Contributions subsequent to the measurement date	1,471,411	-
Totals	\$ 1,610,163	\$ (2,056,947)

City of Saginaw, Texas

Notes to the Basic Financial Statements

\$1,471,411 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, 2020 (i.e. recognized in the City's financial statements for the year ended September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,		
2020	\$	(579,651)
2021		(521,926)
2022		(118,231)
2023		(649,718)
2024		(48,669)
Totals	\$	(1,918,195)

Note 9. Postemployment Benefits Other Than Pensions

Plan Description

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

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

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

Benefits

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

Employees covered by benefit terms

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	47
Inactive employees entitled to but not yet receiving benefits	15
Active employees	149
	<u>211</u>

City of Saginaw, Texas
Notes to the Basic Financial Statements

Net OPEB Liability

The City's net OPEB liability of \$393,809 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The net OPEB liability in the December 31, 2019 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	2.75%

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.

Discount Rate

The discount rate used to measure the net OPEB liability was 2.75%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

	Total OPEB Liability
Balance at December 31, 2018	\$ 332,532
Changes for the year:	
Service cost	17,146
Interest	12,605
Change of benefit terms	-
Difference between expected and actual experience	(29,760)
Changes of assumptions or other inputs	63,993
Benefit payments	(2,707)
Net changes	61,277
Balance at December 31, 2019	\$ 393,809

City of Saginaw, Texas

Notes to the Basic Financial Statements

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
City's OPEB liability	\$ 477,983	\$ 393,809	\$ 327,894

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$32,987.

At September 30, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (35,525)
Changes in actuarial assumptions	53,591	-
Contributions subsequent to the measurement date	2,037	-
Total	<u>\$ 55,628</u>	<u>\$ (35,525)</u>

\$2,037 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, 2020 (i.e. recognized in the City's financial statements for the year ended September 30, 2021). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,	
2020	\$ 3,236
2021	3,236
2022	3,236
2023	3,236
2024	1,433
Thereafter	<u>3,689</u>
Total	<u>\$ 18,066</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, 2020, no costs have been incurred or reimbursed.

Note 11. Interfund Balances and Transfers

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

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 693,830
General Fund	Saginaw CCPD Fund	1,047,305
General Fund	Donations Fund	8,120
General Fund	Escrow Fund	5,728
General Fund	Drainage Utility Fund	129,775
Enterprise Fund	Drainage Utility Fund	86,185
Escrow Fund	General Fund	72,735
		\$ 2,043,678

Transfers are primarily used to move funds from:

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

City of Saginaw, Texas

Notes to the Basic Financial Statements

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. Property taxes abated under these programs were \$52,455 in fiscal year 2020.

Note 14. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2020 and 2021 are listed as follows:

The GASB issued Statement No. 84, Fiduciary Activities, which will be effective for fiscal year 2021. The objective of this Statement is to establish standards of accounting and financial reporting for fiduciary activities. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its financial statements and will the necessary steps to implement it.

The GASB issued Statement No. 90, Majority Equity Interests, An Amendment of GASB Statements No. 14 and 16, which will be effective for fiscal year 2021. The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its financial statements and will the necessary steps to implement it.

Note 15. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2020 through January 14, 2021, 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
TOTAL PENSION LIABILITY						
Service cost	\$ 1,094,648	\$ 1,192,902	\$ 1,237,546	\$ 1,287,912	\$ 1,567,813	\$ 1,671,277
Interest (on the total pension liability)	2,004,340	2,134,257	2,224,580	2,372,294	2,777,269	2,979,679
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)
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)
Net change in total pension liability	1,810,286	2,421,017	2,403,219	2,333,686	6,588,733	2,513,770
Total pension liability, beginning	28,483,078	30,293,364	32,714,381	35,117,600	37,451,286	44,040,019
TOTAL PENSION LIABILITY, ending (a)	\$ 30,293,364	\$ 32,714,381	\$ 35,117,600	\$ 37,451,286	\$ 44,040,019	\$ 46,553,789
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850	\$ 1,491,686	\$ 1,924,856
Contributions - employee	433,652	453,288	472,046	488,154	513,196	631,692
Net investment income	1,120,846	31,855	1,527,402	3,497,782	(880,810)	4,556,996
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)	(752,837)	(1,232,910)	(1,043,059)	(1,464,519)
Administrative expense	(11,699)	(19,398)	(17,251)	(18,123)	(17,017)	(25,732)
Other	(962)	(958)	(929)	(920)	(889)	(773)
Net change in plan fiduciary net position	1,995,352	1,015,476	2,632,767	4,161,833	63,107	5,622,520
Plan fiduciary net position, beginning	19,588,107	21,583,459	22,598,935	25,231,702	29,393,535	29,456,642
PLAN FIDUCIARY NET POSITION, ending (b)	\$ 21,583,459	\$ 22,598,935	\$ 25,231,702	\$ 29,393,535	\$ 29,456,642	\$ 35,079,162
NET PENSION LIABILITY/ (ASSET), ending (a) - (b)	\$ 8,709,905	\$ 10,115,446	\$ 9,885,898	\$ 8,057,751	\$ 14,583,377	\$ 11,474,627
Plan fiduciary net position as a percentage of total pension liability	71.25%	69.08%	71.85%	78.48%	66.89%	75.35%
Covered Payroll	\$ 7,227,528	\$ 7,554,795	\$ 7,867,428	\$ 8,135,894	\$ 8,553,265	\$ 9,024,174
Net pension liability as a percentage of covered payroll	120.51%	133.89%	125.66%	99.04%	170.50%	127.15%

Other Information:

Notes

There were no benefit changes during the year.

Only six 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
Actuarially Determined Contribution	\$ 1,247,471	\$ 1,351,553	\$ 1,404,336	\$ 1,427,850	\$ 1,491,686	\$ 1,924,856
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
Contribution deficiency (excess)	\$ (80,284)	\$ (65,205)	\$ (33,201)	\$ (60,656)	\$ (327,369)	\$ (18,709)
Covered payroll	\$ 7,431,617	\$ 8,101,429	\$ 8,085,355	\$ 8,444,346	\$ 8,911,253	\$ 9,003,652
Contributions as a percentage of covered payroll	17.87%	17.49%	17.78%	17.63%	20.41%	21.59%

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

Other Information:

Notes There were no benefit changes during the year.
Only six 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
TOTAL OPEB LIABILITY			
Service cost	\$ 14,645	\$ 17,962	\$ 17,146
Interest	11,297	11,619	12,605
Change of benefit terms	-	-	-
Difference between expected and actual experience	-	(13,397)	(29,760)
Changes of assumptions or other inputs	27,069	(24,428)	63,993
Benefit payments*	(2,441)	(2,566)	(2,707)
Net change in total OPEB liability	50,570	(10,810)	61,277
Total OPEB liability, beginning	292,772	343,342	332,532
Total OPEB LIABILITY, ending	\$ 343,342	\$ 332,532	\$ 393,809
Covered Payroll	\$ 8,135,894	\$ 8,553,265	\$ 9,024,174
Total OPEB liability as a percentage of covered payroll	4.22%	3.89%	4.36%

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, 2019 - the period from January 30, 2019 - December 31, 2019.

Only three 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."

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, 2020

	Budgeted amounts		Actual	Variance with
	Original	Final	GAAP Basis	Final Budget Over / (Under)
REVENUES				
Taxes	\$ 12,740,585	\$ 13,093,990	\$ 13,071,890	\$ (22,100)
Licenses and permits	692,000	713,000	773,813	60,813
Charges for services	97,020	97,020	94,815	(2,205)
Fines and fees	472,100	503,300	517,883	14,583
Interest income	100,000	113,000	113,140	140
Recreation income	548,840	165,000	162,412	(2,588)
Intergovernmental	241,840	1,434,410	1,423,032	(11,378)
Miscellaneous revenues	100,000	159,000	182,049	23,049
Total revenues	14,992,385	16,278,720	16,339,034	60,314
EXPENDITURES				
Current:				
General administrative office	1,863,145	1,808,925	1,798,896	(10,029)
Municipal court	218,725	199,725	187,064	(12,661)
Fire	4,064,850	4,174,850	3,965,267	(209,583)
Police	5,332,230	5,125,230	5,001,254	(123,976)
Public works	1,567,725	1,962,980	1,916,939	(46,041)
Parks	329,855	620,630	538,609	(82,021)
Community services	1,151,225	853,970	811,155	(42,815)
Library	631,570	600,300	568,571	(31,729)
Inspections/code enforcement	616,835	639,835	625,717	(14,118)
Animal services	384,195	387,590	389,122	1,532
City garage	515,855	494,855	392,030	(102,825)
Economic development	298,405	221,115	176,840	(44,275)
Information technology	408,005	427,765	427,319	(446)
Total expenditures	17,382,620	17,517,770	16,798,783	(718,987)
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	(2,390,235)	(1,239,050)	(459,749)	779,301
OTHER FINANCING SOURCES (USES)				
Transfers in	1,884,030	1,884,030	1,884,758	728
Transfers out	(228,875)	(43,625)	(72,735)	(29,110)
Total other financing sources (uses)	1,655,155	1,840,405	1,812,023	(28,382)
Net change in fund balance	(735,080)	601,355	1,352,274	750,919
FUND BALANCES, beginning of year	11,604,139	11,604,139	11,604,139	-
FUND BALANCES, end of year	\$ 10,869,059	\$ 12,205,494	\$ 12,956,413	\$ 750,919

Combining and Individual Fund Statements and Schedules



City of Saginaw

Non-Major Governmental Funds

City of Saginaw, Texas
 Combining Balance Sheet
 Non-Major Governmental Funds
 September 30, 2020

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
ASSETS							
Deposits and investments	\$ 11,721	\$ 295,190	\$ 2,579,261	\$ 1,581,675	\$ 508,125	\$ 1,635,946	\$ 6,611,918
Receivables							
Other	-	-	77,644	-	30,843	5,819	114,306
Taxes	-	227,145	-	80,666	-	-	307,811
TOTAL ASSETS AND OTHER DEBITS	\$ 11,721	\$ 522,335	\$ 2,656,905	\$ 1,662,341	\$ 538,968	\$ 1,641,765	\$ 7,034,035
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 4,755	\$ 14,828	\$ 67,899	\$ 465	\$ -	\$ 87,947
Unearned revenue	-	-	-	-	31,764	-	31,764
Total liabilities	-	4,755	14,828	67,899	32,229	-	119,711
Fund balances:							
Restricted:							
Street maintenance	-	-	-	1,594,442	-	-	1,594,442
Crime prevention	11,721	517,580	-	-	-	-	529,301
Drainage	-	-	2,642,077	-	-	-	2,642,077
Other special revenue	-	-	-	-	-	1,641,765	1,641,765
Committed:							
Donations	-	-	-	-	506,739	-	506,739
Total fund balances	11,721	517,580	2,642,077	1,594,442	506,739	1,641,765	6,914,324
TOTAL LIABILITIES, AND FUND BALANCES	\$ 11,721	\$ 522,335	\$ 2,656,905	\$ 1,662,341	\$ 538,968	\$ 1,641,765	\$ 7,034,035

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, 2020

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
REVENUES							
Taxes	\$ -	\$ 1,304,250	\$ -	\$ 458,293	\$ -	\$ 57,678	\$ 1,820,221
Fines and fees	-	-	-	-	-	18,590	18,590
Intergovernmental	-	2,247	-	-	-	-	2,247
Miscellaneous	636	-	-	-	284,754	42,410	327,800
Interest income	106	3,633	23,503	15,548	2,525	13,331	58,646
Charges for services	-	-	815,726	-	-	-	815,726
Total revenues	742	1,310,130	839,229	473,841	287,279	132,009	3,043,230
EXPENDITURES							
Current:							
General operating	-	-	308,109	276,362	161,584	147,429	893,484
Police	-	71,508	-	-	-	-	71,508
Capital outlay	-	151,499	309,168	369,952	40,000	22,227	892,846
Total expenditures	-	223,007	617,277	646,314	201,584	169,656	1,857,838
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES	742	1,087,123	221,952	(172,473)	85,695	(37,647)	1,185,392
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	72,735	72,735
Transfers out	-	(1,047,305)	(215,960)	-	(8,120)	(5,728)	(1,277,113)
Total other financing sources (uses)	-	(1,047,305)	(215,960)	-	(8,120)	67,007	(1,204,378)
Net change in fund balances	742	39,818	5,992	(172,473)	77,575	29,360	(18,986)
Fund balances, beginning of year	10,979	477,762	2,636,085	1,766,915	429,164	1,612,405	6,933,310
FUND BALANCES, end of year	<u>\$ 11,721</u>	<u>\$ 517,580</u>	<u>\$ 2,642,077</u>	<u>\$ 1,594,442</u>	<u>\$ 506,739</u>	<u>\$ 1,641,765</u>	<u>\$ 6,914,324</u>



City of Saginaw

Special Revenue Funds

The following funds have legally adopted budgets:

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

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

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

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

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Deposits and investments	\$ 295,190	\$ 253,342
Receivables		
Taxes, net of allowance	<u>227,145</u>	<u>224,832</u>
TOTAL ASSETS	<u><u>\$ 522,335</u></u>	<u><u>\$ 478,174</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 4,755</u>	<u>\$ 412</u>
Total liabilities	4,755	412
FUND BLANCES		
Restricted for crime prevention	<u>517,580</u>	<u>477,762</u>
Total fund balances	<u>517,580</u>	<u>477,762</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 522,335</u></u>	<u><u>\$ 478,174</u></u>

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in Fund

Balance – Budget and Actual

Saginaw Crime Control and Prevention District Fund

For the Fiscal Year Ended September 30, 2020 And 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUE					
Taxes	\$ 1,209,720	\$ 1,332,285	\$ 1,304,250	\$ (28,035)	\$ 1,226,497
Intergovernmental	3,250	3,250	2,247	(1,003)	2,632
Interest income	4,800	4,800	3,633	(1,167)	7,605
Total revenues	1,217,770	1,340,335	1,310,130	(30,205)	1,236,734
EXPENDITURES					
Uniforms	6,300	6,300	7,319	(1,019)	6,819
Data processing	48,000	48,000	36,495	11,505	46,468
Officer supplies and equipment	2,000	2,000	14,492	(12,492)	1,198
Books	3,960	3,960	4,080	(120)	3,960
Crime prevention supplies	2,000	2,000	910	1,090	1,621
Maintenance and repairs	-	-	-	-	-
Tactical employee training	13,500	1,000	8,212	(7,212)	13,500
Capital outlay	177,500	177,500	151,499	26,001	205,279
Total expenditures	253,260	240,760	223,007	17,753	278,845
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES					
	964,510	1,099,575	1,087,123	(12,452)	957,889
OTHER FINANCING SOURCES (USES)					
Transfers out	(1,047,305)	(1,047,305)	(1,047,305)	-	(1,005,300)
Total other financing sources (uses)	(1,047,305)	(1,047,305)	(1,047,305)	-	(1,005,300)
NET CHANGE IN FUND BALANCES					
	(82,795)	52,270	39,818	(12,452)	(47,411)
FUND BALANCES, beginning of year					
	477,762	477,762	477,762	-	525,173
FUND BALANCES, end of year					
	\$ 394,967	\$ 530,032	\$ 517,580	\$ (12,452)	\$ 477,762

City of Saginaw, Texas
 Comparative Balance Sheets
 Drainage Utility Fund
 September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Deposits and investments	\$ 2,579,261	\$ 2,576,776
Receivables		
Other	<u>77,644</u>	<u>78,382</u>
TOTAL ASSETS	<u><u>\$ 2,656,905</u></u>	<u><u>\$ 2,655,158</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 14,828</u>	<u>\$ 19,073</u>
Total liabilities	14,828	19,073
FUND BLANCES		
Restricted for drainage	<u>2,642,077</u>	<u>2,636,085</u>
Total fund balances	<u>2,642,077</u>	<u>2,636,085</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,656,905</u></u>	<u><u>\$ 2,655,158</u></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, 2020 And 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUE					
Interest income	\$ 39,000	\$ 23,550	\$ 23,503	\$ (47)	\$ 53,177
Charges for services	810,000	815,000	815,726	726	794,783
Total revenues	849,000	838,550	839,229	679	847,960
EXPENDITURES					
Uniforms	1,200	1,200	846	354	809
Officer supplies and equipment	45,000	35,000	21,686	13,314	38,177
Disposal costs	10,000	10,000	6,000	4,000	6,560
Maintenance and repairs	-	-	271,898	(271,898)	97,876
Tactical employee training	1,000	1,000	799	201	2,573
Other	1,500	1,500	5,390	(3,890)	5,554
Capital outlay	1,567,000	748,855	310,658	438,197	80,452
Total expenditures	1,625,700	797,555	617,277	180,278	232,001
EXCESS (DEFICENCY) OR REVENUES OVER EXPENDITURES					
	(776,700)	40,995	221,952	180,957	615,959
OTHER FINANCING SOURCES (USES)					
Transfers out	(215,960)	(215,960)	(215,960)	-	(196,915)
Total other financing sources (uses)	(215,960)	(215,960)	(215,960)	-	(196,915)
NET CHANGE IN FUND BALANCES					
	(992,660)	(174,965)	5,992	180,957	419,044
FUND BALANCES, beginning of year					
	2,636,085	2,636,085	2,636,085	-	2,217,041
FUND BALANCES, end of year					
	\$ 1,643,425	\$ 2,461,120	\$ 2,642,077	\$ 180,957	\$ 2,636,085

City of Saginaw, Texas
 Comparative Balance Sheets
 Street Maintenance Fund
 September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Deposits and investments	\$ 1,581,675	\$ 1,839,796
Receivables		
Taxes, net of allowance	<u>80,666</u>	<u>79,997</u>
TOTAL ASSETS	<u><u>\$ 1,662,341</u></u>	<u><u>\$ 1,919,793</u></u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ 67,899</u>	<u>\$ 152,878</u>
Total liabilities	67,899	152,878
FUND BLANCES		
Restricted for street maintenance	<u>1,594,442</u>	<u>1,766,915</u>
Total fund balances	<u>1,594,442</u>	<u>1,766,915</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 1,662,341</u></u>	<u><u>\$ 1,919,793</u></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, 2020 And 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUE					
Taxes	\$ 426,965	\$ 467,210	\$ 458,293	\$ (8,917)	\$ 429,450
Interest income	10,000	15,555	15,548	(7)	37,888
Total revenues	436,965	482,765	473,841	(8,924)	467,338
EXPENDITURES					
Maintenance and repairs	350,000	401,000	276,362	124,638	300,198
Capital outlay	434,480	886,050	369,952	516,098	56,000
Total expenditures	784,480	1,287,050	646,314	640,736	356,198
EXCESS (DEFICENCY) OR REVENUES OVER EXPENDITURES	(347,515)	(804,285)	(172,473)	631,812	111,140
FUND BALANCES, beginning of year	1,766,915	1,766,915	1,766,915	-	1,655,775
FUND BALANCES, end of year	\$ 1,419,400	\$ 962,630	\$ 1,594,442	\$ 631,812	\$ 1,766,915

City of Saginaw, Texas
 Comparative Balance Sheets
 Donations Fund
 September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Deposits and investments	\$ 508,125	\$ 434,736
Receivables		
Other	30,843	31,752
	<u>538,968</u>	<u>466,488</u>
TOTAL ASSETS	\$ 538,968	\$ 466,488
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 465	\$ 4,652
Unearned revenue	31,764	32,672
	<u>32,229</u>	<u>37,324</u>
Total liabilities	32,229	37,324
FUND BALANCES		
Committed	506,739	429,164
	<u>506,739</u>	<u>429,164</u>
Total fund balances	506,739	429,164
TOTAL LIABILITIES AND FUND BALANCES	\$ 538,968	\$ 466,488

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, 2020 and 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUE					
Miscellaneous	\$ 275,840	\$ 290,330	\$ 284,754	\$ (5,576)	\$ 287,593
Interest income	6,000	2,530	2,525	(5)	6,399
Total revenues	281,840	292,860	287,279	(5,581)	293,992
EXPENDITURES					
Contract services	47,000	39,250	35,754	3,496	60,396
Data processing	12,000	12,000	7,951	4,049	7,456
Animal services	6,500	11,900	11,901	(1)	1,348
Supplies and equipment	69,500	66,250	83,012	(16,762)	87,029
Special programs	-	26,455	20,455	6,000	11,700
Maintenance and repairs	4,500	4,500	-	4,500	2,673
Other	2,600	2,600	2,511	89	750
Capital outlay	35,000	60,300	40,000	20,300	10,000
Total expenditures	177,100	223,255	201,584	21,671	181,352
EXCESS (DEFICENCY) OR REVENUES OVER EXPENDITURES	104,740	69,605	85,695	16,090	112,640
OTHER FINANCING SOURCES (USES)					
Transfers out	(8,120)	(8,120)	(8,120)	-	(8,120)
Total other financing sources (uses)	(8,120)	(8,120)	(8,120)	-	(8,120)
NET CHANGE IN FUND BALANCES	96,620	61,485	77,575	16,090	104,520
FUND BALANCES, beginning of year	429,164	429,164	429,164	-	324,644
FUND BALANCES, end of year	\$ 525,784	\$ 490,649	\$ 506,739	\$ 16,090	\$ 429,164

City of Saginaw, Texas
 Comparative Balance Sheets
 Escrow Fund
 September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Deposits and investments	\$ 1,635,946	\$ 1,601,900
Receivables		
Other	5,819	17,510
TOTAL ASSETS	<u>\$ 1,641,765</u>	<u>\$ 1,619,410</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 7,005</u>
Total liabilities	-	7,005
FUND BLANCES		
Restricted	<u>1,641,765</u>	<u>1,612,405</u>
Total fund balances	<u>1,641,765</u>	<u>1,612,405</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,641,765</u>	<u>\$ 1,619,410</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, 2020 and 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUE					
Taxes	\$ 83,865	\$ 69,365	\$ 57,678	\$ (11,687)	\$ 80,263
Fines and fees	18,700	18,700	18,590	(110)	20,098
Miscellaneous revenues	40,000	40,000	42,410	2,410	43,455
Interest income	18,190	23,790	13,331	(10,459)	32,523
Total revenues	160,755	151,855	132,009	(19,846)	176,339
EXPENDITURES					
Data processing	1,000	1,000	735	265	-
Entertainment	10,000	10,000	8,850	1,150	8,250
Insurance	5,000	5,000	-	5,000	3,550
Supplies and equipment	-	-	80,690	(80,690)	23,512
Maintenance and repairs	35,100	57,330	35,904	21,426	26,301
Other	-	22,500	21,250	1,250	5,000
Capital outlay	17,000	81,310	22,227	59,083	20,035
Total expenditures	68,100	177,140	169,656	7,484	86,648
EXCESS (DEFICIENCY) OR REVENUES OVER EXPENDITURES					
	92,655	(25,285)	(37,647)	(12,362)	89,691
OTHER FINANCING SOURCES (USES)					
Transfers in	43,265	70,755	72,735	(1,980)	42,970
Transfers out	(5,000)	(5,000)	(5,728)	728	(7,707)
Total other financing sources (uses)	38,265	65,755	67,007	(1,252)	35,263
NET CHANGE IN FUND BALANCES	130,920	40,470	29,360	11,110	124,954
FUND BALANCES, beginning of year	1,612,405	1,612,405	1,612,405	-	1,487,451
FUND BALANCES, end of year	\$ 1,743,325	\$ 1,652,875	\$ 1,641,765	\$ 11,110	\$ 1,612,405



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, 2020 and 2019

ASSETS	<u>2020</u>	<u>2019</u>
Deposits and investments	\$ 1,185,400	\$ 1,209,653
Receivables		
Taxes, net of allowance	<u>17,829</u>	<u>16,959</u>
TOTAL ASSETS	<u><u>\$ 1,203,229</u></u>	<u><u>\$ 1,226,612</u></u>
DEFERRED INFLOWS AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
Total liabilities	-	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	<u>\$ 17,828</u>	<u>\$ 16,642</u>
Total deferred inflows of resources	17,828	16,642
FUND BALANCE		
Restricted for debt service	<u>1,185,401</u>	<u>1,209,970</u>
Total fund balances	<u>1,185,401</u>	<u>1,209,970</u>
TOTAL DEFERRED INFLOWS AND FUND BALANCES	<u><u>\$ 1,203,229</u></u>	<u><u>\$ 1,226,612</u></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, 2020 and 2019

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2019
	Original	Final			
REVENUES					
Current and delinquent general property tax - debt service portion	\$ 3,790,280	\$ 3,733,360	\$ 3,736,300	\$ 2,940	\$ 3,411,888
Penalties, interest and fees on delinquent taxes	7,000	3,900	4,064	164	8,327
Interest income	50,000	22,500	22,227	(273)	66,191
Total revenues	3,847,280	3,759,760	3,762,591	2,831	3,486,406
EXPENDITURES					
Bond principal payments	2,985,000	3,015,000	3,015,000	-	2,495,000
Total principal payments	2,985,000	3,015,000	3,015,000	-	2,495,000
Bond interest	853,795	853,795	741,720	112,075	886,610
Fiscal charges and debt issuance costs	12,000	120,085	121,028	(943)	10,300
Total interest payments	865,795	973,880	862,748	111,132	896,910
Total expenditures	3,850,795	3,988,880	3,877,748	111,132	3,391,910
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,515)	(229,120)	(115,157)	113,963	94,496
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Proceeds from bond refunding	-	3,015,000	3,015,000	-	-
Premium on bond issuance	-	-	-	-	-
Payment on bond refunding	-	(2,924,415)	(2,924,412)	3	-
Total other financing sources (uses)	-	90,585	90,588	3	-
Net change in fund balances	(3,515)	(138,535)	(24,569)	113,966	94,496
Fund balances, beginning of year	1,209,970	1,209,970	1,209,970	-	1,115,474
FUND BALANCES, end of year	\$ 1,206,455	\$ 1,071,435	\$ 1,185,401	\$ 113,966	\$ 1,209,970



City of Saginaw

Enterprise Fund

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

City of Saginaw, Texas
Comparative Statement of Net Position
Enterprise Fund
September 30, 2020 and 2019

ASSETS	2020	2019
CURRENT ASSETS		
Deposits and investments	\$ 8,847,070	\$ 10,399,149
Deposits and investments-restricted	185,900	184,466
Receivables:		
Accounts receivable, net of allowance of \$81,020 in 2020 and \$62,357 in 2019	804,376	793,169
Unbilled accounts	574,351	638,758
Total current assets	<u>10,411,697</u>	<u>12,015,542</u>
NONCURRENT ASSETS		
Capital assets, at cost:		
Land and land improvements	16,657	16,657
Buildings and improvements	154,587	154,587
Waterworks and wastewater system	41,599,558	37,630,137
Machinery and equipment	1,591,260	1,476,322
Construction in progress	173,961	102,808
Accumulated depreciation	<u>(14,145,033)</u>	<u>(13,266,541)</u>
Total capital assets, net of accumulated depreciation	29,390,990	26,113,970
Deposits and investments-restricted	698,291	658,001
Total noncurrent assets	<u>30,089,281</u>	<u>26,771,971</u>
Total assets	40,500,978	38,787,513
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	27,830	44,439
Related to the TMRS pension	155,563	307,987
Related to the TMRS OPEB	6,353	459
Total deferred outflows of resources	<u>189,746</u>	<u>352,885</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	631,690	871,164
Accrued interest	2,014	2,470
Revenue bonds payable	210,000	250,000
Total current liabilities	<u>843,704</u>	<u>1,123,634</u>
NONCURRENT LIABILITIES		
Revenue bonds payable	1,010,000	1,220,000
Customer deposits	698,291	658,001
Net pension liability	1,157,630	1,499,593
Total OPEB liability	43,427	36,687
Total noncurrent liabilities	<u>2,909,348</u>	<u>3,414,281</u>
Total liabilities	3,753,052	4,537,915
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	231,213	63,467
Related to the TMRS OPEB	3,778	1,293
Total deferred inflows of resources	<u>234,991</u>	<u>64,760</u>
NET POSITION		
Net investment in capital assets	28,198,820	24,688,409
Restricted for		
Revenue bond retirement	185,900	184,466
Unrestricted	8,317,961	9,664,848
Total net position	<u>\$ 36,702,681</u>	<u>\$ 34,537,723</u>

City of Saginaw, Texas

Comparative Statement of Revenues, Expenses and Changes in Net Position

Enterprise Fund

For the Fiscal Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUE		
Water and sewer sales	\$ 9,100,141	\$ 8,605,437
Penalties	83,008	106,370
Surcharges	1,698,265	1,722,029
Miscellaneous	56,583	77,814
	<hr/>	<hr/>
Total operating revenue	10,937,997	10,511,650
OPERATING EXPENSES		
Cost of sales and services	6,294,884	6,330,349
Administrative	3,730,232	2,572,955
Depreciation	899,217	791,175
	<hr/>	<hr/>
Total operating expenses	10,924,333	9,694,479
	<hr/>	<hr/>
Operating income	13,664	817,171
NONOPERATING REVENUES (EXPENSES)		
Investment income	97,645	236,213
Gain (Loss) on sale of machinery and equipment	2,070	19,400
Interest expense and agent fees	(46,996)	(52,841)
	<hr/>	<hr/>
Total nonoperating revenues (expenses)	52,719	202,772
	<hr/>	<hr/>
Income before contributions and transfers	66,383	1,019,943
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions	2,376,954	1,775,242
Impact and tap fees	329,266	457,921
Transfers out	(693,830)	(653,025)
Transfers in	86,185	73,955
	<hr/>	<hr/>
Total capital contributions and transfers	2,098,575	1,654,093
	<hr/>	<hr/>
Changes in net position	2,164,958	2,674,036
NET POSITION, beginning of year	<hr/> <hr/>	<hr/> <hr/>
	34,537,723	31,863,687
NET POSITION, end of year	<hr/> <hr/>	<hr/> <hr/>
	\$ 36,702,681	\$ 34,537,723

City of Saginaw, Texas
 Comparative Statement of Cash Flows
 Enterprise Fund
 For the Fiscal Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 11,031,487	\$ 10,393,145
Cash paid to employees	(1,003,766)	(529,688)
Cash paid to suppliers	(9,279,286)	(8,567,653)
	<hr/>	<hr/>
Net cash provided by operating activities	748,435	1,295,804
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(693,830)	(653,025)
Transfer from other funds	86,185	73,955
	<hr/>	<hr/>
Net cash used in noncapital financing activities	(607,645)	(579,070)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of machinery and equipment	2,070	19,400
Impact and tap fees	329,266	457,921
Principal paid on bonds	(250,000)	(245,000)
Purchase of capital assets	(1,799,283)	(202,528)
Interest	(31,593)	(36,952)
Fiscal agent fees	750	750
	<hr/>	<hr/>
Net cash used in capital and related financing activities	(1,748,790)	(6,409)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	97,645	236,213
	<hr/>	<hr/>
Net cash provided by investing activities	97,645	236,213
Net change in cash	(1,510,355)	946,538
CASH AND CASH EQUIVALENTS, beginning of year	<hr/> 11,241,616	<hr/> 10,295,078
CASH AND CASH EQUIVALENTS, end of year	<hr/> <hr/> \$ 9,731,261	<hr/> <hr/> \$ 11,241,616

City of Saginaw, Texas

Comparative Statement of Cash Flows – Continued

Enterprise Fund

For the Fiscal Years Ended September 30, 2020 and 2019

	<u>Current Assets</u>	<u>Restricted Assets</u>	<u>2020 Statement of Cash Flows Totals</u>	<u>2019 Statement of Cash Flows Totals</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET				
Cash and cash equivalents, beginning of year	\$ 10,399,149	\$ 842,467	\$ 11,241,616	\$ 10,295,078
Net increase	<u>(1,552,079)</u>	<u>41,724</u>	<u>(1,510,355)</u>	<u>946,538</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 8,847,070</u>	<u>\$ 884,191</u>	<u>\$ 9,731,261</u>	<u>\$ 11,241,616</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income			\$ 13,664	\$ 817,171
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation			899,217	791,175
(Increase) Decrease in accounts receivable			53,200	(146,583)
(Increase) Decrease in prepaids			-	190
(Increase) Decrease in deferred outflows of resources-pension			152,424	(181,362)
(Increase) Decrease in deferred outflows of resources-OPEB			(5,894)	2,335
(Decrease) in accounts payable and accrued expenses			(239,474)	(583,191)
Increase in customer deposits			40,290	28,078
Increase (Decrease) in net pension liability			(341,963)	652,563
Increase (Decrease) in total OPEB liability			6,740	(1,081)
Increase (Decrease) in deferred inflows of resources-pension			170,231	(83,491)
Net cash provided by operating activities			<u>\$ 748,435</u>	<u>\$ 1,295,804</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers			<u>\$ 2,376,954</u>	<u>\$ 1,775,242</u>



City of Saginaw

**Statistical Section
(Unaudited)**



City of Saginaw

City of Saginaw, Texas
Statistical Section (Unaudited)

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

Contents:

Financial Trends96-105

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

Revenue Capacity106-109

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

Debt Capacity110-114

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 Information115-116

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

Operating Information117-119

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013*</u>	<u>2014</u>
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 44,362,424	\$ 45,854,628	\$ 48,872,324	\$ 52,280,544
Restricted	1,348,022	1,384,617	1,828,513	1,596,119
Unrestricted	<u>13,807,108</u>	<u>14,302,944</u>	<u>11,624,828</u>	<u>13,139,145</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	59,517,554	61,542,189	62,325,665	67,015,808
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	16,165,325	16,699,361	17,623,648	19,067,165
Restricted	436,461	437,166	420,735	420,905
Unrestricted	<u>6,504,546</u>	<u>7,008,669</u>	<u>6,628,613</u>	<u>7,726,467</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	23,106,332	24,145,196	24,672,996	27,214,537
PRIMARY GOVERNMENT				
Net investment in capital assets	60,527,749	62,553,989	66,495,972	71,347,709
Restricted	1,784,483	1,821,783	2,249,248	2,017,024
Unrestricted	<u>20,311,654</u>	<u>21,311,613</u>	<u>18,253,441</u>	<u>20,865,612</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 82,623,886</u>	<u>\$ 85,687,385</u>	<u>\$ 86,998,661</u>	<u>\$ 94,230,345</u>

*2013 restated for GASB 65

**2017 restated for GASB 75

Table 1

	<u>2015</u>	<u>2016</u>	<u>2017**</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	55,375,158	\$ 56,038,750	\$ 62,510,664	\$ 65,704,199	\$ 70,565,446	62,189,307
	1,416,987	1,267,190	1,120,206	6,958,205	7,659,462	7,491,338
	5,701,871	7,709,276	8,126,849	3,446,846	263,251	17,660,209
	62,494,016	65,015,216	71,757,719	76,109,250	78,488,159	87,340,854
	20,210,164	21,614,590	22,315,277	23,273,899	24,688,409	28,198,820
	421,162	444,944	175,662	179,178	184,466	185,900
	8,015,115	7,603,698	8,123,007	8,410,610	9,664,848	8,317,961
	28,646,441	29,663,232	30,613,946	31,863,687	34,537,723	36,702,681
	75,585,322	77,653,340	84,825,941	88,978,098	95,253,855	90,388,127
	1,838,149	1,712,134	1,295,868	7,137,383	7,843,928	7,677,238
	13,716,986	15,312,974	16,249,856	11,857,456	9,928,099	25,978,170
\$	<u>91,140,457</u>	<u>\$ 94,678,448</u>	<u>\$ 102,371,665</u>	<u>\$ 107,972,937</u>	<u>\$ 113,025,882</u>	<u>\$ 124,043,535</u>

Table 2
(Page 1 of 2)

EXPENSES	2011	2012	2013*	2014
Governmental activities:				
General administrative office	\$ 2,401,322	\$ 2,214,653	\$ 2,385,797	\$ 2,343,593
Municipal court	200,323	193,082	185,237	200,512
Fire	2,713,654	2,864,618	2,858,957	2,955,138
Police	3,698,868	3,848,768	3,860,896	4,038,792
Public works	3,301,972	3,177,703	3,465,002	2,895,713
Parks *	-	-	195,900	208,076
Community services	1,168,490	1,078,909	969,556	985,348
Library	558,945	524,847	540,261	548,383
Inspections	589,130	565,326	583,930	603,213
Janitorial	-	-	-	-
Fleet maintenance	538,987	566,689	546,241	573,011
Economic development	142	14,504	64,779	35,860
Information technology	-	-	-	-
Interest on long term debt	1,015,329	866,299	1,162,182	916,082
Total governmental activities	16,187,162	15,915,398	16,818,738	16,303,721
Business-type activities:				
Water and wastewater	6,464,532	6,972,839	7,241,735	7,068,008
Total business-type activities	6,464,532	6,972,839	7,241,735	7,068,008
Total primary government expenses	22,651,694	22,888,237	24,060,473	23,371,729
PROGRAM REVENUES				
Governmental activities:				
Fines, fees and charges for services:				
General administrative office	-	-	-	-
Municipal court	408,017	476,100	459,209	543,001
Fire	79,250	80,000	80,226	80,000
Police	3,889	4,814	3,850	3,880
Public works	430,697	431,564	563,194	577,267
Community services	659,004	669,578	680,961	652,176
Library	19,379	17,730	18,668	20,499
Inspections	311,149	296,414	377,646	433,586
Animal services **	-	-	-	-
Operating grants and contributions:				
General administrative office	-	-	-	-
Municipal court				
Fire	151,412	76,328	57,337	77,426
Police	76,223	156,535	75,477	97,557
Public works	-	84,999	-	-
Parks				
Community services				
Library				
Inspection				
Animal services				
Information technology				
Capital grants and contributions:				
Fire				
Police				
Public works	3,080,767	1,959,028	1,271,666	3,854,521
TOTAL GOVERNMENTAL ACTIVITIES AND PROGRAM REVENUES	\$ 5,219,787	\$ 4,253,090	\$ 3,588,234	\$ 6,339,913

* Prior to 2013 Parks was included in Community services

** Prior to 2018 Animal Services was included in Inspections

Table 2
(Page 1 of 2)

2015	2016	2017	2018	2019	2020
\$ 2,126,569	\$ 2,060,595	\$ 1,924,614	\$ 2,306,824	\$ 2,887,428	\$ 2,801,551
184,794	186,864	190,521	167,338	237,810	187,789
3,284,144	3,242,317	3,446,465	3,410,291	4,547,729	3,824,006
4,230,644	4,434,955	4,616,528	4,732,436	6,404,221	5,419,054
3,422,440	3,435,053	3,705,943	3,717,371	4,127,755	5,104,334
226,152	294,992	348,531	345,716	393,026	356,963
1,076,881	1,076,293	1,130,034	1,141,716	1,309,456	993,452
564,913	591,580	624,921	610,243	787,531	607,455
716,049	824,509	861,619	563,502	751,460	633,836
-	-	-	322,993	415,695	374,204
531,903	439,379	513,948	499,089	535,473	434,270
19,363	50,197	46,520	567,431	285,028	176,295
-	-	-	-	384,523	374,852
942,168	994,113	883,962	1,017,739	915,915	892,956
17,326,020	17,630,847	18,293,606	19,402,689	23,983,050	22,181,017
7,469,979	8,355,662	9,167,424	10,295,498	9,727,920	10,969,259
7,469,979	8,355,662	9,167,424	10,295,498	9,727,920	10,969,259
24,795,999	25,986,509	27,461,030	29,698,187	33,710,970	33,150,276
40,118	63,426	32,724	77,113	43,455	42,410
561,382	441,298	493,172	416,477	387,843	348,604
80,000	83,000	84,000	84,000	87,150	94,815
4,248	4,314	3,822	4,439	6,574	3,075
583,358	592,078	754,462	776,501	794,783	815,726
670,826	646,004	665,004	692,897	811,469	443,782
18,982	16,260	16,944	15,309	8,978	5,212
740,778	939,380	961,945	1,025,588	959,843	923,088
-	-	-	20,044	25,433	30,307
-	-	-	-	-	23,844
-	-	-	-	-	7,337
24,992	29,134	54,529	30,833	53,987	519,191
209,835	150,845	179,592	128,595	165,424	702,553
-	-	-	-	-	431,927
-	-	-	-	-	650
-	-	-	-	-	33,959
-	-	-	-	-	2,016
-	-	-	-	-	9,599
-	-	-	-	-	7,357
-	-	-	-	-	22,956
-	-	-	-	-	64,035
-	-	-	-	-	15,623
1,457,517	1,549,780	5,835,552	2,544,847	3,930,917	6,803,877
\$ 4,392,036	\$ 4,515,519	\$ 9,081,746	\$ 5,816,643	\$ 7,275,856	\$ 11,351,943

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

	2011	2012	2013*	2014
BUSINESS-TYPE ACTIVITIES				
Charges for services:				
Water and wastewater	\$ 7,973,010	\$ 8,374,910	\$ 8,419,089	\$ 8,910,914
Capital grants and contributions	76,931	389,921	88,737	1,461,468
Total business-type activities program revenues	8,049,941	8,764,831	8,507,826	10,372,382
Total primary government program revenues	13,269,728	13,017,921	12,096,060	16,712,295
NET (EXPENSES) REVENUE				
Governmental activities	(10,967,375)	(11,662,308)	(13,230,504)	(9,963,808)
Business-type activities	1,585,409	1,791,992	1,266,091	3,304,374
Total primary governmental net expenses	(9,381,966)	(9,870,316)	(11,964,413)	(6,659,434)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities:				
Taxes:				
Ad valorem	5,436,698	5,758,607	5,750,493	6,277,304
Sales	4,986,291	5,365,461	5,528,937	5,709,850
Franchise taxes	1,332,768	1,552,095	1,503,183	1,420,451
Other taxes	11,791	14,968	82,634	18,682
Penalties and interest	19,516	8,350	21,585	21,965
Interest income	23,208	20,389	16,172	7,587
Gain (Loss) on sale of assets	23,609	-	-	26,704
Miscellaneous revenues	200,262	120,803	201,147	206,735
Transfers	1,029,825	846,270	909,829	964,673
Total governmental activities	13,063,968	13,686,943	14,013,980	14,653,951
Business-type activities:				
Interest income	8,544	5,892	7,146	2,508
Gain on sale of assets	2,356	2,835	12,000	9,365
Miscellaneous revenues	89,469	84,415	152,392	189,967
Transfers	(1,029,825)	(846,270)	(909,829)	(964,673)
Total business-type activities	(929,456)	(753,128)	(738,291)	(762,833)
Total primary government	12,134,512	12,933,815	13,275,689	13,891,118
CHANGES IN NET POSITION				
Governmental activities	2,096,593	2,024,635	783,476	4,690,143
Business-type activities	655,953	1,038,864	527,800	2,541,541
TOTAL PRIMARY GOVERNMENT	\$ 2,752,546	\$ 3,063,499	\$ 1,311,276	\$ 7,231,684

Source: Comprehensive Annual Financial Reports

* 2013 restated for GASB 65

** 2017 restated for GASB 75

Table 2
(Page 2 of 2)

2015	2016	2017	2018	2019	2020
\$ 8,965,645	\$ 8,733,275	\$ 9,088,796	\$ 10,434,663	\$ 10,327,466	\$ 10,798,406
1,040,496	967,271	1,447,523	1,360,420	2,233,163	2,706,220
10,006,141	9,700,546	10,536,319	11,795,083	12,560,629	13,504,626
14,398,177	14,216,065	19,618,065	17,611,726	19,836,485	24,856,569
(12,933,984)	(13,115,328)	(9,211,860)	(13,586,046)	(16,707,194)	(10,829,074)
2,536,162	1,344,884	1,368,895	1,499,585	2,832,709	2,535,367
(10,397,822)	(11,770,444)	(7,842,965)	(12,086,461)	(13,874,485)	(8,293,707)
6,506,284	7,201,098	7,608,668	8,172,372	8,911,747	9,670,822
5,786,769	5,790,661	6,198,989	6,356,478	6,809,346	7,262,055
1,851,551	1,839,384	1,693,095	1,660,835	1,764,936	1,612,023
32,116	28,626	32,666	79,388	105,233	77,679
13,367	15,202	17,148	22,706	14,604	12,581
11,883	84,200	214,428	475,921	657,032	255,256
-	-	-	-	-	-
110,595	125,952	116,691	590,747	244,135	183,708
564,120	551,405	590,530	579,130	579,070	607,645
14,876,685	15,636,528	16,472,215	17,937,577	19,086,103	19,681,769
4,529	26,998	63,794	145,445	236,213	97,645
-	-	-	-	-	-
213,116	196,314	172,559	183,841	184,184	139,591
(564,120)	(551,405)	(590,530)	(579,130)	(579,070)	(607,645)
(346,475)	(328,093)	(354,177)	(249,844)	(158,673)	(370,409)
14,530,210	15,308,435	16,118,038	17,687,733	18,927,430	19,311,360
1,942,701	2,521,200	7,260,355	4,351,531	2,378,909	8,852,695
2,189,687	1,016,791	1,014,718	1,249,741	2,674,036	2,164,958
\$ 4,132,388	\$ 3,537,991	\$ 8,275,073	\$ 5,601,272	\$ 5,052,945	\$ 11,017,653

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted:				
Capital projects	403,681	403,681	403,681	403,681
Municipal court	177,709	178,379	142,419	146,224
Hotel/motel tax	22,280	24,814	17,385	18,723
Assigned for future capital purchases	1,512,180	2,222,595	383,370	509,935
Unassigned	9,169,052	8,477,945	8,637,536	8,598,487
TOTAL GENERAL FUND	<u>\$ 11,284,902</u>	<u>\$ 11,307,414</u>	<u>\$ 9,584,391</u>	<u>\$ 9,677,050</u>
ALL OTHER GOVERNMENTAL FUNDS				
Restricted:				
Debt service	\$ 1,184,312	\$ 1,350,299	\$ 1,495,776	\$ 1,650,611
Capital projects	1,795,653	1,802,072	8,138,595	7,077,353
Street maintenance	482,269	666,275	721,837	900,917
Crime prevention	948,234	838,641	836,825	853,451
Drainage	928,878	924,869	1,139,878	1,234,069
Other special revenue	-	-	-	-
Committed:				
Donations	319,242	357,682	323,967	336,101
TOTAL ALL OTHER GOVERNMENTAL FUNDS	<u>\$ 5,658,588</u>	<u>\$ 5,939,838</u>	<u>\$ 12,656,878</u>	<u>\$ 12,052,502</u>

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

Table 3

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,534
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
294,445	537,510	1,167,595	885,540	729,080	2,882,850
9,499,273	10,155,535	10,480,993	10,714,852	10,875,059	9,936,029
<u>\$ 9,793,718</u>	<u>\$ 10,693,045</u>	<u>\$ 11,648,588</u>	<u>\$ 11,600,392</u>	<u>\$ 11,604,139</u>	<u>\$ 12,956,413</u>
\$ 1,473,531	\$ 1,306,703	\$ 1,153,415	\$ 1,115,474	\$ 1,209,970	\$ 1,185,401
12,799,557	10,566,997	12,597,897	7,208,691	7,418,377	23,234,623
1,137,598	1,283,877	1,452,255	1,655,775	1,766,915	1,594,442
712,061	591,654	524,886	535,811	488,741	529,301
826,712	1,142,095	1,701,294	2,217,041	2,636,085	2,642,077
513,363	1,160,365	1,162,875	1,487,451	1,612,405	1,641,765
274,621	293,437	272,446	324,644	429,164	506,739
<u>\$ 17,737,443</u>	<u>\$ 16,345,128</u>	<u>\$ 18,865,068</u>	<u>\$ 14,544,887</u>	<u>\$ 15,561,657</u>	<u>\$ 31,334,348</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES				
Taxes	\$ 11,796,561	\$12,695,493	\$ 12,899,890	\$ 13,444,020
Licenses and permits	208,259	263,964	248,764	329,948
Charges for services	509,947	511,564	643,420	657,267
Fines and fees	530,286	526,280	606,759	667,138
Interest income	23,208	20,389	16,172	7,587
Recreation income	526,158	530,051	519,857	494,346
Intergovernmental	-	-	-	568,262
Miscellaneous revenues	3,669,006	1,133,483	1,770,581	376,048
	<u>17,263,425</u>	<u>15,681,224</u>	<u>16,705,443</u>	<u>16,544,616</u>
EXPENDITURES				
Current:				
General administrative office	2,412,083	2,648,603	2,343,521	2,301,845
Municipal court	196,849	191,515	184,091	199,451
Fire	2,419,816	2,615,170	2,671,135	3,694,807
Police	3,417,127	3,563,149	3,571,926	3,753,226
Public works	973,762	1,353,299	1,497,039	884,006
Parks *	-	-	200,943	227,791
Community services	927,060	848,830	737,735	753,421
Library	501,277	470,013	488,445	496,461
Inspections	572,152	554,909	602,180	587,047
Animal services **	-	-	-	-
City garage	522,760	525,903	508,511	533,557
Economic development	142	14,504	64,779	35,860
Information technology***	-	-	-	-
Capital outlay	5,582,508	979,538	5,343,768	2,327,457
Debt service:				
Principal retirement	1,524,223	1,610,000	1,700,000	2,214,750
Interest charges	977,169	836,587	679,214	910,722
Debt issuance costs	5,946	104,626	183,823	44,188
	<u>20,032,874</u>	<u>16,316,646</u>	<u>20,777,110</u>	<u>18,964,589</u>
Excess (deficiency) of revenues over expenditures	(2,769,449)	(635,422)	(4,071,667)	(2,419,973)
Other financing sources (uses):				
Capital lease proceeds	-	-	-	944,294
Proceeds from issuance of debt	-	-	7,895,000	-
Proceeds on refunding bonds	-	92,914	1,180,000	2,130,000
Premium on bond issuance	-	-	302,597	-
Payments to refunded bond escrow agent	-	-	(1,221,742)	(2,130,711)
Transfers in	1,980,360	1,813,360	4,011,199	2,827,420
Transfers out	(950,535)	(967,090)	(3,101,370)	(1,862,747)
	<u>1,029,825</u>	<u>939,184</u>	<u>9,065,684</u>	<u>963,962</u>
Net change in fund balances	<u>\$ (1,739,624)</u>	<u>\$ 303,762</u>	<u>\$ 4,994,017</u>	<u>\$ (1,456,011)</u>
Debt service as a percentage of noncapital expenditures	17.49%	16.56%	15.50%	20.02%

* Prior to 2013 Parks was included in Community services

** Prior to 2018 Animal services was included in Inspections

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

Table 4

2015	2016	2017	2018	2019	2020
\$14,192,838	\$14,877,738	\$ 15,540,413	\$ 16,287,689	\$ 17,610,628	\$ 18,632,475
627,876	740,192	929,188	951,542	858,901	773,813
663,358	674,978	838,362	860,401	881,933	910,541
693,266	656,746	542,873	525,876	529,770	536,473
11,883	84,200	214,428	475,921	657,032	255,256
512,677	487,081	496,969	520,798	524,686	162,412
234,827	179,979	234,122	159,428	219,411	2,661,433
321,110	1,010,725	326,507	1,091,494	555,747	509,849
17,257,835	18,711,639	19,122,862	20,873,149	21,838,108	24,442,252
2,191,774	1,963,039	2,075,890	2,217,124	2,536,360	2,692,380
185,158	184,973	187,886	168,421	212,743	187,064
2,932,965	3,177,233	3,280,597	3,982,620	3,826,258	3,965,267
3,967,015	4,075,546	4,273,272	4,638,904	5,358,286	5,072,762
1,268,270	1,263,892	1,354,767	1,609,303	1,835,898	2,330,346
240,528	266,949	352,766	339,015	379,478	538,609
861,581	918,907	990,618	959,782	998,499	811,155
520,281	537,893	568,246	569,005	601,026	568,571
705,189	825,017	849,217	579,082	600,849	625,717
-	-	-	398,633	329,854	389,122
493,996	399,692	471,007	456,219	434,837	392,030
19,363	50,197	46,520	567,978	243,050	176,840
-	-	-	-	327,680	427,319
3,750,868	2,570,956	6,349,590	5,761,665	2,276,933	6,464,727
2,056,785	2,539,654	2,667,570	2,555,536	2,495,000	3,015,000
824,995	854,529	763,613	1,012,169	886,610	741,720
132,294	203,483	144,905	5,200	53,300	376,873
20,151,062	19,831,960	24,376,464	25,820,656	23,396,661	28,775,502
(2,893,227)	(1,120,321)	(5,253,602)	(4,947,507)	(1,558,553)	(4,333,250)
-	-	-	-	-	-
8,000,000	-	7,830,000	-	2,000,000	17,345,000
-	5,910,000	-	-	-	3,015,000
130,716	-	308,555	-	-	3,414,982
-	(5,834,072)	-	-	-	(2,924,412)
3,713,702	1,726,230	1,697,052	1,705,322	1,840,082	1,957,493
(3,149,582)	(1,174,825)	(1,106,522)	(1,126,192)	(1,261,012)	(1,349,848)
8,694,836	627,333	8,729,085	579,130	2,579,070	21,458,215
\$ 5,801,609	\$ (492,988)	\$ 3,475,483	\$ (4,368,377)	\$ 1,020,517	\$ 17,124,965
17.86%	20.02%	19.37%	19.07%	17.29%	17.60%

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

Table 5

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	% of Delinquent Taxes to Tax Levy
2010/11	5,436,187	5,391,855	99.2%	38,274	5,430,129	99.9%	6,058	0.1%
2011/12	5,724,960	5,691,320	99.4%	30,088	5,721,408	99.9%	3,552	0.1%
2012/13	5,739,750	5,704,489	99.4%	30,985	5,735,474	99.9%	4,276	0.1%
2013/14	6,223,951	6,184,458	99.4%	33,211	6,217,669	99.9%	6,282	0.1%
2014/15	6,484,972	6,448,230	99.4%	32,598	6,480,828	99.9%	4,144	0.1%
2015/16	7,175,560	7,141,585	99.5%	28,771	7,170,356	99.9%	5,204	0.1%
2016/17	7,557,636	7,513,508	99.4%	35,546	7,549,054	99.9%	8,582	0.1%
2017/18	8,075,537	8,027,316	99.4%	24,851	8,052,167	99.7%	23,369	0.3%
2018/19	8,893,539	8,850,081	99.5%	23,966	8,874,047	99.8%	19,492	0.2%
2019/20	9,671,868	9,625,725	99.5%	-	9,625,725	99.5%	46,143	0.5%

City of Saginaw, Texas

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

Table 6

Fiscal Year	Real Property		Personal Property		Total		Property Tax Rate Per \$100
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
2010/11	867,157,651	867,157,651	245,208,785	245,208,785	1,112,366,436	1,112,366,436	0.4840
2011/12	889,390,320	889,390,320	303,309,705	303,309,705	1,192,700,025	1,192,700,025	0.4800
2012/13	863,406,401	863,406,401	300,718,127	300,718,127	1,164,124,528	1,164,124,528	0.4900
2013/14	896,517,649	896,517,649	322,802,502	322,802,502	1,219,320,151	1,219,320,151	0.5100
2014/15	956,608,601	956,608,601	319,120,061	319,120,061	1,275,728,662	1,275,728,662	0.5100
2015/16*	962,111,241	962,111,241	354,242,308	354,242,308	1,316,353,549	1,316,353,549	0.5440
2016/17	1,061,912,257	1,061,912,257	379,440,615	379,440,615	1,441,352,872	1,441,352,872	0.5130
2017/18	1,205,160,927	1,205,160,927	365,041,273	365,041,273	1,570,202,200	1,570,202,200	0.4950
2018/19	1,453,373,020	1,453,373,020	390,558,650	390,558,650	1,843,931,670	1,843,931,670	0.4718
2019/20	1,628,809,088	1,628,809,088	417,203,024	417,203,024	2,046,012,112	2,046,012,112	0.4590

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

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

City of Saginaw, Texas

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

Table 7

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

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

2020			2011		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Miller Milling Company LLC	\$ 55,498,955	2.71	Walmart	\$ 22,741,271	2.02
Ardent Mills LLC	46,768,610	2.29	Conagra Foods	22,202,969	1.97
Ergon Asphalt & Emulsions Inc	37,208,316	1.82	Horizon Milling LLC	20,214,554	1.79
Ventura Foods	36,689,821	1.79	Ventura Foods	12,127,403	1.08
CTI Holdings	32,621,811	1.59	Nustar Marketing LLC	11,146,576	0.99
Walmart	19,542,039	0.96	Norton Metal Products	10,101,565	0.90
UFP Saginaw LLC	18,445,402	0.90	CTI Holdings	10,003,329	0.89
BNSF Railway Company	16,842,252	0.82	Oncor Electric Delivery LLC	9,468,840	0.84
DOS Projects LP	15,140,680	0.74	DOS Projects LP	9,449,345	0.84
Trinity Industries Inc	14,938,249	0.73	BNSF Railway Company	8,712,574	0.77
		<u>14.35</u>			<u>12.09</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	Per Capita
	General Obligation Bonds	Certificates of Obligation Bonds	Capital Leases	Tax Notes	Premiums/Loss on Refundings	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Capital Leases	Premiums/Loss on Refundings	Total All Debt	(a)	(b)
2010/11	10,920,000	10,310,000	-	-	(158,771)	4,990,000	-	682,544	(117,038)	26,626,735	5.01%	1,345
2011/12	10,925,000	8,665,000	-	-	(241,686)	4,455,000	-	463,036	(103,788)	24,162,562	4.50%	1,208
2012/13	18,570,000	7,200,000	-	-	217,131	3,895,000	-	235,490	(62,869)	30,054,752	5.56%	1,492
2013/14	17,010,000	6,830,000	704,544	-	429,375	2,915,000	520,000	-	22,482	28,431,401	5.20%	1,396
2014/15	23,515,000	6,440,000	532,760	-	518,798	2,490,000	465,000	-	17,294	33,978,852	5.85%	1,659
2015/16	25,310,000	2,440,000	358,106	-	477,503	380,000	2,000,000	-	12,106	30,977,715	5.44%	1,494
2016/17	30,980,000	2,110,000	180,535	-	729,335	150,000	1,810,000	-	6,918	35,966,788	6.10%	1,687
2017/18	28,765,000	1,950,000	-	-	672,612	100,000	1,615,000	-	1,730	33,104,342	4.79%	1,523
2018/19	26,435,000	1,785,000	-	2,000,000	615,889	50,000	1,420,000	-	-	32,305,889	4.77%	1,444
2019/20	25,735,000	17,345,000	-	1,570,000	3,764,136	-	1,220,000	-	-	49,634,136	7.10%	2,150

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

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

City of Saginaw, Texas

Table 10

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

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

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, 2020

Table 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	\$ 48,414,136	100.00%	\$ 48,414,136
Subtotal: City of Saginaw direct debt			48,414,136
Eagle Mountain-Saginaw Independent School District	807,019,252	19.19%	154,857,902
Tarrant County	250,717,000	1.00%	2,514,861
Tarrant County Hospital District	30,035,000	1.00%	301,271
Tarrant County College District	300,240,418	1.00%	3,011,614
Subtotal: overlapping debt			160,685,648
Total direct and overlapping debt			\$ 209,099,784
Ratio of direct and overlapping funded debt to taxable assessed valuation			10.22%
Per capita direct and overlapping bonded debt			\$ 9,056

Source: Individual taxing entities and Tarrant Appraisal District

Note: Percentage of overlap based on net taxable value

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

Table 12

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2010/11	8,150,310	5,603,937	2,546,373	520,000	216,832	736,832	3.46
2011/12	8,590,876	6,096,024	2,494,852	535,000	209,429	744,429	3.35
2012/13	8,679,364	6,294,404	2,384,960	560,000	195,146	755,146	3.16
2013/14	9,344,552	6,253,171	3,091,381	980,000	143,113	1,123,113	2.75
2014/15	9,637,603	6,617,157	3,020,446	480,000	128,904	608,904	4.96
2015/16	9,538,475	7,420,919	2,117,556	510,000	106,371	616,371	3.44
2016/17	9,961,902	8,383,924	1,577,978	420,000	70,984	490,984	3.21
2017/18	11,342,975	9,477,554	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

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

City of Saginaw, Texas

Table 13

Computation of Legal Debt Margin

Year Ended September 30, 2020

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 2020 was established at \$.459 per \$100 of assessed valuation based on 100% of appraised value.

City of Saginaw, Texas
Demographic Statistics
Last Ten Fiscal Years

Table 14

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

- Sources:
1. US Census American Community Survey
 2. Eagle Mountain-Saginaw Independent School District
Enrollment is for the district. Enrollment for schools within the City of Saginaw is 5,735.
 3. Bureau of Labor Statistics

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

Table 15

2020			2011		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>	<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total City Employment</u>
Eagle Mountain-Saginaw ISD	2,734	33%	Eagle Mountain-Saginaw ISD	2,005	27%
CTI Beanmaker&Chefco Foods	440	5%	Wal Mart	483	7%
Ventura Foods	398	5%	Universal Forest Products	225	3%
Walmart Supercenter #5316	393	5%	Durham Transportation	217	3%
Trinity North Amer. Freight Car	370	4%	Ranger Fire Protection	200	3%
Anchor Fabrication Corp.	320	4%	Ventura Foods	172	2%
BANA Incorporated	247	3%	TX-RSMS Maintenance	170	2%
Texas Army National Guard	245	3%	Anchor Fabrication	160	2%
Ranger Fire Inc	200	2%	Bana Box Incorporated	160	2%
Russo Corporation	200	2%	City of Saginaw	136	2%

Source: City Economic Development Department.
 EMS ISD is for the district. Employment for schools within the City of Saginaw is 953.

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

Table 16

Function/Program	Full-time Equivalent Employees as of October 1									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General government:										
Administration	9.0	8.0	8.0	8.0	8.0	8.0	7.0	7.0	7.0	7.0
Municipal court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Information Technology (c)	2.0	2.0	-	-	-	-	-	-	-	-
Public Safety:										
Fire	30.0	28.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0
Police	53.0	50.0	46.5	46.5	45.5	44.5	44.5	44.5	44.5	43.5
Public Works:										
Streets	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	11.0
Parks maintenance (a)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Building inspections	5.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	4.0
Code enforcement (b)	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-
Animal services	4.5	4.5	4.5	4.5	4.5	3.5	3.0	3.0	3.0	4.0
City garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Economic development	-	1.0	-	-	-	-	-	-	-	-
Community services	7.5	7.5	7.5	7.0	7.0	6.0	6.0	6.0	6.0	6.0
Library	8.0	8.0	8.0	8.0	8.0	8.0	8.0	9.0	9.0	9.0
Water/wastewater	18.0	18.0	17.0	17.0	16.0	16.0	16.0	16.0	16.0	16.5
Drainage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Total	156.0	150.0	141.5	141.0	139.0	136.0	133.5	134.5	134.5	135.5

Source: City Budgets/Human Resources

(a) Previously reported in Streets

(b) Previously reported in Bldg Inspections

(c) Previously reported in Administration

City of Saginaw, Texas
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Police:				
Stations	1	1	1	1
Licensed Officers	41	41	40	39
Patrol units on duty at any one time	4	4	4	4
Fire:				
Stations	2	2	2	2
Firefighter/paramedics	26	26	25	24
Library :				
Number of libraries	1	1	1	1
Volumes in collection	60,990	59,893	59,220	59,029
Average monthly circulation	5,541	7,438	7,599	7,358
Average monthly visitors	3,419	5,977	6,250	6,653
Public works:				
Streets (miles)	92.9	89.4	86.6	85.4
Streetlights*	1,321	1,223	1,198	1,187
Parks and recreation:				
Acreage	103.69	101	101	101
Parks	7	7	7	7
Recreation Centers	1	1	1	1
Senior/community Centers	2	2	2	2
Water:				
Number of water customers	8,347	8,052	7,841	7,606
Annual water consumption (1,000 gallons)	1,175,194	1,077,595	1,106,653	1,020,550
Daily consumption (1,000 gallons)	3,220	2,952	3,032	2,796
Water mains (miles)	122.3	119.0	116.4	114.9
Fire hydrants**	1,171	1,139	835	823
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250
Wastewater:				
Number of wastewater customers	8,164	7,878	7,700	7,477
Wastewater treated annually (1,000 gallons)	940,582	1,027,571	838,637	804,134
Sanitary sewers (miles)	90.1	87.3	85.0	83.9
Storm sewers (miles)	20.3	18.5	17.9	17.1

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					
2016	2015	2014	2013	2012	2011
1	1	1	1	1	1
38	38	38	38	38	38
4	4	4	4	4	4
2	2	2	2	2	2
24	24	24	24	24	24
1	1	1	1	1	1
58,302	58,138	59,816	56,420	55,838	54,830
7,522	8,280	10,895	11,590	9,877	12,200
6,690	5,934	11,338	15,485	13,749	12,967
83.4	82.8	81.7	79.2	79.2	78.5
1,135	1,131	1,120	1,084	1,084	1,074
101	100	100	100	100	100
7	7	7	7	7	7
1	1	1	1	1	1
2	2	2	2	2	2
7,427	7,227	7,133	7,042	6,964	6,935
967,332	1,008,306	1,083,712	1,032,241	1,109,997	1,174,505
2,643	2,763	2,969	2,828	3,041	3,218
113.7	113.3	112.2	109.5	109.5	108.6
809	803	795	766	766	751
4,250	4,250	4,250	4,250	4,250	4,250
7,307	7,107	7,013	6,930	6,859	6,830
915,347	825,789	739,594	750,644	858,778	785,139
83.1	82.8	81.8	79.8	79.8	79.5
17.0	16.8	16.7	15.9	15.9	15.0

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, 2020. The last debt issue was sold in fiscal year ending September 30, 2020. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website www.emma.msrb.org.

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

ASSESSED VALUATION

TABLE GO-1

2019 Actual Total Appraised Value of Taxable Property (100% of Actual)*		\$ 2,485,659,225
Less Adjustments to Market Value:		
Agriculture Productivity Value Loss	8,167,371	
Abatement	-	
Disabled and Deceased Veterans' Exemptions	19,009,247	
Freeport Property	51,446,181	
Local, Option Over-65 / Disabled	67,352,928	
Pollution Control	350,802	
Solar/Wind/Other	13,789,090	
Totally Exempt Property	119,631,325	
Cases before ARB and Incomplete Accounts	159,900,169	
Total Adjustments to Market Value:		<u>439,647,113</u>
2019 Certified Net Taxable Assessed Valuation		<u>\$ 2,046,012,112</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, 2020)

General Obligation Debt Principal Outstanding:

General Obligation Refunding and Improvement Bonds, Series 2013	\$ 6,070,000
General Obligation Refunding Bonds, Series 2014	<u>1,050,000</u>
General Obligation Bonds, Series 2015	<u>7,180,000</u>
General Obligation Refunding Bonds, Series 2016	<u>3,085,000</u>
General Obligation Refunding Bonds, Series 2017	<u>6,965,000</u>
2019 Tax Note	<u>1,570,000</u>
General Obligation Refunding Bonds, Series 2019	<u>1,470,000</u>
General Obligation Refunding Bonds, Series 2020	<u>1,135,000</u>
2020 Certificates of Obligation	<u>17,345,000</u>
Total Gross General Obligation Debt Principal Outstanding:	<u>\$ 45,870,000</u>

Less: Self-Supporting General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2014	\$ 145,000
General Obligation Refunding Bonds, Series 2015	<u>1,075,000</u>
Total Self-Supporting General Obligation Debt	<u>\$ 1,220,000</u>

Total Net General Obligation Debt Principal Outstanding:

\$ 44,650,000

General Obligation Interest and Sinking Fund Balance as of September 30, 2019 \$ 1,130,139

Ratio of Gross General Obligation Debt Principal to 2018 Net Assessed Valuation 2.24%

Ratio of Net General Obligation Debt Principal to 2018 Net Assessed Valuation 2.18%

2018 Net Taxable Assessed Value \$ 2,046,012,112

Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) -	<u>23,090</u>
Per Capita 2018 Net Taxable Assessed Valuation -	<u>\$ 88,610</u>
Per Capita Gross General Obligation Debt Principal -	<u>\$ 1,987</u>
Per Capita Net General Obligation Debt Principal -	<u>\$ 1,934</u>

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

OTHER OBLIGATIONS

TABLE GO-3

Capital Lease Obligations

The City has no capital lease obligations at September 30, 2020.

FUND BALANCES

TABLE GO-4

(As of September 30, 2020)

General Operating Fund (Undesignated)	\$ 8,756,413
General Obligation Debt Service (I&S) Fund	<u>1,130,139</u>
Special Revenue Funds	<u>6,914,324</u>
Capital Projects Fund	<u>23,234,623</u>
Enterprise Fund (Undesignated)	<u>3,251,805</u>
Revenue Bond Reserve	<u>158,510</u>
Revenue Bond Debt Service (I&S) Reserve	<u>29,464</u>
General Fund Emergency Reserve	<u>4,200,000</u>
Enterprise Fund Emergency Reserve	<u>2,250,000</u>
Enterprise Fund (Designated)	<u>2,814,082</u>
Total	<u><u>\$ 52,739,360</u></u>

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

PRINCIPAL TAXPAYERS 2019-2020

TABLE GO-5

<u>Name</u>	<u>Type of Business</u>	<u>2019 Net Taxable Assessed Valuation</u>	<u>% of Total 2019 Net Taxable Assessed Valuation</u>
Miller Milling Company LLC	Food Processing Plant	\$ 55,498,955	2.71%
Ardent Mills LLC	Food Processing Plant	46,768,610	2.29%
Ergon Asphalt & Emulsions Inc.	Construction	37,208,316	1.82%
Ventura Foods	Food Processing Plant	36,689,821	1.79%
CTI Holdings	Food Processing Plant	32,621,811	1.59%
Walmart	Retail	19,542,039	0.96%
UFP Saginaw LLC	Manufacturing	18,445,402	0.90%
BNSF Railway Company	Transportation	16,842,252	0.82%
DOS Projects LP	Food Processing Plant	15,140,680	0.74%
Trinity Industries Inc	Manufacturing	14,938,249	0.73%
	Total	\$ 293,696,135	14.35%

2019 Net Taxable Assessed Valuation \$ 2,046,012,112
 on September 2019

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>	
2010	1,112,366,436	0.4840	5,436,187	99.18%	99.89%	9-30-11
2011	1,192,700,025	0.4800	5,724,960	99.41%	99.94%	9-30-12
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.93%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.90%	9-30-14
2014	1,275,728,662	0.5100	6,484,972	99.43%	99.94%	9-30-15
2015	1,316,353,549	0.5440	7,175,560	99.53%	99.93%	9-30-16
2016	1,441,352,872	0.5130	7,557,636	99.42%	99.89%	9-30-17
2017	1,570,202,200	0.4950	8,075,537	99.40%	99.71%	9-30-18
2018	1,843,931,670	0.4718	8,893,539	99.51%	99.78%	9-30-19
2019	2,046,012,112	0.4590	9,671,868	99.52%	99.52%	9-30-20

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

TAX RATE DISTRIBUTION

TABLE GO-7

	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>
General Fund	\$0.2817	\$0.2911	\$0.2842	\$0.2933	\$0.2919	\$0.2985	\$0.2890
I & S Fund	<u>\$0.1773</u>	<u>\$0.1807</u>	<u>\$0.2108</u>	<u>\$0.2197</u>	<u>\$0.2521</u>	<u>\$0.2115</u>	<u>\$0.2210</u>
TOTAL	<u>\$0.4590</u>	<u>\$0.4718</u>	<u>\$0.4950</u>	<u>\$0.5130</u>	<u>\$0.5440</u>	<u>\$0.5100</u>	<u>\$0.5100</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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Taxes	\$ 13,071,890	\$ 12,454,203	\$ 11,206,947	\$ 10,761,311	\$ 10,124,958	\$ 10,089,566
Licenses and Permits	773,813	858,901	951,542	929,188	740,192	627,876
Charges for Services	94,815	87,150	84,000	84,000	83,000	80,000
Fines and Fees	517,883	509,672	505,110	518,907	635,652	665,378
Interest Income	113,140	295,148	191,974	84,195	32,068	5,183
Recreation Income	162,412	524,686	520,798	496,969	487,081	512,677
Intergovernmental	1,423,032	216,779	135,821	156,018	178,257	173,618
Miscellaneous Revenues	182,049	224,606	601,504	122,222	129,032	112,137
Total Revenues	<u>\$ 16,339,034</u>	<u>\$ 15,171,145</u>	<u>\$ 14,197,696</u>	<u>\$ 13,152,810</u>	<u>\$ 12,410,240</u>	<u>\$ 12,266,435</u>
Expenditures:						
Current:						
General Administrative Office	\$ 1,798,896	\$ 1,846,648	\$ 1,774,678	\$ 1,647,854	\$ 1,492,131	\$ 1,632,392
Municipal Court	187,064	212,743	168,421	187,886	184,973	185,158
Fire	3,965,267	3,826,258	3,982,620	3,280,597	3,177,233	2,932,965
Police	5,001,254	5,284,720	4,546,478	4,144,841	4,002,172	3,864,955
Public Works	1,916,939	1,835,898	1,609,303	1,354,767	1,263,892	1,268,270
Parks	538,609	379,478	339,015	352,766	266,949	240,528
Community services	811,155	998,499	959,782	990,618	918,907	861,581
Library	568,571	601,026	569,005	568,246	537,893	520,281
Inspection	625,717	600,849	579,082	849,217	825,017	705,189
Animal Services *	389,122	329,854	398,633	-	-	-
Fleet Maintenance	392,030	434,837	456,219	471,007	399,692	493,996
Economic Development	176,840	243,050	567,978	46,520	50,197	19,363
Information Technology **	427,319	327,680	-	-	-	-
Total Expenditures	<u>\$ 16,798,783</u>	<u>\$ 16,921,540</u>	<u>\$ 15,951,214</u>	<u>\$ 13,894,319</u>	<u>\$ 13,119,056</u>	<u>\$ 12,724,678</u>
Excess (Deficit) of Revenues Over Expenditures	<u>\$ (459,749)</u>	<u>\$ (1,750,395)</u>	<u>\$ (1,753,518)</u>	<u>\$ (741,509)</u>	<u>\$ (708,816)</u>	<u>\$ (458,243)</u>
Other Financing Sources (Uses):						
Transfers In	1,884,758	1,797,112	1,705,322	1,697,052	1,632,566	1,582,674
Transfers Out	(72,735)	(42,970)	-	-	(24,423)	(1,007,763)
Total Other Financing Sources (Uses)	<u>\$ 1,812,023</u>	<u>\$ 1,754,142</u>	<u>\$ 1,705,322</u>	<u>\$ 1,697,052</u>	<u>\$ 1,608,143</u>	<u>\$ 574,911</u>
Excess (Deficit) of Revenues/Other Sources Over Expenditures/Other Uses	1,352,274	3,747	(48,196)	955,543	899,327	116,668
Fund Balance - Beginning of Year	<u>11,604,139</u>	<u>11,600,392</u>	<u>11,648,588</u>	<u>10,693,045</u>	<u>9,793,718</u>	<u>9,677,050</u>
Fund Balance - September 30	<u>\$ 12,956,413</u>	<u>\$ 11,604,139</u>	<u>\$ 11,600,392</u>	<u>\$ 11,648,588</u>	<u>\$ 10,693,045</u>	<u>\$ 9,793,718</u>

Source: The Issuer's Comprehensive Annual Financial Reports

* Prior to 2018 Animal Services was included in Inspections

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

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

REVENUE BOND DEBT PRINCIPAL DATA

TABLE REV-1

(As of September 30, 2020)

Revenue Bond Debt Principal Outstanding:

Waterworks and Sewer System Revenue Refunding Bonds, Series 2010

Total Revenue Debt Principal Outstanding

\$ -

Plus: Waterworks and Sewer System General Obligation Debt Principal

General Obligation Refunding Bonds, Series 2014

\$ 145,000

General Obligation Refunding Bonds, Series 2015

1,075,000

Total Waterworks and Sewer System General Obligation Debt

\$ 1,220,000

Total Revenue Debt Principal Outstanding

\$ 1,220,000

CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT

TABLE REV-2

Fiscal Year Ending September 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Revenues ^(a)	\$ 11,169,272	\$ 10,924,433	\$ 10,951,857	\$ 9,485,704	\$ 9,083,332
Expenses	10,025,116	8,903,304	9,477,554	8,383,924	7,420,919
Net Revenue Available for Debt Service	<u>\$ 1,144,156</u>	<u>\$ 2,021,129</u>	<u>\$ 1,474,303</u>	<u>\$ 1,101,780</u>	<u>\$ 1,662,413</u>
Annual Revenue Bond Debt Service Requirements	\$ 51,500	\$ 53,000	\$ 54,500	\$ 241,400	\$ 461,578
Revenue Debt Service Coverage	<u>22.22 x</u>	<u>38.13 x</u>	<u>27.05 x</u>	<u>4.56 x</u>	<u>3.60 x</u>
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 279,637	\$ 280,005	\$ 285,372	\$ 471,041	\$ 567,880
Debt Service Coverage on all Bonds Paid from System Revenues	<u>4.09 x</u>	<u>7.22 x</u>	<u>5.17 x</u>	<u>2.34 x</u>	<u>2.93 x</u>
Customer Count :					
Water	8,347	8,052	7,841	7,606	7,427
Wastewater	8,164	7,878	7,700	7,477	7,307
^(a) Does not include Impact Fees of:	\$ 197,706	\$ 300,751	\$ 391,118	\$ 476,198	\$ 455,143

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, 2020)

Fiscal Year 2019 Net Revenues Available for Debt Service

\$ 1,144,156

Following the Issuance of the Bonds:

Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2019) Coverage

\$ -
- X

Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2019) Coverage

\$ 240,006
4.77 X

Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2019-2020) Coverage

\$ -
- X

Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2019-2027) Coverage

\$ 187,399
6.11 X

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

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

TABLE REV-4

(As of September 30, 2020)

	<u>Principal Outstanding</u>	<u>Amount of Principal Self-Supporting</u>
General Obligation Refunding Bonds, Series 2014	\$ 1,050,000	\$ 145,000
General Obligation Refunding Bonds, Series 2015	\$ 1,075,000	\$ 1,075,000
Total	<u>\$ 2,125,000</u>	<u>\$ 1,220,000</u>

<u>Fiscal Year Ending Sept. 30</u>	<u>Self-Supporting General Obligation Debt Requirements</u>	<u>Waterworks and Wastewater System Debt Service</u>	<u>Total Debt Service Being Supported by Net System Revenues</u>
2021	234,171	-	234,171
2022	240,006	-	240,006
2023	165,642	-	165,642
2024	167,672	-	167,672
2025	169,603	-	169,603
2026	166,435	-	166,435
2027	168,267	-	168,267
	<u>\$ 1,311,796</u>	<u>\$ -</u>	<u>\$ 1,311,796</u>

REVENUE BONDS AUTHORIZED BUT UNISSUED

TABLE REV-5

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

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

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

WATER RATES

TABLE REV-6

(Based on Monthly Billing)

Rates Effective October 1, 2019	
<u>Residential</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.54 /M Gallons
Over 10,000 Gallons	4.83 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 8,000 Gallons	4.83 /M Gallons
Over 8,000 Gallons	5.84 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.83 /M Gallons
Over 10,000 Gallons	5.84 /M Gallons

PRINCIPAL WATER CUSTOMERS 2017-2018

TABLE REV-7

(As of September 30, 2020)

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	8,816,333	\$ 51,472.16
DOS Project	3,818,917	22,297.36
Ventura Foods	3,460,917	20,194.18
Eagle Mnt/Saginaw ISD	1,636,250	9,604.12
Fuel City Saginaw, LLC	976,167	5,685.48
DR Horton Homes	807,334	5,073.39
Saginaw Crossing Apartments	556,083	3,538.47
Ergon Ashpalt & Emulsions, Inc.	544,833	3,181.80
Camelot Square Apartments LLC	533,833	3,590.73
Miller Milling Company	513,750	3,067.14
Total	<u>21,664,417</u>	<u>\$ 127,704.83</u>

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

WASTEWATER RATES

TABLE REV-8

(Based on Monthly Billing)

		Rates Effective October 1, 2018
<u>Residential</u>		
First 2,000 Gallons		\$17.36 (minimum)
Next 18,000 Gallons		2.73 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>		
First 2,000 Gallons		\$17.36 (minimum)
Over 2,000 Gallons		4.74 /M Gallons
<u>Commercial / Industrial (Non-Monitored)</u>		
First 2,000 Gallons		\$19.06 (minimum)
Over 2,000 Gallons		4.74 /M Gallons
<u>Commercial / Industrial (Monitored)</u>		
First 2,000 Gallons		Based on Formula
Over 2,000 Gallons		4.74 /M Gallons

PRINCIPAL WASTEWATER CUSTOMERS 2017-2018

TABLE REV-9

(As of September 30, 2020)

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Camelot Square Apartments	\$ 3,673.13
Saginaw Crossing Apartments	3,423.84
DR Horton Homes	3,390.06
Eagle Mnt/Saginaw ISD	2,789.41
W V Saginaw Investors LLC	2,712.43
Tiger Spa Car Wash	2,316.12
Williamsburg Village Apartments	2,008.77
Miller Milling Company	1,418.75
American Homes 4 Rent	1,404.08
Zip's Car Wash LLC	1,362.46
Total	\$ 24,499.04

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>
2011	785,139	2,178	6.5 04-15-11
2012	858,778	2,353	8.2 03-20-12
2013	750,644	2,057	6.6 09-25-13
2014	739,594	2,026	4.0 12-20-13
2015	825,789	2,262	6.3 05-29-15
2016	915,347	2,508	6.2 12-28-15
2017	804,134	2,203	6.3 09-14-17
2018	838,637	2,298	4.7 03-01-18
2019	1,027,571	2,815	6.0 10-16-18
2020	940,582	2,577	6.0 3-16-20

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 City of Saginaw, Texas (the City), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 14, 2021.

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.

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

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
January 14, 2021



Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with Uniform Guidance, and on the Schedule of Expenditures of Federal Awards

The Honorable Mayor and City Council
City of Saginaw, Texas

Report on Compliance for Each Major Federal Program

We have audited City of Saginaw'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 City of Saginaw's major federal programs for the year ended September 30, 2020. City of Saginaw's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of City of Saginaw's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Saginaw's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of City of Saginaw's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Saginaw complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2020.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 / Fort Worth, Texas 76107
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Report on Internal Control over Compliance

Management of the City of Saginaw is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of Saginaw's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program as a basis for designing the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Saginaw's 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.

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

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.

The Honorable Mayor and City Council
City of Saginaw, Texas

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Saginaw, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We have issued our report thereon dated January 14, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance) and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P

Fort Worth, Texas
January 14, 2021

City of Saginaw, Texas
 Schedule of Findings and Questioned Costs
 For the Year Ended September 30, 2020

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>CFDA #</u>	<u>Amount</u>
Coronavirus Relief Fund (CRF)	21.019	\$ 1,215,206

- 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
For the Year Ended September 30, 2020

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 Year Ended September 30, 2019

IV. Summary of Prior Year Findings

There were no matters reported

City of Saginaw, Texas
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation			
Highway Planning and Construction Cluster	20.205	0013-10-086	\$ 330,726
Total U.S. Department of Transportation			<u>330,726</u>
U.S. DEPARTMENT OF TREASURY			
Passed Through Tarrant County			
Coronavirus Relief Fund	21.019	133200	1,215,206
Total U.S. Department of Treasury			<u>1,215,206</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,545,932</u></u>

City of Saginaw, Texas

Notes to Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2020

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, 2020.

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

2. Subrecipients

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

3. Non-Cash Assistance

The City received non-cash assistance from Texas Department of Transportation in the form of landscaping and irrigation systems during the fiscal year ended September 30, 2020. The expenditures are listed within the Schedule of Expenditures of Federal Awards under Highway Planning and Construction Cluster for \$330,726.

4. Loans

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