

CITY OF SAGINAW, TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED
SEPTEMBER 30, 2016**

PREPARED BY
THE CITY OF SAGINAW, TEXAS
FINANCE DEPARTMENT

INTRODUCTORY SECTION

	Page
Letter of Transmittal	i
Principal Officials	vi
Area Map	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
Organizational Chart	ix

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)	4

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Governmental Funds	
Balance Sheet	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	20
Proprietary Fund	
Statement of Net Position	21
Statement of Revenues, Expenses and Changes in Fund Net Position	22
Statement of Cash Flows	23
Notes to Basic Financial Statements	25

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in Net Pension Liability and Related Ratios	54
Schedule of Contributions	55
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	56

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Financial Statements – Non-major Governmental Funds	
Combining Balance Sheet.....	57
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	58
Saginaw Crime Control and Prevention District	
Comparative Balance Sheets.....	59
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	60
Debt Service Fund	
Comparative Balance Sheets.....	61
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	62
Enterprise Fund	
Comparative Statement of Net Position	63
Comparative Statement of Revenues, Expenses and Changes In Net Position.....	64
Comparative Statement of Cash Flows.....	65

STATISTICAL SECTION (UNAUDITED)

Net Position by Component	67
Changes in Net Position	69
Fund Balances, Governmental Funds	73
Changes in Fund Balances, Governmental Funds	75
Property Tax Levies and Collections	77
Assessed and Estimated Actual Value of Taxable Property.....	78
Property Tax Rates - All Direct and Overlapping Governments.....	79
Principal Taxpayers	80
Ratio of Outstanding Debt by Type.....	81
Ratio of General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita.....	82
Computation of Direct and Overlapping Bonded Debt.....	83
Schedule of Revenue Bond Coverage.....	84
Computation of Legal Debt Margin	85
Demographic Statistics	86

STATISTICAL SECTION (UNAUDITED) – continued

Principal Employers 87

Full-Time Equivalent City Government Employees by Function/Program 88

Operating Indicators by Function/Program 89

Continuing Financial Disclosures Tables 91



City of Saginaw

INTRODUCTORY SECTION



City of Saginaw



City of Saginaw

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January 17, 2017

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

The Saginaw City staff is pleased to submit the Comprehensive Annual Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2016. The purpose of the report is to provide the Council, management, staff, public and other interested parties with detailed information reflecting the City's financial condition.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included. The financial statements included in the report were prepared by the General Administrative Office in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

Weaver and Tidwell, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2016. 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 2016 population estimate is 20,740.

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

Services Provided

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

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth by the GASB. Based on these criteria, all municipal services listed are included in the City's 2015-2016 financial statements.

Basis of Accounting

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

Budgetary Controls

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

Following adoption of the budget by the City Council, the City Manager and department heads monitor expenditures and revenues throughout the year to ensure that the integrity of the budget is maintained.

The Charter requires City Council approval for a transfer of funds from one department to another. Any revisions that alter the total expenditures of any fund must be approved by ordinance of the City Council.

Internal Controls

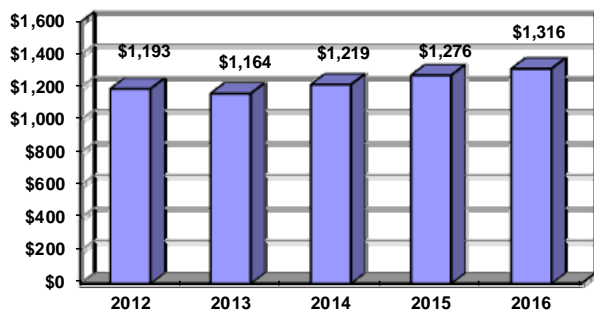
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

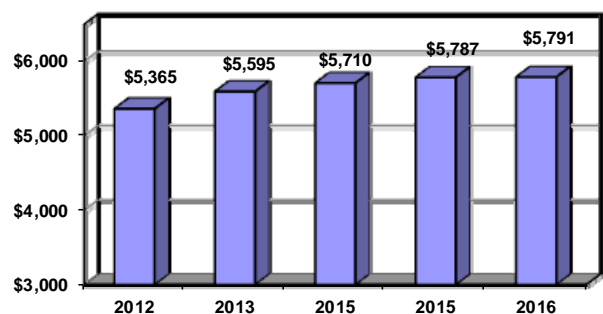
Summary of Local Economy

The local economy in Saginaw remains good. Unemployment in the area remains low and economic trends are optimistic but with a cautious outlook. The real estate market continues to see high demand with a tight inventory. The City continues to see new housing starts which adds to our tax base. Taxable values for 2017 increased 9.5% and we saw \$21.8 million in added value from new construction. The Saginaw DC Industrial Park with 15 lots was completed this past year. Sales tax collections for the current fiscal year to date are tracking slightly higher than last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Spring Creek Phase IIA with 92 residential lots and Spring Creek Phase IIB with 3 commercial lots are under construction. Bar C Ranch Phases 1 and 2 are under construction with a combined total of 146 residential lots and Willow Vista Estates Phase IIIB will be completed with 50 lots. A new senior living complex is under construction with an estimated value of \$4.5 million.

With the first phase of the expansion and reconstruction of E. Bailey Boswell Road there are discussions underway with several property owners and developers interested in

commercial/retail and residential development along this major east/west corridor. Saginaw remains an attractive place for new homes and businesses due to our location, land availability, easy freeway access, good schools, low tax rates, and the general quality of life. Residential and commercial construction and expansion projects will continue to boost the City's tax base.

Long Term Financial Planning

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

The City's Comprehensive Master Plan 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, the Drainage Utility Fund and the sale of \$8,000,000 in General Obligation bonds approved by voters in May 2013. No significant additional operating costs are projected to be incurred related to these capital expenditures.

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015 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 2015-2016 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 black ink, appearing to read "Nan Stanford".

Nan Stanford, City Manager

A handwritten signature in black ink, appearing to read "Dolph Johnson".

Dolph Johnson, Assistant City Manager/Finance Director

**CITY OF SAGINAW, TEXAS
PRINCIPAL OFFICIALS
SEPTEMBER 30, 2016**

GOVERNING BODY

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

ADMINISTRATION

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

CITY OF SAGINAW



NCTCOG Maps
www.dfwmaps.com

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





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

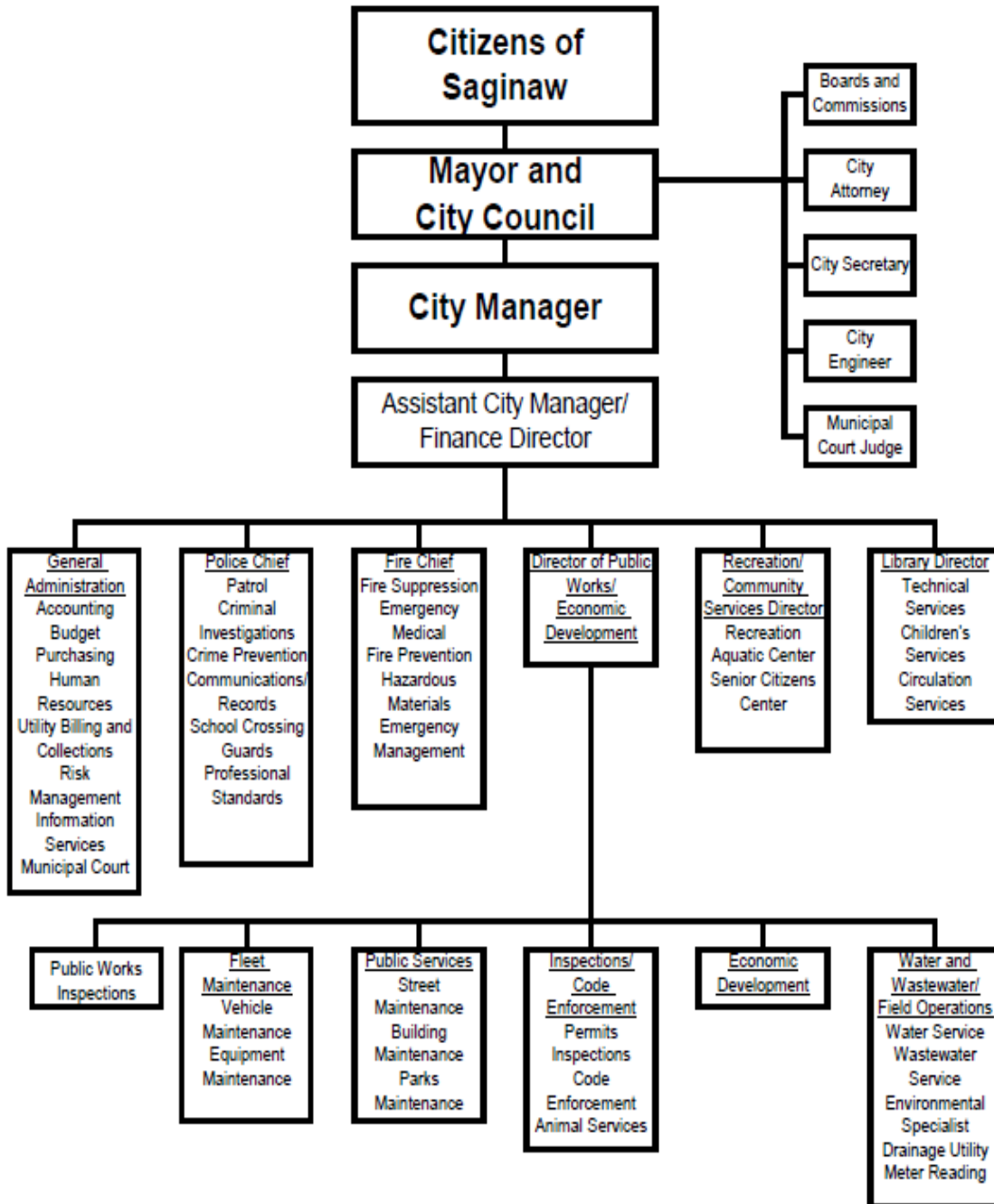
**City of Saginaw
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

CITY OF SAGINAW ORGANIZATIONAL CHART





City of Saginaw

FINANCIAL SECTION



City of Saginaw



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2016, and the related notes to basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Page 2

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, 2016, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Texas Municipal Retirement System pension schedules, and budgetary comparison information on pages 4 through 13, 54 through 55, and 56 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.

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

Page 3

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

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

Weaver and Tidwell, L.L.P.
WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 12, 2017



City of Saginaw

**CITY OF SAGINAW, TEXAS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR YEAR ENDED SEPTEMBER 30, 2016
(UNAUDITED)**

As management of the City of Saginaw, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Saginaw exceeded its liabilities at the close of the most recent fiscal year by \$94,678,448 (net position). Of this amount, \$15,312,975 (unrestricted net assets) 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 \$3,537,991.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$27,038,173. About 38% of this total amount, or \$10,155,535, is unassigned and available for use with the City's fund designation and policies.
- At the end of the current year, unassigned fund balance for the general fund was \$10,155,535 or 77% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and administration, municipal court, fire, police, public services, parks, library, recreation, fleet maintenance, inspections and economic development. The business-type activities of the City include water and wastewater services. The government-wide financial statements can be found on pages 14-16 of this report.

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

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

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

The City maintains nine governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, six Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 17-20.

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 21-24 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 25-53.

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, 2016, the City of Saginaw’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$94,678,448.

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

City of Saginaw's Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$28,596,038	\$29,389,064	\$10,405,109	\$10,620,194	\$39,001,147	\$40,009,258
Capital assets	73,542,340	72,883,755	23,900,244	23,118,418	97,442,584	96,002,173
Total assets	<u>\$102,138,378</u>	<u>\$102,272,819</u>	<u>\$34,305,353</u>	<u>\$33,738,612</u>	<u>\$136,443,731</u>	<u>\$136,011,431</u>
Deferred outflows of resources	\$2,541,157	\$1,289,980	\$371,969	\$186,061	\$2,913,126	\$1,476,041
Long term liabilities	\$34,921,110	\$36,221,912	\$3,037,999	\$3,388,577	\$37,959,109	\$39,610,489
Other liabilities	4,288,009	4,471,021	1,922,086	1,845,457	6,210,095	6,316,478
Total liabilities	<u>\$39,209,119</u>	<u>\$40,692,933</u>	<u>\$4,960,085</u>	<u>\$5,234,034</u>	<u>\$44,169,204</u>	<u>\$45,926,967</u>
Deferred inflows of resources	\$ 455,200	\$ 375,850	\$ 54,005	\$ 44,198	\$509,205	\$ 420,048
Net Position						
Net Investment in capital assets	\$56,038,750	\$55,375,158	\$21,614,589	\$20,210,164	\$77,653,339	\$75,585,322
Restricted	1,267,190	1,416,987	444,944	421,162	1,712,134	1,838,149
Unrestricted	7,709,276	5,701,871	7,603,699	8,015,115	15,312,975	13,716,986
Total net position	<u>\$65,015,216</u>	<u>\$62,494,016</u>	<u>\$29,663,232</u>	<u>\$28,646,441</u>	<u>\$94,678,448</u>	<u>\$91,140,457</u>

An additional portion of the City's net position \$1,712,134 (2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of \$15,312,975 may be used to meet the City's ongoing obligation to citizens and creditors.

The \$3,537,991 increase in net position is a result of increased capital assets and deferred outflows related to pension accounting partially offset by a decrease in current assets, cash used to fund the capital assets, and increased liabilities related to pension accounting offset by debt retirement. As of September 30, 2016, 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, 2016. Overall the City had an increase in net position of \$3,537,991. Total City revenues increased by \$596,113. Increases in building permits and construction inspection fees offset the decrease in court fines. Court fines decreased due to the vacancy rate in the Police Department this year. In the Enterprise Fund, water sales and wastewater surcharge decreased from the previous year due to the rainy spring weather, the mild summer temperatures, and wastewater pretreatment by our industrial customers. Operating grants are lower for 2016 due to the one time federal grant received in 2015 for Police Department radios. Contributed assets of \$878,817, as a result of the new DC Industrial Park development, account for a portion of the increase in the governmental activities. Developer agreements for construction access and road remediation also contributed to the increase. For the Enterprise Fund, contributed assets were lower than the previous year.

Contributions include water and wastewater lines in the DC Industrial Park \$185,383 and a developer contribution for the Jarvis Road wastewater project \$200,000. Ad valorem tax revenue increased as a result of the increased debt service for the bonds issued to fund the Bailey Boswell Road construction project. Increased interest rates resulted in increased interest income for both the Governmental and Enterprise Funds.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Fees, fines and charges for services	\$ 2,785,760	\$ 2,699,692	\$ 8,733,275	\$ 8,965,645	\$11,519,035	\$ 11,665,337
Operating grants and contributions	179,979	234,827	-	-	179,979	234,827
Capital grants and contributions	1,549,780	1,457,517	967,271	1,040,496	2,517,051	2,498,013
General revenues:						
Ad valorem taxes	7,201,098	6,506,284	-	-	7,201,098	6,506,284
Sales taxes	5,790,661	5,786,769	-	-	5,790,661	5,786,769
Franchise taxes	1,839,384	1,851,551	-	-	1,839,384	1,851,551
Other taxes	28,626	32,116	-	-	28,626	32,116
Penalties and interest	15,202	13,367	110,129	118,112	125,331	131,479
Interest income	84,200	11,883	26,998	4,529	111,198	16,412
Gain on sale of assets	-	-	-	-	-	-
Miscellaneous	125,952	110,595	86,185	95,004	212,137	205,599
Total revenues	\$19,600,642	\$18,704,601	\$ 9,923,858	\$10,223,786	\$29,524,500	\$ 28,928,387
Expenses:						
General administrative office	\$ 2,060,595	\$ 2,126,569	\$ -	\$ -	\$ 2,060,595	\$ 2,126,569
Municipal court	186,864	184,794	-	-	186,864	184,794
Fire	3,242,317	3,284,144	-	-	3,242,317	3,284,144
Police	4,434,955	4,230,644	-	-	4,434,955	4,230,644
Public works	3,435,053	3,422,440	-	-	3,435,053	3,422,440
Parks	294,992	226,152	-	-	294,992	226,152
Recreation	1,076,293	1,076,881	-	-	1,076,293	1,076,881
Library	591,580	564,913	-	-	591,580	564,913
Inspections	824,509	716,049	-	-	824,509	716,049
Fleet maintenance	439,379	531,903	-	-	439,379	531,903
Economic development	50,197	19,363	-	-	50,197	19,363
Interest on long term debt	994,113	942,168	-	-	994,113	942,168
Water and Wastewater	-	-	8,355,662	7,469,979	8,355,662	7,469,979
Total expenses	\$17,630,847	\$17,326,020	\$ 8,355,662	\$ 7,469,979	\$25,986,509	\$ 24,795,999
Increases (decreases) in net position						
before transfers	\$ 1,969,795	\$ 1,378,581	\$ 1,568,196	\$ 2,753,807	\$ 3,537,991	\$ 4,132,388
Transfers	551,405	564,120	(551,405)	(564,120)	-	-
Increase in net position	\$ 2,521,200	\$ 1,942,701	\$ 1,016,791	\$ 2,189,687	\$ 3,537,991	\$ 4,132,388
Net position - October 1, as restated	62,494,016	60,551,315	28,646,441	26,456,754	91,140,457	87,008,069
Net position - September 30	\$65,015,216	\$62,494,016	\$29,663,232	\$28,646,441	\$94,678,448	\$ 91,140,457

Total City expenses increased by \$1,190,510. There were city wide increases related to increased salary and benefits. The decrease in General Administration is due to a one-time legal settlement in 2015. The Fire department increases for salary, benefits, capital outlay, and pension expense are offset by the removal of a brush truck and other fire equipment from service. Police Department increases are for salaries and benefits, pension expense, the salary for a new Public Services Officer, and the first year of depreciation expense for the radio system upgrade and phase 1 of the security camera system. Parks increases include the purchase of park land, the first year of depreciation for the two dog parks and phase 1 of the skate park. Increases in Inspections/Code Enforcement include the salary and benefits for an additional Animal Services Officer, increased pension expense, and increased capital outlay. Fleet Maintenance decreases are due to savings in gasoline, tools, parts, and contract repairs. The increase in interest expense is due to the first year of debt service on the GO Bonds, Series 2015. This \$8,000,000 bond issue is for the second phase of the Bailey Boswell Road construction project. The increases are partially offset by savings as a result of refunding. The increased expenses in the Enterprise Fund include salary, benefits, and pension expense. Increased expense for wastewater service is due to increased flow, as well as, a rate increase of 6.15%. This increase is partially offset by the decrease in the amount of water that the city purchased due to weather conditions. There were expense increases in water and wastewater system supplies due to the relocation of both water and sewer lines for the DC Industrial Park. There was a bond sale expense for the refunding of the 2006 Revenue Bonds. The removal of a water storage tank and pump station equipment from fixed assets is also included.

City Governmental activities increased net position by \$2,521,200 and Enterprise Fund activities increased net position by \$1,016,791.

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 \$27,038,173. Approximately 38% of this total (\$10,155,535) 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 fund balance decrease of \$166,828 in the Debt Service Fund was a planned drawdown using fund balance for a portion of debt service. The decrease of \$2,232,560 in the Capital Projects Fund reflects the use of previously issued bond funds for the Bailey Boswell Road construction project.

Proprietary Fund – The City’s proprietary fund statements provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Enterprise Fund is \$7,603,699. Total net position of the Enterprise Fund increased by \$1,016,791 from fiscal year 2015 to fiscal year 2016. The increase is due to contributed assets for the DC Industrial Park, the collection of water and wastewater fees, and a reduction in bonds payable.

Budgetary Highlights – The City, with City Council approval, made revisions to the original appropriations approved by the City Council. General Fund revenues were increased by \$667,135 or 5%. Increased revenues were due to Building Permits \$300,000 and Construction Inspection Fees \$160,000 both a result of continued development. Sales Tax revenue and Franchise Fees were also higher than originally budgeted by \$50,000 and \$200,000 respectively. Municipal Court Fine revenue was decreased by \$114,000 due to Police Department vacancies.

The budget of the Debt Service Fund was modified for the refunding of 2006 General Obligation Bonds, 2006 Certificates of Obligation, and 2007 Certificates of Obligation.

The budgeted revenues of the Enterprise Fund were increased by \$350,000 or 4%. Water Sales revenues were decreased from the previous year but \$400,000 higher than the original budget. Water and Wastewater Tap Fee revenue was increased by \$85,000 due to continued development. Wastewater Surcharge revenue was decreased by \$150,000 due to improved pretreatment by our industries. The budgeted expenses were decreased by \$297,220 or 3%. The cost of refunding the 2006 Revenue Bonds was offset by the slow construction progress of the Saginaw Boulevard 12” Water Line, the Lawson/Watson 8” Water Lines and the FM 156 12” Water Line.

The Capital Projects Fund budget was decreased by \$7,185,010 or 68% due to the slower than anticipated progress on the Bailey Boswell Road project.

The budgeted revenues in the General Escrow Fund were increased by \$685,982 due to the developers’ agreements for Spring Creek \$45,000, Industrial Boulevard \$199,255, and \$412,645 for the Bailey Boswell Marketplace. Budgeted expenses increased by \$61,965 due to the purchase of park land and higher than expected vehicle repairs.

CAPITAL ASSETS

The City of Saginaw’s investment in capital assets for its governmental and business-type activities as of September 30, 2016 amounts to \$97,442,584 (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:

- Old Decatur Road sidewalk extension (\$16,700).
- Lighting improvements at the dog parks (\$21,795).
- Phase 2 of the Skate Park at Highland Station Park (\$48,846).
- Purchase of park land at the north end of Willow Creek Park (\$59,864).
- Drainage easement for Bailey Boswell Road construction (\$64,233).
- Phase 2 of the Police Station security system (\$69,592).
- Continued construction of the FM 156 12” water line (\$76,571).
- Completion of the 12” water line along Saginaw Boulevard (\$116,920).
- Donated ROW at the DC Industrial Park (\$157,200).
- City-wide equipment replacement (\$178,440).
- Public Safety equipment (\$229,984).
- Continued the Jarvis Rd. sanitary sewer upgrade (\$470,969).
- Completion of the SE 24” Trunk Sanitary Sewer main (\$648,617).
- Developer contributed assets for the DC Industrial Park (\$907,000).
- Continued construction of all phases of Bailey Boswell Road project (\$2,242,153).

Capital Assets at Year End Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$12,496,224	\$12,213,295	\$16,657	\$16,657	\$12,512,881	\$12,229,952
Improvements	1,838,648	1,680,480	-	-	1,838,648	1,680,480
Buildings	19,542,074	19,472,482	154,587	154,587	19,696,661	19,627,069
Equipment	7,193,944	7,149,844	1,441,442	1,487,154	8,635,386	8,636,998
Infrastructure	89,432,964	87,730,778	32,720,816	31,844,644	122,153,780	119,575,422
Construction in progress	6,285,639	5,077,876	665,925	564,465	6,951,564	5,642,341
Accumulated depreciation	(63,247,153)	(60,441,000)	(11,099,183)	(10,949,089)	(74,346,336)	(71,390,089)
Total	\$73,542,340	\$72,883,755	\$23,900,244	\$23,118,418	\$97,442,584	\$96,002,173

Additional information on the City of Saginaw’s capital assets can be found in Note 4 on pages 37-38.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of \$30,619,609. Of this amount, \$29,750,000 comprises bonded debt backed by the full faith and credit of the government and \$380,000 represents bonds secured solely by water and wastewater revenues.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligations	\$25,310,000	\$23,515,000	\$2,000,000	\$465,000	\$27,310,000	\$23,980,000
Certificates of obligation	2,440,000	6,440,000	-	-	2,440,000	6,440,000
Revenue bonds payable	-	-	380,000	2,490,000	380,000	2,490,000
Premiums on bonds	477,503	518,798	12,106	17,294	489,609	536,092
Total	\$28,227,503	\$30,473,798	\$2,392,106	\$2,972,294	\$30,619,609	\$33,446,092

During the fiscal year, the City's total debt decreased by \$2,826,483 or 8.5%. The following issues were refunded: 2006 Revenue Bonds, 2006 General Obligation Bonds, 2006 Certificates of Obligation, and 2007 Certificates of Obligation. Enterprise Fund principal payments of \$510,000 and General Fund principal payments of \$2,185,000 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 39-42 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2016-2017 budget, General Fund revenues and transfers in are budgeted to increase by \$165,610 (1%) from the 2015-2016 revised budget year with property tax making up 31% and sales tax making up 31% of budgeted revenues. Certified assessed valuations increased 9.5% from the preceding year. The increased value has allowed the property tax rate to drop from .544 to .513 with budgeted property tax revenues estimated at \$4,292,485 (\$3,215,135 for the Debt Service Fund). General Fund expenditures and transfers increased by \$1,115,775 or 8.3%. Increases include an additional Police Officer, one Police Officer reassigned from an auto theft task force back to the department, one full time animal services position added by combining two part time positions, a 3% cost of living salary increase and the increased cost of health insurance. The General Fund budget is balanced with the use of \$537,510 from the beginning fund balance for one-time expenses and an economic development loan that will be repaid over a five year period.

The 2016-2017 budget includes no change in the water or wastewater rates. The Enterprise Fund is budgeted to break even with the use of \$1,296,120 of the beginning fund balance to be used for the construction of capital projects and capital equipment.

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS



City of Saginaw

GOVERNMENT-WIDE FINANCIAL STATEMENTS



City of Saginaw

**CITY OF SAGINAW, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	\$ 16,095,239	\$ 8,294,033	\$ 24,389,272
Receivables			
Taxes, net of allowance	1,044,668	-	1,044,668
Accounts, net of allowance	83,158	1,061,969	1,145,127
Other	621,826	24,335	646,161
Restricted assets			
Deposits and investments	10,751,147	1,024,772	11,775,919
Capital assets			
Land	12,496,224	16,657	12,512,881
Improvements	1,838,648	-	1,838,648
Buildings	19,542,074	154,587	19,696,661
Equipment	7,193,944	1,441,442	8,635,386
Infrastructure	89,432,964	32,720,816	122,153,780
Construction in progress	6,285,639	665,925	6,951,564
Accumulated depreciation	(63,247,153)	(11,099,183)	(74,346,336)
Total assets	102,138,378	34,305,353	136,443,731
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	330,871	106,451	437,322
Related to TMRS pension	2,210,286	265,518	2,475,804
Total deferred outflows of resources	2,541,157	371,969	2,913,126
LIABILITIES			
Accounts payable and accrued liabilities	1,027,940	912,816	1,940,756
Accrued interest payable	55,254	4,254	59,508
Unearned revenue	311,800	-	311,800
Payable from restricted assets			
Contracts payable	184,150	-	184,150
Current portion of revenue bonds payable	-	425,188	425,188
Current portion of capital leases payable	177,570	-	177,570
Customer deposits	-	579,828	579,828
Noncurrent liabilities			
Debt due within one year	2,531,295	-	2,531,295
Debt due in more than one year	25,876,743	1,966,918	27,843,661
Net pension liability	9,044,367	1,071,081	10,115,448
Total liabilities	39,209,119	4,960,085	44,169,204
DEFERRED INFLOWS OF RESOURCES			
Related to TMRS pension	455,200	54,005	509,205
Total deferred outflows of resources	455,200	54,005	509,205
NET POSITION			
Net investment in capital assets	56,038,750	21,614,589	77,653,339
Restricted for			
Debt service	1,267,190	444,944	1,712,134
Unrestricted	7,709,276	7,603,699	15,312,975
Total net position	<u>\$ 65,015,216</u>	<u>\$ 29,663,232</u>	<u>\$ 94,678,448</u>

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Program Activities	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General administrative offices	\$ 2,060,595	\$ 63,426	\$ -	\$ -
Municipal court	186,864	441,298	-	-
Fire	3,242,317	83,000	29,134	-
Police	4,434,955	4,314	150,845	-
Public works	3,435,053	592,078	-	1,549,780
Parks	294,992	-	-	-
Recreation	1,076,293	646,004	-	-
Library	591,580	16,260	-	-
Inspection	824,509	939,380	-	-
City garage	439,379	-	-	-
Economic development	50,197	-	-	-
Interest on long term debt	994,113	-	-	-
Total governmental activities	<u>17,630,847</u>	<u>2,785,760</u>	<u>179,979</u>	<u>1,549,780</u>
Business-type activities				
Water and wastewater	<u>8,355,662</u>	<u>8,733,275</u>	<u>-</u>	<u>967,271</u>
Total business-type activities	<u>8,355,662</u>	<u>8,733,275</u>	<u>-</u>	<u>967,271</u>
Total government	<u>\$ 25,986,509</u>	<u>\$ 11,519,035</u>	<u>\$ 179,979</u>	<u>\$ 2,517,051</u>

General revenues
 Taxes
 Ad valorem
 Sales
 Franchise taxes
 Other taxes
 Penalties and interest
 Interest income
 Miscellaneous revenues
 Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year, as restated

Net position - end of year

Net (Expenses) Revenue and
Changes in Net Position

Governmental Activities	Business- type Activities	Total
\$ (1,997,169)	\$ -	\$ (1,997,169)
254,434	-	254,434
(3,130,183)	-	(3,130,183)
(4,279,796)	-	(4,279,796)
(1,293,195)	-	(1,293,195)
(294,992)	-	(294,992)
(430,289)	-	(430,289)
(575,320)	-	(575,320)
114,871	-	114,871
(439,379)	-	(439,379)
(50,197)	-	(50,197)
(994,113)	-	(994,113)
(13,115,328)	-	(13,115,328)
-	1,344,884	1,344,884
-	1,344,884	1,344,884
\$ (13,115,328)	\$ 1,344,884	\$ (11,770,444)
\$ 7,201,098	\$ -	\$ 7,201,098
5,790,661	-	5,790,661
1,839,384	-	1,839,384
28,626	-	28,626
15,202	110,129	125,331
84,200	26,998	111,198
125,952	86,185	212,137
551,405	(551,405)	-
15,636,528	(328,093)	15,308,435
2,521,200	1,016,791	3,537,991
62,494,016	28,646,441	91,140,457
\$ 65,015,216	\$ 29,663,232	\$ 94,678,448



City of Saginaw

**FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**CITY OF SAGINAW, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	\$ 11,007,948	\$ 1,309,702	\$ -	\$ 3,777,589	\$ 16,095,239
Receivables					
Taxes, net of allowance	788,830	15,743	-	240,095	1,044,668
Accounts	83,158	-	-	-	83,158
Other	120,575	-	-	501,251	621,826
Restricted assets					
Deposits and investments	-	-	10,751,147	-	10,751,147
TOTAL ASSETS	<u>\$ 12,000,511</u>	<u>\$ 1,325,445</u>	<u>\$10,751,147</u>	<u>\$ 4,518,935</u>	<u>\$ 28,596,038</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities					
Accounts payable and accrued liabilities	\$ 1,000,068	\$ 3,000	\$ -	\$ 24,872	\$ 1,027,940
Payable from restricted assets					
Contracts payable	-	-	184,150	-	184,150
Unearned revenue	289,165	-	-	22,635	311,800
Total liabilities	1,289,233	3,000	184,150	47,507	1,523,890
Deferred inflows of resources					
Unavailable revenue - property taxes	18,233	15,742	-	-	33,975
Total deferred inflows of resources	18,233	15,742	-	-	33,975
Fund balances					
Restricted					
Debt service	-	1,306,703	-	-	1,306,703
Capital projects	-	-	10,566,997	-	10,566,997
Street maintenance	-	-	-	1,283,877	1,283,877
Crime prevention	-	-	-	591,654	591,654
Drainage	-	-	-	1,142,095	1,142,095
Other	-	-	-	1,160,365	1,160,365
Committed					
Donations	-	-	-	293,437	293,437
Assigned	537,510	-	-	-	537,510
Unassigned	10,155,535	-	-	-	10,155,535
Total fund balances	10,693,045	1,306,703	10,566,997	4,471,428	27,038,173
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,000,511</u>	<u>\$ 1,325,445</u>	<u>\$10,751,147</u>	<u>\$ 4,518,935</u>	<u>\$ 28,596,038</u>

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

**CITY OF SAGINAW, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2016**

Total fund balances - governmental funds	\$ 27,038,173
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	73,542,340
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.	(55,254)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.	33,975
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 \$330,871 is reflected as a deferred outflow of resources on the Statement of Net Position.	(28,254,737)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$9,044,367, a deferred resource outflow related to TMRS of \$2,210,286, and a deferred resource inflow related to TMRS of \$455,200. This resulted in a decrease in net position.	<u>(7,289,281)</u>
Net position of governmental activities	<u>\$ 65,015,216</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, 2016

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	\$10,124,958	\$3,345,298	\$ -	\$1,407,482	\$ 14,877,738
Licenses and permits	740,192	-	-	-	740,192
Charges for services	83,000	-	-	591,978	674,978
Fines and fees	635,652	-	-	21,094	656,746
Interest income	32,068	9,612	33,054	9,466	84,200
Recreation income	487,081	-	-	-	487,081
Intergovernmental	178,257	-	-	1,722	179,979
Miscellaneous revenues	129,032	-	-	881,693	1,010,725
Total revenues	12,410,240	3,354,910	33,054	2,913,435	18,711,639
Expenditures					
Current					
General administrative office	1,492,131	-	-	470,908	1,963,039
Municipal court	184,973	-	-	-	184,973
Fire	3,177,233	-	-	-	3,177,233
Police	4,002,172	-	-	73,374	4,075,546
Public works	1,263,892	-	-	-	1,263,892
Parks	266,949	-	-	-	266,949
Recreation	918,907	-	-	-	918,907
Library	537,893	-	-	-	537,893
Inspection	825,017	-	-	-	825,017
City garage	399,692	-	-	-	399,692
Economic development	50,197	-	-	-	50,197
Capital outlay	-	-	2,359,278	211,678	2,570,956
Principal retirement	-	2,539,654	-	-	2,539,654
Interest charges	-	854,529	-	-	854,529
Fiscal agent's fees and debt issuance costs	-	203,483	-	-	203,483
Total expenditures	13,119,056	3,597,666	2,359,278	755,960	19,831,960
Excess (deficiency) of revenues over expenditures	(708,816)	(242,756)	(2,326,224)	2,157,475	(1,120,321)
Other financing sources (uses)					
Transfers in	1,632,566	-	93,664	-	1,726,230
Transfers out	(24,423)	-	-	(1,150,402)	(1,174,825)
Proceeds from bond refunding	-	5,910,000	-	-	5,910,000
Payment to escrow agent	-	(5,834,072)	-	-	(5,834,072)
Total other financing sources (uses)	1,608,143	75,928	93,664	(1,150,402)	627,333
Net change in fund balances	899,327	(166,828)	(2,232,560)	1,007,073	(492,988)
Fund Balances - beginning of year	9,793,718	1,473,531	12,799,557	3,464,355	27,531,161
Fund Balances - end of year	<u>\$10,693,045</u>	<u>\$1,306,703</u>	<u>\$10,566,997</u>	<u>\$4,471,428</u>	<u>\$27,038,173</u>

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

CITY OF SAGINAW, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2016

Net change in fund balances - total governmental funds	\$ (492,988)
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.	2,880,649
Governmental funds do not recognize assets contributed by developers. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.	892,879
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.	(3,113,834)
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(1,109)
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of repayments of \$2,539,654, deferred refunding loss of \$118,455, and amortization of \$71,081 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.	2,587,028
The refunding of long term debt (e.g. bonds) provides current financial resources and consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	(75,928)
Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.	(169,255)
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.	16,525
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.	<u>(2,767)</u>
Change in net position of governmental activities	<u>\$ 2,521,200</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, 2016**

	Enterprise Fund
ASSETS	
Current assets	
Deposits and investments	\$ 8,294,033
Deposits and investments-restricted	444,944
Receivables	
Accounts receivable, net of allowance of \$55,055	591,285
Unbilled accounts	470,684
Other	24,335
Total current assets	9,825,281
Noncurrent assets	
Capital assets, at cost	
Land and land improvements	16,657
Buildings and improvements	154,587
Waterworks and sewer system	32,720,816
Machinery and equipment	1,441,442
Construction in progress	665,925
Accumulated depreciation	(11,099,183)
Total capital assets, net of accumulated depreciation	23,900,244
Deposits and investments-restricted	579,828
Total noncurrent assets	24,480,072
Total assets	34,305,353
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge for refunding	106,451
Related to the TMRS pension	265,518
Total deferred outflows of resources	371,969
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	912,816
Accrued interest	4,254
Revenue bonds payable	425,188
Total current liabilities	1,342,258
Noncurrent liabilities	
Revenue bonds payable	1,966,918
Customer deposits	579,828
Net pension liability	1,071,081
Total noncurrent liabilities	3,617,827
Total liabilities	4,960,085
DEFERRED INFLOWS OF RESOURCES	
Related to the TMRS pension	54,005
Total deferred inflows of resources	54,005
NET POSITION	
Net investment in capital assets	21,614,589
Restricted for	
Revenue bond retirement	444,944
Unrestricted	7,603,699
Total net position	\$ 29,663,232

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Enterprise Fund</u>
Operating revenues	
Water and sewer sales	\$ 7,577,309
Penalties	110,129
Surcharges	1,155,966
Miscellaneous	<u>86,185</u>
Total operating revenue	8,929,589
Operating expenses	
Cost of sales and services	5,471,503
Administrative	1,949,416
Depreciation	<u>709,130</u>
Total operating expenses	<u>8,130,049</u>
Operating income	799,540
Nonoperating revenues (expenses)	
Investment income	26,998
Gain (Loss) on sale of machinery and equipment	(119,242)
Interest expense and agent fees	<u>(106,371)</u>
Total nonoperating revenues (expenses)	<u>(198,615)</u>
Income before contributions and transfers	600,925
Capital contributions and transfers	
Capital contributions	385,383
Impact and tap fees	581,888
Transfers out	(593,000)
Transfers in	<u>41,595</u>
Total nonoperating revenues (expenses)	<u>415,866</u>
Change in net position	1,016,791
Net position, beginning of year, as restated	<u>28,646,441</u>
Net position, end of year	<u><u>\$ 29,663,232</u></u>

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 9,075,895
Cash paid to employees	(801,789)
Cash paid to suppliers	<u>(6,466,753)</u>
Net cash provided by operating activities	1,807,353
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out to other funds	(593,000)
Transfers from other funds	<u>41,595</u>
Net cash used in noncapital financing activities	(551,405)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Impact and tap fees	581,888
Proceeds from the issuance of bonds	1,610,000
Principal paid on revenue bonds	(2,185,000)
Purchase of capital assets	(1,424,815)
Interest and fees paid on debt issuance	(96,655)
Deferred charge for refunding	(61,226)
Fiscal agent fees	(1,500)
Contributions	<u>200,000</u>
Net cash used in capital and related financing activities	(1,377,308)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>26,998</u>
Net cash provided by investing activities	<u>26,998</u>
Net change in cash	(94,362)
Cash and cash equivalents at the beginning of the year	<u>9,413,167</u>
Cash and cash equivalents at the end of the year	<u><u>\$ 9,318,805</u></u>

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

**CITY OF SAGINAW, TEXAS
STATEMENT OF CASH FLOWS – CONTINUED
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Current Assets</u>	<u>Enterprise Fund Restricted Assets</u>		<u>Statement of Cash Flows Totals</u>
		<u>Current</u>	<u>Noncurrent</u>	
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - beginning	\$ 8,437,760	\$421,162	\$554,245	\$ 9,413,167
Net increase(decrease)	<u>(143,727)</u>	<u>23,782</u>	<u>25,583</u>	<u>(94,362)</u>
Cash and cash equivalents - ending	<u>\$ 8,294,033</u>	<u>\$444,944</u>	<u>\$579,828</u>	<u>\$ 9,318,805</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				\$ 799,540
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation				709,130
Decrease in accounts receivable				120,723
Increase in deferred outflows of resources-pension				(143,497)
Increase in accounts payable and accrued expenses				131,457
Increase in customer deposits				25,583
Increase in net pension liability				154,610
Increase in deferred inflows of resources-pension				<u>9,807</u>
Net cash provided by operating activities				<u>\$ 1,807,353</u>
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				<u>\$ 185,383</u>

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



City of Saginaw

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

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

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

B. Financial Reporting Entity

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

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

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

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

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

The following 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.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation – Continued

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.

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.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basis of Presentation – Continued

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.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting – Continued

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

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

E. Budgetary Control

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

1. Prior to October 1, the City administration submits to the City Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of a resolution.
4. Any revisions that alter the total expenditures of any fund must be approved by the City Council. The City Council amended the budget during the year.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Budgetary Control – Continued

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

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

All appropriations lapse on September 30 of the fiscal year.

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

F. Cash and Investments

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

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

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

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

G. Interfund Receivables and Payables

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

H. Capital Assets

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

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

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

I. Accumulated Vacation, Compensatory Time and Sick Leave

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. 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 \$112,462 over the course of the fiscal year and ended September 30, 2016 with a liability of \$701,499.

J. Nature and Purpose of Designations of Fund Balance

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

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

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

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

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

1. Nonspendable Fund Balance – Includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid/deferred items.
2. Spendable Fund Balance
 - a. Restricted Fund Balance – Includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
 - i. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
 - ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.
 - iii. The proceeds of specific revenue sources that is restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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

- b. Committed Fund Balance – Includes amounts that can be used only for the specific purposes as determined by the governing body by use of a resolution, recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but not specifically limited to, council action regarding construction, claims, and judgments, retirement of loans/notes payable, and capital expenditures. The City Council must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.
- c. Assigned Fund Balance – Includes amounts intended to be used by the City for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. Through a resolution, the City has delegated the City Manager to determine and define the amounts of those components of fund balance that are classified as Assigned. Examples take on the similar appearance as those enumerated for committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in next year's budget.
- d. Unassigned Fund Balance – Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the City has implicitly assigned the funds for the purposes of those particular funds.

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

At the end of each fiscal year, the General Fund should maintain unassigned fund balance that is no less than 15% of the subsequent year's General Fund appropriated expenditure budget. This target amount has been established in order to provide a reasonable level of assurance that the City's day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Net Position

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

L. Pensions

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

M. 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, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense for a year can and does vary from actual results.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 2. CASH AND INVESTMENTS

Cash and investments as of September 30, 2016 consist of the following:

Deposits with financial institutions	\$ 775,352
Investments	<u>35,389,839</u>
	<u>\$ 36,165,191</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, 2016, the City had the following investments:

Investment Type	Amount	Weighted Average Maturity
TexPool	\$ 35,389,839	40 days

As of September 30, 2016, 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.

Investment Type	Amount	Minimum Legal Rating	Rating as of September 30, 2016
Texpool	\$ 35,389,839	AAA	AAAm

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 2. CASH AND INVESTMENTS – CONTINUED

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, 2016, 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, 2016, the carrying amount of the City's cash on hand and deposits were \$775,352 and the bank balance was \$1,398,160. \$250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining \$1,148,160 secured with securities held by pledging financial institutions.

Investment in State Investment Pools

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

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

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	\$ 444,944
Cash and investments	579,828
Refundable water and wastewater deposits	<u>579,828</u>
Total	<u>\$1,024,772</u>

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2016, was as follows:

	Balance October 1, 2015	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2016
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 12,213,295	\$ 282,929	\$ -	\$ 12,496,224
Construction in progress	5,077,876	2,304,280	(1,096,517)	6,285,639
Total capital assets not being depreciated	17,291,171	2,587,209	(1,096,517)	18,781,863
Capital assets being depreciated				
Buildings	19,472,482	69,592	-	19,542,074
Improvements	1,680,480	158,168	-	1,838,648
Infrastructure	87,730,778	1,702,186	-	89,432,964
Equipment	7,149,844	352,890	(308,790)	7,193,944
Total capital assets being depreciated	116,033,584	2,282,836	(308,790)	118,007,630
Less accumulated depreciation				
Buildings	5,635,741	492,741	-	6,128,482
Improvements	676,133	81,721	-	757,854
Infrastructure	49,682,062	2,089,322	-	51,771,384
Equipment	4,447,064	450,050	(307,681)	4,589,433
Total accumulated depreciation	60,441,000	3,113,834	(307,681)	63,247,153
Total capital assets being depreciated, net	55,592,584	(830,998)	(1,109)	54,760,477
Net governmental activities capital assets	\$ 72,883,755	\$ 1,756,211	\$(1,097,626)	\$ 73,542,340

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 4. CAPITAL ASSETS – CONTINUED

	Balance October 1, 2015	Additions/ Completions	Retirements/ Adjustments	Balance September 30, 2016
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 16,657	\$ -	\$ -	\$ 16,657
Construction in progress	564,465	1,347,062	(1,245,602)	665,925
Total capital assets not being depreciated	581,122	1,347,062	(1,245,602)	682,582
Capital assets being depreciated				
Buildings	154,587	-	-	154,587
Water and wastewater system	31,844,644	1,430,985	(554,813)	32,720,816
Equipment	1,487,154	77,753	(123,465)	1,441,442
Total capital assets being depreciated	33,486,385	1,508,738	(678,278)	34,316,845
Less accumulated depreciation				
Buildings	61,268	3,550	-	64,818
Water and wastewater system	9,933,693	620,608	(444,545)	10,109,756
Equipment	954,128	84,972	(114,491)	924,609
Total accumulated depreciation	10,949,089	709,130	(559,036)	11,099,183
Total capital assets being depreciated, net	22,537,296	799,608	(119,242)	23,217,662
Net business-type activities capital assets	<u>\$ 23,118,418</u>	<u>\$ 2,146,670</u>	<u>(1,364,844)</u>	<u>\$ 23,900,244</u>

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

Governmental activities	
General administrative office	\$ 121,428
Fire	143,449
Police	296,594
Public works	2,215,379
Recreation and community services	185,041
Library	46,214
Inspections/code enforcement	10,588
Fleet maintenance	36,932
Parks	58,209
	<u>\$ 3,113,834</u>
Business-type activities	
Water and wastewater	<u>\$ 709,130</u>

The City has active construction projects as of September 30, 2016. Total accumulated commitments for capital projects are \$181,956 for the Capital Projects Fund and \$215,123 for the Enterprise Fund.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 5. LONG-TERM DEBT

At September 30, 2016, the City's bonds payable consisted of the following:

	<u>Governmental</u>	<u>Business-type</u>
2007 Certificates of Obligation Bonds, dated September 1, 2007, due in annual installments through October 1, 2027, bearing interest rates of 4.3% to 4.4%	180,000	-
2009 Certificates of Obligation Bonds, dated May 1, 2009, due in annual installments through September 1, 2025, bearing interest rates of 3.8% to 4.6%	855,000	-
2010 Certificates of Obligation Bonds, dated August 1, 2010, due in annual installments through September 1, 2030, bearing interest rates of 2.5% to 4%	1,405,000	-
2010 Waterworks and Sewer System Refunding Revenue Bonds, dated August 1, 2010, due in annual installments through September 1, 2020, bearing interest rates of 2% to 3%	-	380,000
2012 General Obligation Refunding Bonds, dated April 1, 2012, due in annual installments through September 1, 2023, bearing interest rates of 2% to 3%.	2,290,000	-
2013 General Obligation Refunding Bonds, dated August 29, 2013, due in annual installments through September 1, 2033, bearing interest rates of 2% to 4.1%	7,755,000	-
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	1,750,000	405,000
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%.	7,605,000	-

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 5. LONG-TERM DEBT – CONTINUED

	<u>Governmental</u>	<u>Business-type</u>
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	1,595,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	5,910,000	-
Premium on bonds	<u>477,503</u>	<u>12,106</u>
Total bonds payable	<u>\$ 28,227,503</u>	<u>\$ 2,392,106</u>

During 2016, the City issued \$1,610,000 in General Obligation Refunding Bonds with an interest rate of 1.98%. \$1,675,000 was used to advance refund the outstanding Series 2006 Waterworks and Sewer System Revenue Bonds. The net proceeds of \$1,571,226 (after payment of issuance costs) and City contribution of \$165,000 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the government-wide statements. There is no remaining outstanding principal at September 30, 2016 related to the refunded bonds. The refunding resulted in a decrease in the City's debt service payments of \$343,217, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$141,220.

During 2016, the City issued \$5,910,000 in General Obligation Refunding Bonds with an interest rate of 1.69%. The debt was issued to refund the Series 2006 General Obligation Refunding Bonds, Series 2006 Certificates of Obligation Bonds, and a portion of the Series 2007 Certificates of Obligation Bonds. The net proceeds of \$5,834,072 (after payment of issuance costs) and City contribution of \$118,455 were used to pay the outstanding balance on the refunded bonds. As a result, the refunded bonds are considered defeased, and the liabilities for those bonds have been removed from the government-wide statements. There is no remaining outstanding principal at September 30, 2016 related to the refunded bonds with the exception Series 2007 Certificates of Obligation Bonds. The refunding resulted in a decrease in the City's debt service payments of \$639,112, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of \$572,658.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT – CONTINUED

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2016:

	Balance October 1, 2015	Increases	Decreases	Balance September 30, 2016	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 23,515,000	\$ 5,910,000	\$ (4,115,000)	\$ 25,310,000	\$ 2,160,000
Certificates of obligation	6,440,000	-	(4,000,000)	2,440,000	330,000
Obligations under capital leases	532,759	-	(174,654)	358,105	177,570
Premiums on bonds	518,798	-	(41,295)	477,503	41,295
Total Governmental Activities	<u>\$ 31,006,557</u>	<u>\$ 5,910,000</u>	<u>\$ (8,330,949)</u>	<u>\$ 28,585,608</u>	<u>\$ 2,708,865</u>
Business-type Activities					
Revenue bonds	\$ 2,490,000	\$ -	\$ (2,110,000)	\$ 380,000	\$ 190,000
General obligation bonds	465,000	1,610,000	(75,000)	2,000,000	230,000
Premiums on bonds	17,294	-	(5,188)	12,106	5,188
Total Business-type Activities	<u>\$ 2,972,294</u>	<u>\$ 1,610,000</u>	<u>\$ (2,190,188)</u>	<u>\$ 2,392,106</u>	<u>\$ 425,188</u>

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

The annual requirements to amortize all debts outstanding as of September 30, 2016, are as follows:

General Obligation Bonds

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2017	2,160,000	673,584	2,833,584
2018	1,980,000	623,499	2,603,499
2019	2,030,000	582,769	2,612,769
2020	2,050,000	541,003	2,591,003
2021	1,745,000	495,178	2,240,178
2022-2026	7,640,000	1,870,125	9,510,125
2027-2031	4,750,000	1,026,273	5,776,273
2032-2036	2,955,000	223,393	3,178,393
	<u>\$25,310,000</u>	<u>\$ 6,035,824</u>	<u>\$31,345,824</u>

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 5. LONG-TERM DEBT – CONTINUED

Certificates of Obligation

Due Fiscal Year Ending September 30	Governmental Activities		
	Principal	Interest	Total
2017	330,000	94,490	424,490
2018	160,000	81,590	241,590
2019	165,000	75,990	240,990
2020	175,000	70,190	245,190
2021	185,000	63,860	248,860
2022-2026	935,000	204,594	1,139,594
2027-2031	490,000	50,000	540,000
	<u>\$ 2,440,000</u>	<u>\$ 640,714</u>	<u>\$ 3,080,714</u>

General Obligation Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2017	190,000	39,641	229,641
2018	195,000	35,872	230,872
2019	195,000	32,004	227,004
2020	200,000	28,138	228,138
2021	210,000	24,170	234,170
2022-2026	845,000	64,356	909,356
2027-2031	165,000	3,267	168,267
	<u>\$ 2,000,000</u>	<u>\$ 227,448</u>	<u>\$ 2,227,448</u>

Revenue Bonds

Due Fiscal Year Ending September 30	Business-type Activities		
	Principal	Interest	Total
2017	230,000	11,400	241,400
2018	50,000	4,500	54,500
2019	50,000	3,000	53,000
2020	50,000	1,500	51,500
	<u>\$ 380,000</u>	<u>\$ 20,400</u>	<u>\$ 400,400</u>

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 6. CAPITAL LEASE OBLIGATIONS

The City entered into a capital lease agreement in January 2014 for the purchase of a ladder fire truck. The leased property under capital lease is classified as equipment with the total capitalized cost of \$944,294 and an amortized value of approximately \$872,923 at September 30, 2016. Amortization expense has been included in depreciation expense for the year ended September 30, 2016.

The following is a schedule of future minimum payments under the capital leases together with the present value of the net minimum lease payments as of September 30, 2016.

Year Ending September 30	
2017	183,550
2018	183,550
	367,100
Less amount representing interest	8,995
	\$ 358,105

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 (\$137,935 for the General Fund and \$132,922 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. PENSION PLAN

Plan Description

The City of Saginaw participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits

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

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

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

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

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

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. PENSION PLAN – CONTINUED

Benefits-continued

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	45
Inactive employees entitled to but not yet receiving benefits	60
Active employees	144
	249

Contributions

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

Employees for the City of Saginaw were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 18.04% and 18.00% in calendar years 2015 and 2016, respectively. The city's contributions to TMRS for the year ended September 30, 2016, were \$1,416,758, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year	
Overall payroll growth	3.0% per year	
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation	

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Actuarial assumptions-continued

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 100%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. 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). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Actuarial assumptions-continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate

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

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. PENSION PLAN – CONTINUED

Net Pension Liability-Continued

Discount rate-continued

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at December 31, 2014	\$ 30,293,364	\$ 21,583,459	\$ 8,709,905
Changes for the year:			
Service cost	1,192,902	-	1,192,902
Interest	2,134,257	-	2,134,257
Change of benefit terms	-	-	-
Difference between expected and actual experience	(194,482)	-	(194,482)
Changes of assumptions	89,204	-	89,204
Contributions - employer	-	1,351,553	(1,351,553)
Contributions - employee	-	453,288	(453,288)
Net investment income	-	31,855	(31,855)
Benefit payments, including refunds of employee contributions	(800,864)	(800,864)	-
Administrative expense	-	(19,398)	19,398
Other changes	-	(958)	958
Net changes	2,421,017	1,015,476	1,405,541
Balance at December 31, 2015	<u>\$ 32,714,381</u>	<u>\$ 22,598,935</u>	<u>\$ 10,115,446</u>

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 15,168,382	\$ 10,115,448	\$ 5,989,723

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.tmrs.com.

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 8. PENSION PLAN – CONTINUED

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

For the year ended September 30, 2016, the City recognized pension expense of \$1,637,970.

At September 30, 2016, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ (509,205)
Changes in actuarial assumptions	75,156	-
Difference between projected and actual investment earnings	1,333,384	-
Contributions subsequent to the measurement date	1,067,264	-
Total	\$ 2,475,804	\$ (509,205)

\$1,067,264 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending December 30, 2016. 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:	
2016	\$ 254,585
2017	254,585
2018	254,585
2019	204,521
2020	(63,137)
Thereafter	(5,804)
Total	\$ 899,335

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 8. PENSION PLAN – CONTINUED

Supplemental Death Benefits

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

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

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

The City's contributions to the TMRS SDBF for the years ended 2016, 2015 and 2014 were \$12,760, \$11,147 and \$10,573, respectively, which equaled the required contributions each year.

NOTE 9. COMMITMENTS

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

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

**CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS**

NOTE 10. INTERFUND BALANCES AND TRANSFERS

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

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 593,000
General Fund	CCPD Fund	903,395
General Fund	Donations Fund	8,120
General Fund	Escrow Fund	5,151
General Fund	Drainage Utility Fund	122,900
Enterprise Fund	Drainage Utility Fund	41,595
Capital Project Fund	Drainage Utility Fund	44,818
Capital Project Fund	Donations Fund	24,423
Capital Project Fund	General Fund	24,423
		<u>\$ 1,767,825</u>

Transfers are primarily used to move funds from:

- The Enterprise Fund to the General Fund for vehicle maintenance expenses, operating expenses and franchise fees.
- The CCPD Fund to the General Fund for salaries and related expenses for eleven Officers, one Dispatcher, and half (1/2) of one of the School Resource Officers.
- The Donations Fund to the General Fund for two seasonal part-time library pages.
- The Escrow Fund to the General Fund for police over-time for bailiff duty.
- The Drainage Utility Fund to the General Fund and Enterprise Fund for salaries and related expenses.
- The Drainage Utility Fund to the Capital Projects Fund for costs related to the Saginaw Boulevard System II project.
- The Donations Fund to the Capital Projects Fund for costs related to the Skate Park Phase II project.
- The General Fund to the Capital Projects Fund for costs related to the Skate Park Phase II project.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 11. RISK MANAGEMENT

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

NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS

The GASB issued Statement No. 72, Fair Value Measurement, was effective for periods beginning after June 15, 2015. The objective of this Statement is to improve accounting and financial reporting related to fair value measurements. This Statement applies to all state and governmental entities. The implementation of this statement did not impact the City's financial statements.

The GASB issued Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements 67 and 68, which will be effective for periods beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

The GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans other than Pension Plans, which will be effective for periods beginning after June 15, 2016. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local OPEB plans for making decisions and assessing accountability. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its financial statements and will take the necessary steps to implement it.

CITY OF SAGINAW, TEXAS
NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 12. NEW ACCOUNTING PRONOUNCEMENTS– CONTINUED

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

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

The GASB issued Statement No. 78, Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans, which will be effective for periods beginning after December 15, 2015. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

The GASB issued Statement No. 79, Certain External Investment Pools and Pool Participants, which will be effective for periods beginning after December 15, 2015. The objective of this Statement addresses accounting and financial reporting for certain external investment pools and pool participants. This Statement applies to all state and governmental entities. The City will evaluate the impact of the standard on its Financial Statements and will take the necessary steps to implement it.

NOTE 13. SUBSEQUENT EVENTS

The City has evaluated all events and transactions that occurred after September 30, 2016 through January 12, 2017, the date the financial statements were issued.



City of Saginaw

REQUIRED SUPPLEMENTARY INFORMATION



City of Saginaw

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

	<u>2014</u>	<u>2015</u>
Total Pension Liability		
Service cost	\$ 1,094,648	\$ 1,192,902
Interest (on the total pension liability)	2,004,340	2,134,257
Changes of benefit terms	-	-
Difference between expected and actual experience	(494,746)	(194,482)
Change of assumptions	-	89,204
Benefit payments, including refunds of employee contributions	<u>(793,956)</u>	<u>(800,864)</u>
Net Change in Total Pension Liability	1,810,286	2,421,017
Total Pension Liability - Beginning	<u>28,483,078</u>	<u>30,293,364</u>
Total Pension Liability - Ending (a)	<u>\$ 30,293,364</u>	<u>\$ 32,714,381</u>
 Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,247,471	\$ 1,351,553
Contributions - Employee	433,652	453,288
Net investment income	1,120,846	31,855
Benefit payments, including refunds of employee contributions	(793,956)	(800,864)
Administrative expense	(11,699)	(19,398)
Other	<u>(962)</u>	<u>(958)</u>
Net Change in Plan Fiduciary Net Position	1,995,352	1,015,476
Plan Fiduciary Net Position - Beginning	<u>19,588,107</u>	<u>21,583,459</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 21,583,459</u>	<u>\$ 22,598,935</u>
Net Pension Liability - Ending (a) - (b)	\$ 8,709,905	\$ 10,115,446
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.25%	69.08%
Covered Employee Payroll	\$ 7,227,528	\$ 7,554,795
Net Pension Liability as a Percentage of Covered Employee Payroll	120.51%	133.89%

Other Information:

Notes

Only two 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**

	<u>2014</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 1,247,471	\$ 1,351,553
Contributions in relation to the actuarially determined contribution	<u>1,327,755</u>	<u>1,416,758</u>
Contribution deficiency (excess)	\$ (80,284)	\$ (65,205)
Covered employee payroll	\$ 7,227,528	\$ 7,554,795
Contributions as a percentage of covered employee payroll	18.37%	18.75%

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	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% 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 2015 valuation pursuant to an experience study of the period 2010 - 2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected

Other Information:

Notes There were no benefit changes during the year.

Only two 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 REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Over / (Under)
	Original	Final		
Revenues				
Taxes	\$ 9,709,525	\$ 9,959,525	\$10,124,958	\$ 165,433
Licenses and permits	375,000	705,000	740,192	35,192
Charges for services	80,000	80,000	83,000	3,000
Fines and fees	566,000	612,000	635,652	23,652
Interest income	4,000	24,000	32,068	8,068
Recreation income	500,000	500,000	487,081	(12,919)
Intergovernmental	174,010	183,145	178,257	(4,888)
Miscellaneous revenues	120,000	132,000	129,032	(2,968)
Total revenues	<u>11,528,535</u>	<u>12,195,670</u>	<u>12,410,240</u>	<u>214,570</u>
Expenditures				
Current				
General administrative office	1,512,565	1,512,565	1,492,131	(20,434)
Municipal court	202,835	202,835	184,973	(17,862)
Fire	3,145,440	3,154,575	3,177,233	22,658
Police	4,084,210	4,084,210	4,002,172	(82,038)
Public works	1,297,925	1,322,925	1,263,892	(59,033)
Parks	270,505	288,405	266,949	(21,456)
Recreation & community services	947,690	947,690	918,907	(28,783)
Library	547,645	547,645	537,893	(9,752)
Inspections/code enforcement	829,205	837,205	825,017	(12,188)
City garage	534,475	434,475	399,692	(34,783)
Economic development	57,700	57,700	50,197	(7,503)
Total expenditures	<u>13,430,195</u>	<u>13,390,230</u>	<u>13,119,056</u>	<u>(271,174)</u>
Excess (deficiency) of revenues over expenditures	(1,901,660)	(1,194,560)	(708,816)	485,744
Other financing sources (uses)				
Operating transfers in	1,632,215	1,632,215	1,632,566	351
Operating transfers out	(25,000)	(25,000)	(24,423)	577
Total other financing sources (uses)	<u>1,607,215</u>	<u>1,607,215</u>	<u>1,608,143</u>	<u>928</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(294,445)	412,655	899,327	486,672
Fund balances - beginning of year	<u>9,793,718</u>	<u>9,793,718</u>	<u>9,793,718</u>	<u>-</u>
Fund balances - end of year	<u>\$ 9,499,273</u>	<u>\$ 10,206,373</u>	<u>\$ 10,693,045</u>	<u>\$ 486,672</u>



City of Saginaw

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**



City of Saginaw

NON-MAJOR GOVERNMENTAL FUNDS

**CITY OF SAGINAW, TEXAS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016**

	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	\$ 9,520	\$ 407,970	\$ 1,076,982	\$ 1,234,517	\$ 294,910	\$ 753,690	\$ 3,777,589
Receivables							
Other	-	-	65,970	-	22,635	412,646	501,251
Taxes	-	175,879	-	64,216	-	-	240,095
TOTAL ASSETS AND OTHER DEBITS	\$ 9,520	\$ 583,849	\$ 1,142,952	\$ 1,298,733	\$ 317,545	\$ 1,166,336	\$ 4,518,935
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued liabilities	\$ -	\$ 1,715	\$ 857	\$ 14,856	\$ 1,473	\$ 5,971	\$ 24,872
Unearned revenue	-	-	-	-	22,635	-	22,635
Total liabilities	-	1,715	857	14,856	24,108	5,971	47,507
Fund balances							
Restricted							
Street maintenance	-	-	-	1,283,877	-	-	1,283,877
Crime prevention	9,520	582,134	-	-	-	-	591,654
Drainage	-	-	1,142,095	-	-	-	1,142,095
Other	-	-	-	-	-	1,160,365	1,160,365
Committed							
Donations	-	-	-	-	293,437	-	293,437
Total fund balances	9,520	582,134	1,142,095	1,283,877	293,437	1,160,365	4,471,428
TOTAL LIABILITIES, AND FUND BALANCES	\$ 9,520	\$ 583,849	\$ 1,142,952	\$ 1,298,733	\$ 317,545	\$ 1,166,336	\$ 4,518,935

CITY OF SAGINAW, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue						Total Other Governmental Funds
	Police Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Escrow Fund	
Revenues							
Taxes	\$ -	\$ 1,026,110	\$ -	\$ 366,504	\$ -	\$ 14,868	\$ 1,407,482
Fines and fees	-	-	-	-	-	21,094	21,094
Intergovernmental	-	1,722	-	-	-	-	1,722
Miscellaneous	1,361	-	-	-	158,923	721,409	881,693
Interest income	27	1,505	2,383	3,092	791	1,668	9,466
Drainage utility fees	-	-	591,978	-	-	-	591,978
Total revenues	1,388	1,029,337	594,361	369,596	159,714	759,039	2,913,435
Expenditures							
Current							
General operating	-	-	40,150	223,317	100,555	106,886	470,908
Police	-	73,374	-	-	-	-	73,374
Capital outlay	-	174,363	29,515	-	7,800	-	211,678
Total expenditures	-	247,737	69,665	223,317	108,355	106,886	755,960
Excess (deficiency) of revenues over expenditures	1,388	781,600	524,696	146,279	51,359	652,153	2,157,475
Other financing sources (uses)							
Transfers out	-	(903,395)	(209,313)	-	(32,543)	(5,151)	(1,150,402)
Total other financing sources (uses)	-	(903,395)	(209,313)	-	(32,543)	(5,151)	(1,150,402)
Net change in fund balances	1,388	(121,795)	315,383	146,279	18,816	647,002	1,007,073
Fund Balances - beginning of year	8,132	703,929	826,712	1,137,598	274,621	513,363	3,464,355
Fund Balances - end of year	<u>\$ 9,520</u>	<u>\$ 582,134</u>	<u>\$ 1,142,095</u>	<u>\$ 1,283,877</u>	<u>\$ 293,437</u>	<u>\$ 1,160,365</u>	<u>\$ 4,471,428</u>



City of Saginaw

SPECIAL REVENUE FUND

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

**CITY OF SAGINAW, TEXAS
COMPARATIVE BALANCE SHEETS
SAGINAW CRIME CONTROL AND PREVENTION DISTRICT FUND
SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Deposits and investments	\$ 407,970	\$ 531,791
Receivables		
Taxes, net	<u>175,879</u>	<u>172,991</u>
TOTAL ASSETS	<u>\$ 583,849</u>	<u>\$ 704,782</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable and accrued liabilities	<u>\$ 1,715</u>	<u>\$ 853</u>
Total liabilities	1,715	853
Fund balances		
Restricted for crime prevention	<u>582,134</u>	<u>703,929</u>
Total fund balances	<u>582,134</u>	<u>703,929</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 583,849</u>	<u>\$ 704,782</u>

CITY OF SAGINAW, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
SAGINAW CRIME CONTROL AND PREVENTION DISTRICT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2015
	Original	Final			
Revenues					
Sales taxes	\$ 990,000	\$ 990,000	\$ 1,026,110	\$ 36,110	\$ 1,015,424
Intergovernmental	-	1,720	1,722	2	69,209
Interest income	220	220	1,505	1,285	310
Total revenues	990,220	991,940	1,029,337	37,397	1,084,943
Expenditures					
Uniforms	6,300	6,300	6,754	(454)	5,418
Data processing	48,000	48,000	39,312	8,688	45,543
Officer supplies and equipment	2,000	2,000	1,710	290	240
Books	3,500	3,500	2,850	650	2,850
Crime prevention supplies	2,000	2,000	980	1,020	1,085
Maintenance and repairs	-	-	11,209	(11,209)	15,694
Tactical employee training	13,500	13,500	10,559	2,941	10,518
Capital outlay	182,000	182,000	174,363	7,637	278,360
Total expenditures	257,300	257,300	247,737	9,563	359,708
Excess (deficiency) of revenues over expenditures	732,920	734,640	781,600	46,960	725,235
Other financing sources (uses)					
Operating transfers out	(903,395)	(903,395)	(903,395)	-	(848,630)
Total other financing sources (uses)	(903,395)	(903,395)	(903,395)	-	(848,630)
Net change in fund balance	(170,475)	(168,755)	(121,795)	46,960	(123,395)
Fund Balances - beginning of year	703,929	703,929	703,929	-	827,324
Fund Balances - end of year	\$ 533,454	\$ 535,174	\$ 582,134	\$ 46,960	\$ 703,929



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, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Deposits and investments	\$1,309,702	\$ 1,473,530
Receivables		
Taxes, net of allowance	<u>15,743</u>	<u>15,237</u>
TOTAL ASSETS	<u>\$1,325,445</u>	<u>\$ 1,488,767</u>
DEFERRED INFLOWS AND FUND BALANCES		
Liabilities		
Accounts payable and accrued liabilities	<u>3,000</u>	<u>-</u>
Total liabilities	3,000	-
Deferred inflows of resources		
Unavailable revenue - property taxes	<u>15,742</u>	<u>15,236</u>
Total deferred inflows of resources	15,742	15,236
Fund balance		
Restricted for debt service	<u>1,306,703</u>	<u>1,473,531</u>
Total fund balances	<u>1,306,703</u>	<u>1,473,531</u>
TOTAL DEFERRED INFLOWS AND FUND BALANCES	<u>\$1,325,445</u>	<u>\$ 1,488,767</u>

CITY OF SAGINAW, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2015
	Original	Final			
Revenues					
Current and delinquent general property tax - debt service portion	\$ 3,285,890	\$ 3,285,890	\$ 3,338,828	\$ 52,938	\$ 2,695,642
Penalties, interest and fees on delinquent taxes	6,000	6,000	6,470	470	9,096
Interest income	1,000	8,000	9,612	1,612	1,540
Total revenues	3,292,890	3,299,890	3,354,910	55,020	2,706,278
Expenditures					
Bond principal payments	2,325,000	2,365,000	2,367,869	(2,869)	1,817,035
Capital lease principal payments	174,655	174,655	171,785	2,870	239,750
Total principal payments	2,499,655	2,539,655	2,539,654	1	2,056,785
Bond interest	1,059,590	964,090	842,763	121,327	814,745
Capital lease and note interest	8,900	8,900	11,766	(2,866)	10,250
Fiscal charges and debt issuance costs	8,500	200,500	203,483	(2,983)	4,000
Total interest payments	1,076,990	1,173,490	1,058,012	115,478	828,995
Total expenditures	3,576,645	3,713,145	3,597,666	115,479	2,885,780
Excess (deficiency) of revenues over expenditures	(283,755)	(413,255)	(242,756)	170,499	(179,502)
Other financing sources (uses)					
Operating transfers in	69,255	-	-	-	-
Proceeds from bond refunding	-	5,910,000	5,910,000	-	-
Premium on bond issuance	-	-	-	-	2,422
Payment on bond refunding	-	(5,835,000)	(5,834,072)	928	-
Total other financing sources (uses)	69,255	75,000	75,928	928	2,422
Net change in fund balance	(214,500)	(338,255)	(166,828)	171,427	(177,080)
Fund Balances - beginning of year	1,473,531	1,473,531	1,473,531	-	1,650,611
Fund Balances - end of year	\$ 1,259,031	\$ 1,135,276	\$ 1,306,703	\$ 171,427	\$ 1,473,531



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, 2016 AND 2015**

	2016	2015
ASSETS		
Current assets		
Deposits and investments	\$ 8,294,033	\$ 8,437,760
Deposits and investments-restricted	444,944	421,162
Receivables		
Accounts receivable, net of allowance of \$55,055 in 2016 and \$57,626 in 2015	591,285	693,949
Unbilled accounts	470,684	513,078
Other	24,335	-
Total current assets	9,825,281	10,065,949
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	32,720,816	31,844,644
Machinery and equipment	1,441,442	1,487,154
Construction in progress	665,925	564,465
Accumulated depreciation	(11,099,183)	(10,949,089)
Total capital assets, net of accumulated depreciation	23,900,244	23,118,418
Deposits and investments-restricted	579,828	554,245
Total noncurrent assets	24,480,072	23,672,663
Total assets	34,305,353	33,738,612
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding Related to the TMRS pension	106,451	64,040
	265,518	122,021
Total Deferred outflows of resources	371,969	186,061
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	912,816	781,359
Accrued interest	4,254	9,665
Revenue bonds payable	425,188	500,188
Total current liabilities	1,342,258	1,291,212
Noncurrent liabilities		
Revenue bonds payable	1,966,918	2,472,106
Customer deposits	579,828	554,245
Net pension liability	1,071,081	916,471
Total noncurrent liabilities	3,617,827	3,942,822
Total liabilities	4,960,085	5,234,034
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	54,005	44,198
Total deferred inflows of resources	54,005	44,198
NET POSITION		
Net investment in capital assets	21,614,589	20,146,124
Restricted for		
Revenue bond retirement	444,944	421,162
Unrestricted		
Undesignated	7,603,699	8,079,155
Total net position	\$ 29,663,232	\$ 28,646,441

**CITY OF SAGINAW, TEXAS
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Operating revenue		
Water and sewer sales	\$ 7,577,309	\$ 7,723,335
Penalties	110,129	118,112
Surcharges	1,155,966	1,242,310
Miscellaneous	86,185	95,004
	<u>8,929,589</u>	<u>9,178,761</u>
 Operating expenses		
Cost of sales and services	5,471,503	5,013,457
Administrative	1,949,416	1,603,701
Depreciation	709,130	698,580
	<u>8,130,049</u>	<u>7,315,738</u>
 Operating income	799,540	1,863,023
 Nonoperating revenues (expenses)		
Investment income	26,998	4,529
Gain (Loss) on sale of machinery and equipment	(119,242)	(25,338)
Interest expense and agent fees	(106,371)	(128,904)
	<u>(198,615)</u>	<u>(149,713)</u>
 Income before contributions and transfers	600,925	1,713,310
 Capital contributions and transfers		
Capital contributions	385,383	586,183
Impact and tap fees	581,888	454,313
Transfers out	(593,000)	(604,855)
Transfers in	41,595	40,735
	<u>415,866</u>	<u>476,376</u>
 Changes in net position	1,016,791	2,189,686
 Net Position, beginning of year (as restated)	<u>28,646,441</u>	<u>26,456,755</u>
 Net Position, end of year	<u>\$ 29,663,232</u>	<u>\$ 28,646,441</u>

**CITY OF SAGINAW, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 9,075,895	\$ 9,124,371
Cash paid to employees	(801,789)	(823,514)
Cash paid to suppliers	<u>(6,466,753)</u>	<u>(5,602,229)</u>
Net cash provided by operating activities	1,807,353	2,698,628
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(593,000)	(2,519,690)
Transfer from other funds	<u>41,595</u>	<u>1,955,570</u>
Net cash used in noncapital financing activities	(551,405)	(564,120)
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Impact and tap fees	581,888	454,313
Proceeds from the issuance of bonds	1,610,000	-
Principal paid on revenue bonds	(2,185,000)	(480,000)
Purchase of capital assets	(1,424,815)	(731,506)
Interest	(96,655)	(119,342)
Deferred charge for refunding	(61,226)	-
Fiscal agent fees	(1,500)	(1,500)
Contributions	<u>200,000</u>	<u>-</u>
Net cash used in capital and related financing activities	(1,377,308)	(878,035)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>26,998</u>	<u>4,529</u>
Net cash provided by investing activities	<u>26,998</u>	<u>4,529</u>
Net change in cash	(94,362)	1,261,002
Cash and Cash Equivalents at the beginning of the year	<u>9,413,167</u>	<u>8,152,165</u>
Cash and Cash Equivalents at the end of the year	<u>\$ 9,318,805</u>	<u>\$ 9,413,167</u>

**CITY OF SAGINAW, TEXAS
COMPARATIVE STATEMENT OF CASH FLOWS – CONTINUED
ENTERPRISE FUND
FOR THE YEARS ENDED SEPTEMBER 30, 2016 AND 2015**

			2016	2015
	Current	Restricted Assets	Statement of Cash Flows Totals	Statement of Cash Flows Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE BALANCE SHEET				
Cash and cash equivalents - beginning balance	\$ 8,437,760	\$ 975,407	\$ 9,413,167	\$ 8,152,165
Net increase (decrease)	(143,727)	49,365	(94,362)	1,261,002
Cash and cash equivalents - ending	\$ 8,294,033	\$ 1,024,772	\$ 9,318,805	\$ 9,413,167
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income			\$ 799,540	\$ 1,863,024
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation			709,130	698,580
Decrease (Increase) in accounts receivable			120,723	(71,159)
Increase in deferred outflows of resources-pension			(143,497)	(24,935)
Increase in accounts payable and accrued expenses			131,457	191,624
Increase in customer deposits			25,583	16,769
Increase (Decrease) in net pension liability			154,610	(19,473)
Increase in deferred inflows of resources-pension			9,807	44,198
Net cash provided by operating activities			\$ 1,807,353	\$ 2,698,628
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers			\$ 185,383	\$ 586,183



City of Saginaw

STATISTICAL SECTION
(Unaudited)



City of Saginaw

STATISTICAL SECTION

(Unaudited)

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	67-76
Revenue Capacity These schedules contain information to help the reader assess one of the government's most significant local source revenues, property taxes.	77-80
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	81-85
Demographic and Economic Information This schedule offers demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	86-87
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provides and the activities it performs.	88-90

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities				
Net investment in capital assets	\$ 43,470,367	\$ 42,189,355	\$ 41,370,363	\$ 42,319,951
Restricted	836,097	976,011	852,265	1,300,786
Unrestricted	11,355,703	12,696,515	12,736,406	13,800,224
Total governmental activities net assets	<u>\$ 55,662,167</u>	<u>\$ 55,861,881</u>	<u>\$ 54,959,034</u>	<u>\$ 57,420,961</u>
Business-type activities				
Net investment in capital assets	\$ 13,210,135	\$ 15,203,616	\$ 16,275,619	\$ 15,624,168
Restricted	1,218,878	513,882	518,066	577,205
Unrestricted	7,922,263	7,090,928	5,888,777	6,249,006
Total business-type activities net assets	<u>\$ 22,351,276</u>	<u>\$ 22,808,426</u>	<u>\$ 22,682,462</u>	<u>\$ 22,450,379</u>
Primary government				
Net investment in capital assets	\$ 56,680,502	\$ 57,392,971	\$ 57,645,982	\$ 57,944,119
Restricted	2,054,975	1,489,893	1,370,331	1,877,991
Unrestricted	19,277,966	19,787,443	18,625,183	20,049,230
Total primary government assets	<u>\$ 78,013,443</u>	<u>\$ 78,670,307</u>	<u>\$ 77,641,496</u>	<u>\$ 79,871,340</u>

*2013 restated for GASB 65

TABLE 1

2011	2012	2013*	2014	2015	2016
\$ 44,362,424	\$ 45,854,628	\$ 48,872,324	\$ 52,280,544	\$ 55,375,158	\$ 56,038,750
1,348,022	1,384,617	1,828,513	1,596,119	1,416,987	1,267,190
13,807,108	14,302,944	11,624,828	13,139,145	5,701,871	7,709,276
<u>\$ 59,517,554</u>	<u>\$ 61,542,189</u>	<u>\$ 62,325,665</u>	<u>\$ 67,015,808</u>	<u>\$ 62,494,016</u>	<u>\$ 65,015,216</u>
\$ 16,165,325	\$ 16,699,361	\$ 17,623,648	\$ 19,067,165	\$ 20,210,164	\$ 21,614,589
436,461	437,166	420,735	420,905	421,162	444,944
6,504,546	7,008,669	6,628,613	7,726,467	8,015,115	7,603,699
<u>\$ 23,106,332</u>	<u>\$ 24,145,196</u>	<u>\$ 24,672,996</u>	<u>\$ 27,214,537</u>	<u>\$ 28,646,441</u>	<u>\$ 29,663,232</u>
\$ 60,527,749	\$ 62,553,989	\$ 66,495,972	\$ 71,347,709	\$ 75,585,322	\$ 77,653,339
1,784,483	1,821,783	2,249,248	2,017,024	1,838,149	1,712,134
20,311,654	21,311,613	18,253,441	20,865,612	13,716,986	15,312,975
<u>\$ 82,623,886</u>	<u>\$ 85,687,385</u>	<u>\$ 86,998,661</u>	<u>\$ 94,230,345</u>	<u>\$ 91,140,457</u>	<u>\$ 94,678,448</u>

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

	2007	2008	2009	2010
Expenses				
Governmental activities:				
General administrative office	\$ 1,510,834	\$ 1,826,087	\$ 1,913,944	\$ 2,262,203
Municipal court	173,795	205,773	220,745	225,191
Fire	2,357,074	2,809,960	2,735,528	2,672,742
Police	3,383,062	3,452,302	3,519,529	3,667,446
Public works	3,720,923	3,524,022	3,440,255	3,058,371
Parks *	-	-	-	-
Recreation	1,144,105	1,108,337	1,269,148	1,086,742
Library	570,070	599,434	563,843	569,505
Inspection	468,160	510,912	542,983	579,670
Janitorial	62,883	57,001	-	-
Fleet maintenance	426,217	556,402	426,987	440,832
Economic development	38,076	40,478	30,808	12,439
Interest on long term debt	1,033,565	1,087,088	1,049,129	1,042,557
Total governmental activities	<u>14,888,764</u>	<u>15,777,796</u>	<u>15,712,899</u>	<u>15,617,698</u>
Business-type activities				
Water and wastewater	7,130,097	6,044,664	6,265,358	6,784,699
Total business-type activities	<u>7,130,097</u>	<u>6,044,664</u>	<u>6,265,358</u>	<u>6,784,699</u>
Total Primary government expenses	<u>22,018,861</u>	<u>21,822,460</u>	<u>21,978,257</u>	<u>22,402,397</u>
Program Revenues				
Governmental activities:				
Fines, Fees and charges for Services				
General administrative office	-	-	-	-
Municipal court	471,283	421,785	422,800	436,988
Fire	74,250	80,625	73,125	75,250
Police	5,615	6,505	5,536	4,359
Public works	425,386	427,491	446,975	421,802
Recreation	592,727	638,931	650,111	640,832
Library	28,630	23,041	31,654	28,357
Inspection	358,065	296,169	344,831	346,402
Operating Grants and Contributions				
Fire	85,801	374,297	541,018	310,411
Police	109,999	73,477	86,959	80,824
Public Works	-	-	-	-
Capital Grants and Contributions				
Public works	87,083	-	-	2,771,279
Total governmental activities program revenues	<u>\$ 2,238,839</u>	<u>\$ 2,342,321</u>	<u>\$ 2,603,009</u>	<u>\$ 5,116,504</u>

* Prior to 2013 Parks was included in Recreation

TABLE 2
(PAGE 1 OF 2)

2011	2012	2013*	2014	2015	2016
\$ 2,401,322	\$ 2,214,653	\$ 2,385,797	\$ 2,343,593	\$ 2,126,569	\$ 2,060,595
200,323	193,082	185,237	200,512	184,794	186,864
2,713,654	2,864,618	2,858,957	2,955,138	3,284,144	3,242,317
3,698,868	3,848,768	3,860,896	4,038,792	4,230,644	4,434,955
3,301,972	3,177,703	3,465,002	2,895,713	3,422,440	3,435,053
-	-	195,900	208,076	226,152	294,992
1,168,490	1,078,909	969,556	985,348	1,076,881	1,076,293
558,945	524,847	540,261	548,383	564,913	591,580
589,130	565,326	583,930	603,213	716,049	824,509
-	-	-	-	-	-
538,987	566,689	546,241	573,011	531,903	439,379
142	14,504	64,779	35,860	19,363	50,197
1,015,329	866,299	1,162,182	916,082	942,168	994,113
16,187,162	15,915,398	16,818,738	16,303,721	17,326,020	17,630,847
6,464,532	6,972,839	7,241,735	7,068,008	7,469,979	8,355,662
6,464,532	6,972,839	7,241,735	7,068,008	7,469,979	8,355,662
22,651,694	22,888,237	24,060,473	23,371,729	24,795,999	25,986,509
-	-	-	-	40,118	63,426
408,017	476,100	459,209	543,001	561,382	441,298
79,250	80,000	80,226	80,000	80,000	83,000
3,889	4,814	3,850	3,880	4,248	4,314
430,697	431,564	563,194	577,267	583,358	592,078
659,004	669,578	680,961	652,176	670,826	646,004
19,379	17,730	18,668	20,499	18,982	16,260
311,149	296,414	377,646	433,586	740,778	939,380
151,412	76,328	57,337	77,426	24,992	29,134
76,223	156,535	75,477	97,557	209,835	150,845
-	84,999	-	-	-	-
3,080,767	1,959,028	1,271,666	3,854,521	1,457,517	1,549,780
\$ 5,219,787	\$ 4,253,090	\$ 3,588,234	\$ 6,339,913	\$ 4,392,036	\$ 4,515,519

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

	2007	2008	2009	2010
Business-type activities				
Charges for services				
Water and wastewater	\$ 5,948,134	\$ 6,497,059	\$ 6,550,174	\$ 6,802,875
Capital Grants and Contributions	586,282	287,675	94,633	564,691
Total business-type activities program revenues	<u>6,534,416</u>	<u>6,784,734</u>	<u>6,644,807</u>	<u>7,367,566</u>
Total primary government program revenues	<u>8,773,255</u>	<u>9,127,055</u>	<u>9,247,816</u>	<u>12,484,070</u>
Net (Expenses) Revenue				
Governmental Activities	(12,649,925)	(13,435,475)	(13,109,890)	(10,501,194)
Business-type Activities	(595,681)	740,070	379,449	582,867
Total Primary governmental net expenses	<u>(13,245,606)</u>	<u>(12,695,405)</u>	<u>(12,730,441)</u>	<u>(9,918,327)</u>
General Revenues				
and Other Changes in Net Assets				
Governmental Activities:				
Taxes:				
Ad valorem	5,018,022	5,152,750	5,060,742	5,456,995
Sales	5,551,551	5,786,363	4,829,521	5,002,665
Franchise taxes	1,171,259	1,258,549	1,295,929	1,256,027
Other taxes	13,577	13,437	13,580	13,773
Penalties and interest	25,359	10,778	16,990	12,622
Interest income	804,852	591,222	145,855	39,895
Gain (Loss) on sale of assets	39,735	14,166	13,030	29,731
Miscellaneous revenues	535,813	220,521	211,380	185,473
Transfers	621,341	587,323	620,016	965,950
Total Governmental Activities	<u>13,781,509</u>	<u>13,635,109</u>	<u>12,207,043</u>	<u>12,963,131</u>
Business-type Activities:				
Interest income	449,755	229,860	69,807	15,898
Gain on Sale of Assets	-	-	-	31,087
Miscellaneous revenues	62,406	74,543	44,796	104,015
Transfers	(621,341)	(587,323)	(620,016)	(965,950)
Total Business-type Activities	<u>(109,180)</u>	<u>(282,920)</u>	<u>(505,413)</u>	<u>(814,950)</u>
Total Primary Government	<u>13,672,329</u>	<u>13,352,189</u>	<u>11,701,630</u>	<u>12,148,181</u>
Changes in Net Assets				
Governmental Activities	1,131,584	199,634	(902,847)	2,461,937
Business-type Activities	(704,861)	457,150	(125,964)	(232,083)
Total Primary Government	<u>\$ 426,723</u>	<u>\$ 656,784</u>	<u>\$ (1,028,811)</u>	<u>\$ 2,229,854</u>

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

TABLE 2
(PAGE 2 of 2)

2011	2012	2013*	2014	2015	2016
\$ 7,973,010	\$ 8,374,910	\$ 8,419,089	\$ 8,910,914	\$ 8,965,645	\$ 8,733,275
76,931	389,921	88,737	1,461,468	1,040,496	967,271
8,049,941	8,764,831	8,507,826	10,372,382	10,006,141	9,700,546
13,269,728	13,017,921	12,096,060	16,712,295	14,398,177	14,216,065
(10,967,375)	(11,662,308)	(13,230,504)	(9,963,808)	(12,933,984)	(13,115,328)
1,585,409	1,791,992	1,266,091	3,304,374	2,536,162	1,344,884
(9,381,966)	(9,870,316)	(11,964,413)	(6,659,434)	(10,397,822)	(11,770,444)
5,436,698	5,758,607	5,750,493	6,277,304	6,506,284	7,201,098
4,986,291	5,365,461	5,528,937	5,709,850	5,786,769	5,790,661
1,332,768	1,552,095	1,503,183	1,420,451	1,851,551	1,839,384
11,791	14,968	82,634	18,682	32,116	28,626
19,516	8,350	21,585	21,965	13,367	15,202
23,208	20,389	16,172	7,587	11,883	84,200
23,609	-	-	26,704	-	-
200,262	120,803	201,147	206,735	110,595	125,952
1,029,825	846,270	909,829	964,673	564,120	551,405
13,063,968	13,686,943	14,013,980	14,653,951	14,876,685	15,636,528
8,544	5,892	7,146	2,508	4,529	26,998
2,356	2,835	12,000	9,365	-	-
89,469	84,415	152,392	189,967	213,116	196,314
(1,029,825)	(846,270)	(909,829)	(964,673)	(564,120)	(551,405)
(929,456)	(753,128)	(738,291)	(762,833)	(346,475)	(328,093)
12,134,512	12,933,815	13,275,689	13,891,118	14,530,210	15,308,435
2,096,593	2,024,635	783,476	4,690,143	1,942,701	2,521,200
655,953	1,038,864	527,800	2,541,541	2,189,687	1,016,791
\$ 2,752,546	\$ 3,063,499	\$ 1,311,276	\$ 7,231,684	\$ 4,132,388	\$ 3,537,991

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

	2007	2008	2009	2010
General Fund				
Unreserved	\$ 9,670,921	\$ 10,300,997	\$ 9,989,714	\$ 10,886,568
Restricted				
Capital projects	-	-	-	-
Municipal court	-	-	-	-
Hotel/motel tax	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 9,670,921</u>	<u>\$ 10,300,997</u>	<u>\$ 9,989,714</u>	<u>\$ 10,886,568</u>
All Other Governmental Funds				
Reserved for:				
Reserved for construction	\$ 5,421,657	\$ 4,047,653	\$ 4,239,749	\$ 4,277,000
Reserved for debt service	789,622	943,269	900,810	1,121,903
Reserved for police department	9,756	6,467	7,510	7,916
Reserved for Saginaw CCPD	867,248	1,226,873	1,056,041	989,063
Reserved for drainage projects	417,401	525,041	637,247	718,018
Reserved for street maintenance projects	-	185,857	451,055	403,583
Reserved for animal control	-	-	3,173	4,322
Reserved for parks	-	-	24,602	24,508
Reserved for library	-	-	111,469	141,204
Reserved for beautification	-	-	78,367	105,389
Reserved for senior center	-	-	-	670
Reserved for fire	-	-	603	2,970
Restricted				
Debt service	-	-	-	-
Capital projects	-	-	-	-
Street maintenance	-	-	-	-
Crime prevention	-	-	-	-
Drainage	-	-	-	-
Other	-	-	-	-
Committed				
Donations	-	-	-	-
Total all other governmental funds	<u>\$ 7,505,684</u>	<u>\$ 6,935,160</u>	<u>\$ 7,510,626</u>	<u>\$ 7,796,546</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

2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
403,681	403,681	403,681	403,681	-	-
177,709	178,379	142,419	146,224	-	-
22,280	24,814	17,385	18,723	-	-
1,512,180	2,222,595	383,370	509,935	294,445	537,510
9,169,052	8,477,945	8,637,536	8,598,487	9,499,273	10,155,535
<u>\$ 11,284,902</u>	<u>\$ 11,307,414</u>	<u>\$ 9,584,391</u>	<u>\$ 9,677,050</u>	<u>\$ 9,793,718</u>	<u>\$ 10,693,045</u>

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,184,312	1,350,299	1,495,776	1,650,611	1,473,531	1,306,703
1,795,653	1,802,072	8,138,595	7,077,353	12,799,557	10,566,997
482,269	666,275	721,837	900,917	1,137,598	1,283,877
948,234	838,641	836,825	853,451	712,061	591,654
928,878	924,869	1,139,878	1,234,069	826,712	1,142,095
-	-	-	-	513,363	1,160,365
319,242	357,682	323,967	336,101	274,621	293,437
<u>\$ 5,658,588</u>	<u>\$ 5,939,838</u>	<u>\$ 12,656,878</u>	<u>\$ 12,052,502</u>	<u>\$ 17,737,443</u>	<u>\$ 16,345,128</u>

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

	2007	2008	2009	2010
Revenues:				
Taxes	\$ 11,752,870	\$ 12,241,907	\$ 11,395,798	\$ 11,759,167
Licenses and permits	338,520	272,611	305,000	303,744
Charges for services	500,938	500,405	520,100	497,052
Fines and fees	551,067	492,737	499,821	508,003
Interest income	804,852	591,222	145,855	39,895
Recreation income	528,746	569,487	544,513	487,707
Intergovernmental	-	-	-	-
Miscellaneous revenues	833,394	741,769	957,983	3,377,019
Total revenues	<u>15,310,387</u>	<u>15,410,138</u>	<u>14,369,070</u>	<u>16,972,587</u>
Expenditures:				
Current:				
General administrative office	1,505,262	1,803,525	1,855,477	2,202,389
Municipal court	173,396	205,373	216,990	219,898
Fire	2,428,970	2,630,835	2,552,394	2,540,632
Police	2,863,106	3,240,527	3,350,395	3,370,025
Public works	1,203,546	924,431	1,261,954	890,697
Parks *	-	-	-	-
Recreation	999,445	987,201	1,051,504	841,511
Library	520,671	497,036	523,068	512,830
Inspection	471,479	494,175	524,837	555,629
Janitorial	62,883	57,001	-	-
City garage	432,394	554,219	422,368	435,274
Economic development	38,076	40,478	28,571	12,439
Capital outlay	4,187,891	1,630,028	1,227,084	4,476,313
Bond sale expense	-	-	-	-
Debt Service:				
Principal retirement	1,570,253	1,825,148	1,907,758	1,452,094
Interest charges	971,387	1,044,075	1,004,545	993,891
Fiscal agent's fees and debt issuance costs	77,566	3,857	37,958	42,141
Total expenditures	<u>17,506,325</u>	<u>15,937,909</u>	<u>15,964,903</u>	<u>18,545,763</u>
Excess (deficiency) of revenues over expenditures	<u>(2,195,938)</u>	<u>(527,771)</u>	<u>(1,595,833)</u>	<u>(1,573,176)</u>
Other financing sources (uses)				
Capital lease proceeds	-	-	-	-
Proceeds from issuance of debt	5,823,698	-	1,240,000	1,790,000
Proceeds on refunding bonds	-	-	-	-
Premium on bond issuance	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers in	1,244,685	1,548,513	1,835,464	2,013,286
Transfers out	(623,344)	(961,190)	(1,215,448)	(1,047,336)
Total other financing sources (uses)	<u>6,445,039</u>	<u>587,323</u>	<u>1,860,016</u>	<u>2,755,950</u>
Net change in fund balances	<u>\$ 4,249,101</u>	<u>\$ 59,552</u>	<u>\$ 264,183</u>	<u>\$ 1,182,774</u>
Debt service as a percentage of noncapital expenditures	19.83%	20.53%	21.08%	18.11%

* Prior to 2013 Parks was included in Recreation

TABLE 4

2011	2012	2013	2014	2015	2016
\$11,796,561	\$12,695,493	\$12,899,890	\$13,444,020	\$14,192,838	\$14,877,738
208,259	263,964	248,764	329,948	627,876	740,192
509,947	511,564	643,420	657,267	663,358	674,978
530,286	526,280	606,759	667,138	693,266	656,746
23,208	20,389	16,172	7,587	11,883	84,200
526,158	530,051	519,857	494,346	512,677	487,081
-	-	-	568,262	234,827	179,979
3,669,006	1,133,483	1,770,581	376,048	321,110	1,010,725
<u>17,263,425</u>	<u>15,681,224</u>	<u>16,705,443</u>	<u>16,544,616</u>	<u>17,257,835</u>	<u>18,711,639</u>
2,412,083	2,648,603	2,343,521	2,301,845	2,191,774	1,963,039
196,849	191,515	184,091	199,451	185,158	184,973
2,419,816	2,615,170	2,671,135	3,694,807	2,932,965	3,177,233
3,417,127	3,563,149	3,571,926	3,753,226	3,967,015	4,075,546
973,762	1,353,299	1,497,039	884,006	1,268,270	1,263,892
-	-	200,943	227,791	240,528	266,949
927,060	848,830	737,735	753,421	861,581	918,907
501,277	470,013	488,445	496,461	520,281	537,893
572,152	554,909	602,180	587,047	705,189	825,017
-	-	-	-	-	-
522,760	525,903	508,511	533,557	493,996	399,692
142	14,504	64,779	35,860	19,363	50,197
5,582,508	979,538	5,343,768	2,327,457	3,750,868	2,570,956
-	-	-	-	-	-
1,524,223	1,610,000	1,700,000	2,214,750	2,056,785	2,539,654
977,169	836,587	679,214	910,722	824,995	854,529
-	-	-	-	-	-
5,946	104,626	183,823	44,188	132,294	203,483
<u>20,032,874</u>	<u>16,316,646</u>	<u>20,777,110</u>	<u>18,964,589</u>	<u>20,151,062</u>	<u>19,831,960</u>
<u>(2,769,449)</u>	<u>(635,422)</u>	<u>(4,071,667)</u>	<u>(2,419,973)</u>	<u>(2,893,227)</u>	<u>(1,120,321)</u>
-	-	-	944,294	-	-
-	-	7,895,000	-	8,000,000	-
-	92,914	1,180,000	2,130,000	-	5,910,000
-	-	302,597	-	130,716	-
-	-	(1,221,742)	(2,130,711)	-	(5,834,072)
1,980,360	1,813,360	4,011,199	2,827,420	3,713,702	1,726,230
<u>(950,535)</u>	<u>(967,090)</u>	<u>(3,101,370)</u>	<u>(1,862,747)</u>	<u>(3,149,582)</u>	<u>(1,174,825)</u>
<u>1,029,825</u>	<u>939,184</u>	<u>9,065,684</u>	<u>1,908,256</u>	<u>8,694,836</u>	<u>627,333</u>
<u>\$ (1,739,624)</u>	<u>\$ 303,762</u>	<u>\$ 4,994,017</u>	<u>\$ (511,717)</u>	<u>\$ 5,801,609</u>	<u>\$ (492,988)</u>
17.49%	16.56%	15.50%	20.02%	17.86%	20.02%

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

TABLE 5

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>% of Current Tax Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>% of Total Tax Collections to Tax Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>% of Delinquent Taxes to Tax Levy</u>
2006/07	4,992,355	4,922,329	98.6%	63,781	4,986,110	99.9%	6,245	0.1%
2007/08	5,138,154	5,081,928	98.9%	48,095	5,130,023	99.8%	8,131	0.2%
2008/09	5,241,665	5,170,741	98.6%	63,488	5,234,229	99.9%	7,436	0.1%
2009/10	5,444,770	5,390,942	99.0%	43,924	5,434,866	99.8%	9,904	0.2%
2010/11	5,436,187	5,391,855	99.2%	37,209	5,429,064	99.9%	7,123	0.1%
2011/12	5,724,960	5,691,320	99.4%	25,736	5,717,056	99.9%	7,904	0.1%
2012/13	5,739,750	5,704,489	99.4%	27,766	5,732,255	99.9%	7,495	0.1%
2013/14	6,223,951	6,184,458	99.4%	28,156	6,212,614	99.8%	11,337	0.2%
2014/15	6,484,972	6,448,230	99.4%	23,890	6,472,119	99.8%	12,852	0.2%
2015/16	7,175,560	7,141,585	99.5%	0	7,141,585	99.5%	33,975	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	
2006/07	819,132,647	819,132,647	206,343,896	206,343,896	1,025,476,543	1,025,476,543	0.487
2007/08	881,908,837	881,908,837	235,213,300	235,213,300	1,117,122,137	1,117,122,137	0.456
2008/09	892,955,279	892,955,279	235,076,728	235,076,728	1,128,032,007	1,128,032,007	0.446
2009/10	873,263,617	873,263,617	264,608,841	264,608,841	1,137,872,458	1,137,872,458	0.449
2010/11	867,157,651	867,157,651	245,208,785	245,208,785	1,112,366,436	1,112,366,436	0.484
2011/12	889,390,320	889,390,320	303,309,705	303,309,705	1,192,700,025	1,192,700,025	0.480
2012/13	863,406,401	863,406,401	300,718,127	300,718,127	1,164,124,528	1,164,124,528	0.490
2013/14	896,517,649	896,517,649	322,802,502	322,802,502	1,219,320,151	1,219,320,151	0.510
2014/15	956,608,601	956,608,601	319,120,061	319,120,061	1,275,728,662	1,275,728,662	0.510
2015/16*	962,111,241	962,111,241	354,242,308	354,242,308	1,316,353,549	1,316,353,549	0.544

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 using 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.

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

TABLE 7

<u>Fiscal Year</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>School</u>	<u>County (1)</u>	<u>State</u>	<u>Total</u>
2006/07	0.242110	0.244890	0.487000	1.535000	0.646277	0.000000	2.668277
2007/08	0.204090	0.251910	0.456000	1.330100	0.636270	0.000000	2.422370
2008/09	0.222150	0.223850	0.446000	1.465800	0.629857	0.000000	2.541657
2009/10	0.263906	0.185209	0.449115	1.465800	0.629567	0.000000	2.544482
2010/11	0.285615	0.198385	0.484000	1.495800	0.629537	0.000000	2.609337
2011/12	0.287098	0.192902	0.480000	1.530000	0.640867	0.000000	2.650867
2012/13	0.300075	0.189925	0.490000	1.540000	0.640867	0.000000	2.670867
2013/14	0.289024	0.220976	0.510000	1.540000	0.641397	0.000000	2.691397
2014/15	0.298511	0.211489	0.510000	1.540000	0.641397	0.000000	2.691397
2015/16	0.291937	0.252063	0.544000	1.540000	0.641397	0.000000	2.725397

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

2016			2006		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Trinity Industries	\$ 35,407,238	2.69	Walmart	\$ 21,908,690	2.40
Miller Milling Company LLC	33,627,142	2.55	Trinity Industries	21,029,700	2.30
Ventura Foods	31,175,357	2.37	Conagra Foods Flour Milling	16,189,079	1.77
CTI Holdings	19,543,940	1.48	Universal Forest Products	10,076,145	1.10
Walmart	18,270,104	1.39	Txu Electric Delivery Co	9,915,325	1.08
Ardent Mills LLC	15,724,769	1.19	Ventura Foods	8,491,914	0.93
ADM/Farmland Industries	15,694,112	1.19	Albertson's Inc	8,172,686	0.89
BNSF Railway Company	13,324,117	1.01	Norton Metal Products	8,118,324	0.89
Trinity Tank Car Inc	13,101,738	1.00	Horizon Milling LLC	6,698,310	0.73
Universal Forest Products	12,469,913	0.95	Cargill Inc	6,340,105	0.69
		<u>15.82</u>			<u>12.78</u>

Source: Information obtained from Tarrant Appraisal District

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

TABLE 9

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government		% of Personal Income (a)	Per Capita (b)
	General Obligation Bonds	Certificates of Obligation Bonds	Capital Leases	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Capital Leases	Premiums/ Loss on Refundings	Total All Debt		
2006/07	15,420,000	9,220,000	270,652	6,795,000	-	-	(236,956)	31,468,696	6.22%	1,661
2007/08	14,985,000	7,910,000	190,504	6,375,000	-	-	(217,429)	29,243,075	5.69%	1,518
2008/09	12,715,000	9,595,000	107,745	5,945,000	-	848,700	(197,901)	29,013,544	5.62%	1,499
2009/10	11,870,000	10,865,000	19,223	5,510,000	-	901,489	(307,127)	28,858,585	5.54%	1,480
2010/11	10,920,000	10,310,000	-	4,990,000	-	682,544	(275,809)	26,626,735	5.01%	1,345
2011/12	10,925,000	8,665,000	-	4,455,000	-	463,036	(116,320)	24,391,716	4.54%	1,220
2012/13	18,570,000	7,200,000	-	3,895,000	-	235,490	154,262	30,054,752	5.56%	1,492
2013/14	17,010,000	6,830,000	704,544	2,915,000	520,000	-	451,857	28,431,401	5.20%	1,396
2014/15	23,515,000	6,440,000	532,759	2,490,000	465,000	-	536,092	33,978,851	5.85%	1,659
2015/16	25,310,000	2,440,000	358,106	380,000	2,000,000	-	489,609	30,977,715	5.44%	1,494

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

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

**CITY OF SAGINAW, TEXAS
 RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED
 VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS**

TABLE 10

<u>Fiscal Year</u>	<u>Estimated Population</u>	<u>Assessed Value</u>	<u>Total General Bonded Debt</u>	<u>Less: Amounts Available for Debt Service</u>	<u>Net General Bonded Debt</u>	<u>Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2006/07	18,950	1,025,476,543	24,406,109	836,097	23,570,012	2.38%	1,244
2007/08	19,260	1,117,122,137	22,680,126	976,011	21,704,115	2.03%	1,127
2008/09	19,350	1,128,032,007	22,114,143	852,265	21,261,878	1.96%	1,099
2009/10	19,500	1,137,872,458	22,558,160	1,300,786	21,257,374	1.98%	1,090
2010/11	19,801	1,112,366,436	21,071,229	1,348,022	19,723,207	1.89%	996
2011/12	19,995	1,192,700,025	19,348,314	1,384,617	17,963,697	1.62%	898
2012/13	20,140	1,164,124,528	25,987,131	1,828,513	24,158,618	2.23%	1,200
2013/14	20,370	1,219,320,151	24,269,375	1,596,119	22,673,256	1.99%	1,113
2014/15	20,480	1,275,728,662	30,473,798	1,416,987	29,056,811	2.39%	1,419
2015/16	20,740	1,316,353,549	28,227,503	1,267,190	26,960,313	2.14%	1,300

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, 2016**

TABLE 11

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	\$ 28,585,608	100.00%	<u>\$ 28,585,608</u>
Subtotal: City of Saginaw direct debt			\$ 28,585,608
Eagle Mountain-Saginaw Independent School District	550,299,769	19.54%	107,554,741
Tarrant County	368,058,000	0.91%	3,366,601
Tarrant County Hospital District	42,485,000	0.91%	388,607
Tarrant County College District	0	0.91%	<u>0</u>
Subtotal: overlapping debt			<u>\$ 111,309,949</u>
Total direct and overlapping debt			<u><u>\$ 139,895,557</u></u>
Ratio of direct and overlapping funded debt to taxable assessed valuation			<u><u>10.63%</u></u>
Per capita direct and overlapping bonded debt			<u><u>6,745</u></u>

Source: Individual taxing entities and Tarrant Appraisal District

Note: Percentage of overlap based on net taxable value

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

TABLE 12

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2006/07	6,898,755	6,245,497	653,258	330,000	348,545	678,545	0.96
2007/08	7,049,446	5,109,375	1,940,071	420,000	375,356	795,356	2.44
2008/09	6,791,480	5,373,031	1,418,449	430,000	302,633	732,633	1.94
2009/10	7,132,599	5,766,080	1,366,519	538,253	210,412	748,665	1.83
2010/11	8,150,310	5,603,937	2,546,373	520,000	216,832	736,832	3.46
2011/12	8,590,876	6,096,024	2,494,852	535,000	209,429	744,429	3.35
2012/13	8,679,364	6,294,404	2,384,960	560,000	195,146	755,146	3.16
2013/14	9,344,552	6,253,171	3,091,381	980,000	143,113	1,123,113	2.75
2014/15	9,637,603	6,617,157	3,020,446	480,000	128,904	608,904	4.96
2015/16	9,538,475	7,420,919	2,117,556	510,000	106,371	616,371	3.44

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

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

**CITY OF SAGINAW, TEXAS
COMPUTATION OF LEGAL DEBT MARGIN
YEAR ENDED SEPTEMBER 30, 2016**

TABLE 13

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

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

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

The rate for fiscal year 2016 was established at \$.544 per \$100 of assessed valuation based on 100% of appraised value.

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

TABLE 14

<u>Fiscal Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Income (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
2006/07	18,950	505,908,150	26,697	13,423	4.30%
2007/08	19,260	514,184,220	26,697	15,292	5.50%
2008/09	19,350	516,586,950	26,697	16,087	8.30%
2009/10	19,500	520,591,500	26,697	16,663	8.40%
2010/11	19,801	531,538,044	26,844	17,180	8.30%
2011/12	19,995	536,745,780	26,844	17,600	7.80%
2012/13	20,140	540,638,160	26,844	18,132	6.00%
2013/14	20,370	546,812,280	26,844	18,580	5.00%
2014/15	20,480	580,587,520	28,349	19,198	4.00%
2015/16	20,740	569,416,700	27,455	19,582	4.10%

- 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 5,845.
 3. Bureau of Labor Statistics

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

TABLE 15

2016			2007		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Eagle Mountain-Saginaw ISD	2,304	23%	Eagle Mountain-Saginaw ISD	1,520	
Trinity N. Amer.Freight Car Inc.	800	8%	Wal Mart	485	
Wal Mart Supercenter #5316	500	5%	Trinity Industries	376	
CTI Chefco Foods	356	4%	Builders Gypsum Supply	226	
Bana Box Inc.	218	2%	Universal Forest Products	220	
Ventura Foods	215	2%	Trinity Plastics (TPI Molding)	200	
Russo Corporation	200	2%	Anchor Fabrication	184	
Ranger Fire	200	2%	Ventura Foods	165	
DOS Project - Standard Meat	189	2%	Bana Box, Inc.	145	
Texas Army National Guard	185	2%	Albertsons	130	

Source: City Economic Development Division.

Note: Percentage of Total City Employment not available for 2007

EMS ISD is for the district. Employment for schools within the City of Saginaw is 1,550.

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

TABLE 16

<u>Function/Program</u>	<u>Full-time Equivalent Employees as of October 1</u>									
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General government										
Administration	8	8	7	7	7	7	7	7	7	6
Municipal Court	2	2	2	2	2	3	3	3	3	3
Public Safety										
Fire	27	27	27	27	27	27	26	26	25	25
Police	45.5	44.5	44.5	44.5	44.5	43.5	43.5	49.5	51.5	46.5
Public Works										
Streets	9	9	9	9	9	11	9	9	9	9
Parks Maintenance (a)	2	2	2	2	2	0	0	0	0	0
Building Inspections	4	4	3	3	3	4	4	3.5	3.5	3.5
Code Enforcement (b)	2	2	2	2	2	0	0	0	0	0
Animal Services	4.5	3.5	3	3	3	4	4	4	4	4
City Garage	2	2	2	2	2	2	2	2	2	2
Economic Development	0	0	0	0	0	0	0.5	1	1	1
Recreation & Community Services	7	6	6	6	6	6	8.5	8.5	9.5	9.5
Library	8	8	8	9	9	9	9	8.5	9	9
Water/Wastewater	16	16	16	16	16	16.5	16.5	16.5	16.5	16.5
Drainage	2	2	2	2	2	2.5	2.5	2.5	2.5	2.5
Total	139.0	136.0	133.5	134.5	134.5	135.5	135.5	141	143.5	137.5

Source: City Budgets/Human Resources

(a) Previously reported in Streets

(b) Previously reported in Bldg Inspections

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

<u>Function/Program</u>	<u>Fiscal Year</u>			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Police				
Stations	1	1	1	1
Licensed Officers	38	38	38	38
Patrol units on duty at any one time	4	4	4	4
Fire				
Stations	2	2	2	2
Firefighter/paramedics	24	24	24	24
Library				
Number of libraries	1	1	1	1
Volumes in collection	58,302	58,138	59,816	56,420
Average monthly circulation	7,522	8,280	10,895	11,590
Average monthly visitors	6,690	5,934	11,338	15,485
Public works				
Streets (miles)	83.4	82.8	81.7	79.2
Streetlights*	1,135	1,131	1,120	1084
Parks and recreation				
Acreage	101	100	100	100
Parks	7	7	7	7
Recreation Centers	1	1	1	1
Senior/community Centers	2	2	2	2
Water				
Number of water customers	7,427	7,227	7,133	7,042
Annual water consumption (1,000 gallons)	967,332	1,008,306	1,083,712	1,032,241
Daily consumption (1,000 gallons)	2,643	2,763	2,969	2,828
Water mains (miles)	113.7	113.3	112.2	109.5
Fire hydrants	809	803	795	766
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250
Wastewater				
Number of wastewater customers	7,307	7,107	7,013	6,930
Wastewater treated annually (1,000 gallons)	915,347	825,789	739,594	750,644
Sanitary sewers (miles)	83.1	82.8	81.8	79.8
Storm sewers (miles)	17.0	16.8	16.7	15.9

Sources: Various city departments.

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

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

TABLE 17

Fiscal Year					
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
1	1	1	1	1	1
38	38	39	39	41	39
4	4	4	4	4	4
2	2	2	2	2	2
24	24	24	24	24	23
1	1	1	1	1	1
55,838	54,830	53,358	50,308	54,853	53,523
9,877	12,200	11,500	12,555	13,069	12,841
13,749	12,967	10,356	10,356	8,187	7,731
79.2	78.5	78.5	78.5	78.5	78.5
1,084	1,074	1,058	1,058	1,058	1,058
100	100	100	100	100	100
7	7	7	7	7	7
1	1	1	1	1	1
2	2	2	2	2	2
6,964	6,935	6,812	6,805	6,750	6,741
1,109,997	1,174,505	1,047,830	1,047,830	1,061,546	907,325
3,041	3,218	2,871	2,871	2,908	2,485
109.5	108.6	107.8	107.8	107.8	107.6
766	751	741	741	741	739
4,250	4,250	4,250	4,250	4,250	2,750
6,859	6,830	6,722	6,722	6,717	6,656
858,778	785,139	773,199	773,199	788,198	889,600
79.8	79.5	79.2	79.2	79.2	79.0
15.9	15.0	14.9	14.9	14.9	14.8

CITY OF SAGINAW, TEXAS
CONTINUING FINANCIAL DISCLOSURE TABLES

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2016, from the last debt issues that were sold in fiscal year ending September 30, 2016. 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
2015 Actual Total Appraised Value of Taxable Property (100% of Actual)*	\$ 1,655,225,367
Less Adjustments to Market Value:	
Agriculture Productivity Value Loss	13,290,612
Abatement	49,931,920
Disabled and Deceased Veterans' Exemptions	5,591,736
Freeport Property	110,188,391
Local, Option Over-65 / Disabled	53,220,063
Pollution Control	439,505
Solar/Wind/Other	24,108
Totally Exempt Property	95,860,624
Cases before ARB and Incomplete Accounts	10,324,859
Total Adjustments to Market Value:	<u>338,871,818</u>
2015 Certified Net Taxable Assessed Valuation	<u>\$ 1,316,353,549</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

Note: The February tax roll total is being used. 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.

GENERAL OBLIGATION BONDED DEBT	TABLE GO-2
<i>(As of September 30, 2016)</i>	
General Obligation Debt Principal Outstanding:	
Combination Tax and Revenue Certificates of Obligation, Series 2007	\$ 180,000
Combination Tax and Revenue Certificates of Obligation, Series 2009	855,000
Combination Tax and Revenue Certificates of Obligation, Series 2010	1,405,000
General Obligation Refunding Bonds, Series 2012	2,290,000
General Obligation Refunding and Improvement Bonds, Series 2013	7,755,000
General Obligation Refunding Bonds, Series 2014	2,155,000
General Obligation Bonds, Series 2015	7,605,000
General Obligation Refunding Bonds, Series 2015	1,595,000
General Obligation Refunding Bonds, Series 2016	5,910,000
Total Gross General Obligation Debt Principal Outstanding:	<u>\$ 29,750,000</u>
Less: Self-Supporting General Obligation Debt Principal	
General Obligation Refunding Bonds, Series 2014	\$ 405,000
General Obligation Refunding Bonds, Series 2015	1,595,000
Total Self-Supporting General Obligation Debt	<u>\$ 2,000,000</u>
Total Net General Obligation Debt Principal Outstanding:	<u>\$ 27,750,000</u>
General Obligation Interest and Sinking Fund Balance as of September 30, 2016	<u>\$ 1,306,703</u>
Ratio of Gross General Obligation Debt Principal to 2015 Net Assessed Valuation	<u>2.26%</u>
Ratio of Net General Obligation Debt Principal to 2015 Net Assessed Valuation	<u>2.11%</u>
2015 Net Taxable Assessed Value	<u>\$ 1,316,353,549</u>
Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) -	<u>20,740</u>
Per Capita 2015 Net Taxable Assessed Valuation -	<u>\$ 63,469</u>
Per Capita Gross General Obligation Debt Principal -	<u>\$ 1,434</u>
Per Capita Net General Obligation Debt Principal -	<u>\$ 1,338</u>

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

OTHER OBLIGATIONS

TABLE GO-3

Capital Lease Obligations

The City entered into a capital lease agreement in January 2014 for the purchase of a ladder fire truck. The leased property is classified as equipment with the total capitalized cost of \$944,294 and an amortized value of \$872,923 at September 30, 2016.

The following is a schedule of future minimum payments under the capital lease together with the present value of the net minimum lease payments as of September 30, 2016.

<u>Fiscal Year</u>	<u>Future Minimum Payments</u>
2017	183,550
2018	183,550
Total minimum lease payments	\$ 367,100
Less: amount representing interest	(8,995)
Present value of future minimum lease payments	<u>\$ 358,105</u>

FUND BALANCES

TABLE GO-4

(As of September 30, 2016)

General Operating Fund (Undesignated)	\$ 8,143,045
General Obligation Debt Service (I&S) Fund	1,306,703
Special Revenue Funds	4,471,428
Capital Projects Fund	10,566,997
Enterprise Fund (Undesignated)	3,341,222
Revenue Bond Reserve	294,875
Revenue Bond Debt Service (I&S) Reserve	150,069
General Fund Emergency Reserve	2,550,000
Enterprise Fund Emergency Reserve	2,000,000
Enterprise Fund (Designated)	2,262,475
Total	<u>\$ 35,086,815</u>

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

PRINCIPAL TAXPAYERS 2015-2016

TABLE GO-5

<u>Name</u>	<u>Type of Business</u>	<u>2015 Net Taxable Assessed Valuation</u>	<u>% of Total 2015 Net Taxable Assessed Valuation</u>
Trinity Industries	Manufacturing	\$ 35,407,238	2.69%
Miller Milling Company LLC	Food Processing Plant	33,627,142	2.55%
Ventura Foods	Food Processing Plant	31,175,357	2.37%
CTI Holdings	Food Processing Plant	19,543,940	1.48%
Walmart	Retail	18,270,104	1.39%
Ardent Mills LLC	Food Processing Plant	15,724,769	1.19%
ADM/Farmland Industries	Warehousing and Storage	15,694,112	1.19%
BNSF Railway Company	Transportation	13,324,117	1.01%
Trinity Tank Car Inc	Manufacturing	13,101,738	1.00%
Universal Forest Products	Manufacturing	12,469,913	0.95%
	Total	\$208,338,430	15.82%

2015 Net Taxable Assessed Valuation \$ 1,316,353,549
on Feb 17, 2016

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>	
2006	1,025,476,543	0.4870	4,992,355	98.60%	99.87%	9-30-07
2007	1,117,122,137	0.4560	5,138,154	98.91%	99.84%	9-30-08
2008	1,128,032,007	0.4460	5,241,665	98.65%	99.86%	9-30-09
2009	1,137,872,458	0.4491	5,444,770	99.01%	99.82%	9-30-10
2010	1,112,366,436	0.4840	5,436,187	99.18%	99.87%	9-30-11
2011	1,192,700,025	0.4800	5,724,960	99.41%	99.86%	9-30-12
2012	1,164,124,528	0.4900	5,739,750	99.39%	99.87%	9-30-13
2013	1,219,320,151	0.5100	6,223,951	99.37%	99.82%	9-30-14
2014	1,275,728,662	0.5100	6,484,972	99.43%	99.80%	9-30-15
2015	1,316,353,549	0.5440	7,175,560	99.53%	99.53%	9-30-16

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

TAX RATE DISTRIBUTION

TABLE GO-7

	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>
General Fund	\$0.2919	\$0.2985	\$0.2890	\$0.3001	\$0.2871	\$0.2856	\$0.2639
I & S Fund	<u>\$0.2521</u>	<u>\$0.2115</u>	<u>\$0.2210</u>	<u>\$0.1899</u>	<u>\$0.1929</u>	<u>\$0.1984</u>	<u>\$0.1852</u>
TOTAL	<u>\$0.5440</u>	<u>\$0.5100</u>	<u>\$0.51000</u>	<u>\$0.4900</u>	<u>\$0.4800</u>	<u>\$0.4840</u>	<u>\$0.4491</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				
	2016	2015	2014	2013	2012
Revenues:					
Taxes	\$ 10,124,958	\$ 10,089,566	\$ 9,355,084	\$ 9,318,103	\$ 9,102,223
Licenses and Permits	740,192	627,876	329,948	248,764	263,964
Charges for Services	83,000	80,000	80,000	80,226	80,000
Fines and Fees	635,652	665,378	667,138	606,759	526,280
Interest Income	32,068	5,183	3,380	10,306	13,385
Recreation Income	487,081	512,677	494,346	519,857	530,051
Intergovernmental	178,257	173,618	167,380	-	-
Miscellaneous Revenues	129,032	112,137	206,935	328,257	284,863
Total Revenues	\$ 12,410,240	\$ 12,266,435	\$ 11,304,211	\$ 11,112,272	\$ 10,800,766
Expenditures:					
Current:					
General Administrative Office	\$ 1,492,131	\$ 1,632,392	\$ 1,983,715	\$ 1,855,433	\$ 2,267,349
Municipal Court	184,973	185,158	199,451	184,091	191,515
Fire	3,177,233	2,932,965	3,694,807	2,671,135	2,615,170
Police	4,002,172	3,864,955	3,667,944	3,486,634	3,444,157
Public Works	1,263,892	1,268,270	884,006	1,497,039	1,353,299
Parks	266,949	240,528	227,791	200,943	-
Recreation	918,907	861,581	753,421	737,735	848,830
Library	537,893	520,281	496,461	488,445	470,013
Inspection	825,017	705,189	587,047	602,180	554,909
Fleet Maintenance	399,692	493,996	533,557	508,511	525,903
Economic Development	50,197	19,363	35,860	64,779	14,504
Total Expenditures	\$ 13,119,056	\$ 12,724,678	\$ 13,064,060	\$ 12,296,925	\$ 12,285,649
Excess (Deficit) of Revenues Over Expenditures	\$ (708,816)	\$ (458,243)	\$ (1,759,849)	\$ (1,184,653)	\$ (1,484,883)
Other Financing Sources (Uses):					
Lease Proceeds	\$ -	\$ -	\$ 944,294	\$ -	\$ -
Operating Transfers In	1,632,566	1,582,674	1,501,850	1,572,750	1,507,395
Operating Transfers Out	(24,423)	(1,007,763)	(593,636)	(2,111,120)	-
Total Other Financing Sources (Uses)	\$ 1,608,143	\$ 574,911	\$ 1,852,508	\$ (538,370)	\$ 1,507,395
Excess (Deficit) of Revenues/Other Sources Sources Over Expenditures/Other Uses	899,327	116,668	92,659	(1,723,023)	22,512
Fund Balance - Beginning of Year	9,793,718	9,677,050	9,584,391	11,307,414	11,284,902
Fund Balance - September 30	\$ 10,693,045	\$ 9,793,718	\$ 9,677,050	\$ 9,584,391	\$ 11,307,414

Source: The Issuer's Comprehensive Annual Financial Reports

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

REVENUE BOND DEBT PRINCIPAL DATA		TABLE REV-1
<i>(As of September 30, 2016)</i>		
Revenue Bond Debt Principal Outstanding:		
Waterworks and Sewer System Revenue Refunding Bonds, Series 2010		\$ 380,000
Tota Revenue Debt Principal Outstanding		<u>\$ 380,000</u>
Plus: Waterworks and Sewer System General Obligation Debt Principal		
General Obligation Refunding Bonds, Series 2014		\$ 405,000
General Obligation Refunding Bonds, Series 2015		1,595,000
Total Waterworks and Sewer System General Obligation Debt		<u>\$2,000,000</u>
Total Revenue Debt Principal Outstanding		<u><u>\$2,380,000</u></u>

CONDENSED WATERWORKS AND WASTEWATER SYSTEM OPERATING STATEMENT		Fiscal Year Ending September 30				TABLE REV-2
	2016	2015	2014	2013	2012	
Revenues ^(a)	\$9,083,332	\$9,268,305	\$9,164,561	\$8,621,454	\$8,507,922	
Expenses	<u>7,420,919</u>	<u>6,617,157</u>	<u>6,253,171</u>	<u>6,294,404</u>	<u>6,096,024</u>	
Net Revenue Available for Debt Service	<u>\$1,662,413</u>	<u>\$2,651,148</u>	<u>\$2,911,390</u>	<u>\$2,327,050</u>	<u>\$2,411,898</u>	
Annual Revenue Bond Debt Service Requirements	\$ 461,578	\$ 529,885	\$ 520,978	\$ 639,677	\$ 708,840	
Revenue Debt Service Coverage	<u>3.60</u> x	<u>5.00</u> x	<u>5.59</u> x	<u>3.64</u> x	<u>3.40</u> x	
Annual Debt Service Requirements for all Bonds Paid from System Revenues	\$ 567,880	\$ 599,343	\$ 558,192	\$ 700,061	\$ 770,175	
Debt Service Coverage on all Bonds Paid from System Revenues	<u>2.93</u> x	<u>4.42</u> x	<u>5.22</u> x	<u>3.32</u> x	<u>3.13</u> x	
Customer Count :						
Water	7,427	7,227	7,133	7,042	6,964	
Wastewater	7,307	7,107	7,013	6,930	6,859	
^(a) Does not include Impact Fees of:	\$ 455,143	\$ 369,298	\$ 179,991	\$ 57,909	\$ 82,953	
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
<i>(As of September 30, 2016)</i>		
Fiscal Year 2016 Net Revenues Available for Debt Service		\$1,662,413
Following the Issuance of the Bonds:		
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt (2017) Coverage		\$ 241,400 6.89 X
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2017) Coverage		\$ 471,041 3.53 X
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt (2017-2020) Coverage		\$ 100,100 16.61 X
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2017-2027) Coverage		\$ 238,895 6.96 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, 2016)

	<u>Principal Outstanding</u>	<u>Amount of Principal Self-Supporting</u>
General Obligation Refunding Bonds, Series 2014	\$ 2,155,000	\$ 405,000
General Obligation Refunding Bonds, Series 2015	\$ 1,595,000	\$ 1,595,000
Total	<u>\$ 3,750,000</u>	<u>\$ 2,000,000</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>
2017	229,641	241,400	471,041
2018	230,872	54,500	285,372
2019	227,004	53,000	280,004
2020	228,138	51,500	279,638
2021	234,170	-	234,170
2022	240,005	-	240,005
2023	165,642	-	165,642
2024	167,671	-	167,671
2025	169,603	-	169,603
2026	166,435	-	166,435
2027	168,267	-	168,267
	<u>\$ 2,227,448</u>	<u>\$ 400,400</u>	<u>\$ 2,627,848</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, 2014	
<u>Residential</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.54 /M Gallons
Over 10,000 Gallons	4.83 /M Gallons
<u>Multi-Family (Per Dwelling Unit)</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 8,000 Gallons	4.83 /M Gallons
Over 8,000 Gallons	5.84 /M Gallons
<u>Commercial / Industrial</u>	
First 2,000 Gallons	\$14.65 (minimum)
3,000 to 10,000 Gallons	4.83 /M Gallons
Over 10,000 Gallons	5.84 /M Gallons

PRINCIPAL WATER CUSTOMERS 2015-2016

TABLE REV-7

(As of September 30, 2016)

<u>Name of Customer</u>	<u>Average Monthly Consumption (Gals.)</u>	<u>Average Monthly Bill</u>
CTI Foods	10,250,500	\$ 59,838
DOS Project	2,234,167	13,042
Ventura Foods	1,749,083	10,201
Eagle Mnt/Saginaw ISD	1,224,500	7,153
Williamsburg Village Apartments	845,250	5,503
Camelot Square Apartments	685,250	4,262
Saginaw Crossing Apartments	586,167	3,714
Blueknight Energy Partners	551,917	3,319
Ardent Mills, LLC	414,667	2,417
Unkuk inc	373,750	2,173
Total	<u><u>18,915,251</u></u>	<u><u>\$ 111,622</u></u>

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

WASTEWATER RATES

TABLE REV-8

(Based on Monthly Billing)

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

PRINCIPAL WASTEWATER CUSTOMERS 2015-2016

TABLE REV-9

(As of September 30, 2016)

<u>Name of Customer</u>	<u>Average Monthly Bill</u>
Williamsburg Village Apartments	\$ 4,505.52
Camelot Square Apartments	3,554.26
Saginaw Crossing Apartments	3,120.80
Eagle Mnt/Saginaw ISD	2,236.48
Unkuk Inc	1,394.27
American Homes 4 Rent	1,067.59
Qualwash, Inc	1,016.73
Southern Star Concrete	1,015.27
Great Western Inn (Bhupat Zaveri)	998.81
Centennial Cross Pointe Center	859.06
Total	<u><u>\$19,768.79</u></u>

WASTEWATER SYSTEM PRODUCTION

TABLE REV-10

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

<u>Fiscal Year</u>	<u>Annual Sewage Flow (000s Gallons)</u>	<u>Average Daily Flow (000s GPD)</u>	<u>Peak Daily Flow and Date (MGD)</u>
2007	889,600	2,437	4.3 08-13-07
2008	788,198	2,159	5.7 09-17-08
2009	773,199	2,118	5.3 06-11-09
2010	968,278	2,653	6.7 11-07-09
2011	785,139	2,178	6.5 04-15-11
2012	858,778	2,353	8.2 03-20-12
2013	750,644	2,056	6.6 09-25-13
2014	739,594	2,026	4.0 12-20-13
2015	825,789	2,262	6.3 05-29-15
2016	915,347	2,508	6.2 12-28-15