NEW ISSUE BOOK-ENTRY-ONLY

Rating: S&P: "AA"
(See "OTHER PERTINENT INFORMATION - Rating", herein)

OFFICIAL STATEMENT
Dated: March 21, 2023

In the opinion of McCall, Parkhurst & Horton, L.L.P., Bond Counsel to the City, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date of the initial delivery of the Bonds, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

$15,590,000
CITY OF SAGINAW, TEXAS
(Tarrant County)
GENERAL OBLIGATION BONDS, SERIES 2023

Dated Date: April 1, 2023 **Due: September 1, as shown on page ii**

The City of Saginaw, Texas (the "City") $15,590,000 General Obligation Bonds, Series 2023 (the "Bonds") by the City of Saginaw, Texas (the "City") pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1331 Texas Government Code, as amended, an election held in the City on May 1, 2021, and an ordinance (the "Ordinance") adopted by the City Council of the City on the sale date of the Bonds. See "THE BONDS – Authority for Issuance".

The Bonds constitute direct obligations of the City payable from the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property located within the City. See "THE BONDS – Security and Source of Payment" and "THE BONDS – Tax Rate Limitations" herein. Interest on the Bonds will accrue from the Dated Date (defined herein) and will be payable March 1 and September 1 of each year until stated maturity or prior redemption, commencing March 1, 2024, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be issued only as fully registered obligations in denominations of $5,000 or any integral multiple thereof within a stated maturity.

The definitive Bonds will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Bond will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof within a stated maturity. Purchasers of the Bond ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bond purchased. So long as DTC or its nominee is the registered owner of the Bond, the principal of and interest on the Bond will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Bonds will be used to pay all or a portion of the City's contractual obligations incurred in connection with the purpose of (i) designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage; (ii) designing, constructing and equipping improvements and additions to City parks, including trails, sports recreational facilities, senior center, parking, and related infrastructure, and the acquisition of land and interests in land necessary; therefore; and (iii) legal, fiscal and engineering fees in connection with such projects and the Bonds. (See "THE BONDS - Use of Bond Proceeds" herein.)

The City reserves the right to redeem the Bonds maturing on and after September 1, 2033, on September 1, 2032, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. (See "THE BONDS - Redemption Provisions" herein.)

STATED MATURITY SCHEDULE
(On Page ii)

The Bonds are offered for delivery when, as and if issued and received by KeyBanc Capital Markets Inc. (the "Initial Purchaser") and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel (see "APPENDIX C - Form of Legal Opinion of Bond Counsel" herein). It is expected that the Bonds will be available for delivery through the services of DTC on or about April 19, 2023 (the "Delivery Date").

STATED MATURITY SCHEDULE
(Due September 1)
Base CUSIP – 786820[(a)]

Stated Maturity September 1	Principal Amount	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix[(a)]
2024	$ 100,000	5.000	2.810	J35
2025	300,000	5.000	2.820	J43
2026	100,000	5.000	2.730	J50
2027	585,000	5.000	2.710	J68
2028	615,000	5.000	2.680	J76
2029	645,000	5.000	2.690	J84
2030	675,000	5.000	2.690	J92
2031	710,000	5.000	2.710	K25
2032	745,000	5.000	2.720	K33
2033	785,000	5.000	2.770[(b)]	K41
2034	825,000	5.000	2.870[(b)]	K58
2035	865,000	5.000	3.000[(b)]	K66
2036	910,000	5.000	3.190[(b)]	K74
2037	955,000	5.000	3.330[(b)]	K82
2038	1,000,000	5.000	3.460[(b)]	K90
2039	1,050,000	5.000	3.540[(b)]	L24
2040	1,105,000	5.000	3.630[(b)]	L32
2041	1,160,000	4.000	4.050	L40
2042	1,205,000	4.000	4.100	L57
2043	1,255,000	4.000	4.150	L65

(Interest to accrue from the Dated Date)

The City reserves the right to redeem the Bonds maturing on and after September 1, 2033, on September 1, 2032, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. The Bonds may also be subject to mandatory sinking fund redemption in the event the Initial Purchaser elects to aggregate two or more consecutive serial maturities as one or more “Term Bonds”. (See “THE BONDS - Redemption Provisions” herein.)

(a) *CUSIP numbers are included solely for the convenience of the owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. None of the City, Financial Advisor, or Initial Purchaser is responsible for the selection or correctness of the CUSIP numbers set forth herein.*

(b) *Yield calculated to first call date, September 1, 2032.*

CITY OF SAGINAW, TEXAS
333 McLeroy Blvd.
Saginaw, Texas 76179
817-232-4640

ELECTED OFFICIALS

Name	Position	On Council Since	Term Expires May
Todd Flippo	Mayor	2008	2024
Valerie Tankersley-Junkersfield	Mayor Pro-Tem, Place 3	2014	2025
Paul Felegy	Council Member, Place 1	2022	2025
Nicky Lawson	Council Member, Place 2	2021	2024
Charles Tucker	Council Member, Place 4	2018	2023
Cindy Bighorse	Council Member, Place 5	2017	2025
Mary Copeland	Council Member, Place 6	2017	2023

ADMINISTRATION

Name	Position	Years With The City
Gabe Reaume	City Manager	5 years
Lee Howell	Assistant City Manager	4 years
Kim Quin	Finance Director	10 years
Janice England	City Secretary	38 years
Randy Newsom	Director of Public Works	34 years
Russell Ragsdale	Police Chief	14 years
Doug Spears	Fire Chief	27 years

CONSULTANTS AND ADVISORS

Bond Counsel	McCall, Parkhurst & Horton L.L.P. Dallas, Texas
Certified Public Accountants	Weaver and Tidwell, L.L.P. Dallas, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

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City of Saginaw
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kquin@saginawtx.org

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mmcliney@samcocapital.com

Mr. Andrew Friedman
Managing Director
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afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information must not be relied upon.

Certain information set forth herein has been provided by sources other than the City that the City believes to be reliable, but the City makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the City's undertaking to provide certain information on a continuing basis.

The Initial Purchaser has provided the following statement for inclusion in this Official Statement. The Initial Purchaser has reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, but the Initial Purchaser does not guarantee the accuracy or completeness of such information.

NONE OF THE CITY, THE FINANCIAL ADVISOR, OR THE INITIAL PURCHASER MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES AND EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS.

TABLE OF CONTENTS

The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The City	The City of Saginaw, Texas (the "City"), located in Tarrant County is a political subdivision of the State of Texas (the "State") and operates under a Mayor-Council-Manager form of government with a City Council comprised of seven members including the Mayor. All seven Council members are elected at-large for three year staggered terms. The City's current estimated population is 24,450. (See "Appendix B - General Information Regarding the City of Saginaw and Tarrant County, Texas" herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas Texas.
Security	The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City. (see "THE BONDS – Security for Payment").
Redemption Provision	The City reserves the right, at its sole option, to redeem Bonds stated to mature on and after September 1, 2033, on September 1, 2032, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof, at the price of par plus accrued interest to the date fixed for redemption. (See "THE BONDS - Redemption Provisions" herein.)
Tax Matters	In the opinion of Bond Counsel, the interest on the Bonds will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date of the initial delivery of the Bonds, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations. (See "TAX MATTERS" for a discussion of the Opinion of Bond Counsel and "APPENDIX C - FORM OF LEGAL OPINION OF BOND COUNSEL" herein.)
Use of Bond Proceeds	Proceeds from the sale of the Bonds will be used to pay all or a portion of the City's contractual obligations incurred in connection with the purpose of (i) designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage; (ii) designing, constructing and equipping improvements and additions to City parks, including trails, sports recreational facilities, senior center, parking, and related infrastructure, and the acquisition of land and interests in land necessary therefore; and (iii) legal, fiscal and engineering fees in connection with such projects and the Bonds. (See "THE BONDS - Use of Bond Proceeds" herein.)
Book-Entry-Only System	The City intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC") described herein. No physical delivery of the Bonds will be made to the beneficial owners of the Bonds. Such Book-Entry-Only System may affect the method and timing of payments on the Bonds and the manner the Bonds may be transferred. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)
Rating	S&P Global Ratings a division of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA" to the Bonds. An explanation of the significance of such rating may be obtained from S&P. (See "OTHER PERTINENT INFORMATION - Rating" herein.)
Issuance of Additional Debt	The City does not anticipate the issuance of additional debt within the next twelve months.
Payment Record	The City has never defaulted on the payment of its general obligation or revenue debt.
Delivery	When issued, anticipated on or about April 19, 2023.
Legality	Delivery of the Bonds is subject to the approval by the Attorney General of the State and the rendering of an opinion as to legality by McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas.

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INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by the City of Saginaw, Texas (the "City") of its $15,590,000 General Obligation Bonds, Series 2023 (the "Bonds") identified on the cover page hereof.

The City is a political subdivision of the State of Texas (the "State") and operates as a home-rule municipality under the statutes and the constitution of the State. The Bonds are being issued pursuant to the Constitution and general laws of the State, an ordinance (the "Ordinance") adopted by the City Council of the City (the "City Council") on March 21, 2023, authorizing the issuance of the Bonds, and the City's Home Rule Charter. (See "THE BONDS - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Ordinance. Included in this Official Statement are descriptions of the Bonds and certain information about the City and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT***. Copies of such documents may be obtained from the City or the Financial Advisor noted on page iii hereof.

INVESTMENT CONSIDERATIONS

Infectious Disease Outbreak – Covid-19

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. There are currently no COVID-19 related operating limits imposed by executive order of the Governor for any business or other establishment in the State. The Governor retains the right to impose additional restrictions on activities if needed in order to mitigate the effects of COVID-19. The City has not experienced any decrease in property values or unusual tax delinquencies as a result of COVID-19; however, the City cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

Future Legislation

The 88th Texas Legislature convened on January 10, 2023 and will conclude on May 29, 2023 ("88th Regular Session"). Thereafter, the Governor may call one or more additional special sessions which may last no more than 30 days and for which the Governor sets the agenda. During the legislative session, the Legislature will consider a general appropriations act and may consider legislation affecting ad valorem taxation procedures affecting cities. The City can make no representations or predictions regarding any actions the Legislature may take during the 88th Texas Legislative Session or the effect of any legislation that may be passed in the future or how such legislation could affect the City.

THE BONDS

General

The Bonds will be dated April 1, 2023 (the "Dated Date"). The Bonds are stated to mature on September 1 in the years and in the principal amounts set forth on page ii hereof. The Bonds shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Bonds will be payable on March 1, 2024, and on each September 1 or March 1 thereafter until maturity or prior redemption. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Bonds, initially BOKF, NA, Dallas, Texas. Interest on the Bonds shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Initially, the Bonds will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Bonds will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Bonds. Such Book-Entry-Only System may change the method and timing of payment for the Bonds and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

Authority for Issuance

The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapter 1331 Texas Government Code, as amended, an election held in the City on May 1, 2021, and an ordinance (the "Ordinance") adopted by the City Council of the City on March 21, 2023, the sale date of the Bonds.

Security for Payment

The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, on all taxable property within the City. (See "CITY APPLICATION OF THE PROPERTY TAX CODE" herein.)

Tax Rate Limitations

All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, annual direct ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limit prescribed by law. Article XI, Section 5, of the Texas Constitution applicable to home-rule cities is applicable to the City, and limits the maximum ad valorem tax rate of the City to $2.50 per $100 taxable assessed valuation for all City purposes. The City's Home Rule Charter places a limit on the total ad valorem tax rate which may be levied for both operating and debt purposes of $1.50 per $100 taxable assessed valuation.

Administratively, the Attorney General of the State of Texas will permit allocation of $1.00 of the 1.50 maximum tax rate for all general obligation debt service.

Use of Bond Proceeds

Proceeds from the sale of the Bonds will be used to pay all or a portion of the City's contractual obligations incurred in connection with the purpose of (i) designing, constructing, reconstructing, improving, extending, expanding, upgrading and developing streets, roads, sidewalks, thoroughfares and related improvements in the City, including pedestrian right of ways, related drainage, utility relocation, signalization, landscaping, lighting, and signage; (ii) designing, constructing and equipping improvements and additions to City parks, including trails, sports recreational facilities, senior center, parking, and related infrastructure, and the acquisition of land and interests in land necessary therefore; and (iii) legal, fiscal and engineering fees in connection with such projects and the Bonds.

Redemption Provisions

Optional Redemption: The City reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2033 on September 1, 2032, or any date thereafter, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date fixed for redemption.

Not less than thirty (30) days prior to a redemption date for the Bonds, the City shall cause a notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owners of each Bond or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. ANY NOTICE OF REDEMPTION SO MAILED TO THE REGISTERED OWNERS WILL BE DEEMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE OF THE REGISTERED OWNERS FAILED TO RECEIVE SUCH NOTICE. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such notice of redemption is given and any other condition to redemption satisfied, all as provided above, the Bonds or portion thereof which are to be redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the City will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Bonds, will send any notice of redemption, notice of proposed amendment to the Bonds or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the City will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Bonds held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC direct participants and indirect participants may implement a redemption of such Bonds from the Beneficial Owners. Any such selection of Bonds the City has called for redemption will not be governed by the Ordinance and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Bonds or the providing of notice to DTC direct participants, indirect participants, or Beneficial Owners of the selection of portions of the Bonds for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Payment Record

The City has never defaulted on the payment of its general obligation or revenue debt.

Legality

The Bonds are offered when, as and if issued, subject to the approvals of legality by the Attorney General of the State and McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. A form of the legal opinion of Bond Counsel appears in Appendix C attached hereto.

Defeasance

The Ordinance provides for the defeasance of the Bonds when the payment of the principal of and premium, if any, on the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or otherwise) is provided by irrevocably depositing with the Paying Agent/Registrar or authorized escrow agent, in trust (1) money sufficient to make such payment and/or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times to ensure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The City has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance. The Ordinance provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City authorizes the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that, on the date the City authorizes the defeasance of the Bonds, have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Ordinance does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Defeasance Security will be maintained at any particular rating category.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of Bonds have been made as described above, all rights of the City to initiate proceedings to call such Bonds for redemption or take any other action amending the terms of such Bonds are extinguished; provided, however, that the right to call such Bonds for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call such Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of such Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

In the Ordinance, the City has reserved the right to amend the Ordinance without the consent of any holder for the purpose of amending or supplementing the Ordinance to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the registered owners of the Bonds, (ii) grant additional rights or security for the benefit of the registered owners of the Bonds, (iii) add events of default as shall not be inconsistent with the provisions of the Ordinance that do not materially adversely affect the interests of the registered owners of the Bonds, (iv) qualify the Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Ordinance that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the City, do not materially adversely affect the interests of the registered owners of the Bonds.

The Ordinance further provides that the registered owners of the Bonds aggregating in principal amount a majority of the outstanding Bonds shall have the right from time to time to approve any amendment not described above to the Ordinance if it is deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the registered owners of the then outstanding Bonds, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds; (ii) reducing the rate of interest borne by any of the outstanding Bonds; (iii) reducing the amount of the principal payable on any outstanding Bonds; (iv) modifying the terms of payment of principal of or interest on outstanding Bonds, or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment. Reference is made to the Ordinance for further provisions relating to the amendment thereof.

Default and Remedies

The Ordinance establishes specific events of default with respect to the Bonds. If the City defaults in the payment of the principal of or interest on the Bonds when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the Bonds, including but not limited to, their prospect or ability to be repaid in accordance with the Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinance provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Ordinance and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year.

The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Bonds upon any failure of the City to perform in accordance with the terms of the Ordinance, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006 Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous language.” Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages, holders of the Bonds may not be able to bring such a suit against the City for breach of the covenants in the Bonds or in the Ordinance. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City’s property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151 through .160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities under certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods and services to cities.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“*Wasson I*”), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) (“*Wasson II*”, and together with *Wasson I* “*Wasson*”), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

As noted above, the Ordinance provides that holders of the Bonds may exercise the remedy of mandamus to enforce the obligations of the City under the Ordinance. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors, holders of the Bonds of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the duties of DTC with regard to ownership of the Bonds. Initially, the only registered owner of the Bonds will be Cede & Co., as DTC's nominee.

SOURCES AND USES OF FUNDS

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources of Funds	**The Bonds**
Par Amount	$ 15,590,000.00
Original Issue Reoffering Premium	1,601,873.85
Accrued Interest	37,165.00
Total Sources of Funds	$ 17,229,038.85
Uses of Funds	
Deposit to Project Fund	$ 16,950,000.00
Cost of Issuance	129,777.69
Purchaser's Discount	112,096.16
Accrued Interest Deposit to Interest and Sinking Fund	37,165.00
Total Uses of Funds	$ 17,229,038.85

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas, Texas. In the Ordinance, the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the City, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the City, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid.

The Bonds will be issued in fully registered form in multiples of $5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. Interest will be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar on the Record Date (as defined below) by check or draft mailed on March 1, 2024, and on each September 1 and March 1 thereafter until maturity or prior redemption of the Bonds, by the Paying Agent/Registrar to the last known address of the registered owner as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal of a Bond will be paid to the registered owner at its stated maturity or its prior redemption upon presentation to the Paying Agent/Registrar. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. So long as Cede & Co. is the registered owner of the Bonds, payments of principal of and interest on the Bonds will be made as described in "BOOK-ENTRY-ONLY SYSTEM" herein.

Record Date

The record date ("Record Date") for interest payable to the registered owner of a Bond on any interest payment date means the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

The Bonds are initially to be issued utilizing the Book-Entry-Only System of DTC. In the event such Book-Entry-Only System should be discontinued, printed certificates will be issued to the owners of the Bonds and thereafter, the Bonds may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender of such printed certificates to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bonds being transferred or exchanged at the designated office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. New Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Bond or Bonds surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be initially utilized in regard to ownership and transferability of the Bonds.)

Limitation on Transfer or Exchange of Bonds

The Paying Agent/Registrar shall not be required to transfer or exchange any Bonds or any portion thereof during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or with respect to any Bond or portion called for redemption prior to maturity, within 45 days prior to its redemption date, provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond called for redemption.

Replacement Bonds

In the Ordinance, provision is made for the replacement of mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds to the Paying Agent/Registrar, or the receipt of satisfactory evidence of destruction, loss, or theft, and the receipt by the City and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The City may require payment of taxes, governmental charges, and other expenses in connection with any such replacement.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City and the Financial Advisor believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The City cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices for the Bonds shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Direct Participant as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment on the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered. The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the City, the Financial Advisor, or the underwriters of the Bonds.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinance will be given only to DTC.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE CITY

The City invests funds in instruments authorized by Texas law, specifically the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"), in accordance with and investment policies approved by the City Council. The City Council appoints the Finance Director as the "Investment officer" of the City. Both State law and the City's investment policies are subject to change.

Under Texas law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the City in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the City's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the City appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through a broker or institution that has a main office or branch office in the State and selected by the City in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the City, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the City appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the City is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the City, held in the City's name, and deposited at the time the investment is made with the City or with a third party designated by the City, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or Aaam or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the City's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and probable income to be derived." At least quarterly the City's investment officers must submit an investment report to the City Council detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest City funds without express written authority from the City Council.

Under Texas law, the City is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City's investment policy; (6) provide specific investment training for the City's designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the City's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

Authorized Investments

The City maintains portfolios which utilize specific investment strategy consideration, designed to address the unique characteristics of the following fund groups represented in the investment portfolios:

- Operating Funds and Commingled Pools Containing Operating Funds
- Debt Service Funds
- Debt Service Reserve Funds
- Capital Projects and Special Purpose Funds

All investment instruments must be approved by resolution of the City Council. Assets of funds of the City may be invested in the following instruments:

- US Treasury obligations with stated maturities not to exceed three (3) years and not to exceed 100% of the overall portfolio;
- Obligations of US Government agencies and instrumentalities with stated maturities not to exceed three (3) years and not to exceed 60% of the overall portfolio;
- Other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities with stated maturity not to exceed three years;
- Repurchase agreements and reverse repurchase agreements as defined by PFIA and collateralized by US Government Obligations and obligations of US Government Agencies and Instrumentalities, undertaken under an executed Master Repurchase Agreement with primary dealer and not to exceed six (6) months. The portfolio may not contain more than 40% repurchase agreements;
- Certificates of deposit issued by state and national banks domiciled in Texas that are guaranteed or insured by the FDIC or secured by obligation that are described in investment vehicles above and not to exceed 40% of the overall portfolio;
- Constant dollar investment pools as defined by the PFIA rated no lower than AAA or AAA-m or its equivalent by at least one national rating agency and with a weighted average maturity not to exceed sixty (60) days. All investment pools must be approved by resolution from the City Council; and
- No-load money market mutual funds as permitted by the PFIA.

Current Investments

State law does not require the City to periodically mark its investments to market price, and the City does not do so, other than annually upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the City's audited financial statements. Given the nature of its investments, the City does not believe that the market value of its investments differs materially from book value.

As of December 31, 2022, all the City's investable funds in the amount of $75,606,922 were invested in TexPool Money Market Accounts.

As of such date, the market value of such investments (as determined by the City by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the City are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("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 both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

DEFINED BENEFIT PENSION PLAN

Plan Description

The City participates as one of 901 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 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. 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 annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits, and actuarial methods and assumptions used by the System. This report may be obtained at www.tmrs.com.

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

For more information see the Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2022, Note 8 and Note 9, pages 50 through 57.

AD VALOREM TAX PROCEDURES

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Tarrant Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). See "Table 1 – Assessed Valuation" for the reduction in taxable valuation attributable to the 10% Homestead Cap.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity ("Productivity Value"). The same land may not be qualified as both agricultural and open-space land. See "Table 1 – Assessed Valuation" for the reduction in taxable valuation attributable to valuation by Productivity Value.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates. See "AD VALOREM TAX PROCEDURES – Issuer and Taxpayer Remedies."

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action, and surviving spouses of first responders killed or fatally wounded in the line of duty. See "Table 1 – Assessed Valuation" for the reduction, if any, attributable to state mandated homestead exemptions.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. See "Table 1 – Assessed Valuation" for the reduction, if any, attributable to local option homestead exemptions.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded. See “Table 1 – Assessed Valuation” for the reduction, if any, attributable to the local option freeze for the elderly and disabled.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the “production of income” is taxed based on the property’s market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

See “Table 1 – Assessed Valuation” for the reduction, if any, attributable to Freeport Property and/or Goods-in-Transit exemptions.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Financing Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment financing zones (“TIRZ”) within its boundaries, and other overlapping taxing units may agree to contribute taxes levied against the “Incremental Value” in the TIRZ to finance or pay for project costs, as defined in Chapter 311, Texas Government Code, general located within the TIRZ. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “Incremental Value”, and during the existence of the TIRZ, all or a portion of the taxes levied by each participating taxing unit against the Incremental Value in the TIRZ are restricted to paying project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units. See “CITY APPLICATION OF THE PROPERTY TAX CODE” for descriptions of any TIRZ created in the City.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See “CITY APPLICATION OF THE PROPERTY TAX CODE” for descriptions of any of the City’s tax abatement agreements.

For a discussion of how the various exemptions described above are applied by the City, See “CITY APPLICATION OF THE PROPERTY TAX CODE” herein.

Public Hearing and Maintenance and Operation Tax Rate Limitations

The Following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional $500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted).

"special taxing unit" means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per $100 of taxable value.

"unused increment rate" means the cumulative difference between a city's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the "unused increment rate".

The City's tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its "voter-approval tax rate" and "no-new-revenue tax rate" (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its "de minimis rate", an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Issuer and Taxpayer Remedies

Under certain circumstances, the City and its taxpayers may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value of at least $50 million and situated in a county with a population of one million or more as of the most recent federal decennial census may additionally protest the determinations of appraisal district directly to a three-member special panel of the appraisal review board, selected by a State district judge, consisting of highly qualified professionals in the field of property tax appraisal.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (See "– Public Hearing and Maintenance and Operation Tax Rate Limitations".) The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

The foregoing sections represents the City's current understanding of the recently adopted Senate Bill 2, however the City cannot represent at this time what impact such legislation may have on the City. The City may revise and update this information as more information about Senate Bill 2 and its specific impact on the City becomes available.

City's Rights in the Event of Tax Delinquencies

Taxes levied by the City are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all State and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State and each local taxing unit, including the City, having power to tax the property. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes. At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Penalties and Interest

Charges for penalty and interest on the unpaid balance of delinquent taxes are made as follows:

Month	Penalty	Interest	Total
February	6%	1%	7%
March	7	2	9
April	8	3	11
May	9	4	13
June	10	5	15
July[(a)]	12	6	18

(a) After July, the penalty remains at 12% and interest accrues at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid. A delinquent tax continues to accrue interest as long as the tax remains unpaid, regardless of whether a judgment for the delinquent tax has been rendered. The purpose of imposing such interest penalty is to compensate the taxing unit for revenue lost because of the delinquency. In addition the taxing unit may contract with an attorney for the collection of delinquent taxes and the amount of compensation as set forth in such contract may not provide for a fee not to exceed 20% of the amount of delinquent tax, penalty, and interest collected. Under certain circumstances, taxes, which become delinquent on the homestead of a taxpayer 65 years old or older incur a penalty of 8% per annum with no additional penalties or interest assessed.

CITY APPLICATION OF THE PROPERTY TAX CODE

The City grants an exemption of $100,000 to the market value of the residence homestead of persons 65 years of age or older and exemption of $30,000 for the disabled. See Appendix A – Table 10, Page A-5 for a listing of the amounts of these exemptions.

The City does not grant an additional exemption of up to 20% of the market value of residence homesteads (minimum exemption of $5,000).

The City does not tax non-business personal property.

The City has contracted with the Tarrant County Tax Assessor/Collector for the collection of the City's property taxes.

Tarrant County does permit split payments, but discounts are not allowed.

The City does grant the Freeport Property exemption.

The City does grant an exemption for "Goods-in-Transit".

In November, 2021 the City, along with Tarrant County and the Tarrant County College District agreed to create Reinvestment Zone Number One, City of Saginaw Texas with a term of 30 years.

The City has not adopted the tax freeze for citizens who are disabled or are 65 years of age or older, which became a local option and subject to local referendum on January 1, 2004, as described above under "AD VALOREM TAX PROCEDURES – Local Option Freeze for the Elderly and Disabled" herein.

The City has no tax abatement agreements. The City has 3 active 380 agreements. The estimated total of the agreements is $675,000 which may be paid by the end of the fiscal year. Businesses with which the City has current 380 agreements are: AB & JK Development LLC, Blazing Hospitality, and Triton Saginaw, LLC.

ADDITIONAL TAX COLLECTIONS

Municipal Sales Tax Collections

The City has adopted the provisions of Chapter 34 of the Tax Code, as amended, which provides for the maximum levy of a one percent sales tax which may be used by the City for any lawful purpose except that the City may not pledge any of the anticipated sales tax revenue to secure the payment of the Bonds or other indebtedness. Net collections on a fiscal year basis are shown in Table 15 of Appendix A – Financial Information of the City.

Optional Sales Tax

The Tax Code provides certain cities and counties the option of assessing a maximum one-half percent (1/2%) sales tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the amount of the estimated sales tax revenues to be generated in the current year. Further the Tax Code provides certain cities the option of assessing a maximum one-half percent (1/2%) sales tax on retail sales of taxable items for economic development purposes, if approved by a majority of the voters in a local option election.

At an election held on November 2, 1993, registered voters of the City approved the imposition of a one-half percent (1/2%) additional sales tax for property tax reduction. Levy of the ad valorem tax reduction sales tax began in October 1994.

At an election held in November 1997, registered voters of the City approved the creation of a Crime Control and Prevention District ("CCPD") and authorized the imposition of a one-half percent (½%) additional sales tax for crime prevention for five years. This authorization was renewed for an additional five years in May 2002. Levy of the original ½% crime prevention sales tax began in April 1998 and after initial renewal extended until April 2008.

On May 12, 2007, the City had an election in which registered voters approved the imposition of a three-eighths percent (3/8%) additional sales tax for crime prevention for ten years (a reduction from the original ½% authorized) and a one-eighth percent (1/8%) additional sales tax for street maintenance. Levy of these additional sales tax collections began in April 2008 and were extended until April 2028 for CCPD and April 2023 for Street Maintenance. See Table 15, page A-7 for the City's sales tax collections.

The City has not held an election regarding an additional sales tax for economic development purposes in accordance with provisions of Chapters 501, 502, 504 or 505, Texas Local Government Code, as amended.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appendix C -- Form of Legal Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel to the City will rely upon (a) the City's federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel's opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation’s “adjusted financial statement income” determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient’s federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB").

Annual Reports

The City will provide certain updated financial information and operating data to the MSRB on an annual basis. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1, 2, 3, 11, 12, 13, 14, and 19 of Appendix A. The City will update and provide this information within six (6) months after the end of each fiscal year ending in and after 2023. The City will additionally provide audited financial statements when and if available, and in any event, within twelve (12) months after the end of each fiscal year ending in or after 2023. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City will file unaudited financial statements within such 12 - month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix D or such other accounting principles as the City may be required to employ from time to time pursuant to State law or regulation.

The City's current fiscal year end is September 30. Accordingly, the City must provide updated information included in the above-referenced tables by the last day of March in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by September 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will file notice of the change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the City otherwise would be required to provide financial information and operating data as set forth above.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

Notice of Certain Events

The City will also provide timely notices of certain events to the MSRB. The City will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties. In addition, the City will provide timely notice of any failure by the City to provide annual financial information or operating data in accordance with their agreement described above under "Annual Reports".

For these purposes, any event described in (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States

Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

For the purposes of the above described event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

Availability of Information from MSRB

The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The City has agreed to update information and to provide notices of specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Bonds consent or any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Bonds. The City may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

During the last five years, the City has complied in all material respects with all continuing disclosure undertakings made by it in accordance with the Rule, except as follows: the City did not timely file defeasance notices in connection with the refunding of the City's Waterworks and Sewer System Revenue Bonds, Series 2006, Combination Tax and Revenue Certificates of Obligation, Series 2007, and Combination Tax and Revenue Certificates of Obligation, Series 2010. The Defeasance notice was filed July 31, 2020 and the Notice of Failure to File Material Event was filed on August 3, 2020.

OTHER PERTINENT INFORMATION

Registration and Qualification of Bonds for Sale

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The City assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

Litigation

In the opinion of the City Attorney, the Issuer is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the Issuer, would have a material adverse effect on the financial condition of the City.

Future Debt Issuance

The City does not anticipate the issuance of additional debt within the next twelve months.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the City has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

No representation is made that the Bonds will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Bonds for such purposes.

Legal Matters

The delivery of the Bonds is subject to the approval of the Attorney General of Texas, who will deliver its opinion, to the effect that the Bonds are valid and legally binding obligations of the City payable from the proceeds of an annual ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the City, and based upon examination of such transcript of proceedings, the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City ("Bond Counsel"), to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under section 103(a) of the Internal Revenue Code, subject to the matters described under "TAX MATTERS" herein. The form of Bond Counsel's opinion is attached hereto as APPENDIX C.

Though it may represent the Initial Purchaser from time to time in matters unrelated to the issuance of the Bonds, Bond Counsel has been engaged by and only represents the City in the issuance of the Bonds. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Notice of Sale, the Official Bid Form or the Preliminary Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Ordinance.

The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. The legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Rating

S&P Global Ratings ("S&P") has assigned an underlying rating of "AA" on its general obligation debt from S&P. An explanation of the significance of such rating may be obtained from the rating agency. A rating by a rating agency reflects only the view of such company at the time the rating is given, and the City makes no representations as to the appropriateness of the rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by S&P, if, in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the City in connection with the issuance of the Bonds. In this capacity, the Financial Advisor has compiled certain data relating to the Bonds and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for Financial Advisor are contingent upon the issuance, sale and delivery of the Bonds.

Initial Purchaser

After requesting competitive bids for the Bonds, the City accepted the bid of KeyBanc Capital Markets Inc. (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on page ii of this Official Statement at a price of par, plus a premium of $1,601,873.85, and less an underwriter's discount of $112,096.16. The City can give no assurance that any trading market will be developed for the Bonds after their sale by the City to the Initial Purchaser. The City has no control over the price at which the Bonds are subsequently sold, and the initial yield at which the Bonds will be priced and reoffered will be established by and will be the responsibility of the Initial Purchaser.

Certification as to Official Statement

At the time of payment for and delivery of the Bonds, the City will furnish to the Initial Purchaser a certificate, executed by an authorized representative of the City, acting in such person's representative capacity, to the effect that to the best of such person's knowledge and belief: (a) the descriptions and statements of or pertaining to the City contained in the Official Statement, and any addenda, supplement or amendment thereto, on the date of the Official Statement, on the date of sale of the Bonds and the acceptance of the best bid therefor, and on the date of the delivery, were and are true and correct in all material respects; (b) insofar as the City and its affairs, including its financial affairs, are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the City believes to be reliable and the City has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the City since the date of the last audited financial statements of the City.

Links to Websites

The City has provided links to websites in this Official Statement to allow investors independent access to information or expertise that may be of value. INFORMATION ON SUCH WEBSITES IS NOT INCORPORATED INTO THIS OFFICIAL STATEMENT BY REFERENCE OR OTHERWISE. The inclusion of any links does not imply a recommendation or endorsement of the information or views expressed within a website. The City has not participated in the preparation, compilation or selection of information or views in any website referenced in this Official Statement, and assumes no responsibility or liability for the information or views, or accuracy or completeness thereof, in any website referenced herein.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City' expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

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Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statues, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original statutes, documents and ordinances in all respects.

This Official Statement was approved by the City Council for distribution in accordance with the provisions of the Rule.

CITY OF SAGINAW, TEXAS

Todd Flippo
Mayor
City of Saginaw, Texas

ATTEST:

Janice England
City Secretary
City of Saginaw, Texas

APPENDIX A

FINANCIAL INFORMATION OF THE CITY

(This appendix contains quantitative financial information and operating data with respect to the City. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

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FINANCIAL INFORMATION OF THE CITY

ASSESSED VALUATION **TABLE 1**

2022 Total Appraised Value of Taxable Property (100% of Actual)[(a)]		$	3,133,188,377
Less Exemptions / Value Loss:			
Absolute Exemptions	195,750,746		
Nominal Value	63,988		
Disabled Vets	35,064,619		
Freeport Inventory	59,623,949		
Over 65-Local	143,406,163		
Disabled-Local	9,324,678		
Polution Control/Solar/Wind	535,972		
Misc Personal Property	4,981,676		
Comm Hse Dev	-		
Incomplete Accounts/Under ARB Review	137,618,267		
	Total Exemptions		586,370,058
2022 Certified Net Taxable Assessed Valuation		$	2,546,818,319

[(a)] *See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE TEXAS TAX CODE" in the Official Statement for a description of the City's taxation procedures.*

Source: Tarrant Appraisal District - September certified values and the City.

GENERAL OBLIGATION BONDED DEBT **TABLE 2**

General Obligation Debt Principal Outstanding: (As of January 1, 2023)		
General Obligation Refunding and Improvement Bonds, Series 2013	$	5,160,000
General Obligation Refunding Bonds, Series 2014		460,000
General Obligation Bonds, Series 2015		5,410,000
General Obligation Refunding Bonds, Series 2015		790,000
General Obligation Refunding Bonds, Series 2016		2,215,000
General Obligation Bonds, Series 2017		6,315,000
Tax Notes, Series 2019		935,000
General Obligation Refunding Bonds, Series 2019		640,000
General Obligation Refunding Bonds, Series 2020		920,000
Combination Tax & Revenue Certificates of Obligation, Series 2020		17,210,000
General Obligation Bonds, Series 2021		7,935,000
General Obligation Bonds, Series 2022		22,260,000
Total Gross General Obligation Debt Principal Outstanding:	$	70,250,000
Current Issue General Obligation Debt Principal:		
General Obligation Bonds, Series 2023 (the "Bonds")	$	15,590,000
Total **Gross** General Obligation Debt Principal Outstanding Following the Issuance of the Bonds	$	85,840,000
Less: Self-Supporting General Obligation Debt Principal		
General Obligation Refunding Bonds, Series 2015 (100% UF)	$	790,000
Total Self-Supporting General Obligation Debt Principal	$	790,000
Total **Net** General Obligation Debt Outstanding (Following the issuance of the Obligations):	$	85,050,000
General Obligation Interest and Sinking Fund Balance as of December 31, 2022.	$	2,471,673
Ratio of General Obligation Debt Principal to 2022 Certified Net Taxable Assessed Valuation		3.37%
2022 Certified Net Taxable Assessed Valuation[(a)]	$	2,546,818,319
Population: 1990 - 8,551; 2000 - 12,374; 2010 - 19,806; 2020 - 24,860; Current Estimate		24,450
Per Capita 2022 Certified Net Taxable Assessed Valuation -	$	104,164
Per Capita **Gross** General Obligation Debt Principal -	$	3,511
Per Capita **Net** General Obligation Debt Principal -	$	3,479

[(a)] *See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE TEXAS TAX CODE" in the Official Statement for a description of the City's taxation procedures.*

OTHER OBLIGATIONS — TABLE 3

Capital Lease Obligations

The City has no capital lease obligations at September 30, 2022.

Source: The City's Annual Comprehensive Financial Reports

NET TAXABLE ASSESSED VALUATION FOR TAX YEARS 2013-2022 — TABLE 4

	Net Taxable	Change From Preceding Year	
Year	Assessed Valuation	Amount ($)	Percent
2013-14	1,219,320,151	55,195,623	4.74%
2014-15	1,275,728,662	56,408,511	4.63%
2015-16	1,316,353,549	40,624,887	3.18%
2016-17	1,441,352,872	124,999,323	9.50%
2017-18	1,570,202,200	128,849,328	8.94%
2018-19	1,843,931,670	273,729,470	17.43%
2019-20	2,046,012,112	202,080,442	10.96%
2020-21	2,054,763,191	8,751,079	0.43%
2021-22	2,264,041,600	209,278,409	10.19%
2022-23	2,546,818,319	282,776,719	12.49%

Source: Tarrant Appraisal District and the City of Saginaw.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS — TABLE 5

Fiscal Year 30-Sep	Currently Outstanding Debt Service	The Bonds Principal	The Bonds Interest	The Bonds Total	Combined Debt Service[(a)]	Less: Debt Paid from Utility Fund[(b)]	Net General Obligation Debt Service[(c)]
2023	$ 6,400,647	$ -	$ -	$ -	$ 6,400,647	$ 165,642	$ 6,235,005
2024	6,100,954	100,000	1,053,008	1,153,008	7,253,963	167,672	7,086,291
2025	6,108,206	300,000	738,300	1,038,300	7,146,506	169,603	6,976,903
2026	5,973,635	100,000	723,300	823,300	6,796,935	166,435	6,630,500
2027	5,618,318	585,000	718,300	1,303,300	6,921,618	168,267	6,753,351
2028	5,649,602	615,000	689,050	1,304,050	6,953,652	-	6,953,652
2029	5,591,870	645,000	658,300	1,303,300	6,895,170	-	6,895,170
2030	5,576,688	675,000	626,050	1,301,050	6,877,738	-	6,877,738
2031	5,463,076	710,000	592,300	1,302,300	6,765,376	-	6,765,376
2032	5,468,224	745,000	556,800	1,301,800	6,770,024	-	6,770,024
2033	5,463,649	785,000	519,550	1,304,550	6,768,199	-	6,768,199
2034	4,892,220	825,000	480,300	1,305,300	6,197,520	-	6,197,520
2035	4,892,650	865,000	439,050	1,304,050	6,196,700	-	6,196,700
2036	4,390,350	910,000	395,800	1,305,800	5,696,150	-	5,696,150
2037	4,384,300	955,000	350,300	1,305,300	5,689,600	-	5,689,600
2038	3,857,150	1,000,000	302,550	1,302,550	5,159,700	-	5,159,700
2039	3,860,850	1,050,000	252,550	1,302,550	5,163,400	-	5,163,400
2040	3,854,750	1,105,000	200,050	1,305,050	5,159,800	-	5,159,800
2041	2,432,550	1,160,000	144,800	1,304,800	3,737,350	-	3,737,350
2042	1,905,750	1,205,000	98,400	1,303,400	3,209,150	-	3,209,150
2043	-	1,255,000	50,200	1,305,200	1,305,200	-	1,305,200
	$ 97,885,440	$ 15,590,000	$ 9,588,958	$ 25,178,958	$ 123,064,398	$ 837,619	$ 122,226,779

(a) *Includes general obligation self-supporting debt.*

(b) *Includes debt being paid from water and sewer system revenues. See Table 2, page A-1 for more detailed information.*

(c) *Excludes debt service paid from water and sewer revenues.*

TAX ADEQUACY (Includes Self-Supporting Debt) — TABLE 6

2022 Certified Net Taxable Assessed Valuation	$ 2,546,818,319
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-24)	$ 7,253,963
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.29064

TAX ADEQUACY (Excludes Self-Supporting Debt) — TABLE 7

2022 Certified Net Taxable Assessed Valuation	$ 2,546,818,319
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-24)	$ 7,086,291
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.28392

INTEREST AND SINKING FUND MANAGEMENT INDEX — TABLE 8

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2022	$ 1,180,683
2022 Interest and Sinking (I&S) Fund Tax Levy of $0.23488 at 99% Collections Produces [a]	5,922,147
Total Available for Debt Service	$ 7,102,830
Less: Net General Obligation Debt Service Requirements, Fiscal Year Ending 9-30-23	6,235,005
Estimated Surplus at Fiscal Year Ending 9-30-23	$ 867,825

[a] *Does not include delinquent tax collections, penalties and interest on delinquent tax collections or investment earnings.*

GENERAL OBLIGATION DEBT PRINCIPAL REPAYMENT SCHEDULE — TABLE 9

	Principal Repayment Schedule			Debt	Percent of
Fiscal Year Ending 9-30	Outstanding Debt	The Bonds	Total	Unpaid at End of Year	Principal Retired (%)
2023	$ 3,575,000	$ -	$ 3,575,000	$ 82,265,000	4.16%
2024	3,635,000	100,000	3,735,000	78,530,000	8.52%
2025	3,740,000	300,000	4,040,000	74,490,000	13.22%
2026	3,705,000	100,000	3,805,000	70,685,000	17.65%
2027	3,455,000	585,000	4,040,000	66,645,000	22.36%
2028	3,595,000	615,000	4,210,000	62,435,000	27.27%
2029	3,670,000	645,000	4,315,000	58,120,000	32.29%
2030	3,800,000	675,000	4,475,000	53,645,000	37.51%
2031	3,840,000	710,000	4,550,000	49,095,000	42.81%
2032	4,000,000	745,000	4,745,000	44,350,000	48.33%
2033	4,150,000	785,000	4,935,000	39,415,000	54.08%
2034	3,740,000	825,000	4,565,000	34,850,000	59.40%
2035	3,885,000	865,000	4,750,000	30,100,000	64.93%
2036	3,535,000	910,000	4,445,000	25,655,000	70.11%
2037	3,670,000	955,000	4,625,000	21,030,000	75.50%
2038	3,275,000	1,000,000	4,275,000	16,755,000	80.48%
2039	3,400,000	1,050,000	4,450,000	12,305,000	85.67%
2040	3,520,000	1,105,000	4,625,000	7,680,000	91.05%
2041	2,245,000	1,160,000	3,405,000	4,275,000	95.02%
2042	1,815,000	1,205,000	3,020,000	1,255,000	98.54%
2043	-	1,255,000	1,255,000	-	100.00%
	$ 70,250,000	$ 15,590,000	$ 85,840,000		

CLASSIFICATION OF ASSESSED VALUATION **TABLE 10**

Category	2022	% of Total	2021	% of Total	2020	% of Total	2019	% of Total	2018	% of Total
Real Estate Residential	$ 1,912,887,119	61.05%	$ 1,701,277,286	60.52%	$ 1,550,330,737	59.30%	$ 1,430,402,813	57.74%	$ 1,239,942,980	55.37%
Real Estate Commercial	562,596,018	17.96%	472,709,881	16.82%	463,658,516	17.73%	427,950,002	17.27%	403,024,081	18.00%
Real Estate Industrial	114,052,409	3.64%	110,996,492	3.95%	115,714,121	4.43%	117,173,523	4.73%	103,321,188	4.61%
Personal Prop Commercial	406,924,010	12.99%	372,543,862	13.25%	350,801,162	13.42%	363,828,827	14.69%	346,372,096	15.47%
Personal Prop Industrial	136,055,289	4.34%	153,174,622	5.45%	133,435,553	5.10%	137,378,032	5.55%	146,195,411	6.53%
Mineral Lease Property	632,310	0.02%	400,050	0.01%	535,580	0.02%	698,360	0.03%	410,340	0.02%
Agricultural Property	41,222	0.00%	55,613	0.00%	57,386	0.00%	60,297	0.00%	50,681	0.00%
Total Appraised Value	$ 3,133,188,377	100.00%	$ 2,811,157,806	100.00%	$ 2,614,533,055	100.00%	$ 2,477,491,854	100.00%	$ 2,239,316,777	100.00%
Less Exemptions/Value Loss:										
Absolute Exemptions	$ 195,750,746		$ 181,037,079		$ 185,837,846		$ 119,631,325		$ 169,752,822	
Abatements	-		-		-		-		36,229,653	
Nominal Value	63,988		37,602		40,887		52,087		26,115	
Disabled Vets	35,064,619		29,446,601		23,108,508		19,009,247		14,123,011	
Freeport Inventory	59,623,949		45,481,453		37,088,819		51,446,181		52,541,801	
Over 65-Local	143,406,163		67,971,808		64,162,328		63,182,928		58,059,648	
Disabled-Local	9,324,678		5,625,000		5,050,000		4,170,000		3,669,999	
Pollution Control/Solar/Wind/Other	535,972		121,028		136,660		350,802		310,218	
Misc Personal Property	4,981,676		9,060,347		9,703,371		13,737,003		3,250,105	
Comm Hse Dev	-		396,809		-		-		-	
Incomplete Accounts / Under ARB Review	137,618,267		207,938,479		234,641,445		159,900,169		57,421,735	
Total Exemptions	$ 586,370,058		$ 547,116,206		$ 559,769,864		$ 431,479,742		$ 395,385,107	
Certified Net Taxable Valuation	$ 2,546,818,319		$ 2,264,041,600		$ 2,054,763,191		$ 2,046,012,112		$ 1,843,931,670	

Note: Assessed Valuations shown are Certified Values and may change during the year due to various supplements and protests. Valuations on a later date or in other tables of this Official Statement may not match those shown on this table.

Source: Tarrant Appraisal District (Certified September 1 Totals) and the City.

PRINCIPAL TAXPAYERS 2022 — TABLE 11

Name	Type of Business	2022 Taxable Assessed Valuation	% of Total 2022 Assessed Valuation
Miller Milling Company LLC	Grain Elavator/Mill	$ 53,081,314	2.08%
Ventura Foods LLC	Food Packaging/Processing	53,026,978	2.08%
Ardent Mills LLC	Food Service / Processing	45,821,693	1.80%
Trinityrail Maintenance Services Inc.	Industrial Manufacturing	28,427,710	1.12%
Gavilon Grain LLC	Grain Elavator/Mill	28,031,483	1.10%
UFP Saginaw LLC	Wholesale Supplier/Distribution Center	26,433,712	1.04%
CTI Foods Inc./CTI Saginaw I LLC	Food Packaging/Processing	26,030,986	1.02%
DOS Project LP	Food Packaging/Processing	21,698,312	0.85%
BNSF Railway Co.	Railroad	20,710,860	0.81%
Oncor Electrc Delivery Co. LLC	Electric Utility/Power Plant	20,201,990	0.79%
	Total	$ 323,465,038	12.70%

Based on a 2022 Certified Net Taxable Assessed Valuation of $2,546,818,319

Source: Tarrant Appraisal District

PROPERTY TAX RATES AND COLLECTIONS [(a)] — TABLE 12

Tax Year	Net Taxable Assessed Valuation	Tax Rate	Tax Levy	% Collections Current	% Collections Total	Year Ended
2013	$ 1,219,320,151	$ 0.510000	$ 6,223,951	99.37%	99.90%	9/30/2014
2014	1,275,728,662	0.510000	6,484,972	99.43%	99.94%	9/30/2015
2015	1,316,353,549	0.544000	7,175,560	99.53%	99.93%	9/30/2016
2016	1,441,352,872	0.513000	7,557,636	99.42%	99.89%	9/30/2017
2017	1,570,202,200	0.495000	8,075,537	99.40%	99.73%	9/30/2018
2018	1,843,931,670	0.471800	8,893,539	99.51%	99.83%	9/30/2019
2019	2,046,012,112	0.459000	9,671,868	99.52%	99.66%	9/30/2020
2020	2,054,763,191	0.461579	10,438,401	99.44%	99.44%	9/30/2021
2021	2,264,041,600	0.479516	11,695,914	99.35%	99.50%	9/30/2022
2022	2,546,818,319	0.508042	13,494,517	55.02%	55.15% [(b)]	9/30/2023

[(a)] *See "AD VALOREM TAX PROCEDURES" and "CITY APPLICATION OF THE TEXAS TAX CODE" in the Official Statement for a description of the City's taxation procedures.*

[(b)] *Current Collections as of December 31, 2022.*

Source: Tarrant Appraisal District and the City of Saginaw.

TAX RATE DISTRIBUTION — TABLE 13

	2022	2021	2020	2019	2018
General Fund	$0.273156	$0.285058	$0.284238	$0.281655	$0.291129
I & S Fund	0.234886	0.194458	0.177341	0.177345	0.180671
TOTAL	$0.508042	$0.479516	$0.461579	$0.459000	$0.471800

Source: Tarrant Appraisal District and the City.

FUND BALANCES — TABLE 14

(As of December 31, 2022. unaudited)

General Operating Fund (Undesignated)	$ 5,907,518
General Obligation Debt Service (I&S) Fund	2,471,673
Special Revenue Fund	10,722,517
Capital Projects Fund	35,275,735
Enterprise Fund (Undesignated)	5,357,596
Revenue Bond Reserve	161,119
Revenue Bond Debt Service (I&S) Reserve	35,485
General Fund Emergency Reserve	4,990,000
Enterprise Fund Emergency Reserve	2,450,000
Enterprise Fund (Designated)	3,323,240
General Fund (Designated)	6,931,122
Total	$ 77,626,005

MUNICIPAL SALES TAX — TABLE 15

The table below shows total sales tax collections for the City. At an election held on November 2, 1993, registered voters of the City approved the imposition of a one-half percent (½%) additional sales tax for property tax reduction. Levy of the ad valorem tax reduction sales tax began in October 1994. At an election held in November 1997, registered voters of the City approved the creation of a Crime Control and Prevention District ("CCPD") and authorized the imposition of a one-half percent (½%) additional sales tax for crime prevention for five years. This authorization was renewed for an additional five years in May 2002. Levy of the original ½% crime prevention sales tax began in April 1998 and after initial renewal extended until April 2008. On May 12, 2007, the City had an election in which registered voters approved the imposition of a three-eighths percent (3/8%) additional sales tax for crime prevention for ten years (a reduction from the original ½% authorized) and a one-eighth percent (1/8%) additional sales tax for street maintenance. Levy of these additional sales tax collections began in April 2008 and was extended until April 2028. The City has not held an election regarding an additional sales tax for economic development purposes in accordance with provisions of Chapters 501, 502, 504 or 505, Texas Local Government Code, as amended. Municipal sales taxes ARE NOT pledged for the payment of principal and interest on the Bonds.

Calendar Year	1.625% Total Collections	1.500% General Fund	0.125% Streets	% of Ad Valorem Tax Levy	($) Equivalent of Ad Valorem Tax Rate	0.375% Crime Prevention
2014	$ 4,723,354.11	$ 4,360,019.18	$ 363,334.93	72.84%	0.3702	$ 1,001,732.03
2015	4,776,688.27	4,409,250.71	367,437.56	66.57%	0.3629	1,017,191.14
2016	4,774,061.64	4,406,826.13	367,235.51	63.17%	0.3312	1,028,497.42
2017	5,095,225.76	4,703,285.32	391,940.44	63.09%	0.3245	1,109,465.26
2018	5,257,738.16	4,853,296.76	404,441.40	59.12%	0.2851	1,138,224.43
2019	5,642,609.85	5,208,562.94	434,046.91	58.34%	0.2758	1,240,673.48
2020	5,935,359.92	5,478,793.77	456,566.15	56.86%	0.2889	1,300,140.17
2021	7,328,008.40	6,764,315.45	563,692.95	62.65%	0.3237	1,640,405.23
2022	7,858,126.26	7,253,655.01	604,471.25	58.23%	0.3085	1,754,561.57
2023*	628,692.90	580,331.91	48,360.99			141,255.91

* As of January, 2023.

Source: State Comptroller's Office of the State of Texas.

Note: The Comptroller's website figures list sales tax revenues in the month they are delivered to the City, which is two months after they are generated/collected. The City accrues sales tax revenues to the month in which they are earned.

OVERLAPPING DEBT DATA AND INFORMATION — TABLE 16

(As of January 1, 2023)

Taxing Body	Gross Debt Principal Outstanding	% Overlapping	Amount Overlapping
Tarrant County	$ 404,360,000	0.98%	$ 3,962,728
Tarrant County Hospital District	12,825,000	0.98%	125,685
Eagle Mountain-Saginaw Independent School District	1,086,202,504	17.20%	186,826,831
Tarrant County College District	12,825,000	0.98%	5,981,087
Total Gross Overlapping Debt			$ 196,896,331
City of Saginaw	85,840,000 [(a)]	100.00%	85,840,000 [(a)]
Total **Gross** Direct and Overlapping Debt			$ 282,736,331 [(a)]
Ratio of Direct and Overlapping Debt Principal to 2022 Certified Net Taxable Assessed Valuation			11.10% [(a)]
Ratio of Direct and Overlapping Debt Principal to 2022 Actual Total Assessed Valuation			9.02% [(a)]
Per Capita Direct and Overlapping Debt			$ 11,564 [(a)]

[(a)] *Includes the Bonds.*

Source: The most recent Texas Municipal Report published by the Municipal Advisory Council of Texas

ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES — TABLE 17

Governmental Entity	2022 Assessed Valuation	% of Actual	2022 Tax Rate
Tarrant County	$ 262,706,197,581	100%	$ 0.224000
Tarrant County Hospital District	232,505,993,849 *	100%	0.224000 *
Tarrant County College District	234,225,984,717 *	100%	0.130000 *
Eagle Mountain-Saginaw ISD	14,593,502,089	100%	1.458000
Fort Worth ISD	52,417,935,127	100%	1.282000

Source: Texas Municipals Reports published by the Municipal Advisory Council of Texas

** 2021 Assessed Valuation- (2022 Unavailable at this time.)*

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF OVERLAPPING GOVERNMENTAL ENTITIES — TABLE 18

Taxing Body	Date of Authorization	Purpose		Amount Authorized	Issued To Date	Unissued
Tarrant County	8/8/98	Justice Center		$ 70,600,000	$ 63,100,000	$ 7,500,000
	8/8/98	Healthcare Facility		9,100,000	1,000,000	8,100,000
	5/13/06	County Buildings		62,300,000	47,300,000	15,000,000
	11/2/2021	Street & Bridge		400,000,000	225,000,000	175,000,000
			Total	$ 542,000,000	$ 336,400,000	$ 205,600,000
Eagle Mountain-Saginaw Independent School District	None					
Fort Worth Independent School District	11/2/2021	School Building		$ 1,211,000,000	$ 150,000,000	$ 1,061,000,000
Tarrant County College District	11/5/2019	School Buildings		$ 825,000,000	$ 300,000,000	$ 525,000,000
Tarrant County Hospital District	None					
City of Saginaw	5/1/2021	Streets & Roads [1]		$ 37,550,000	$ 19,750,000	$ 17,800,000
		Parks/Senior Center [1]		11,200,000	11,200,000	-
		Library		18,700,000	18,700,000	-
			Total	$ 67,450,000	$ 49,650,000	$ 17,800,000

Source: Texas Municipals Reports published by the Municipal Advisory Council of Texas

[1] The Bonds constitute $12,950,000 for Streets and Roads and $4,000,000 for Parks as authorized by voters on May 1, 2021.

GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES **TABLE 19**

	Fiscal Year Ended September 30				
	2022	**2021**	**2020**	**2019**	**2018**
Revenues:					
Taxes	$ 15,824,110	$ 14,703,088	$13,071,890	$ 12,454,203	$ 11,206,947
Licenses and Permits	502,521	668,169	773,813	858,901	951,542
Charges for Services	100,755	97,020	94,815	87,150	84,000
Fines and Fees	682,650	1,092,420	517,883	509,672	505,110
Interest Income	102,447	6,911	113,140	295,148	191,974
Recreation Income	344,113	163,056	162,412	524,686	520,798
Intergovernmental	216,784	229,848	1,423,032	216,779	135,821
Miscellaneous Revenues	198,132	170,872	182,049	224,606	601,504
Total Revenues	$ 17,971,512	$ 17,131,384	$ 16,339,034	$ 15,171,145	$ 14,197,696
Expenditures:					
Current:					
General Administrative Offices	$ 2,324,967	$ 2,601,057	$ 1,798,896	$ 1,846,648	$ 1,774,678
Municipal Court	212,097	191,718	187,064	212,743	168,421
Fire	4,158,484	3,864,642	3,965,267	3,826,258	3,982,620
Police	5,363,151	5,018,523	5,001,254	5,284,720	4,546,478
Public Works	2,579,899	1,652,954	1,916,939	1,835,898	1,609,303
Parks	319,152	337,404	538,609	379,478	339,015
Community services	1,309,153	645,986	811,155	998,499	959,782
Library	708,877	626,724	568,571	601,026	569,005
Inspection	906,530	716,646	625,717	600,849	579,082
Animal Services	483,263	471,758	389,122	329,854	398,633
Fleet Maintenance	665,366	457,527	392,030	434,837	456,219
Economic Development	224,361	140,178	176,840	243,050	567,978
Information Technology *	398,691	398,731	427,319	327,680	-
Total Expenditures	$ 19,653,991	$ 17,123,848	$ 16,798,783	$ 16,921,540	$ 15,951,214
Excess (Deficit) of Revenues Over Expenditures	$ (1,682,479)	$ 7,536	$ (459,749)	$ (1,750,395)	$ (1,753,518)
Other Financing Sources (Uses):					
Operating Transfers In	2,119,143	1,956,513	1,884,758	1,797,112	1,705,322
Operating Transfers Out	(232,150)	(2,874,681)	(72,735)	(42,970)	-
Total Other Financing Sources (Uses)	$ 1,886,993	$ (918,168)	$ 1,812,023	$ 1,754,142	$ 1,705,322
Excess (Deficit) of Revenues/Other Sources Sources Over Expenditures/Other Uses	204,514	(910,632)	1,352,274	3,747	(48,196)
Fund Balance - Beginning of Year	12,045,781	12,956,413	11,604,139	11,600,392	11,648,588
Fund Balance - September 30	$ 12,250,295	$ 12,045,781	$ 12,956,413	$ 11,604,139	$ 11,600,392

Source: The City's Annual Comprehensive Financial Reports

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

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APPENDIX B

GENERAL INFORMATION REGARDING THE CITY OF SAGINAW AND TARRANT COUNTY, TEXAS

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GENERAL INFORMATION REGARDING THE CITY OF SAGINAW AND TARRANT COUNTY, TEXAS

CITY OF SAGINAW, TEXAS

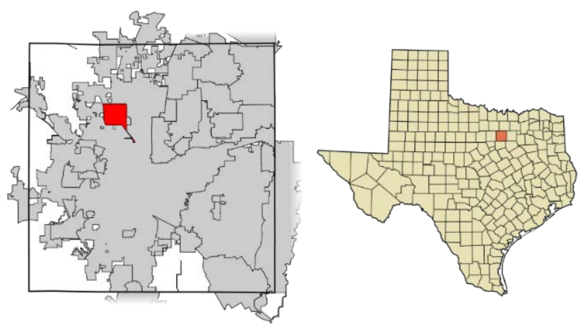
General

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

The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles. Saginaw's population from the 2000 Census was 12,374; the 2010 Census was 19,806; and the 2020 Census was 24,860 (a 26% increase in the last ten years). The current population estimate is 24,450.

Management

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 and 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 improvement programs.



Population:

Census Report	City of Saginaw	Tarrant County
Current Estimate	24,450	2,157,740
2020	24,860	2,110,640
2010	19,806	1,809,034
2000	12,374	1,446,219
1990	8,551	1,170,103
1980	5,736	860,880

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Sources: United States Bureau of the Census, Texas Municipal Reports, and the North Central Texas Council of Governments and the Issuer.

Principal Employers within the City for 2022

Employer	Type of Business	Approximate Number of Employees 2022
Eagle Mountain-Saginaw ISD	Public Education	2,952
Ventura Foods	Food Processing	398
Wal Mart Supercenter #5316	Retail Sales	393
Trinity N. American Freight Car, Inc.	Rail Car Manufacturing & Repair	370
CTI Beanmaker & Chefco Foods	Food Processing	356
Amazon.com Services LLC	Distribution	320
Anchor Fabrication Corp	Metal Fabrication	290
Ranger Fire Inc	Fire Sprinkler Systems	200
Russo Corporation	Food Processing	200
United Forestry Products LLC	Building product supply	180

Source: City's 2022 Annual Comprehensive Financial Report

Economic Condition and Outlook

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections have continued to grow and commercial and residential development continues. Our industrial base is composed of food manufacturer/processors, building material suppliers, transportation, flour milling and other essential businesses. The real estate market continues to be strong. For 2022/2023 the City had $44.9 million ($20M multi-family and $17M commercial) in added value from new construction. New businesses include five new restaurants, a skilled nursing rehabilitation facility, and three commercial/industrial equipment suppliers. The Prose Apartments, the multi-family component of the UCD development opened, as well as, the Edition, a senior living complex. Sales tax collections for the current fiscal year to date are 8% higher than last year.

Source: City's 2022 Annual Comprehensive Financial Report

TARRANT COUNTY, TEXAS

General

Tarrant County (the "County") was created in 1849 from Navarro County. The County is located in north Texas and is a component of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA), the most populous metropolitan area in Texas. The City of Fort Worth is the county seat. The County's 2010 census population was 1,809,034, an increase of 25.09% over the 2000 census population of 1,446,219. The County's current population estimate is 2,144,653.

Historically, the County's economic environment has been characterized by steady, yet modest growth. This has been in part because of the diverse nature of the business sectors making up the local economy, without an overwhelming dominance by any one industry. Similarly, local real estate values have demonstrated steady yet modest increases over the past decade.

Other segments of the local economy include aircraft, automobile and electronic manufacturing, tourism, entertainment, livestock and agri-business, transportation including major railroad services, financial services and tourism. Because of this diversity, the outlook for stable economic conditions seems favorable.

**Source: Tarrant County 2021 ACFR.*

Labor Force Statistics

	Tarrant County		DFW-Fort Worth-Arlington MSA	
	December 2022	December 2021	December 2022	December 2021
Civilian Labor Force	1,150,638	1,118,243	4,327,848	4,170,319
Total Employed	1,113,479	1,076,152	4,191,279	4,018,943
Total Unemployed	37,159	42,091	136,569	151,376
% Unemployed	3.2%	3.8%	3.2%	3.6%
% Unemployed (Texas)	3.6%	4.2%		
% Unemployed (United States)	3.3%	3.7%		

Source: Texas Workforce Commission, Labor Market Information Department.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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PROPOSED FORM OF OPINION OF BOND COUNSEL

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

**CITY OF SAGINAW, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2023
IN THE AGGREGATE PRINCIPAL AMOUNT OF $15,590,000**

AS BOND COUNSEL FOR THE CITY OF SAGINAW, TEXAS (the "Issuer") in connection with the issuance of the bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates and mature on the dates, and are subject to redemption, in accordance with the terms and conditions stated in the text of the Bonds. Terms used herein and not otherwise defined shall have the meaning given in the ordinance of the Issuer authorizing the issuance and sale of the Bonds (the "Ordinance").

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Issuer, and other pertinent instruments authorizing and relating to the issuance of the Bonds, including one of the executed Bonds (Bond Number T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Bonds have been duly authorized, issued, and delivered in accordance with law; and that the Bonds, except as may be limited by laws applicable to the Issuer relating to bankruptcy, reorganization and other similar matters affecting creditors' rights generally or by general principles of equity and sovereign immunity of political subdivisions which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the Issuer; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds have been levied and pledged for such purpose, within the limit prescribed by law, as provided in the Ordinance.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code").

IN EXPRESSING THE AFOREMENTIONED OPINIONS, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of and assessed valuation of taxable property within the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

Respectfully,

APPENDIX D

CITY’S GENERAL PURPOSE AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2022

(Independent Auditor's Report, Management Discussion and Analysis, General Financial Statements and Notes to the Financial Statements - not intended to be a complete statement of the City's financial condition. Reference is made to the complete Comprehensive Annual Financial Report for further information.)

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City of Saginaw, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2022

Prepared By
The City of Saginaw, Texas
Finance Department

City of Saginaw

City of Saginaw, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2022
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For the Fiscal Year Ended September 30, 2022
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Introductory Section

City of Saginaw

City of Saginaw

City of Saginaw

333 West McLeroy
P.O. Box 79070
Saginaw, Texas 76179
817-232-4640
Fax 817-232-4644
www.ci.saginaw.tx.us

January 17, 2023
Honorable Mayor Todd Flippo,
Members of the City Council,
City of Saginaw, Texas

The Saginaw City staff is pleased to submit the Annual Comprehensive Financial Report of the City of Saginaw, Texas, for the fiscal year ended September 30, 2022. 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, 2022. The independent auditor's report is located at the front of the financial section of this report.

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

The Reporting Entity

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

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

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

Services Provided

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

This report includes the financial statements of the funds required to account for those activities, organizations and functions which are related to the City and are controlled by or dependent upon the City's governing body, the City Council. The criteria used by the City for including activities in preparing its financial statements are set forth by the GASB. Based on these criteria, all municipal services listed are included in the City's 2021-2022 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 City Council meeting prior to the first day of the fiscal year.

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

Internal Controls

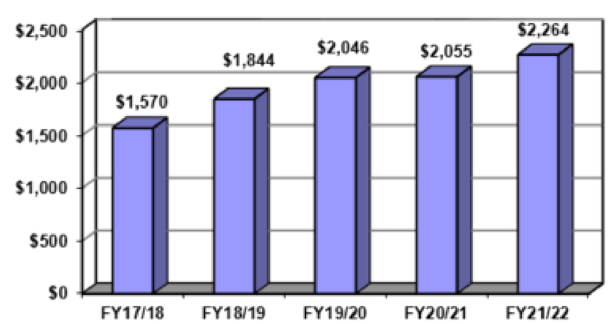
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records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

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

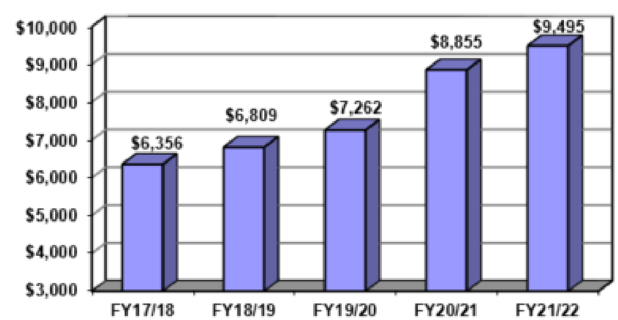
Summary of Local Economy

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections have continued to grow and commercial and residential development continues. Our industrial base is composed of food manufacturer/processors, building material suppliers, transportation, flour milling and other essential businesses. The real estate market continues to be strong. For 2022/2023 the City had $44.9 million ($20M multi-family and $17M commercial) in added value from new construction. New businesses include five new restaurants, a skilled nursing rehabilitation facility, and three commercial/industrial equipment suppliers. The Prose Apartments, the multi-family component of the UCD development opened, as well as, the Edition, a senior living complex. Sales tax collections for the current fiscal year to date are 8% higher than last year.

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Three mixed used developments, All Storage climate controlled mini warehouses, an office complex, and a 7-11 convenience store are under construction. A bulk food transportation company is in the design phase of a warehouse/distribution facility which will begin construction this year. A fourth mixed use development is in the planning stages. The redevelopment of the current Fire Station 1 site is also in the planning stage and will include three restaurants and an outdoor entertainment venue. These projects which include residential, office, commercial, retail, and restaurants will continue to add to the City's tax base. Saginaw remains an attractive place for new homes and businesses due to our location, land availability, easy freeway access, good schools, low tax rates, and the general quality of life.

Long Term Financial Planning

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

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

Certificates of Obligation ($20.5 million) were issued in 2020 for the design and construction of a new central fire station, and design for Knowles Drive and Old Decatur Road North. The Fire Station is under construction and is on schedule to be completed in early 2023. Design for Phase 1 of Knowles Drive is complete and construction has begun. Design for Phases 2 and 3 of Knowles Drive is nearing completion and expected to begin construction this year, as are park improvements. Design continues for the Library and Senior Activity Center. Construction is expected to begin this year. As design is finalized, the operating impact of these projects will be refined and considered in the budget process.

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021 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 2021-2022 annual budget document. In order to qualify for the Award, the City's budget document was judged to be proficient in several categories including policy documentation, financial planning, and organization. Together the Budget Award, along with the previously mentioned award are evidence of the Finance Department's dedication to producing documents that effectively communicate the City's financial condition to the elected officials, city management and the general public.

Acknowledgments

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

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

Respectfully submitted,

Gabe Reaume, City Manager

Respectfully submitted,

Kim Quin, Finance Director

City of Saginaw, Texas
Principal Officials
September 30, 2022

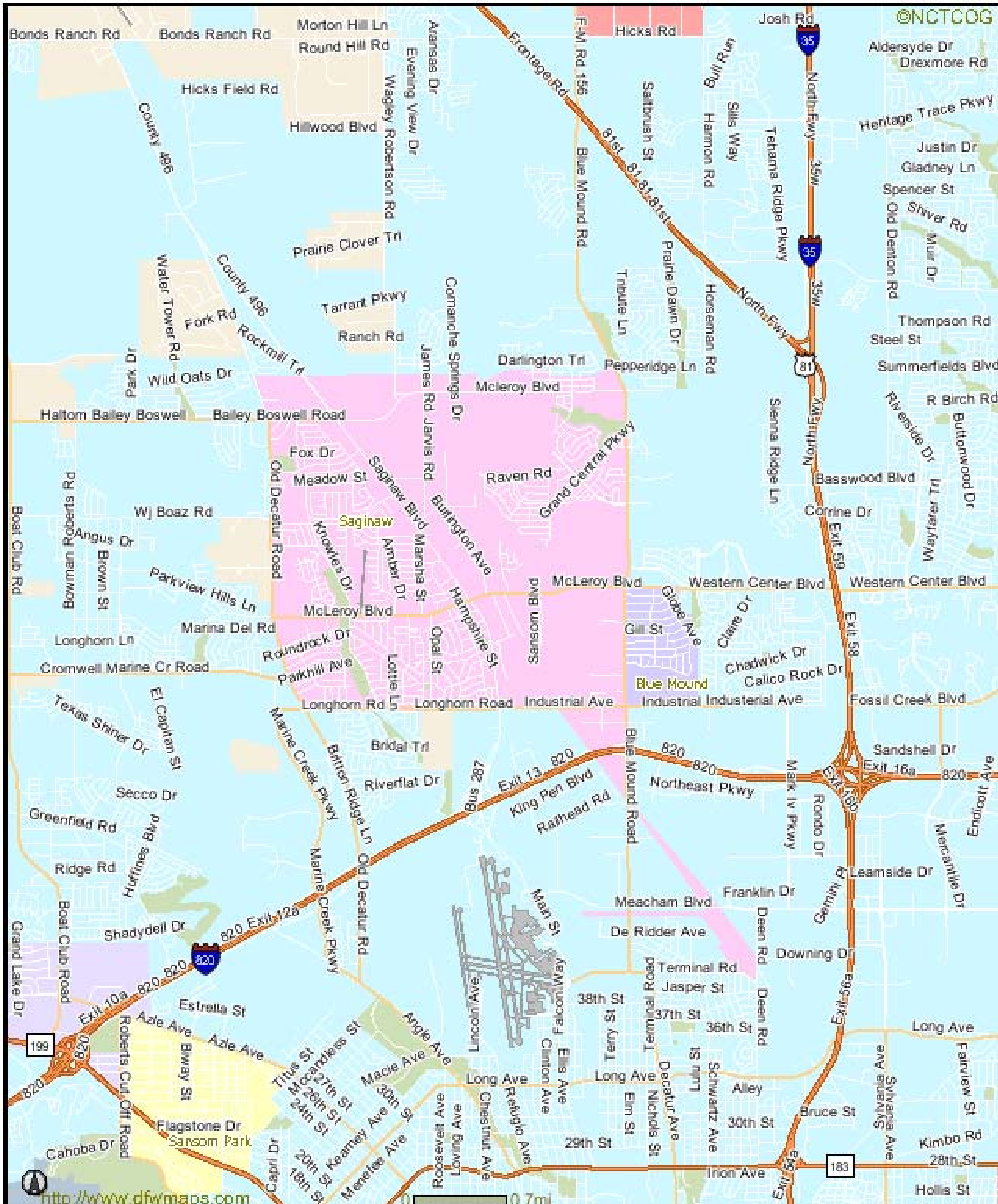
GOVERNING BODY

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

ADMINISTRATION

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

CITY OF SAGINAW



NCTCOG Maps
www.dfwmaps.com

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

N

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Saginaw
Texas

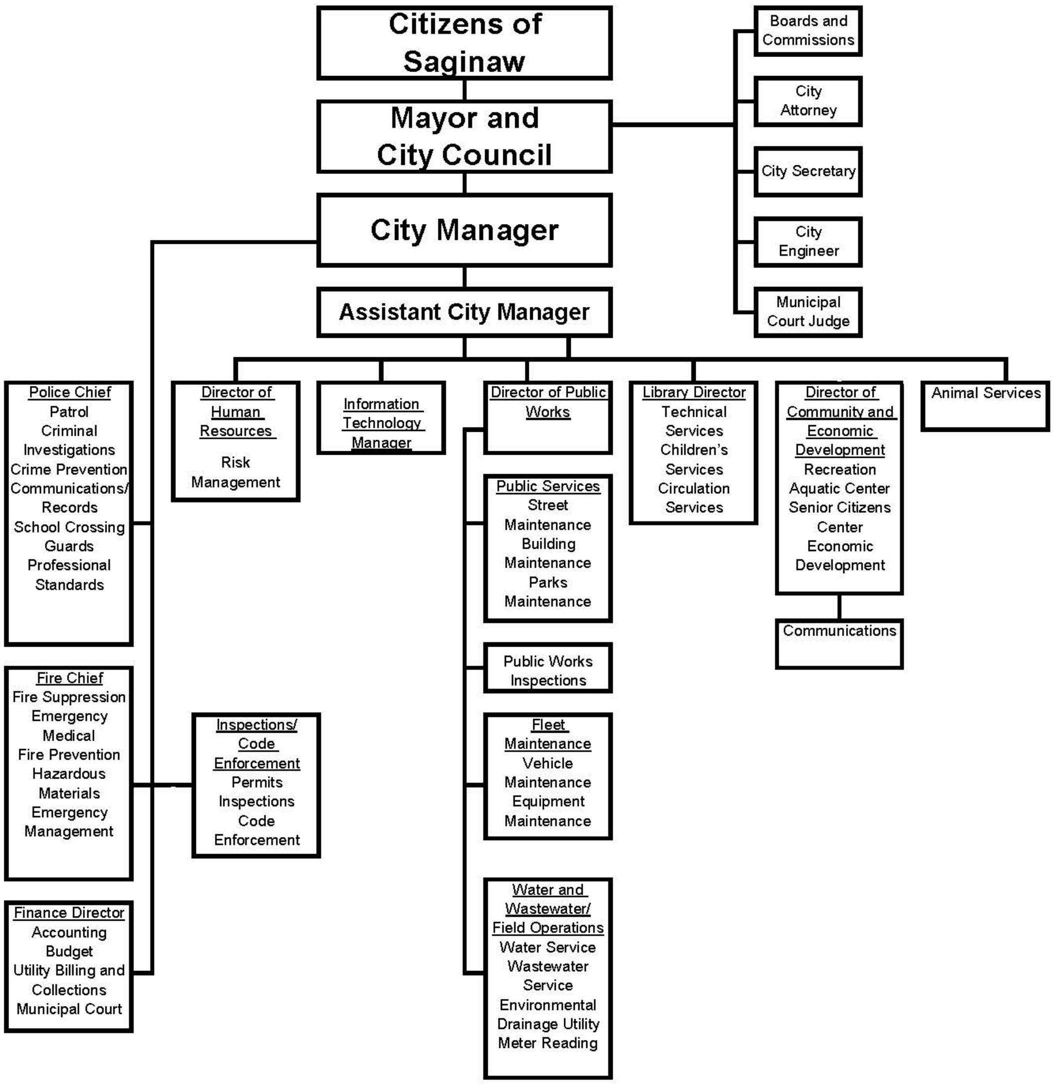
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO

CITY OF SAGINAW
ORGANIZATIONAL CHART



City of Saginaw

Financial Section

City of Saginaw

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The City of Saginaw, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended September 30, 2022, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

Supplementary Information

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

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

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

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
January 16, 2023

City of Saginaw

As management of the City of Saginaw, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

IN BRIEF

- The assets and deferred outflows of resources of the City of Saginaw exceeded its liabilities and deferred inflow of resources at the close of the most recent fiscal year by $137,985,023 (net position). This number must be viewed in the context that the vast majority of the City's net position is net investment in capital assets of $114,726,483 (83%) and that most capital assets of a government do not directly generate revenue nor can they be sold to generate liquid capital. The net position restricted for specific purposes totals $10,819,712 (8%). The remaining $12,438,828 (9%) is the unrestricted net position and may be used to meet the government's ongoing obligations to citizens and creditors in accordance with the City's fund designation and fiscal policies.

- The City's total net position increased by $4,807,804. Increased current assets include general obligation bond proceeds, increased capital assets are due to the construction of the fire station, the Knowles Drive reconstruction project, and the design of the Library/Senior Center facility. Increased deferred outflows are related to pension. Increased liabilities are due to increased bonds payable and unearned revenue related to American Rescue Act funds. Increased deferred inflows are related to pension and leased assets.

- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $60,667,083. Within this total $47,830,662 is restricted by specific legal requirements or non-spendable and $1,371,751 has been committed or assigned for specific types of expenditures. About 19% of this total amount, or $11,463,870 is unassigned and available for use with the City's fund designation and policies.

- At the end of the current year, unassigned fund balance for the general fund of $11,463,870 is 58% of the total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35-61.

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, 2022, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $137,985,023.

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

City of Saginaw's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 71,455,564	$ 54,213,575	$ 12,895,642	$ 10,802,690	$ 84,351,206	$ 65,016,265
Capital assets	122,339,087	114,716,232	30,560,303	30,055,542	152,899,390	144,771,774
Total assets	193,794,651	168,929,807	43,455,945	40,858,232	237,250,596	209,788,039
Deferred outflows of resources	2,338,530	1,694,296	255,445	183,960	2,593,975	1,878,256
Long term liabilities	83,876,714	64,983,416	1,624,768	1,952,228	85,501,482	66,935,644
Other liabilities	10,804,002	8,220,687	2,108,917	1,630,431	12,912,919	9,851,118
Total liabilities	94,680,716	73,204,103	3,733,685	3,582,659	98,414,401	76,786,762
Deferred inflows of resources	3,118,498	1,510,240	326,649	192,074	3,445,147	1,702,314
Net Position						
Net Investment in capital assets	85,015,778	84,992,122	29,710,705	29,067,806	114,726,483	114,059,928
Restricted	10,632,299	9,112,393	187,413	185,657	10,819,712	9,298,050
Unrestricted	2,685,890	1,805,245	9,752,938	8,013,996	12,438,828	9,819,241
Total net position	$ 98,333,967	$ 95,909,760	$ 39,651,056	$ 37,267,459	$ 137,985,023	$ 133,177,219

An additional portion of the City's net position $10,819,712 (8%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $12,438,828 (9%) may be used to meet the City's ongoing obligation to citizens and creditors.

The $4,807,804 increase in net position is a result of increased investment in capital assets, general obligation bond proceeds, and increased deferred outflows related to pension. Long term liabilities increased due to the increased debt and other liabilities increased due to unearned revenue related to federal American Rescue Act distributions partially offset by a decrease in net pension liability. The increase in the deferred inflows of resources are related to pension and leased assets. As of September 30, 2022, 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, 2022. Overall the City had an increase in net position of $4,807,804. Total City revenues decreased by $98,785 compared to 2021. Governmental activity revenue decreases of $2,627,024 are partially offset by business-type activity revenue increases of $2,528,239. Governmental fees, fines, and charges for services decreases are due to decreased collections of construction inspection fees, building permits, and traffic citations which are partially offset by increases in rental inspection fees and Aquatic Center revenues. Increases in charges for services for business-type activities are due to increased water sales and wastewater treatment. Capital contributions are down from the previous year due to Tarrant County contributions for the Bailey Boswell Bridge in 2021; the decrease is partially offset by water line developer contributions related to the Prose Apartments, Saginaw Skilled Nursing, Bright Living, and the Grand at Beltmill. General revenues are higher due to ad valorem tax collections, a result of increased property values and tax rates, and strong sales tax collections. Higher interest rates resulted in increased interest income for governmental and business-type activities from the previous year.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Fees, fines and charges for services	$ 2,942,588	$ 3,376,592	$ 12,285,560	$ 10,672,524	$ 15,228,148	$ 14,049,116
Operating grants and contributions	269,618	276,878	-	-	269,618	276,878
Capital grants and contributions	657,170	5,422,862	870,159	43,434	1,527,329	5,466,296
General revenues						
Ad valorem taxes	11,782,661	10,451,254	-	-	11,782,661	10,451,254
Sales taxes	9,494,855	8,855,456	-	-	9,494,855	8,855,456
Franchise taxes	1,629,409	1,561,343	-	-	1,629,409	1,561,343
Other taxes	129,131	109,813	-	-	129,131	109,813
Penalties and interest	33,148	10,590	120,533	90,214	153,681	100,804
Interest income	446,409	22,000	72,329	4,846	518,738	26,846
Miscellaneous	373,271	298,496	49,640	58,964	422,911	357,460
Total revenues	27,758,260	30,385,284	13,398,221	10,869,982	41,156,481	41,255,266
Expenses						
General administrative office	3,111,631	2,660,420	-	-	3,111,631	2,660,420
Municipal court	204,415	187,686	-	-	204,415	187,686
Fire	4,080,989	3,833,378	-	-	4,080,989	3,833,378
Police	5,461,474	5,290,475	-	-	5,461,474	5,290,475
Public works	6,134,668	5,033,117	-	-	6,134,668	5,033,117
Parks	466,233	468,390	-	-	466,233	468,390
Community services	1,427,930	802,551	-	-	1,427,930	802,551
Library	707,863	645,186	-	-	707,863	645,186
Inspections	835,781	698,321	-	-	835,781	698,321
Animal services	477,232	396,348	-	-	477,232	396,348
Fleet maintenance	632,167	492,762	-	-	632,167	492,762
Economic development	224,361	140,178	-	-	224,361	140,178
Information technology	384,253	389,186	-	-	384,253	389,186
Interest on long term debt	1,885,591	1,403,680	-	-	1,885,591	1,403,680
Water and wastewater	-	-	10,314,089	9,679,904	10,314,089	9,679,904
Total expenses	26,034,588	22,441,678	10,314,089	9,679,904	36,348,677	32,121,582
Increases (decreases) in net position before transfers	1,723,672	7,943,606	3,084,132	1,190,078	4,807,804	9,133,684
Transfers	700,535	625,300	(700,535)	(625,300)	-	-
Increase in net position	2,424,207	8,568,906	2,383,597	564,778	4,807,804	9,133,684
Net position - October 1	95,909,760	87,340,854	37,267,459	36,702,681	133,177,219	124,043,535
Net position - September 30	$ 98,333,967	$ 95,909,760	$ 39,651,056	$ 37,267,459	$ 137,985,023	$ 133,177,219

Total City expenses increased by $4,227,095 compared to 2021. The increase in General Administration is due to an additional Human Resource position, city-wide salary plan increases, and no vacancy savings. Increases in the Fire and Police Departments are due to salary and benefits increases. The Police Department also had increases in overtime due to staffing shortages which are offset by vacancy savings. Public Works increases are due to the engineering costs associated with the Green Ribbon grant matching requirement and intersection improvements at Saginaw and Saginaw Square Boulevards. Community Services increases are due to staffing changes and the addition of a Recreation Coordinator as well as the maintenance/repairs and operations of the Aquatic Center. The Aquatics Center has been closed for the previous two years. A Management Analyst position was added to the Library. Inspections increases are due to the addition of a Deputy Building Official and a Permit Technician. Animal Services increases are due to full year funding of the Adoption & Rescue Coordinator position, fewer vacancies, and increases in supplies due to the large number of animals cared for at the animal shelter. Fleet maintenance increases are due to the increased cost of fuel and parts for machinery and vehicles. Economic Development increases are related to the Beltmill Public Improvement District creation. Increases for Enterprise Fund are due to mixers for the elevated water tanks, Palomino Street water line repairs, a system risk and resiliency study, increased water purchase due to both volume and rates and increased wastewater treatment costs, due to volume and rates.

Although revenues are down and expenses are up compared to the previous year, city governmental activities increased net position by $2,424,207 and enterprise activities increased net position by $2,383,597.

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 $60,667,083. Approximately 19% of this total ($11,463,870) constitutes unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for other purposes. The General Fund increased by $204,514. The planned use of fund balance for the Square Developer's agreement, intersection improvements at Saginaw Boulevard and Saginaw Square Boulevard, and other capital items was less than originally budgeted due to increased sales tax collections and projects not being completed this fiscal year. The $98,549 increase of fund balance in the Debt Service Fund reflects increased ad valorem tax collections and accrued interest as a result of the 2022 bond issue. The increase of $12,464,176 in the Capital Projects Fund reflects the use of previously issued debt for fire station construction, design and construction for the first phase of Knowles Drive and design of the Library and Senior Activity Center partially offset by the issuance of general obligation bonds for the construction of the library/senior citizens center. The planned use of Crime Control and Prevention District fund balance for the replacement of patrol vehicles was not necessary to due to increased sales tax collections; instead the fund balance increased by $595,812. The Drainage Utility fund balance increased by 589,398. Cash balances in the Drainage Utility Fund will be used in the coming years for the East Cement Creek Drainage Project. The Street Maintenance Fund balance increase of $406,236 is due to the delay of the Burlington Road reconstruction project and increased sales tax collections. There was an increase in the General Escrow Fund balance of $137,434 due to developer contributions for future sidewalks along Knowles Drive and West McLeroy Boulevard.

Proprietary Fund – The City's proprietary fund statements provide the same type of information found in the government-wide statements. Unrestricted net position of the Enterprise Fund is $9,752,938. Total net position of the Enterprise Fund increased by $2,383,597 from fiscal year 2021 to fiscal year 2022. The increase is due to increased water sales and wastewater fees which are partially offset by the increased cost of water and wastewater service and developer contributed water lines.

Budgetary Highlights – The City Council approved revisions to the original budget appropriations. General Fund revenues were increased by $1,670,445 or 10.3%. Increased revenues were due to increased sales tax collections, ad valorem tax collections, interest earnings, and recreation. Tax collections were higher than originally budgeted due to favorable Appraisal Review Board judgements and recreation fees were related to the large crowds drawn by the Aquatics Center. These increases were partially offset by a decrease in building permits. General Fund expenditure appropriations decreased by $120,855 or 0.6%. Increases related to mid-year personnel changes, increased fuel and parts for vehicle repairs, increased maintenance and opening costs related to the Aquatics Center were offset by Police, Fire, and Animal Services vacancies. Other savings are related to the mowing contractor not maintaining the mowing schedule, the delay of Police Department equipment, and a delay in Saginaw Boulevard redevelopment.

CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2022 amounts to $152,899,390 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure and construction in progress.

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

- Completion of the Bailey Boswell Overpass ($1,147,201).
- City owned facility improvements ($222,686).
- Construction of the Saginaw Boulevard 16" water line Phase 2 ($94,116).
- Design completion and construction of the NW and Belt Mill booster pump stations ($542,991).
- Continued design for East Cement Creek Drainage Phase 2 ($22,900).
- Construction of traffic signal at Bailey Boswell and Knowles ($136,770).
- Design of the Library/Senior Citizens Center facility ($1,075,334).
- Intersection improvements at WJ Boaz & Old Decatur Road ($39,573).
- Traffic signal at Bailey Boswell & Knowles Drive ($196,441).
- Design for North Old Decatur Road improvements ($38,748)
- Design and construction for Knowles Drive improvements ($2,966,246).
- Additions to the holiday light display ($55,548).
- City-wide equipment replacement ($171,068).
- Developer contributed drainage system improvements ($74,912).
- Developer contributed water/wastewater system improvements ($770,926).
- Sidewalk improvements ($66,500).
- Fairmount sewer rehabilitation and sewer lines at the Square ($65,426).
- Construction of the new fire station ($6,545,078).

Capital Assets at Year End
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 19,229,654	$ 19,229,293	$ 16,657	$ 16,657	$ 19,246,311	$ 19,245,950
Improvements	4,219,538	2,906,510	-	-	4,219,538	2,906,510
Buildings	19,857,944	19,784,753	154,587	154,587	20,012,531	19,939,340
Equipment	11,515,187	11,397,955	1,651,361	1,621,137	13,166,548	13,019,092
Infrastructure	137,541,488	121,918,215	43,044,057	42,188,854	180,585,545	164,107,069
Construction in progress	16,014,271	20,767,124	1,899,629	1,231,522	17,913,900	21,998,646
Accumulated depreciation	(86,038,995)	(81,287,618)	(16,205,988)	(15,157,215)	(102,244,983)	(96,444,833)
Total	$ 122,339,087	$ 114,716,232	$ 30,560,303	$ 30,055,542	$ 152,899,390	$ 144,771,774

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 45-46.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of $75,910,633.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligations	$ 51,315,000	$ 31,890,000	$ 790,000	$ 1,010,000	$ 52,105,000	$ 32,900,000
Certificates of obligation	17,210,000	17,310,000	-	-	17,210,000	17,310,000
Revenue bonds payable	-	-	-	-	-	-
Tax notes	935,000	1,160,000	-	-	935,000	1,160,000
Premiums on bonds	5,660,633	4,270,201	-	-	5,660,633	4,270,201
Total	$ 75,120,633	$ 54,630,201	$ 790,000	$ 1,010,000	$ 75,910,633	$ 55,640,201

During the fiscal year, the City's total debt increased by $20,270,432 or 36%. Enterprise Fund principal payments of $220,000 and General Fund principal payments of $3,160,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA and a Moody's Investor Service rating of Aa3. The Revenue bonds have a Standard and Poor's Rating of AA and a Moody's rating of Aa3.

Additional information on the City of Saginaw's long-term debt can be found on pages 47-49 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2022-2023 budget, General Fund revenues and transfers in are budgeted to increase by $634,305 (3%) from the 2021-2022 revised budget due to American Rescue Act funding for a portion of a fire engine, Police Station roof repairs, and a generator for the Recreation Center. General Fund revenues are comprised of 35% property tax, 33% sales tax, and 33% fees and transfers. Estimated net taxable value increased 9.9% from the preceding year with $44.9 million in added value. Budgeted property tax revenues are $7,166,080 in the General Fund and $6,162,085 in the Debt Service Fund. General Fund expenditures and transfers increased by $1,254,655 or 6.2% due salary increases, health insurance increases, and full year funding for positions added mid-year in FY21/22: 2 dispatchers, a deputy building official, a permit technician, and a Recreation Services Coordinator. Funding is provided for salary adjustments to remain competitive in the labor market; most employees will receive a 5% salary increase. One-time expenses include an inspection vehicle, security fencing at Fire Station 2, the replacement of 2 sets of rescue tools, a backhoe, a trailer, Community Center renovations, Phase 4B of the Americans with Disabilities Act plan update, park improvements, a resident satisfaction survey, air conditioner replacement at the Animal Shelter, and replacement of the digital sign on Saginaw Boulevard.

The 2022-2023 budget includes a 4% increase in water rates and an 11% increase in wastewater rates based on the change in rates charged by our water and wastewater service provider, the City of Fort Worth. The Enterprise Fund budget has been balanced with the use of $1,401,110 from fund balance for completion of the Beltmill pump station, upgrade to the SCADA system, and replacement of a sewer cleaning truck.

Drainage Utility fees were increased as part of the 2022-2023 approved budget. Residential fees will increase $1 per month to $6 and non-residential accounts will increase $0.66 per unit per month. The Drainage Utility Fund is balanced with the use of $1,717,725 fund balance for the replacement of the skid loader and the East Cement Creek drainage project.

Fiscal year 2022-2023 includes budgets for the Beltmill Public Improvement District and the Tax Increment Reinvestment Zone 1.

REQUEST FOR INFORMATION

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

Basic Financial Statements

City of Saginaw

Government-Wide Financial Statements

City of Saginaw

City of Saginaw, Texas

Statement of Net Position

September 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	$ 30,571,061	$ 10,437,474	$ 41,008,535
Receivables:			
Taxes, net of allowance	1,742,132	-	1,742,132
Accounts, net of allowance	94,424	1,535,791	1,630,215
Leases	397,084	-	397,084
Other	238,981	-	238,981
Prepaid	800	-	800
Notes receivable	1,000	-	1,000
Restricted assets:			
Deposits and investments	38,410,082	922,377	39,332,459
Capital assets:			
Land	19,229,654	16,657	19,246,311
Improvements	4,219,538	-	4,219,538
Buildings	19,857,944	154,587	20,012,531
Equipment	11,515,187	1,651,361	13,166,548
Infrastructure	137,541,488	43,044,057	180,585,545
Construction in progress	16,014,271	1,899,629	17,913,900
Accumulated depreciation	(86,038,995)	(16,205,988)	(102,244,983)
Total assets	193,794,651	43,455,945	237,250,596
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	142,979	16,698	159,677
Related to TMRS pension	2,100,999	226,773	2,327,772
Related to TMRS OPEB	94,552	11,974	106,526
Total deferred outflows of resources	2,338,530	255,445	2,593,975
LIABILITIES			
Accounts payable and accrued liabilities	2,359,873	1,222,649	3,582,522
Accrued interest payable	475,009	1,304	476,313
Unearned revenue	6,307,699	-	6,307,699
Payable from restricted assets:			
Contracts payable	1,661,421	-	1,661,421
Current portion of revenue bonds payable	-	150,000	150,000
Customer deposits	-	734,964	734,964
Noncurrent liabilities:			
Debt due within one year	3,425,000	-	3,425,000
Debt due in more than one year	71,695,633	640,000	72,335,633
Net pension liability	8,269,542	925,069	9,194,611
Total OPEB liability	486,539	59,699	546,238
Total liabilities	94,680,716	3,733,685	98,414,401
DEFERRED INFLOWS OF RESOURCES			
Related to leased assets	397,084	-	397,084
Related to TMRS pension	2,702,075	324,342	3,026,417
Related to TMRS OPEB	19,339	2,307	21,646
Total deferred inflows of resources	3,118,498	326,649	3,445,147
NET POSITION			
Net investment in capital assets	85,015,778	29,710,705	114,726,483
Restricted for:			
Debt service	730,981	187,413	918,394
Street maintenance	2,152,478	-	2,152,478
Crime prevention	1,461,350	-	1,461,350
Drainage	3,769,042	-	3,769,042
Public improvements	22,746	-	22,746
Other special revenue	2,495,702	-	2,495,702
Unrestricted	2,685,890	9,752,938	12,438,828
TOTAL NET POSITION	$ 98,333,967	$ 39,651,056	$ 137,985,023

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

City of Saginaw, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2022

		Program Revenues		
Program Activities	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General administrative offices	$ 3,111,631	$ 142,250	$ 10,514	$ -
Municipal court	204,415	427,608	-	-
Fire	4,080,989	100,755	104,035	-
Police	5,461,474	3,414	155,069	-
Public works	6,134,668	835,850	-	657,170
Parks	466,233	-	-	-
Community services	1,427,930	656,095	-	-
Library	707,863	6,506	-	-
Inspection	835,781	741,666	-	-
Animal services	477,232	28,444	-	-
City garage	632,167	-	-	-
Economic development	224,361	-	-	-
Information technology	384,253	-	-	-
Interest on long term debt	1,885,591	-	-	-
Total governmental activities	26,034,588	2,942,588	269,618	657,170
Business-type activities:				
Water and wastewater	10,314,089	12,285,560	-	870,159
Total business-type activities	10,314,089	12,285,560	-	870,159
TOTAL GOVERNMENT	$ 36,348,677	$ 15,228,148	$ 269,618	$ 1,527,329

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

Total general revenues and transfers

Change in net position

Net position - beginning of year

Net position - end of year

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

Net (Expenses) Revenue and Changes in Net Position		
Governmental Activities	**Business- type Activities**	**Total**
$ (2,958,867)	$ -	$ (2,958,867)
223,193	-	223,193
(3,876,199)	-	(3,876,199)
(5,302,991)	-	(5,302,991)
(4,641,648)	-	(4,641,648)
(466,233)	-	(466,233)
(771,835)	-	(771,835)
(701,357)	-	(701,357)
(94,115)	-	(94,115)
(448,788)	-	(448,788)
(632,167)	-	(632,167)
(224,361)	-	(224,361)
(384,253)	-	(384,253)
(1,885,591)	-	(1,885,591)
(22,165,212)	-	(22,165,212)
-	2,841,630	2,841,630
-	2,841,630	2,841,630
$ (22,165,212)	$ 2,841,630	$ (19,323,582)
$ 11,782,661	$ -	$ 11,782,661
9,494,855	-	9,494,855
1,629,409	-	1,629,409
129,131	-	129,131
33,148	120,533	153,681
446,409	72,329	518,738
373,271	49,640	422,911
700,535	(700,535)	-
24,589,419	(458,033)	24,131,386
2,424,207	2,383,597	4,807,804
95,909,760	37,267,459	133,177,219
$ 98,333,967	$ 39,651,056	$ 137,985,023

City of Saginaw

Fund Financial Statements
Governmental Funds

City of Saginaw, Texas
Balance Sheet - Governmental Funds
September 30, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 19,237,390	$ 1,180,684	$ -	$ 10,152,987	$ 30,571,061
Receivables:					
Taxes, net of allowance	1,312,967	25,306	-	403,859	1,742,132
Accounts	94,424	-	-	-	94,424
Leases	397,084	-	-	-	397,084
Other	103,696	-	-	135,285	238,981
Prepaid items	800	-	-	-	800
Note receivable	1,000	-	-	-	1,000
Restricted assets:					
Deposits and investments	-	-	38,410,082	-	38,410,082
TOTAL ASSETS	$ 21,147,361	$ 1,205,990	$ 38,410,082	$ 10,692,131	$ 71,455,564
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 2,187,314	$ -	$ -	$ 172,559	$ 2,359,873
Payable from restricted assets:					
Contracts payable	-	-	1,661,421	-	1,661,421
Unearned revenue	6,275,571	-	-	32,128	6,307,699
Total liabilities	8,462,885	-	1,661,421	204,687	10,328,993
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leased assets	397,084	-	-	-	397,084
Unavailable revenue - property taxes	37,097	25,307	-	-	62,404
Total deferred inflows of resources	434,181	25,307	-	-	459,488
FUND BALANCES					
Nonspendable:					
Prepaids items	800	-	-	-	800
Restricted:					
Debt service	-	1,180,683	-	-	1,180,683
Capital projects	-	-	36,748,661	-	36,748,661
Street maintenance	-	-	-	2,152,478	2,152,478
Crime prevention	-	-	-	1,461,350	1,461,350
Drainage	-	-	-	3,769,042	3,769,042
Public improvements	-	-	-	22,746	22,746
Other special revenue	-	-	-	2,495,702	2,495,702
Committed:					
Donations	-	-	-	586,126	586,126
Assigned	785,625	-	-	-	785,625
Unassigned	11,463,870	-	-	-	11,463,870
Total fund balances	12,250,295	1,180,683	36,748,661	10,487,444	60,667,083
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 21,147,361	$ 1,205,990	$ 38,410,082	$ 10,692,131	$ 71,455,564

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, 2022

TOTAL FUND BALANCE - GOVERNMENTAL FUND	$	60,667,083
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		122,339,087
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.		(475,009)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		62,404
Long-term liabilities, including bonds payable 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 $142,979 is reflected as a deferred outflow of resources on the Statement of Net Position.		(74,977,654)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of $8,269,542, a deferred resource outflow related to TMRS of $1,715,525, and a deferred resource inflow related to TMRS of $2,316,601. This resulted in a decrease in net position.		(8,870,618)
Included in noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of $486,539, a deferred resource outflow related to TMRS of $94,552, and a deferred resource inflow related to TMRS of $19,339. This resulted in a decrease in net position.		(411,326)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$	98,333,967

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, 2022

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 15,824,110	$ 4,775,758	$ -	$ 2,465,119	$ 23,064,987
Licenses and permits	502,521	-	-	-	502,521
Charges for services	100,755	-	-	835,850	936,605
Fines and fees	682,650	-	-	22,467	705,117
Interest income	102,447	24,627	257,040	62,295	446,409
Recreation income	344,113	-	-	-	344,113
Intergovernmental	216,784	-	582,257	3,146	802,187
Miscellaneous revenues	198,132	3,455	-	649,740	851,327
Total revenues	17,971,512	4,803,840	839,297	4,038,617	27,653,266
EXPENDITURES					
Current:					
General administrative office	2,324,967	-	-	849,551	3,174,518
Municipal court	212,097	-	-	-	212,097
Fire	4,158,484	-	-	-	4,158,484
Police	5,363,151	-	-	58,586	5,421,737
Public works	2,579,899	-	-	-	2,579,899
Parks	319,152	-	-	-	319,152
Community services	1,309,153	-	-	-	1,309,153
Library	708,877	-	-	-	708,877
Inspection	906,530	-	-	-	906,530
Animal services	483,263	-	-	-	483,263
City garage	665,366	-	-	-	665,366
Economic development	224,361	-	-	-	224,361
Information technology	398,691	-	-	-	398,691
Capital outlay	-	-	12,075,121	113,238	12,188,359
Principal retirement	-	3,160,000	-	-	3,160,000
Interest charges	-	1,536,376	-	-	1,536,376
Fiscal agent's fees and debt issuance costs	-	8,915	281,952	-	290,867
Total expenditures	19,653,991	4,705,291	12,357,073	1,021,375	37,737,730
Excess (deficiency) of revenues over (under) expenditures	(1,682,479)	98,549	(11,517,776)	3,017,242	(10,084,464)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,119,143	-	-	232,150	2,351,293
Transfers out	(232,150)	-	-	(1,418,608)	(1,650,758)
Issuance of debt	-	-	22,260,000	-	22,260,000
Premium on bond issuance	-	-	1,721,952	-	1,721,952
Total other financing sources (uses)	1,886,993	-	23,981,952	(1,186,458)	24,682,487
Net change in fund balances	204,514	98,549	12,464,176	1,830,784	14,598,023
Fund Balance, beginning	12,045,781	1,082,134	24,284,485	8,656,660	46,069,060
FUND BALANCE, ending	$ 12,250,295	$ 1,180,683	$ 36,748,661	$ 10,487,444	$ 60,667,083

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

City of Saginaw, Texas

Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures and Changes in Fund Balances to the
Statement of Activities
For the Fiscal Year Ended September 30, 2022

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	$	14,598,023
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.		12,437,757
Governmental funds do not recognize assets contributed by developers or grantors, or donated to the City. However, in the statement of activities the fair market value of those assets are recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		104,766
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.		(4,915,679)
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.		(3,989)
The issuance of long term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are capitalized and amortized in the statement of activities. This amount consists of an issuance in the amount of $22,260,000, premium on issuance of $1,721,952, repayments of $3,160,000 and amortization of $282,301 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.		(20,539,651)
Current year changes in the net pension liability, deferred inflows of resources and the deferred outflows of resources of the pension plan. The net effect of these items increased net position.		1,120,952
Current year changes in the total OPEB liability and the deferred outflows of resources of the pension plan. The net effect of these items decreased net position.		(41,540)
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.		(340,649)
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		4,217
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$	2,424,207

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

City of Saginaw

Fund Financial Statements
Proprietary Funds

City of Saginaw

City of Saginaw, Texas
Statement of Net Position
Proprietary Funds
September 30, 2022

		Enterprise Fund
ASSETS		
Current assets:		
Deposits and investments	$	10,437,474
Deposits and investments-restricted		187,413
Receivables:		
Accounts receivable, net of allowance of $89,963		841,784
Unbilled accounts		694,007
Total current assets		12,160,678
Noncurrent assets:		
Capital assets, at cost:		
Land and land improvements		16,657
Buildings and improvements		154,587
Waterworks and sewer system		43,044,057
Machinery and equipment		1,651,361
Construction in progress		1,899,629
Accumulated depreciation		(16,205,988)
Total capital assets, net of accumulated depreciation		30,560,303
Deposits and investments-restricted		734,964
Total noncurrent assets		31,295,267
Total assets		43,455,945
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding		16,698
Related to the TMRS pension		226,773
Related to the TMRS OPEB		11,974
Total deferred outflows of resources		255,445
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		1,222,649
Accrued interest		1,304
Revenue bonds payable		150,000
Total current liabilities		1,373,953
Noncurrent liabilities:		
Revenue bonds payable		640,000
Customer deposits		734,964
Net pension liability		925,069
Total OPEB liability		59,699
Total noncurrent liabilities		2,359,732
Total liabilities		3,733,685
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension		324,342
Related to the TMRS OPEB		2,307
Total deferred inflows of resources		326,649
NET POSITION		
Net investment in capital assets		29,710,705
Restricted for revenue bond retirement		187,413
Unrestricted		9,752,938
TOTAL NET POSITION	$	39,651,056

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

City of Saginaw, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Enterprise Fund
OPERATING REVENUES	
Water and sewer sales	$ 10,514,996
Penalties	120,533
Surcharges	1,770,564
Miscellaneous	49,640
Total operating revenue	12,455,733
OPERATING EXPENSES	
Cost of sales and services	6,946,920
Administrative	2,292,824
Depreciation	1,048,773
Total operating expenses	10,288,517
Operating income	2,167,216
NONOPERATING REVENUES (EXPENSES)	
Investment income	72,329
Intergovernmental	59,103
Gain on sale of machinery and equipment	-
Interest expense and agent fees	(25,572)
Total nonoperating revenues (expenses)	105,860
Income before capital contributions and transfers	2,273,076
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	770,926
Impact and tap fees	40,130
Transfers out	(799,580)
Transfers in	99,045
Total capital contributions and transfers	110,521
Change in net position	2,383,597
Net position, beginning of year	37,267,459
NET POSITION, end of year	$ 39,651,056

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

City of Saginaw, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 12,253,895
Cash paid to employees	(1,215,979)
Cash paid to suppliers	(7,606,177)
Net cash provided by operating activities	3,431,739
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Intergovernmental revenues	59,103
Transfers out to other funds	(799,580)
Transfers from other funds	99,045
Net cash used in noncapital financing activities	(641,432)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from sale of machinery and equipment	-
Impact and tap fees	40,130
Principal paid on bonds	(220,000)
Purchase of capital assets	(782,608)
Interest and fees paid on debt issuance	(20,369)
Net cash used in capital and related financing activities	(982,847)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	72,329
Net cash provided by investing activities	72,329
Net change in cash	1,879,789
CASH AND CASH EQUIVALENTS, beginning of year	9,480,062
CASH AND CASH EQUIVALENTS, end of year	$ 11,359,851

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

City of Saginaw, Texas
Statement of Cash Flows – Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2022

	Current Assets	Enterprise Fund Restricted Assets Current	Enterprise Fund Restricted Assets Noncurrent	Statement of Cash Flows Totals
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION				
Cash and cash equivalents - beginning	$ 8,570,766	$ 185,657	$ 723,639	$ 9,480,062
Net increase (decrease)	1,866,708	1,756	11,325	1,879,789
Cash and cash equivalents - ending	$ 10,437,474	$ 187,413	$ 734,964	$ 11,359,851
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				$ 2,167,216
Adjustments to reconcile operating income to net cash				
Depreciation				1,048,773
(Increase) Decrease in accounts receivable				(213,163)
(Increase) Decrease in deferred outflows of resources-pension				(77,275)
(Increase) Decrease in deferred outflows of resources-OPEB				224
Increase (Decrease) in accounts payable and accrued expenses				537,524
Increase (Decrease) in customer deposits				11,325
Increase (Decrease) in net pension liability				(182,409)
Increase (Decrease) in total OPEB liability				4,949
Increase (Decrease) in deferred inflows of resources-pension				134,575
Net cash provided by operating activities				$ 3,431,739
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital asset contributions from developers				$ 770,926

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

Note 1. Summary of Significant Accounting Policies

A. General Statement

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

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

B. Financial Reporting Entity

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

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

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

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

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

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

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

C. Basis of Presentation

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

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

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

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

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

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

E. Budgetary Control

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

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

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

All appropriations lapse on September 30 of the fiscal year.

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

F. Cash and Investments

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

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

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

G. Interfund Receivables and Payables

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

H. Lease Receivable – Lessor

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

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

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

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

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

I. Capital Assets

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

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

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

J. Accumulated Vacation, Compensatory Time and Sick Leave

City employees earn vacation leave and compensatory time off for holidays worked. All annual vacation leave must be taken within one year after it is earned unless an exception has been granted by the City Manager. All earned vacation leave not taken within one year of its accumulation will be forfeited. Unused sick leave accumulated during the year is carried over into the next year with a maximum accrual of forty working days or twenty shifts. At the time of resignation or retirement, employees with ten or more years of service will be paid for unused sick leave. The compensated absences liability increased $46,547 over the course of the fiscal year and ended September 30, 2022 with a liability of $1,238,886.

K. Nature and Purpose of Designations of Fund Balance

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

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

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

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

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

2. Spendable Fund Balance

a. Restricted Fund Balance – Includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.

   i. The aggregate fund balance of the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.

   ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of bonds, which primarily have restricted use.

   iii. The proceeds of specific revenue sources that is restricted to expenditures for specified purposes as designated by grantors, contributors, by vote of citizens, or governmental entities over state or local program grants.

b. Committed Fund Balance – Includes amounts that can be used only for the specific purposes as determined by the governing body by use of a resolution, recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but not specifically limited to, council action regarding construction, claims, and judgments, retirement of loans/notes payable, and capital expenditures. The City Council must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.

c. Assigned Fund Balance – Includes amounts intended to be used by the City for specific purposes. Pursuant to GASB 54, this intent can be expressed by an official or body to which the governing body delegates that authority. Through a resolution, the City has delegated the City Manager to determine and define the amounts of those components of fund balance that are classified as Assigned. Examples take on the similar appearance as those enumerated for committed fund balance, including the appropriation of existing fund balance to eliminate a deficit in next year's budget.

d. Unassigned Fund Balance – Includes the residual classification of the General Fund and includes all amounts not contained in other classifications. By accounting for amounts in other funds, the City has implicitly assigned the funds for the purposes of those particular funds.

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

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

L. Net Position

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

M. Pensions

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

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

N. Postemployment Benefits Other Than Pensions (OPEB)

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

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

O. Management's Use of Estimates

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

Note 2. Cash and Investments

Cash and investments as of September 30, 2022 consist of the following:

Deposits with financial institutions	$	1,520,976
Investments		78,820,018
	$	80,340,994

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, 2022, the City had the following investments:

Investment Type	Weighted Average Amount		Maturity
TexPool	$	78,820,018	25 days

As of September 30, 2022, 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, 2022
TexPool	$	78,820,018	AAA	AAAm

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2022, 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 fair value of the pledged securities in the collateral pool must equal at least the bank balance less the FDIC insurance at all times.

At September 30, 2022, the carrying amount of the City's cash on hand and deposits were $1,520,976 and the bank balance was $2,341,328. $250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining $2,091,328 secured with securities held by pledging financial institutions.

Investment in State Investment Pools

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

Note 3. Restricted Assets

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

Debt Service - Interest and Sinking Fund		
Cash and investments	$	187,413
Refundable water and wastewater deposits		734,964
Total	$	922,377

Note 4. Notes Receivable

During the year ended September 30, 2018, the City loaned $460,000 to a residential developer to construct the Mariposa Apartment Homes at Spring Hollow. The purpose of the Loan was to assist Spring Hollow in meeting the requirements for a federal tax credit. As of September 30, 2022, the outstanding balance was $1,000. The remaining balance is due over a 15 year term, bearing an interest rate of 3%.

Note 5. Capital Assets

Capital asset activity for the year ended September 30, 2022, was as follows:

	Balance, October 1, 2021	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2022
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 19,229,293	$ 361	$ -	$ 19,229,654
Construction in progress	20,767,124	12,042,036	(16,794,889)	16,014,271
Total capital assets, not being depreciated	39,996,417	12,042,397	(16,794,889)	35,243,925
Capital assets being depreciated:				
Buildings	19,784,753	73,191	-	19,857,944
Improvements	2,906,510	66,500	1,246,528	4,219,538
Infrastructure	121,918,215	74,912	15,548,361	137,541,488
Equipment	11,397,955	285,523	(168,291)	11,515,187
Total capital assets, being depreciated	156,007,433	500,126	16,626,598	173,134,157
Less accumulated depreciation for:				
Buildings	8,634,843	494,936	-	9,129,779
Improvements	1,243,910	155,563	-	1,399,473
Infrastructure	64,704,206	3,371,931	-	68,076,137
Equipment	6,704,659	893,249	(164,302)	7,433,606
Total accumulated depreciation	81,287,618	4,915,679	(164,302)	86,038,995
Total capital assets being depreciated, net	74,719,815	(4,415,553)	16,790,900	87,095,162
Governmental activities capital assets, net	$ 114,716,232	$ 7,626,844	$ (3,989)	$ 122,339,087

	Balance, October 1, 2021	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2022
Business-type Activities:				
Capital assets, not being depreciated:				
Land	$ 16,657	$ -	$ -	$ 16,657
Construction in progress	1,231,522	668,107	-	1,899,629
Total capital assets, not being depreciated	1,248,179	668,107	-	1,916,286
Capital assets, being depreciated:				
Buildings	154,587	-	-	154,587
Water and wastewater system	42,188,854	855,203	-	43,044,057
Equipment	1,621,137	30,224	-	1,651,361
Total capital assets, being depreciated	43,964,578	885,427	-	44,850,005
Less accumulated depreciation				
Buildings	82,528	3,540	-	86,068
Water and wastewater system	13,824,810	933,144	-	14,757,954
Equipment	1,249,877	112,089	-	1,361,966
Total accumulated depreciation	15,157,215	1,048,773	-	16,205,988
Total capital assets being depreciated, net	28,807,363	(163,346)	-	28,644,017
Business-type activities capital assets, net	$ 30,055,542	$ 504,761	$ -	$ 30,560,303

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

Governmental activities:	
General administrative office	$ 114,615
Municipal court	2,163
Fire	252,633
Police	423,920
Public works	3,615,742
Community services	175,394
Library	44,492
Inspections/code enforcement	18,473
Animal services	25,002
Fleet maintenance	41,795
Parks	199,007
Information technology	2,443
	$ 4,915,679
Business-type activities:	
Water and wastewater	$ 1,048,773

The City has active construction projects as of September 30, 2022. Total accumulated commitments for capital projects are $8,366,021 for the Capital Projects Fund and $802,505 for the Enterprise Fund.

Note 6. Long-Term Debt

At September 30, 2022, the City's bonds payable consisted of the following:

	Governmental	Business-type
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%.	$ 5,160,000	$ -
2014 General Obligation Refunding Bonds, dated April 8, 2014, due in annual installments through September 1, 2024, bearing an interest rate of 1.99%.	460,000	-
2015 General Obligation Bonds, dated September 7, 2015, due in annual installments through September 1, 2035, bearing an interest rate of 1.00% through 3.50%.	5,410,000	-
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	790,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	2,215,000	-
2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.	6,315,000	-
2019 Tax Notes, dated September 17, 2019, due in annual installments through March 1, 2026, bearing an interest rate of 1.40%.	935,000	-
2019 General Obligation Refunding Bonds, dated November 13, 2019, due in annual installments through September 1, 2025, bearing an interest rate of 1.63%.	640,000	-
2020 General Obligation Refunding Bonds, dated June 1, 2020, due in annual installments through September 1, 2030, bearing an interest rate of 1.11%.	920,000	-
2020 Certificates of Obligation Bonds, dated August 15, 2020, due in annual installments through September 1, 2040, bearing interest rates of 2% to 4%.	17,210,000	-
2021 General Obligation Bonds, dated August 1, 2021, due in annual installments through September 1, 2041, bearing an interest rate of 2% to 4%.	7,935,000	-
2022 General Obligation Bonds, dated June 1, 2022, due in annual installments through September 1, 2042, bearing an interest rate of 4% to 5%.	22,260,000	-
Premium on bonds	5,660,633	-
Total bonds payable	$ 75,120,633	$ 790,000

During 2022, The City issued $22,260,000 of Series 2022 General Obligation Bonds. The debt was issued to pay the costs of capital projects. The Bonds have an annual interest rate ranging from 4% to 5% and the obligations are payable over the next 20 years.

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2022:

	Balance, October 1, 2021	Increases	Decreases	Balance, September 30, 2022	Due Within One Year
Governmental activities:					
General obligation bonds	$ 31,890,000	$ 22,260,000	$ (2,835,000)	$ 51,315,000	$ 3,095,000
Certificates of obligation	17,310,000	-	(100,000)	17,210,000	100,000
Tax notes	1,160,000	-	(225,000)	935,000	230,000
Premiums on bonds	4,270,201	1,721,952	(331,520)	5,660,633	-
Net pension liability	9,911,218	-	(1,641,676)	8,269,542	-
Total OPEB liability	441,997	44,542	-	486,539	-
Total governmental activities	$ 64,983,416	$ 24,026,494	$ (5,133,196)	$ 83,876,714	$ 3,425,000
Business-type activities:					
General obligation bonds	$ 1,010,000	$ -	$ (220,000)	$ 790,000	$ 150,000
Net pension liability	1,107,478	-	(182,409)	925,069	-
Total OPEB liability	54,750	4,949	-	59,699	-
Total business-type activities	$ 2,172,228	$ 4,949	$ (402,409)	$ 1,774,768	$ 150,000

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

The annual requirements to amortize all debts outstanding as of September 30, 2022, are as follows:

General Obligation Bonds

Due Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2023	$ 3,095,000	$ 2,160,825	$ 5,255,825
2024	2,825,000	1,810,323	4,635,323
2025	2,545,000	1,727,398	4,272,398
2026	2,490,000	1,650,320	4,140,320
2027	2,450,000	1,574,301	4,024,301
2028-2032	14,260,000	6,364,711	20,624,711
2032-2037	13,345,000	3,559,169	16,904,169
2038-2042	10,305,000	1,336,050	11,641,050
Totals	$ 51,315,000	$ 20,183,098	$ 71,498,098

Certificates of Obligation

Due Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2023	$ 100,000	$ 637,700	$ 737,700
2024	425,000	634,700	1,059,700
2025	800,000	626,200	1,426,200
2026	815,000	610,200	1,425,200
2027	840,000	585,750	1,425,750
2028-2032	4,645,000	2,479,750	7,124,750
2032-2037	5,635,000	1,484,000	7,119,000
2038-2042	3,950,000	320,000	4,270,000
Totals	$ 17,210,000	$ 7,378,300	$ 24,588,300

Tax Notes

Due Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2023	$ 230,000	$ 11,480	$ 241,480
2024	230,000	8,260	238,260
2025	235,000	5,005	240,005
2026	240,000	1,680	241,680
Totals	$ 935,000	$ 26,425	$ 961,425

General Obligation Bonds

Due Fiscal Year Ending September 30,	Business-type Activities Principal	Interest	Total
2023	$ 150,000	$ 15,642	$ 165,642
2024	155,000	12,672	167,672
2025	160,000	9,603	169,603
2026	160,000	6,435	166,435
2027	165,000	3,267	168,267
Totals	$ 790,000	$ 47,619	$ 837,619

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 ($127,380 for the General Fund and $109,982 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five year statute of limitations.

Note 8. Pension Plan

Plan Description

The City of Saginaw participates as one of 901 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Title 8, Subtitle G (TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS does not receive any funding from the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at www.tmrs.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 Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

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

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

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

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	75
Inactive employees entitled to but not yet receiving benefits	95
Active employees	164
	334

Contributions

Member contribution rates in TMRS are either 5%, 6% or 7% of the member's total compensation, and the city matching ratios are either 1:1(1 to 1), 1.5:1 (1 ½ to 1) or 2:1 (2 to 1), both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City of Saginaw were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 21.11% and 21.12% in calendar years 2021 and 2022, respectively. The city's contributions to TMRS for the year ended September 30, 2022, were $2,060,541.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2109 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public and Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
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 member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

	Increase (Decrease) Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2020	$ 50,014,030	$ 38,995,334	$ 11,018,696
Changes for the year:			
Service cost	1,821,205	-	1,821,205
Interest	3,370,126	-	3,370,126
Change of benefit terms	-	-	-
Difference between expected and actual experience	797,877	-	797,877
Changes of assumptions	-	-	-
Contributions - employer	-	2,063,642	(2,063,642)
Contributions - employee	-	684,296	(684,296)
Net investment income	-	5,088,715	(5,088,715)
Benefit payments, including refunds of employee contributions	(1,993,694)	(1,993,694)	-
Administrative expense	-	(23,521)	23,521
Other changes	-	161	(161)
Net changes	3,995,514	5,819,599	(1,824,085)
Balance at December 31, 2021	$ 54,009,544	$ 44,814,933	$ 9,194,611

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	$ 17,289,236	$ 9,194,611	$ 2,601,093

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.

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

For the year ended September 30, 2022, the City recognized pension expense of $984,147.

At September 30, 2022, 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	$ 638,937	$ (428,306)
Changes in actuarial assumptions	65,216	-
Difference between projected and actual investment earnings	-	(2,598,111)
Contributions subsequent to the measurement date	1,623,619	-
Totals	$ 2,327,772	$ (3,026,417)

$1,623,619 was reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the measurement year ending December 30, 2022 (i.e. recognized in the City's financial statements for the year ended September 30, 2023). 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,	
2022	$ (510,369)
2023	(1,041,856)
2024	(440,803)
2025	(332,409)
2026	3,173
Totals	$ (2,322,264)

Note 9. Postemployment Benefits Other Than Pensions

Plan Description

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

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

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

Benefits

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

Employees Covered by Benefit Terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to but not yet receiving benefits	20
Active employees	164
	245

Total OPEB Liability

The City's total OPEB liability of $546,238 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Overall payroll growth	3.5% to 11.5%, including inflation
Discount Rate	1.84%

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

Discount Rate

The discount rate was to measure the total OPEB liability was 1.84%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of the measurement date.

	Total OPEB Liability
Balance at December 31, 2020	$ 496,747
Changes for the year:	
Service cost	28,348
Interest	10,150
Change of benefit terms	-
Difference between expected and actual experience	150
Changes of assumptions or other inputs	17,686
Benefit payments	(6,843)
Net changes	49,491
Balance at December 31, 2021	$ 546,238

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

The following presents the total OPEB liability of the City, calculated using the discount rate of 1.84%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's OPEB liability	$ 676,388	$ 546,238	$ 447,329

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

For the year ended September 30, 2022, the City recognized OPEB expense of $54,316.

At September 30, 2022, the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ (21,646)
Changes in actuarial assumptions	100,376	-
Contributions subsequent to the measurement date	6,150	-
Total	$ 106,526	$ (21,646)

$6,150 was reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability for the measurement year ending December 30, 2022 (i.e., recognized in the City's financial statements for the year ended September 30, 2023). Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31,		
2022	$	15,817
2023		15,817
2024		14,014
2025		14,727
2026		14,124
Thereafter		4,231
Total	$	78,730

Note 10. Commitments

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

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

The City entered into an agreement in 2019, under Chapter 380 of the Texas Local Government Code, for the reimbursement of $2,000,000 for the development costs for property development and roadway improvements. As of September 30, 2022, $806,025 in costs have been incurred.

The City entered into an agreement in 2022 with a developer to build a booster pump at an estimated cost of $1,313,255. As of September 30, 2022, $539,514 in costs have been incurred.

Note 11. Interfund Balances and Transfers

Interfund balances reflect payments made by one fund on behalf of another fund for which cash settlement has not been made as of the end of the accounting period. Amounts due to and from other funds will be settled within the next accounting period. As of September 30, 2022, there were no interfund balances outstanding.

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	$ 799,580
General Fund	Crime Control and Prevention District	1,080,395
General Fund	Donations Fund	17,740
General Fund	Escrow Fund	116,258
General Fund	Drainage Utility Fund	105,170
Enterprise Fund	Drainage Utility Fund	99,045
Escrow Fund	General Fund	232,150
		$ 2,450,338

Transfers are primarily used to move funds from:

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

Note 12. Risk Management

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

Note 13. Tax Abatements and Economic Incentive Agreements

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. There were no property taxes abated under these programs in fiscal year 2022.

Note 14. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2022 and beyond are listed as follows:

GASB Statement No. 87, *Leases* (GASB 87), establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 87 was implemented in the City's 2022 financial statements with no impact to amounts reported under previous standards.

GASB Statement No. 91, Conduit Debt Obligations (GASB 91), provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by issuers, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 91 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 91 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 92, Omnibus 2020 (GASB 92), enhances comparability in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB pronouncements. The requirements for parts of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 92 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 92 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 93, Replacement of Interbank Offered Rates (GASB 93), addresses accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The requirements of this statement were originally effective for reporting periods beginning after June 15, 2020; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 93 to reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 93 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94), improves financial reporting by addressing issues related to public-private and public-public partnership arrangements and provides guidance for accounting and financial reporting for availability payment arrangements. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 94 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans (GASB 97), increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. It also provides for 1) mitigation of costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and 2) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan and for benefits provided through those plans. The requirements of paragraph 4 of this statement are were effective immediately upon issuance in June 2020. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021, with earlier application encouraged. GASB 97 was implemented in the City's fiscal year 2022 financial statements with no impact to amounts previously reported.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96), provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. This statement 1) defines a SBITA; 2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset - and a corresponding subscription liability; 3) provides the capitalization criteria for outlays other than subscription payments; and 4) requires note disclosures regarding a SBITA. The requirements of this statement are effective for reporting periods beginning after June 15, 2022, with earlier application encouraged. GASB 96 will be implemented in the City's fiscal year 2023 financial statements and the impact has not yet been determined.

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

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

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

Note 15. Lease Receivable

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the term of the lease. The City receives monthly payments at the interest rate stated or implied within the leases. The interest rates for these leases range from 3.0% to 5.0%. The City has $397,084 remaining in lease receivables and $397,084 remaining in deferred inflows as of September 30, 2022 recorded in the General Fund.

As of September 30, 2022, expectation of lease receipts through the expiration of all leases is as follows:

	Lease Principal	Lease Interest	Totals
2023	$ 38,819	$ 12,916	$ 51,735
2024	42,627	10,898	53,525
2025	21,730	9,180	30,910
2026	7,421	8,817	16,238
2027	7,643	8,595	16,238
2028-2032	46,741	39,320	86,061
2033-2037	67,858	31,111	98,969
2038-2042	94,390	19,425	113,815
2043-2045	69,855	4,233	74,088
	$ 397,084	$ 144,495	$ 541,579

Note 16. Subsequent Events

The City has evaluated all events and transactions that occurred after September 30, 2022 through January 16, 2023, 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

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

Other Information:

Notes

There were no benefit changes during the year.

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

City of Saginaw, Texas

Schedule of Contributions
Texas Municipal Retirement System

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method Level	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

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

City of Saginaw, Texas
Schedule of Changes in Total OPEB Liability and Related Ratios
Texas Municipal Retirement System

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

Other Information:

Notes: GASB 75, Paragraph 97, requires that the information on this schedule be data from the period corresponding with the period covered as of the measurement date of December 31, 2021 - the period from January 30, 2021 - December 31, 2021.

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

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

City of Saginaw, Texas

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

	Budgeted Amounts		Actual	Variance with
			GAAP	Final Budget
	Original	Final	Basis	Over / (Under)
REVENUES				
Taxes	$ 14,199,160	$ 15,751,760	$ 15,824,110	$ 72,350
Licenses and permits	653,000	479,460	502,521	23,061
Charges for services	97,020	102,000	100,755	(1,245)
Fines and fees	583,525	654,095	682,650	28,555
Interest income	2,400	92,100	102,447	10,347
Recreation income	250,000	336,020	344,113	8,093
Intergovernmental	221,295	231,925	216,784	(15,141)
Miscellaneous revenues	161,125	190,610	198,132	7,522
Total revenues	16,167,525	17,837,970	17,971,512	133,542
EXPENDITURES				
Current:				
General administrative office	2,166,255	2,282,715	2,324,967	42,252
Municipal court	206,540	211,830	212,097	267
Fire	4,120,955	4,094,335	4,158,484	64,149
Police	5,623,605	5,306,265	5,363,151	56,886
Public works	2,951,775	2,994,495	2,579,899	(414,596)
Parks	395,910	344,245	319,152	(25,093)
Community services	1,193,920	1,298,665	1,309,153	10,488
Library	699,280	703,595	708,877	5,282
Inspections/code enforcement	784,775	880,920	906,530	25,610
Animal services	491,185	466,995	483,263	16,268
City garage	577,105	642,885	665,366	22,481
Economic development	346,700	241,265	224,361	(16,904)
Information technology	451,310	420,250	398,691	(21,559)
Total expenditures	20,009,315	19,888,460	19,653,991	(234,469)
EXCESS (DEFICENCY) OF REVENUES OVER EXPENDITURES	(3,841,790)	(2,050,490)	(1,682,479)	368,011
OTHER FINANCING SOURCES (USES)				
Transfers in	2,008,085	2,115,450	2,119,143	3,693
Transfers out	(67,720)	(230,235)	(232,150)	(1,915)
Total other financing sources (uses)	1,940,365	1,885,215	1,886,993	1,778
Net change in fund balance	(1,901,425)	(165,275)	204,514	369,789
FUND BALANCES, beginning of year	12,045,781	12,045,781	12,045,781	-
FUND BALANCES, end of year	$ 10,144,356	$ 11,880,506	$ 12,250,295	$ 369,789

Notes: Variance with final budget within public works expenditures is due to payment in relation to a developer's agreement which was not made until Fiscal Year 2023.

Financial Advisory Services
Provided By:

SAMCO Capital