OFFICIAL NOTICE OF SALE, OFFICIAL BID FORM

and

PRELIMINARY OFFICIAL STATEMENT

CITY OF SAGINAW, TEXAS

(A Political Subdivision of the State of Texas Located in Tarrant County, Texas)

$4,550,000*

GENERAL OBLIGATION BONDS, SERIES 2026

(THE “BONDS”)

The City will designate the Bonds as
“QUALIFIED TAX EXEMPT OBLIGATIONS”

Bids due
Tuesday, August 4, 2026
at
11:00 A.M., Central Time

*Preliminary, subject to change based on bid structures. See "THE BONDS - MATURITY SCHEDULE" and “THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS” in the Official Notice of Sale relating to the Bonds.

This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of sale of the Bonds described herein. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

$4,550,000*
CITY OF SAGINAW, TEXAS
GENERAL OBLIGATION BONDS, SERIES 2026

Dated: July 28, 2026

BONDS OFFERED FOR SALE AT COMPETITIVE BID: The City Council of the City of Saginaw, Texas (the “City” or "Issuer") is offering for sale at competitive bid $4,550,000* General Obligation Bonds, Series 2026 (the "Bonds").

Bidders must submit bids for the Bonds electronically by internet as described below in “BIDS BY INTERNET”.

BIDS BY INTERNET: Interested bidders may, at their option and risk, submit their bid by electronic media, as described below, by 11:00 AM, Central Time, on August 4, 2026. Bidders submitting a bid by internet **shall not be required to submit signed Official Bid Forms prior to the award**. Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of the i-Deal, LLC Parity System (“PARITY”) and should, as a courtesy, register with PARITY by no later than 9:00 A.M., Central Time, on August 4, 2026, indicating their intent to submit a bid by internet.

In the event of a malfunction in the electronic bidding process, bidders may submit their bids by email to MMcliney@samcocapital.com. If there is a malfunction of the electronic bidding process and a bidder submits a bid via an email, please call 210-832-9760 to notify the Financial Advisor of the incoming bid. Any bid received after the scheduled time for their receipt will not be accepted.

The official time for the receipt of bids shall be the time maintained by PARITY (or by the financial advisor if there is a problem with the electronic bidding system). All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone 212-849-5021.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole risk of the prospective bidder.

OPENING OF BIDS: The bids for the Bonds will be publicly opened and reviewed at the Dallas offices of SAMCO Capital Markets, Inc., 1020 Northeast Loop 410, Suite 640, San Antonio, Texas 78209, at 11:00 A.M., Central Time, on Tuesday, August 4, 2026.

AWARD AND SALE OF THE BONDS: At a regular meeting to commence at 6:00 P.M., Central Time, on Tuesday, August 4, 2026, the City Council will take action to reject all bids or award the sale of the Bonds pursuant to an ordinance that will authorize the issuance of the Bonds (the “Ordinance”). The Issuer reserves the right to reject any or all bids and to waive any irregularities, except time of filing.

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* *Preliminary, subject to change. See “ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS” herein.*

THE BONDS

DESCRIPTION OF CERTAIN TERMS OF THE BONDS: The Bonds will be dated August 1, 2026 (the "Dated Date") and interest on the Bonds shall accrue from the Dated Date and will be payable on March 1, 2027, and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds will be issued as fully-registered obligations in book-entry-only form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Bonds 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 Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by the Paying Agent/Registrar, initially BOKF, NA, Dallas, Texas, to the Securities Depository, 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" in the Preliminary Official Statement.)

MATURITY SCHEDULE

The Bonds will be stated to mature on September 1 in each of the following years in the following amounts:

Stated Maturity	Principal Amount*	Stated Maturity	Principal Amount*
2027	$ 155,000	2037	$ 225,000
2028	160,000	2038	235,000
2029	165,000	2039	245,000
2030	170,000	2040	255,000
2031	180,000	2041	265,000
2032	185,000	2042	275,000
2033	195,000	2043	285,000
2034	200,000	2044	300,000
2035	210,000	2045	310,000
2036	215,000	2046	320,000

ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS: The City reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Bonds, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Bonds shall not exceed $4,550,000. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the City to reflect such increase or decrease. The City will attempt to maintain total per bond underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

SERIAL BONDS AND/OR TERM BONDS: Bidders may provide that all of the Bonds be issued as serial maturities or may provide that any two or more consecutive annual principal amounts be combined into one or more term Bonds, not to exceed five term Bonds (the "Term Bonds").

MANDATORY SINKING FUND REDEMPTION: If the successful bidder designates principal amounts to be combined into one or more Term Bonds, each such Term Bond will be subject to mandatory sinking fund redemption commencing on September 1 of the first year which has been combined to form such Term Bond and continuing on September 1 in each year thereafter until the stated maturity date of that Term Bond. The amount redeemed in any year will be equal to the principal amount for such year set forth in the table above under the caption "MATURITY SCHEDULE". Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected by lot from among the Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds of the maturity then subject to redemption which have been purchased and canceled by the City or have been optionally redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

OPTIONAL REDEMPTION: The Issuer reserves the right to redeem the Bonds maturing on and after September 1, 2036, on September 1, 2035, 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 – Optional Redemption Provisions" in the Preliminary Official Statement.)

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* *Preliminary, subject to change. See "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" herein.*

<u>AUTHORITY FOR ISSUANCE AND SECURITY FOR PAYMENT</u>: The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), Particularly Texas Government Code, Chapter 1331, as amended, an election held in the City on May 2, 2026, and an ordinance (the "Ordinance") to be adopted by the City Council, and the City's Home Rule Charter.

The Bonds constitute direct obligations of the Issuer payable as to principal and interest from an annual ad valorem tax levied against all taxable property in the City, within the limits prescribed by law. (See "THE BONDS - Security for Payment" in the Preliminary Official Statement.)

<u>PAYING AGENT/REGISTRAR</u>: The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas, Texas. In the Ordinance, the City covenants to provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any Paying Agent/Registrar selected by the City shall be a commercial 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. The Paying Agent/Registrar will maintain the Security Register containing the names and addresses of the registered owners of the Bonds. In the Ordinance the City retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Security Register to the successor Paying Agent/Registrar.

In the event there is a change in the Paying Agent/Registrar, the City has agreed to notify each registered owner of the Bonds then outstanding by United States mail, first-class postage prepaid, at the address in the Security Register, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

<u>BOOK-ENTRY-ONLY SYSTEM</u>: The City intends to utilize the Book-Entry-Only System of DTC, with respect to the issuance of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.)

<u>PRELIMINARY OFFICIAL STATEMENT AND OTHER TERMS AND COVENANTS IN THE ORDINANCE</u>: Further details regarding the Bonds and certain covenants of the City contained in the Ordinance are set forth in the Preliminary Official Statement to which reference is made for all purposes.

CONDITIONS OF SALE

<u>TYPES OF BIDS AND INTEREST RATES</u>: The Bonds will be sold in one block on an "All or None" basis, and at a price of not less than their par value, plus accrued interest on the Bonds from the Dated Date of the Bonds to the date of Initial Delivery (defined herein) of the Bonds. **No bid producing a cash premium on the Bonds that results in a dollar price of less than 103% will be considered; provided, however, that any bid is subject to adjustment as described under the caption "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS".** Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest for the Bonds (calculated in the manner required by Texas Government Code, Chapter 1204, as amended) must not exceed 15%. **The highest rate bid may not exceed the lowest rate bid by more than 200 basis points (or 2% in rate). No limitation is imposed upon bidders as to the number of rates or changes which may be used.** All Bonds of one stated maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

<u>BASIS OF AWARD</u>: The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein (the "Winning Bidder" or "Initial Purchaser") and <u>which produces the lowest True Interest Cost</u> (defined herein) rate to the City. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the <u>Dated Date</u> of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus the premium bid, (but not interest accrued from the Dated Date to the date of their initial delivery to the Initial Purchaser). In the event of a bidder's error in True Interest Cost rate calculations, the interest rates, and premium, set forth in the Official Bid Form will be considered as the intended bid.

In order to provide the City with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended (the "Code") to the date of initial delivery of the Bonds, relating to the excludability of interest on the Bonds from the gross income of their owners, the Initial Purchaser will be required to complete, execute, and deliver to the City (on or before the date of initial delivery of the Bonds) a certification as to their initial offering prices of the Bonds (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Official Notice of Sale (see "ESTABLISHMENT OF ISSUE PRICE FOR THE BONDS" herein).

ESTABLISHING THE ISSUE PRICE FOR THE BONDS

The City intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the City receives bids from **at least three underwriters** of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

In the event that the bidding process does not satisfy the Competitive Sale Requirement, Bids **will <u>not</u> be subject to cancellation** and the winning bidder (i) agrees to promptly report to the City the first prices at which at least 10% of each maturity of the Bonds (the "First Price Maturity") have been sold to the Public on the Sale Date (the "10% Test") (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Bonds that does not satisfy the 10% Test ("Hold-the-Price Maturity"), as described below.

In order to provide the City with information that enables it to comply with the establishment of the issue price of the Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the City or to the Financial Advisor, a certification as to the Bonds' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the City. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to the Underwriter,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) "Related Party" means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the City to the winning bidder.

All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's Financial Advisor, and any notice or report to be provided to the City may be provided to the City's Financial Advisor.

The City will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Bonds, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity, (B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity. Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the City when the Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

GOOD FAITH DEPOSIT: A bank cashier's check payable to the order of "City of Saginaw, Texas" **in the amount of $91,000, which is 2% of the par value of the Bonds** (the "Good Faith Deposit") is required. The Good Faith Deposit of the Initial Purchaser will be retained uncashed by the Issuer until the Bonds are delivered, and at that time it will be returned to the Initial Purchaser of the Bonds. The above mentioned Good Faith Deposit may accompany the bid, or it may be submitted separately; however, if submitted separately, it shall be made available to the Issuer prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which will authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. No interest will be paid or allowed on any Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Bonds has been made. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with its bid then said check shall be cashed and accepted by the City and shall constitute full and complete liquidated damages; **however, if it is determined after the acceptance of the bid by the City that the Purchaser was found not to satisfy the requirements described under "Covered Verifications" (as defined herein) and as a result the Texas Attorney General will not deliver its approving opinion of the Bonds, then said check shall be cashed and accepted by the City but shall not be the sole or exclusive remedy available to the City.**

ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM: Described hereinafter is an obligation of the City to receive information from the winning bidder if the bidder is not a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (a "Privately Held Bidder"). Pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Bonds to a winning bidder that is not a publicly traded business entity or wholly owned subsidiary of a publicly traded business entity (a "Privately Held Bidder") unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC"). (See "Official Bid Form".) In the event that a Privately Held Bidder's bid for the Bonds conforms to the specifications herein and is the best bid received, the City, acting through its financial advisor, will promptly notify the bidder. The apparent winning bidder listed on the Official Bid Form must have submitted a completed Disclosure Form, as described below, not later than 1 hour after the deadline for the submission of bids in order for City to complete the formal award. If the apparent winning bidder is a Privately Held Bidder and fails to file the Disclosure Form within the time period described in the previous sentence, the City reserves the right to notify the apparent winning bidder on the Official Bid Form that their bid has been rejected and award the sale to the next lowest bidder.

PROCESS FOR COMPLETING THE DISCLOSURE FORM: For purposes of illustration, the Disclosure Form is attached hereto, and reference should be made to such form for the following information needed to complete it: (a) item 2 – name of the governmental entity (City of Saginaw, Texas) and (b) item 3 – the identification number assigned to this contract by the City (Bonds 2026) and description of the goods or services (Purchase of the City of Saginaw, Texas General Obligation Bonds, Series 2026). The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require a business entity contracting with the City to complete the Disclosure Form electronically at https://www.ethics.state.tx.us/main/file.htm, print, sign, notarize, and deliver, the certified Disclosure Form that is generated by the TEC's "electronic portal" to the City.

The signed Disclosure Form must be sent by email, to the City's financial advisor at MMcLiney@samcocapital.com and its bond counsel at canderson@mphlegal.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.

PREPARATIONS FOR COMPLETION, AND THE SIGNIFICANCE OF, THE REPORTED INFORMATION: In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provide that such acknowledgment is made "under penalty of perjury." Consequently, a winning Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the City, and no final award will be made by the City regarding the sale of the Bonds until a completed Disclosure Form is received. If applicable, the City reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to (1) the bidder's obligation to submit the Disclosure Form or (2) the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form, if required, promptly upon notification from the City that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/filinginfo/1295.

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS: The Issuer will not award the Bonds to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Covered Verifications"), are included in the bid. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale, notwithstanding anything in the Official Bid Form or Official Notice of Sale to the contrary.

(i) **No Boycott of Israel (Texas Government Code Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(ii) **Not a Sanctioned Company (Texas Government Code Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

(iv) **No Boycott of Energy Companies (Texas Government Code Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT:

Each prospective bidder must have a standing letter on file with the Texas Attorney General’s Office in the form required by the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (collectively, the “All Bond Counsel Letter”). In submitting a bid, a bidder represents to the City that it has filed a standing letter in the form included in the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the City may not be entitled to rely on the standing letter on file with the Texas Attorney General’s Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The City will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. If requested by the City, the bidder agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE CITY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER FOR ANY REASON. BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE CITY AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW. Unless otherwise publicly available on the Municipal Advisory Council of Texas’ website, the bidder shall submit a courtesy copy of its standing letter in connection with the submission of its bid.

To the extent the bidder and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit (see “CONDITIONS OF THE SALE - Good Faith Deposit”).**THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH THE COVERED VERIFICATIONS SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE OR THE OFFICIAL BID FORM. ADDITIONALLY, THE CITY RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

IMPACT OF BIDDING SYNDICATE ON AWARD: For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the City is not a party to that agreement and, except as provided under “ESTABLISHING THE ISSUE PRICE FOR THE BONDS,” any information provided regarding syndicate managers would be for informational purposes only.

OFFICIAL STATEMENT

To assist the Initial Purchaser in complying with Rule 15c2-12 of the Securities and Exchange Commission ("SEC"), the Issuer and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows:

COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION: The Issuer has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the Issuer deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of Rule 15c2-12 of the SEC (the "Rule"), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the Issuer of the initial offering yields of the Bonds.

Thereafter, the Issuer will complete and authorize distribution of the final Official Statement identifying the Initial Purchaser and containing such omitted information. The Issuer does not intend to amend or supplement the Preliminary Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the Final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the Issuer intends the same to be final as of such date, within the meaning of the Rule. Notwithstanding the foregoing, the Issuer makes no representation concerning the absence of material misstatements or omissions from the Preliminary Official Statement, except only as and to the extent under "CERTIFICATION OF THE OFFICIAL STATEMENT" as described below. To the best knowledge and belief of the Issuer, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds.

CONTINUING DISCLOSURE AGREEMENT: The City has agreed in the Ordinance to provide certain periodic information and notices of material events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS: During the last five years, the City believes that it has complied in all material respects with all continuing disclosure undertakings made by it in accordance with the Rule.

FINAL OFFICIAL STATEMENT: The Issuer will furnish to the Initial Purchaser, within seven (7) business days after the sale date, an aggregate maximum of fifty (50) copies of the final Official Statement (and 50 copies of any addenda, supplement or amendment thereto), together with information regarding interest rates and other terms relating to the reoffering of the Bonds, in accordance with the Rule. The Issuer agrees to provide, or cause to be provided, to the Initial Purchaser the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in such printed or electronic format may be required for the Initial Purchaser to comply with the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer consents to the distribution of such documents in electronic format. The Initial Purchaser may arrange at its own expense to have the final Official Statement reproduced and printed if it requires more than 50 copies and may also arrange, at its own expense and responsibility, for completion and perfection of the first or cover page of the Final Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Bonds. The Initial Purchaser will be responsible for providing information concerning the Issuer and the Bonds to subsequent purchasers of the Bonds, and the Issuer will undertake no responsibility for providing such information other than to make the final Official Statement available to the Initial Purchaser as provided herein. The Issuer's obligation to supplement the final Official Statement to correct representations determined to be materially misleading, after the date of the final Official Statement, shall terminate upon the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds. The Initial Purchaser by submitting a bid for the Bonds agrees to promptly file the Official Statement with the MSRB. Unless otherwise notified in writing by the Initial Purchaser, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the initial delivery of the Bonds to the Initial Purchaser.

CHANGES TO OFFICIAL STATEMENT: If, subsequent to the date of the final Official Statement, the Issuer learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the final Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described below under "DELIVERY AND ACCOMPANYING DOCUMENTS - CONDITIONS TO DELIVERY," the Issuer will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the final Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the Issuer to do so will terminate on the date specified under "FINAL OFFICIAL STATEMENT" above.

CERTIFICATION OF THE OFFICIAL STATEMENT: At the time of payment for and delivery of the Bonds, the Initial Purchaser will be furnished a certificate, executed by proper officials of the Issuer, acting in their official capacity, in the form specified in the Official Statement under the heading "OTHER PERTINENT INFORMATION – Certification as to Official Statement." The Ordinance will approve the Official Statement as to form and content and the use thereof in the offering of the Bonds. The Initial Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Bonds, a certified copy of the Ordinance evidencing such approval, duly executed by the proper officials of the Issuer.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BONDS: Initial Delivery will be accomplished by the issuance of one fully registered Bond, in the principal amount of $4,550,000*, payable to the Initial Purchaser (the "Initial Bond"), signed by the Mayor and City Secretary, by their manual or facsimile signatures, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Initial Delivery will be at the designated office of the Paying Agent/Registrar. Upon delivery of the Initial Bond, it shall be immediately canceled and one definitive Bond for each maturity in the aggregate principal amount of $4,550,000* payable to Cede & Co. will be delivered to DTC in connection with DTC's Book-Entry-Only System. Payment for the Bonds must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that the delivery of the Initial Bond can be made on or about September 2, 2026, but if for any reason the City is unable to make delivery by September 2, 2026, then the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its obligation to take up and pay for the Bonds an additional 30 days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Bonds, provided that such failure is due to circumstances beyond the City's reasonable control.

DTC DEFINITIVE BONDS: The Bonds will be issued in book-entry-only form. Cede & Co. is the nominee for DTC. All references herein and in the Official Statement to the holders or registered owners of the Bonds shall mean Cede & Co. and not the Beneficial Owners of the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form in the denomination of $5,000 principal amounts or any integral multiple thereof. Under certain limited circumstances, there may be a cessation of the immobilization of the Bonds at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for definitive printed obligations of like principal amount.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the Official Bid Form and this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Issuer; however, the CUSIP Service Bureau's charge for the assignment of the numbers shall be paid by the Initial Purchaser.

CONDITIONS TO DELIVERY: The obligation to take up and pay for the Bonds is subject to the following conditions: the issuance of an approving opinion of the Attorney General of Texas, the Initial Purchaser's receipt of the legal opinion of Bond Counsel and the no-litigation certificate, and the non-occurrence of the events described below under the caption "NO MATERIAL ADVERSE CHANGE," all as described below. In addition, if the Issuer fails to comply with its obligations described under "OFFICIAL STATEMENT" above, the Initial Purchaser may terminate its contract to purchase the Bonds by delivering written notice to the Issuer within five (5) days thereafter.

NO MATERIAL ADVERSE CHANGE: The obligations of the Initial Purchaser to take up and pay for the Bonds, and of the Issuer to deliver the Bonds to the Initial Purchaser, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the affairs of the Issuer subsequent to the date of sale from that set forth in the Official Statement, as it may have been finalized, supplemented or amended through the date of delivery.

LEGAL OPINIONS: The Bonds are offered when, as and if issued, subject to the approval of certain legal matters by the Attorney General of the State of Texas and Bond Counsel (see the discussion "OTHER PERTINENT INFORMATION - Legal Matters" in the Official Statement).

CHANGE IN TAX-EXEMPT STATUS: At any time before the Bonds are tendered for initial delivery to the Initial Purchaser, the Initial Purchaser may withdraw its bid if the interest on obligations such as the Bonds shall be declared to be includable in the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, either by Treasury regulations, by ruling or administrative guidance of the Internal Revenue Service, by a decision of any federal court, or by the terms of any federal income tax legislation enacted subsequent to the date of this Official Notice of Sale.

____

* *Preliminary, subject to change.*

GENERAL CONSIDERATIONS

RATING: A municipal bond rating application has been made to S&P Global Ratings ("S&P"). The outcome of the results will be made available to the Initial Purchaser as soon as possible. (See "OTHER PERTINENT INFORMATION - Ratings" in the Preliminary Official Statement). An explanation of the significance of such a rating may be obtained from S&P. The rating of the Bonds by S&P reflects only the view of S&P 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.

SALE OF ADDITIONAL DEBT: Concurrently with the sale of the Bonds, the City is issuing $4,200,000* Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates"), each pursuant to a separate offering document. The Bonds and the Certificates constitute direct obligations of the City payable from and secured by the City's ad valorem taxes and, with regards to the Certificates, a lien on and pledge (not to exceed $1,000) of the surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the issuance of the Certificates.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE: No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided in such Act. The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. Any representation to the contrary is a criminal offense. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon exemptions contained therein, nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The Issuer assumes no responsibility for registration or 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 registration or 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 or qualification provisions.

It is the obligation of the Initial Purchaser to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The Issuer agrees to cooperate, at the Initial Purchaser's written request and expense and within reasonable limits, in registering or qualifying the Bonds, or in obtaining an exemption from registration or qualification in any state where such action is necessary, but the City will in no instance execute a special or general consent to service of process in any state in which the Bonds are offered for sale.

ADDITIONAL COPIES: Subject to the limitations described under "OFFICIAL STATEMENT" herein, additional copies of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement may be obtained from SAMCO Capital Markets, Inc., 1020 Northeast Loop 410, Suite 640, San Antonio, Texas 78209, Attention: Peggy Kilborn (214-765-1440, *pkilborn@samcocapital.com*).

On the date of the sale, the City Council will, in the Ordinance awarding the sale of the Bonds, approve the form and content of the final Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Initial Purchaser.

/s/
Mayor
City of Saginaw, Texas

ATTEST:

/s/
City Secretary
City of Saginaw, Texas

OFFICIAL BID FORM

Honorable Mayor and City Council
City of Saginaw
333 McLeroy Blvd
Saginaw, Texas 76179

August 4, 2026

Ladies and Gentlemen:

Reference is made to your Official Notice of Sale and Preliminary Official Statement dated July 28, 2026, $4,550,000* City of Saginaw, Texas General Obligation Bonds, Series 2026, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Official Notice of Sale and Preliminary Official Statement, we will pay you a price of $__________ (being a price of no less than 103% of the par value) plus accrued interest from their Dated Date to the date of delivery to us, for Bonds maturing September 1 and bearing interest as follows:

Stated Maturity	Principal Amount*	Interest Rate	Stated Maturity	Principal Amount*	Interest Rate	Stated Maturity	Principal Amount*	Interest Rate
2027	$ 155,000	%	2034	$ 200,000	%	2041 *	$ 265,000	%
2028	160,000	%	2035	210,000	%	2042 *	275,000	%
2029	165,000	%	2036 *	215,000	%	2043 *	285,000	%
2030	170,000	%	2037 *	225,000	%	2044 *	300,000	%
2031	180,000	%	2038 *	235,000	%	2045 *	310,000	%
2032	185,000	%	2039 *	245,000	%	2046 *	320,000	%
2033	195,000	%	2040 *	255,000	%			

In the event that the Issuer's Municipal Advisor informs the winning bidder that less than three bids were received for the Bonds, the winning bidder shall report which maturities, if any, will be Hold-the-Price maturities on or before 3 p.m. on the date of the bid opening. See "ESTABLISHING THE ISSUE PRICE FOR THE BONDS" in this Notice of Sale.

* *Maturities available to be designated as Term Bonds.*

Of the principal maturities set forth in the table above, we have created Term Bonds as indicated in the following table (which may include multiple Term Bonds, one Term Bond or no Term Bonds if none is indicated). For those years which have been combined into a Term Bond, the principal amount shown in the table above will be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term Bond maturity date will mature in such year. The Term Bonds created are as follows:

Term Bond Maturity Date September 1	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate

Our calculation (which is not part of this bid) of the interest cost in accordance with the above bid is:

TRUE INTEREST COST ______________________

ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS: The City reserves the right to increase or decrease the principal (maturity) amount of any maturity of the Bonds, including the elimination of a maturity or maturities; provided, however, that the aggregate principal (denominational) amount of the Bonds shall not exceed $4,550,000. Notice of any such changes shall be given to the successful bidder as soon as practicable following the notification of award, as described below, and this Notice of Sale may be amended at the sole discretion of the City to reflect such increase or decrease. The City will attempt to maintain total underwriter spread when adjusting maturities. No such adjustment will have the effect of altering the basis upon which the best bid is determined. The successful bidder may not withdraw its bids or change the rates bid or any initial reoffering prices as a result of any changes made to the principal (denominational) amounts.

By its acceptance of this bid, we understand the City will provide the copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale, and will cooperate to permit the undersigned to comply with Rule 15c2-12 of the Securities and Exchange Commission. The bidder by submitting this bid for the Bonds agrees to promptly file the Official Statement when received from the City with the Municipal Securities Rulemaking Board.

The Initial Bond shall be registered in the name of the Initial Purchaser, which will upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System. We will advise DTC of registration instructions at least five business days prior to the date set for Initial Delivery.

Cashier's Check of the ________________________ Bank, _______________, in the amount of $91,000, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Notice of Sale. Upon delivery of the Bonds, said check shall be returned to the Initial Purchaser.

We agree to accept delivery of the Initial Bond(s) through DTC and make payment for the Initial Bond(s) in immediately available funds at BOKF, NA, Dallas, Texas, no later than 10:00 A.M., Central Time, on September 2, 2026, or thereafter on the date the Initial Bond(s) are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale.

The undersigned agrees to complete, execute and deliver to the City at least five business days prior to the date of delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the Bond Counsel for the Issuer. The undersigned also agrees to provide the City and its consultants, at least ten business days prior to the delivery of the Certificates, a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

The bidder makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274 and 2276, Texas Government Code, as heretofore amended, (the "Government Code"), in entering into this Official Bid Form. As used in the following verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification through the delivery of the Certificates shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the bid or Notice of Sale, notwithstanding anything in the bid or Notice of Sale to the contrary.

(i) No Boycott of Israel Verification (Texas Government Code Chapter 2271). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the delivery of the Certificates. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(ii) Not a Sanctioned Company (Texas Government Code Chapter 2252). The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Energy Companies (Texas Government Code Chapter 2276). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the delivery of the Certificates. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the delivery of the Certificates. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

By submitting this bid, the bidder understands and agrees that if Purchaser should fail or refuse to take up and pay for the Certificates in accordance with this bid, or it is determined that after the acceptance of this bid by the Issuer that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then the check submitted herewith as the Purchaser's Good Faith Deposit shall be cashed and accepted by the Issuer. IF THE ISSUER CASHES THE PURCHASER'S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the "Covered Verifications") shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the Purchaser acknowledges and agrees that the Issuer reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

Further State Law Compliance and Standing Letter Requirement: By submitting this bid, the Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting this bid, the Purchaser represents to the Issuer that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the Issuer may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the Issuer including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the Issuer, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the Issuer reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit" in the Official Notice of Sale).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE PURCHASER TO PURCHASE THE CERTIFICATES UNTIL THE APPLICABLE STATUTE OF LIMITATIONS HAS RUN.

Submission or Exemption of filing Form 1295: In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the Issuer may not award the Certificates to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the Issuer as prescribed by the Texas Ethics Commission ("TEC"),

or

(ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the Issuer, upon notification of conditional verbal acceptance and if required, the undersigned will complete an electronic form of the Disclosure Form through the TEC's electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the City at kquin@saginawtx.org, the Issuer's financial advisor at MMcLiney@samcocapital.com and bond counsel at canderson@mphlegal.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the Issuer from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the Issuer [___]

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity [___].

The Issuer will consider any bid submitted pursuant to the Notice of Sale relating to the Certificates to be a firm offer for the purchase of the Certificates.

For purposes of contracting for the sale of the Certificates, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Certificates. The Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the City is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Bidder: ______________________________

By: ______________________________
Authorized Representative

____
Telephone Number

____
E-mail Address

ACCEPTANCE CLAUSE

THE ABOVE AND FOREGOING BID IS IN ALL THINGS HEREBY ACCEPTED this 4th day of August, 2026, by the City Council of the City of Saginaw, Texas.

ATTEST:

____
Mayor, City of Saginaw, Texas

____
City Secretary, City of Saginaw, Texas

ISSUE PRICE CERTIFICATE

(**Form of Certificate if at least 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the General Obligation Bonds, Series 2026 issued by the City of Saginaw, Texas ("Issuer") in the principal amount of $4,550,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Bond as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.

(b) The Purchaser had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this [ISSUE DATE].

[NAME OF PURCHASER], as Purchaser

By:___________________________________

Name:_________________________________

* *Preliminary, subject to change. See "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" herein.*

ISSUE PRICE CERTIFICATE

(**Form of Certificate if less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the General Obligation Bonds, Series 2026 issued by the City of Saginaw, Texas ("Issuer") in the principal amount of $4,550,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) [Other than the Bonds maturing in ____ ("Hold-the-Price Maturities"), the] [The] first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices, as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Bond as Schedule A.

(Add (b) and (c) only if winning bidder designates one or more maturities as Hold-the-Price Maturities)

(b) On or before the first day on which there is a binding contract in writing for the sale of the Bonds ("Sale Date"), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices, as set forth in Schedule A hereto ("Initial Offering Price").

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for each such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells at least ten percent of a Hold-the-Price-Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this [ISSUE DATE].

[NAME OF PURCHASER], as Purchaser

By:_____________________________________

Name:___________________________________

* *Preliminary, subject to change. See "ADJUSTMENT OF INITIAL PRINCIPAL AMOUNTS" herein.*

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

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NEW ISSUE BOOK-ENTRY-ONLY

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

PRELIMINARY OFFICIAL STATEMENT
Dated: July 28, 2026

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.

The City will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions.

$4,550,000*
CITY OF SAGINAW, TEXAS
(Tarrant County)
GENERAL OBLIGATION BONDS, SERIES 2026

Dated Date: August 1, 2026 **Due: September 1, as shown on page ii**

The City of Saginaw, Texas (the "City") $4,550,000* General Obligation Bonds, Series 2026 (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 2, 2026, and an ordinance (the "Ordinance") to be 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, 2027, 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, acquiring, constructing, renovating, improving, upgrading, updating, and equipping City streets, completing necessary or incidental utility relocation and curb, gutter, drainage, and sidewalk improvements in connection with the foregoing, and acquiring land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and City street maintenance improvements, with priority given to McLeroy Boulevard and Industrial Avenue; (ii) designing, acquiring, constructing, purchasing, renovating, improving, upgrading, updating, enlarging, demolishing, and equipping an animal control facility, and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and completing related landscaping; and (iii) legal, fiscal and engineering fees in connection with such projects and the Bonds. (See "THE BONDS - Use of Bond Proceeds" herein.)

Concurrently with the sale of the Bonds, the City is issuing $4,200,000* Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates"), each pursuant to a separate offering document. The Bonds and the Certificates constitute direct obligations of the City payable from and secured by the City's ad valorem taxes and, with regards to the Certificates, a lien on and pledge (not to exceed $1,000) of the surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the issuance of the Certificates.

STATED MATURITY SCHEDULE
(On Page ii)

The Bonds are offered for delivery when, as and if issued and received by the initial purchaser thereof at a competitive sale (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 facilities of DTC on or about September 2, 2026 (the "Delivery Date").

BIDS DUE TUESDAY, AUGUST 4, 2026, BY 11:00 A.M., CENTRAL TIME

* *Preliminary, subject to change.*

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

Stated Maturity September 1	Principal Amount*	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix [(a)]
2027	$ 155,000			
2028	160,000			
2029	165,000			
2030	170,000			
2031	180,000			
2032	185,000			
2033	195,000			
2034	200,000			
2035	210,000			
2036	215,000			
2037	225,000			
2038	235,000			
2039	245,000			
2040	255,000			
2041	265,000			
2042	275,000			
2043	285,000			
2044	300,000			
2045	310,000			
2046	320,000			

(Interest to accrue from the Dated Date)

The City reserves the right to redeem the Bonds maturing on and after September 1, 2036, on September 1, 2035, 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 to the date of redemption as further described herein. In addition, in the event the Initial Purchaser elects to aggregate two or more consecutive serial maturities as one or more "Term Bonds," such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the Ordinance and will be described in the final Official Statement. (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, Municipal Advisor, or Initial Purchaser is responsible for the selection or correctness of the CUSIP numbers set forth herein.

* *Preliminary, subject to change.*

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	2027
Paul Felegy	Mayor Pro Tem, Place 1	2022	2028
Nicky Lawson	Council Member, Place 2	2021	2027
Valerie Tankersley-Junkersfield	Council Member, Place 3	2014	2028
Brack St. Clair	Council Member, Place 4	2024	2029
Shawn Morrison	Council Member, Place 5	2025	2028
Mary Copeland	Council Member, Place 6	2017	2029

ADMINISTRATION

Name	Position	Years With The City
Gabe Reaume	City Manager	8 years
Lee Howell	Assistant City Manager	7 years
Kim Quin	Finance Director	13 years
Vicky Vega	City Secretary	20 years
Randy Newsom	Director of Public Works	37 years
Russell Ragsdale	Police Chief	17 years
Doug Spears	Fire Chief	30 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
Municipal Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

Ms. Kim Quin
Finance Director
City of Saginaw
333 McLeroy
Saginaw, Texas 76179
(817) 230-0325
kquin@saginawtx.org

Mr. Mark McLiney
Senior Managing Director
SAMCO Capital Markets, Inc.
1020 NE Loop 410, Suite 640
San Antonio, Texas 78209
(210) 832-9760
mmcliney@samcocapital.com

Mr. Andrew Friedman
Senior Managing Director
SAMCO Capital Markets, Inc.
1020 NE Loop 410, Suite 640
San Antonio, Texas 78209
(210) 832-9760
afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 promulgated by the United States Securities Exchange Commission (the "Rule"), this document constitutes a preliminary official statement of the City with respect to the Bonds that has been "deemed final" by the City as of its date except for the omission of no more than the information permitted by the Rule.

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 MUNICIPAL 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, NEW YORK, NEW YORK ("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 27,227. (See "Appendix B - General Information Regarding the City of Saginaw and Tarrant County, Texas" herein.)
Qualified Tax-Exempt Obligations	The City will designate the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions.
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, 2036, on September 1, 2035, 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. In addition, in the event the Initial Purchaser elects to aggregate two or more consecutive serial maturities as one or more "Term Bonds," such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the Ordinance and will be described in the final Official Statement. (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, acquiring, constructing, renovating, improving, upgrading, updating, and equipping City streets, completing necessary or incidental utility relocation and curb, gutter, drainage, and sidewalk improvements in connection with the foregoing, and acquiring land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and City street maintenance improvements, with priority given to McLeroy Boulevard and Industrial Avenue; (ii) designing, acquiring, constructing, purchasing, renovating, improving, upgrading, updating, enlarging, demolishing, and equipping an animal control facility, and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and completing related landscaping; 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	A municipal bond rating application has been made to S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of such rating may be obtained from S&P. (See "OTHER PERTINENT INFORMATION - Rating" herein.)
Concurrent Issues	Concurrently with the sale of the Bonds, the City is issuing $4,200,000* Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates"), each pursuant to a separate offering document. The Bonds and the Certificates constitute direct obligations of the City payable from and secured by the City's ad valorem taxes and, with regards to the Certificates, a lien on and pledge (not to exceed $1,000) of the surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the issuance of the Certificates.
Payment Record	The City has never defaulted on the payment of its general obligation or revenue debt.
Delivery	When issued, anticipated on or about September 2, 2026.
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.

*Preliminary; subject to change

INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by the City of Saginaw, Texas (the “City”) of its $4,550,000* General Obligation Bonds, Series 2026 (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”) to be adopted by the City Council of the City (the “City Council”) 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 Municipal Advisor noted on page iii hereof.

THE BONDS

General

The Bonds will be dated August 1, 2026 (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, 2027, and on each September 1 and 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 2, 2026, and an ordinance (the “Ordinance”) to be adopted by the City Council of the City on 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.

* *Preliminary, subject to change.*

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, acquiring, constructing, renovating, improving, upgrading, updating, and equipping City streets, completing necessary or incidental utility relocation and curb, gutter, drainage, and sidewalk improvements in connection with the foregoing, and acquiring land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and City street maintenance improvements, with priority given to McLeroy Boulevard and Industrial Avenue; (ii) designing, acquiring, constructing, purchasing, renovating, improving, upgrading, updating, enlarging, demolishing, and equipping an animal control facility, and the purchase of land, easements, rights-of-way, and other real property interests necessary therefor or incidental thereto, and completing related landscaping; 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, 2036 on September 1, 2035, 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.)

Mandatory Sinking Fund Redemption: In the event the Initial Purchaser elects to combine two or more consecutive serial maturities into one or more Term Bonds, each such Term Bond will be subject to mandatory sinking fund redemption commencing on September 1 of the first year which has been combined to form such Term Bond and continuing on September 1 in each year thereafter until the stated maturity date of that Term Bond. In the event the Initial Purchaser elects to create Term Bonds, the final Official Statement will be updated to reflect the mandatory sinking fund redemption schedules and provisions.

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	
Premium	
Accrued Interest	
Total Sources of Funds	
Uses of Funds	
Deposit to Project Fund	
Cost of Issuance	
Purchaser's Discount	
Accrued Interest Deposit to Interest and Sinking Fund	
Total Uses of Funds	

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, 2027, 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 Municipal 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 Municipal 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 May 31, 2026, all the City's investable funds in the amount of $82,036,058 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 936 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, 2025, Note 8 and Note 9, pages 56 through 63.

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.

2025 Legislative Session. The regular session of the 89th Texas Legislature convened on January 14, 2025 and concluded on June 2, 2025 (the "89th Regular Session"). The Texas Legislature (the "Legislature ") meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor may call one or more special sessions, at the Governor's discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor has called and the Legislature has concluded two special sessions since the conclusion of the 89th Regular Session.

During the 89th Regular Session, the Legislature adopted a general appropriations act and legislation affecting ad valorem taxation procedures and the procedures of issuing debt affecting cities among other legislation affecting cities. Adopted legislation affecting ad valorem taxation procedures includes legislation that (i) changes the procedure for the adoption of and imposes limits on the amount of an M&O tax increase that may be adopted in response to declared disasters, (ii) makes technical modifications to the tax rate setting process, and (iii) makes intangible personal property exempt from ad valorem taxation.

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. The 10% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised.

Through December 31, 2026, an appraisal district is prohibited from increasing the appraised value of real property during the 2026 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5,320,000 (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. The maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value. 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.

On July 13, 2023, during the Second Special Session, the Texas Legislature passed Senate Bill 2, which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2025 tax year on non- homestead properties (the "Subjected Property") whose appraised values are not more than $5 million dollars (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the subjected property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the subjected property for the preceding tax year; (b) the appraised value of the subjected property for the preceding tax year; and (c) the market value of all new improvements to the subjected property (collectively, the "Appraisal Cap"). After the 2025 tax year, through December 31, 2026, the Appraisal Cap may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the Maximum Property Value. The Appraisal Cap took effect on January 1, 2025.

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. Cities,counties, and school districts are prohibited from repealing or reducing an optional homestead exemption that was granted in tax year 2022 through December 31, 2027. 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. Effective January 1, 2026, a person is entitled to an exemption from taxation by a taxing unit of $125,000 of the appraised value of the tangible personal property the person owns that is held or used for the production of income and has taxable situs at the same location in the taxing unit. A person who leases tangible personal property is also entitled to a tax exemption of $125,000, regardless of where the property is located in the taxing unit.

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.

Temporary Exemption for Qualified Property Damaged by a Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the governor declares the area to be a disaster area. For more information on the exemption, reference is made to Section 11.35 of the Tax Code. Section 11.35 of the Tax Code was enacted during the 2019 legislative session, and there is no historical judicial precedent for how the statute will be applied. Texas Attorney General Opinion KP-0299, issued on April 13, 2025, concluded a court would likely find the Texas Legislature intended to limit the temporary tax exemption to apply to property physically harmed as a result of a declared disaster.

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.

"foregone revenue amount" means the greater of zero or the amount expressed in dollars calculated according to the following formula: the voter-approval tax rate less the actual tax rate, then multiplied by the taxing unit's current total value in the applicable preceding tax year.

"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).

"preceding total value" means a taxing unit's current total value in the applicable preceding tax year.

"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 greater of zero and the rate expressed in dollars per $100 of taxable value calculated by dividing (i) the cumulative difference of the foregone revenue amount, calculated using the difference between a city's voter-approved tax rate and its actual tax rate for each of the preceding three tax years, by (ii) the "current total value" as defined in Section 26.012 of the Property Tax Code, and which may be applied to the City's tax rate when calculating 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 posted notice prominently on the appraisal district’s website (if the appraisal district maintains a website) and the assessor for the city has prominently posted on the city’s website notice informing property owners of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase. The appraisal district is also required to post notice in a newspaper of general circulation by August 7 or as soon thereafter as practicable or if there is no newspaper of general circulation, the notice must be posted in the appraisal district’s office.

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.

During the 89th Regular Session, the Legislature adopted Senate Bill 1851 (“SB 1851”), which will become effective in connection with the adoption of an ad valorem tax rate for tax year 2026 and thereafter. Under SB 1851, if the Texas Attorney General determines that a city has (a) not had its records and accounts audited and an annual financial statement prepared based on the audit or (b) failed to file its financial statements and auditor’s opinion on such financial statements with the city secretary or city clerk before the 180th day after the city’s fiscal year end, the city may not adopt an ad valorem tax rate that exceeds the city’s no-new-revenue tax rate for (i) the tax year that begins on or after the date for the Attorney General’s determination or (ii) a subsequent tax year that begins before the date the city has had an annual audit completed and financial statements prepared or filed the financial statement and auditor’s opinion on such financial statement with the city secretary or city clerk, as applicable. If a city were limited to levying an ad valorem tax rate that is not in excess of its no-new-revenue tax rate, such a limitation would impact the total amount of ad valorem tax revenue available to the City to pay for both operations and maintenance and debt service.

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 in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at $61,349,201 for the 2025 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

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 4 active 380 agreements. The estimated total of the agreements is $3,308,730 of which may be paid by the end of the fiscal year. Businesses with which the City has current 380 agreements are: AM & JK Development LLC, Riverside Builders, Fuel City, and MAD Group.

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 2027 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.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a “financial institution,” on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer’s taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a “financial institution” allocable to tax-exempt obligations, other than “private activity bonds,” that are designated by a “qualified small issuer” as “qualified tax-exempt obligations.” A “qualified small issuer” is any governmental issuer (together with any “on-behalf of” and “subordinate” issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term “financial institution” as any “bank” 38 described in section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to “qualified tax-exempt obligations” provided by section 265(b) of the Code, section 291 of the Code provides that the allowable deduction to a “bank,” as defined in section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The City expects that the Bonds will be designated, as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the City will covenant to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the $10,000,000 limitation and the Bonds would not be "qualified tax-exempt obligations."**

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 2026. 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 2026. 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 Rule 15c2-12 (the "Rule") promulgated by the SEC.

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 believes that it has complied in all material respects with all continuing disclosure undertakings made by it in accordance with the Rule.

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

Concurrently with the sale of the Bonds, the City is issuing $4,200,000* Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates"), each pursuant to a separate offering document. The Bonds and the Certificates constitute direct obligations of the City payable from and secured by the City's ad valorem taxes and, with regards to the Certificates, a lien on and pledge (not to exceed $1,000) of the surplus net revenues of the City's waterworks and sewer system, as provided in the ordinance authorizing the issuance of the Certificates.

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 City will furnish the Initial Purchaser with a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State to the effect that the initial Bond is a valid and legally binding obligation of 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.

The customary closing papers, including a certificate of the City as described under "OTHER PERTINENT INFORMATION - Certification as to Official Statement" will also be furnished to the Initial Purchaser. 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 fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

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

A municipal bond rating application has been made to S&P Global Ratings ("S&P"). Currently the City has 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 or marketability of the Bonds.

*Preliminary; subject to change.

Municipal Advisor

SAMCO Capital Markets, Inc. is employed as the Municipal Advisor to the City in connection with the issuance of the Bonds. In this capacity, the Municipal Advisor has compiled certain data relating to the Bonds and has assisted in drafting this Official Statement. The Municipal 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 Municipal Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for Municipal 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 __________________ (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 $___________, and less an underwriter's discount of $____________. 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.

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.

The Ordinance authorizing the issuance of the Bonds will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Bonds by the Initial Purchaser.

CITY OF SAGINAW, TEXAS

____
Mayor
City of Saginaw, Texas

ATTEST:

____
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**

2025 Total Appraised Value of Taxable Property (100% of Actual)[(a)]		$	3,808,575,753
Less Exemptions / Value Loss:			
Absolute Exemptions	248,519,461		
Nominal Value	64,509		
Disabled Vets	66,095,108		
Freeport Inventory	93,895,609		
Over 65-Local	165,114,081		
Disabled-Local	10,290,000		
Polution Control/Solar/Wind	1,375,422		
Misc Personal Property	9,673,669		
Incomplete Accounts/Under ARB Review	38,858,182		
Total Exemptions			633,886,041
2025 Certified Net Taxable Assessed Valuation		$	3,174,689,712
2026 Preliminary Net Taxable Assessed Valuation as of May, 2026.		$	3,194,102,801

[(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: City of Saginaw, Texas.

GENERAL OBLIGATION BONDED DEBT **TABLE 2**

General Obligation Debt Principal Outstanding: (As of July 1, 2026)			
General Obligation Refunding and Improvement Bonds, Series 2013	$	3,795,000	
General Obligation Bonds, Series 2015		4,320,000	
General Obligation Refunding Bonds, Series 2015		325,000	
General Obligation Refunding Bonds, Series 2016		850,000	
General Obligation Bonds, Series 2017		5,265,000	
General Obligation Refunding Bonds, Series 2020		590,000	
Combination Tax and Revenue Certificates of Obligation, Series 2020		15,885,000	
General Obligation Bonds, Series 2021		6,985,000	
General Obligation Bonds, Series 2022		21,045,000	
General Obligation Bonds, Series 2023		15,190,000	
Combination Tax and Revenue Certificates of Obligation, Series 2025		4,990,000	
General Obligation Bonds, Series 2025		17,410,000	
Total Gross General Obligation Debt Principal Outstanding:	$	96,650,000	
Current Issue General Obligation Debt Principal:			
General Obligation Bonds, Series 2026 (the "Bonds")	$	4,550,000	*
Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates")		4,200,000	*
Total **Gross** General Obligation Debt Principal Outstanding Following the Issuance of the Obligations	$	105,400,000	*
Less: Self-Supporting General Obligation Debt Principal			
General Obligation Refunding Bonds, Series 2015 (100% UF)	$	325,000	
Combination Tax and Revenue Certificates of Obligation, Series 2025 (100% UF)		4,990,000	
Total Self-Supporting General Obligation Debt Principal	$	5,315,000	
Total **Net** General Obligation Debt Outstanding (Following the issuance of the Obligations):	$	100,085,000	*
General Obligation Interest and Sinking Fund Balance as of May 31, 2026. (unaudited)	$	6,329,749	
Ratio of General Obligation Debt Principal to 2025 Certified Net Taxable Assessed Valuation		3.32%	*
2025 Certified Net Taxable Assessed Valuation[(a)]	$	3,174,689,712	
Population: 1990 - 8,551; 2000 - 12,374; 2010 - 19,806; 2020 - 24,860; Current Estimate		27,227	
Per Capita 2025 Certified Net Taxable Assessed Valuation -	$	116,601	
Per Capita **Gross** General Obligation Debt Principal -	$	3,871	*
Per Capita **Net** General Obligation Debt Principal -	$	3,676	*

[(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.*

* *The City expects to sell its Bonds and Certificates concurrently. Preliminary, subject to change.*

OTHER OBLIGATIONS — TABLE 3

Financed Purchase Obligations

The City entered into agreements for the lease-purchase of public safety equipment, with the total capitalized cost of $376,450 and an amortized value of $202,377 at September 30, 2025.

The following is a schedule of future minimum payments under the financed purchase together with the present value of the net minimum lease payments as of September 30, 2025.

Fiscal Year	Future Minimum Payments
2026	$ 76,800
2027	69,250
Total minimum payments	$ 146,050
Less: amount representing interest	(7,717)
Present value of future minimum payments	$ 138,333

Leases Payable

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use equipment over the term of the lease. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate (s)	Lease Term in Years	Ending Balance
Governmantal activities			
Equipment	4.334%	6	$ 26,886
Total governmental activities			$ 26,886

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

Due Fiscal Year Ending September 30,	Governmental Activities Principal	Interest	Total
2026	$ 4,931	$ 1,165	$ 6,096
2027	5,145	952	6,097
2028	5,367	729	6,096
2029	5,600	496	6,096
2030	5,843	253	6,096
Totals	$ 26,886	$ 3,595	$ 30,481

The value of the right-to-use assets as of the end of the current fiscal year was $31,612 and had accumulated amortization of $10,538.

Source: The City's Annual Comprehensive Financial Reports

NET TAXABLE ASSESSED VALUATION FOR TAX YEARS 2016-2025 — TABLE 4

Year	Net Taxable Assessed Valuation	Change From Preceding Year Amount ($)	Percent
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%
2023-24	2,933,110,464	386,292,145	15.17%
2024-25	3,097,884,070	164,773,606	5.62%
2025-26	3,174,689,712	76,805,642	2.48%

Source: Tarrant Appraisal District and the City of Saginaw.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

TABLE 5

Fiscal Year	Currently Outstanding	The Bonds*			The Certificates*			Combined	Less: Debt Paid from	Net General Obligation
30-Sep	Debt Service	Principal	Interest	Total	Principal	Interest	Total	Debt Service[(a)]*	Utility Fund[(b)]	Debt Service[(c)]*
2026	$ 7,284,771	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,284,771	$ 561,475	$ 6,723,296
2027	7,680,382	155,000	197,167	352,167	140,000	182,000	322,000	8,354,549	551,823	7,802,726
2028	7,995,684	160,000	175,800	335,800	145,000	162,400	307,400	8,638,884	385,556	8,253,328
2029	8,026,202	165,000	169,400	334,400	155,000	156,600	311,600	8,672,202	387,056	8,285,146
2030	8,147,770	170,000	162,800	332,800	160,000	150,400	310,400	8,790,970	388,056	8,402,914
2031	8,296,658	180,000	156,000	336,000	165,000	144,000	309,000	8,941,658	383,556	8,558,102
2032	8,303,305	185,000	148,800	333,800	170,000	137,400	307,400	8,944,505	383,806	8,560,699
2033	8,301,480	195,000	141,400	336,400	180,000	130,600	310,600	8,948,480	383,556	8,564,924
2034	7,728,801	200,000	133,600	333,600	185,000	123,400	308,400	8,370,801	387,806	7,982,995
2035	7,728,981	210,000	125,600	335,600	195,000	116,000	311,000	8,375,581	386,306	7,989,275
2036	7,232,181	215,000	117,200	332,200	200,000	108,200	308,200	7,872,581	384,306	7,488,275
2037	7,221,881	225,000	108,600	333,600	210,000	100,200	310,200	7,865,681	386,806	7,478,875
2038	6,690,981	235,000	99,600	334,600	215,000	91,800	306,800	7,332,381	386,206	6,946,175
2039	6,696,181	245,000	90,200	335,200	225,000	83,200	308,200	7,339,581	385,206	6,954,375
2040	6,691,331	255,000	80,400	335,400	235,000	74,200	309,200	7,335,931	383,806	6,952,125
2041	5,268,731	265,000	70,200	335,200	245,000	64,800	309,800	5,913,731	386,638	5,527,093
2042	4,743,256	275,000	59,600	334,600	255,000	55,000	310,000	5,387,856	388,463	4,999,393
2043	2,838,088	285,000	48,600	333,600	265,000	44,800	309,800	3,481,488	383,838	3,097,650
2044	1,532,588	300,000	37,200	337,200	275,000	34,200	309,200	2,178,988	383,763	1,795,225
2045	1,534,588	310,000	25,200	335,200	285,000	23,200	308,200	2,177,988	387,575	1,790,413
2046	-	320,000	12,800	332,800	295,000	11,800	306,800	639,600	-	639,600
	$ 129,943,840	$ 4,550,000	$ 2,160,167	$ 6,710,167	$ 4,200,000	$ 1,994,200	$ 6,194,200	$ 142,848,207	$ 8,055,603	$ 134,792,604

(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.*

* *The City expects to sell its Bonds and Certificates concurrently. Preliminary, subject to change. Interest calculated at an assumed rate for illustration purposes only.*

TAX ADEQUACY (Includes Self-Supporting Debt)

TABLE 6

2025 Certified Net Taxable Assessed Valuation	$ 3,174,689,712
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-33*)	$ 8,948,480 *
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.28762 *

* *Preliminary, subject to change.*

TAX ADEQUACY (Excludes Self-Supporting Debt)

TABLE 7

2025 Certified Net Taxable Assessed Valuation	$ 3,174,689,712
Maximum Annual Debt Service Requirements (Fiscal Year Ending 9-30-33*)	$ 8,564,924 *
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	$ 0.27529 *

* *Preliminary, subject to change.*

INTEREST AND SINKING FUND MANAGEMENT INDEX — TABLE 8

Interest and Sinking Fund Balance, Fiscal Year Ended September 30, 2025	$ 1,496,680
2025 Interest and Sinking (I&S) Fund Tax Levy of $0.223900 at 99% Collections Produces [(a)]	7,037,049
Total Available for Debt Service	$ 8,533,729
Less: Net General Obligation Debt Service Requirements, Fiscal Year Ending September 30, 2026	7,526,451
Estimated Surplus at Fiscal Year Ending September 30, 2026	$ 1,007,278

[(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					
Fiscal Year Ending 9-30	Outstanding Debt	The Bonds*	The Certificates*	Total *	Debt Unpaid at End of Year*	Percent of Principal Retired (%)*
2026	$ 3,710,000	$ -	$ -	$ 3,710,000	$ 101,690,000	3.5%
2027	4,300,000	155,000	140,000	4,595,000	97,095,000	7.9%
2028	4,600,000	160,000	145,000	4,905,000	92,190,000	12.5%
2029	4,815,000	165,000	155,000	5,135,000	87,055,000	17.4%
2030	5,140,000	170,000	160,000	5,470,000	81,585,000	22.6%
2031	5,505,000	180,000	165,000	5,850,000	75,735,000	28.1%
2032	5,750,000	185,000	170,000	6,105,000	69,630,000	33.9%
2033	5,990,000	195,000	180,000	6,365,000	63,265,000	40.0%
2034	5,675,000	200,000	185,000	6,060,000	57,205,000	45.7%
2035	5,915,000	210,000	195,000	6,320,000	50,885,000	51.7%
2036	5,670,000	215,000	200,000	6,085,000	44,800,000	57.5%
2037	5,910,000	225,000	210,000	6,345,000	38,455,000	63.5%
2038	5,620,000	235,000	215,000	6,070,000	32,385,000	69.3%
2039	5,860,000	245,000	225,000	6,330,000	26,055,000	75.3%
2040	6,100,000	255,000	235,000	6,590,000	19,465,000	81.5%
2041	4,945,000	265,000	245,000	5,455,000	14,010,000	86.7%
2042	4,630,000	275,000	255,000	5,160,000	8,850,000	91.6%
2043	2,930,000	285,000	265,000	3,480,000	5,370,000	94.9%
2044	1,750,000	300,000	275,000	2,325,000	3,045,000	97.1%
2045	1,835,000	310,000	285,000	2,430,000	615,000	99.4%
2046	-	320,000	295,000	615,000	-	100.0%
	$ 96,650,000	$ 4,550,000	$ 4,200,000	$ 105,400,000		

* *The City expects to sell its Bonds and Certificates concurrently. Preliminary, subject to change.*

CLASSIFICATION OF ASSESSED VALUATION

TABLE 10

Category	2025	% of Total	2024	% of Total	2023	% of Total	2022	% of Total	2021	% of Total
Real Estate Residential	$ 2,253,848,285	59.18%	$ 2,272,347,853	61.01%	$ 2,167,251,759	60.94%	$ 1,912,887,119	61.05%	$ 1,701,277,286	60.52%
Real Estate Commercial	797,384,559	20.94%	706,287,922	18.96%	693,315,994	19.49%	562,596,018	17.96%	472,709,881	16.82%
Real Estate Industrial	124,364,249	3.27%	119,925,149	3.22%	118,054,057	3.32%	114,052,409	3.64%	110,996,492	3.95%
Personal Prop Commercial	456,311,725	11.98%	451,629,447	12.13%	419,732,385	11.80%	406,924,010	12.99%	372,543,862	13.25%
Personal Prop Industrial	176,390,188	4.63%	174,093,612	4.67%	156,632,658	4.40%	136,055,289	4.34%	153,174,622	5.45%
Mineral Lease Property	239,440	0.01%	231,300	0.01%	1,554,750	0.04%	632,310	0.02%	400,050	0.01%
Agricultural Property	37,307	0.00%	37,307	0.00%	18,774	0.00%	41,222	0.00%	55,613	0.00%
Total Appraised Value	$ 3,808,575,753	100.00%	$ 3,724,552,590	100.00%	$ 3,556,560,377	100.00%	$ 3,133,188,377	100.00%	$ 2,811,157,806	100.00%
Less Exemptions/Value Loss:										
Absolute Exemptions	$ 248,519,461		$ 222,935,274		$ 232,025,327		$ 195,750,746		$ 181,037,079	
Nominal Value	64,509		46,548		71,471		63,988		37,602	
Disabled Vets	66,095,108		54,438,320		45,269,783		35,064,619		29,446,601	
Freeport Inventory	93,895,609		90,688,798		74,052,662		59,623,949		45,481,453	
Over 65-Local	165,114,081		153,168,514		147,789,627		143,406,163		67,971,808	
Disabled-Local	10,290,000		9,820,000		9,321,000		9,324,678		5,625,000	
Pollution Control/Solar/Wind/Other	1,375,422		958,947		290,516		535,972		121,028	
Misc Personal Property	9,673,669		10,492,105		9,545,299		4,981,676		9,060,347	
Comm Hse Dev	-		-		-		-		396,809	
Incomplete Accounts / Under ARB Review	38,858,182		84,120,014		105,084,228		137,618,267		207,938,479	
Total Exemptions	$ 633,886,041		$ 626,668,520		$ 623,449,913		$ 586,370,058		$ 547,116,206	
Certified Net Taxable Valuation	$ 3,174,689,712		$ 3,097,884,070		$ 2,933,110,464		$ 2,546,818,319		$ 2,264,041,600	

Source: The City of Saginaw, Texas.

PRINCIPAL TAXPAYERS 2025 TABLE 11

Name	Type of Business		2025 Taxable Assessed Valuation	% of Total 2025 Assessed Valuation
Ventura Foods LLC	Food Packaging/Processing		$ 53,768,805	1.69%
Miller Milling Company LLC	Grain Elavator/Mill		48,563,248	1.53%
Ardent Mills LLC	Food Service / Processing		47,086,490	1.48%
Fossil Creek 270, LLC	Apartments		43,000,000	1.35%
Grand Saginaw LLC	Apartments		38,770,000	1.22%
Trinity Industries Inc/Trinity Rail Maintenance	Industrial Corporation		32,113,935	1.01%
UFP Saginaw LLC	Industrial Park		25,528,389	0.80%
Viterra USA Grain LLC/Gavilon Grain LLC	Grain Elavator/Mill		25,135,403	0.79%
BNSF Railway Company	Railroad		25,058,639	0.79%
Ergon Asphalt & Emulsions Inc	Industrial Manufacturing		24,584,582	0.77%
		Total	$ 363,609,491	11.45%

Based on a 2025 Certified Net Taxable Assessed Valuation of 3,174,689,712

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
2016	$ 1,441,352,872	$ 0.513000	$ 7,557,636	99.42%	99.94%	9/30/2017
2017	1,570,202,200	0.495000	8,075,537	99.40%	99.88%	9/30/2018
2018	1,843,931,670	0.471800	8,893,539	99.51%	99.93%	9/30/2019
2019	2,046,012,112	0.459000	9,671,868	99.52%	99.91%	9/30/2020
2020	2,054,763,191	0.461579	10,438,401	99.44%	99.89%	9/30/2021
2021	2,264,041,600	0.479516	11,695,914	99.47%	99.87%	9/30/2022
2022	2,546,818,319	0.508042	13,494,517	99.64%	99.83%	9/30/2023
2023	2,933,110,464	0.498769	14,876,142	99.85%	99.85%	9/30/2024
2024	3,097,884,070	0.493747	15,566,241	97.04%	97.04%	9/30/2025
2025	3,174,689,712	0.529700	16,864,292	97.76%	97.93%	9/30/2026

[(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)] *Collections as of May 31, 2026.*

Source: Tarrant Appraisal District and the City of Saginaw.

TAX RATE DISTRIBUTION TABLE 13

	2025	2024	2023	2022	2021
General Fund	$0.305800	$0.275330	$0.263959	$0.273156	$0.285058
I & S Fund	0.223900	0.218417	0.234810	0.234886	0.194458
TOTAL	$0.529700	$0.493747	$0.498769	$0.508042	$0.479516

Source: Tarrant Appraisal District and the City.

FUND BALANCES — TABLE 14

(As of May 31, 2026).

General Operating Fund (Undesignated)	$	8,177,209
General Obligation Debt Service (I&S) Fund		6,329,749
Special Revenue Fund		12,406,673
Capital Projects Fund		23,884,781
Enterprise Fund (Undesignated)		8,542,490
Revenue Bond Reserve		188,886
Revenue Bond Debt Service (I&S) Reserve		208,073
General Fund Emergency Reserve		6,395,000
Enterprise Fund Emergency Reserve		3,746,000
Enterprise Fund (Designated)		907,021
General Fund (Designated)		2,800,000
Total	$	73,585,882

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
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	65.11%	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	8,587,336.55	7,926,772.20	660,564.35	57.73%	0.3372	1,903,393.18
2024	8,322,828.10	7,682,610.55	640,217.55	53.47%	0.2687	1,841,345.12
2025	8,332,941.42	7,691,945.93	640,995.49	53.53%	0.2625	1,846,388.49
2026*	4,434,408.14	4,093,299.82	341,108.32	26.29%	0.1397	985,570.36

* As of June, 2026.

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 July 1, 2026)

Taxing Body	Gross Debt Principal Outstanding	% Overlapping	Amount Overlapping
Tarrant County	$ 314,050,000	0.91%	$ 2,857,855
Tarrant County Hospital District	429,425,000	0.91%	3,907,768
Eagle Mountain-Saginaw Independent School District	1,401,640,000	15.90%	222,860,760
Tarrant County College District	547,535,000	0.91%	4,982,569
Tarrant Regional WD	98,710,000	0.03%	29,613
Total Gross Overlapping Debt			$ 234,638,565
City of Saginaw	105,400,000 [a]	100.00%	105,400,000 [a]
Total **Gross** Direct and Overlapping Debt			$ 340,038,565 [a]
Ratio of Direct and Overlapping Debt Principal to 2025 Certified Net Taxable Assessed Valuation			10.71% [a]
Ratio of Direct and Overlapping Debt Principal to 2025 Actual Total Assessed Valuation			8.93% [a]
Per Capita Direct and Overlapping Debt			$ 12,489 [a]

[a] *Includes the Bonds and the Certificates. Preliminary, subject to change.*

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	2025 Assessed Valuation	% of Actual	2025 Tax Rate
Tarrant County	$ 298,706,022,035	100%	$ 0.186000
Tarrant County Hospital District	326,653,911,760	100%	0.165000
Tarrant County College District	326,653,911,760	100%	0.112000
Eagle Mountain-Saginaw ISD	15,734,221,107	100%	1.246000
Fort Worth ISD	57,147,731,705	100%	1.029000
Tarrant Regional Water District	122,224,867,352	100%	0.027000

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

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

(As of July 1, 2026)

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	11/7/2023	School Bldg & Security		$ 540,900,000	$ 417,000,000	$ 123,900,000
Independent School District		Technology		20,200,000	8,000,000	12,200,000
			Total	$ 561,100,000	$ 425,000,000	$ 136,100,000
Fort Worth Independent School District	11/2/2021	School Building		$ 1,211,000,000	$ 750,000,000	$ 461,000,000
Tarrant County College District	11/5/2019	School Buildings		$ 825,000,000	$ 700,000,000	$ 125,000,000
Tarrant County Hospital District	11/6/2018	Hospital		$ 800,000,000	$ 450,000,000	$ 350,000,000
Tarrant Regional Water District	5/5/2018	Flood Control		$ 250,000,000	$ 100,000,000	$ 150,000,000
City of Saginaw	5/2/2026	Streets & Roads (1)		$ 38,000,000	$ 1,300,000	$ 36,700,000
		Parks/Senior Center		6,000,000	-	6,000,000
		Animal Shelter (1)		15,000,000	3,250,000	11,750,000
			Total	$ 59,000,000	$ 4,550,000	$ 54,450,000

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

(1) The Bonds constitute Street & Road and Animal Shelter projects authorized by voters on May 2, 2026.

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

	Fiscal Year Ended September 30				
	2025	**2024**	**2023**	**2022**	**2021**
Revenues:					
Taxes	$ 17,959,304	$ 17,233,402	$ 16,957,443	$ 15,824,110	$ 14,703,088
Licenses and Permits	873,750	1,399,816	392,973	502,521	668,169
Charges for Services	141,600	118,000	137,500	100,755	97,020
Fines and Fees	1,358,046	1,060,067	880,286	682,650	1,092,420
Interest Income	796,312	1,122,002	946,360	102,447	6,911
Recreation Income	378,034	369,929	314,980	344,113	163,056
Intergovernmental	638,760	1,469,470	796,605	216,784	229,848
Miscellaneous Revenues	50,907	110,141	154,715	198,132	170,872
Total Revenues	$ 22,196,713	$ 22,882,827	$ 20,580,862	$ 17,971,512	$ 17,131,384
Expenditures:					
Current:					
General Administrative Offices	$ 3,240,290	$ 2,643,868	$ 2,385,061	$ 2,324,967	$ 2,601,057
Municipal Court	252,300	246,829	217,935	212,097	191,718
Fire	5,630,507	4,813,648	4,237,521	4,158,484	3,864,642
Police	7,404,122	6,429,233	5,484,621	5,363,151	5,018,523
Public Works	2,427,698	2,295,707	2,318,296	2,579,899	1,652,954
Parks	466,100	434,246	408,079	319,152	337,404
Community services	1,303,771	1,423,295	1,124,311	1,309,153	645,986
Library	1,002,218	847,927	741,632	708,877	626,724
Inspection	1,139,785	1,060,919	921,566	906,530	716,646
Animal Services	697,343	616,106	526,138	483,263	471,758
Fleet Maintenance	723,343	603,252	634,734	665,366	457,527
Economic Development	110,422	127,323	81,610	224,361	140,178
Information Technology	750,352	635,865	456,127	398,691	398,731
Emergency management	27,230	102,091	96,566	-	-
Communications	301,376	165,285	154,339	-	-
Capital Oulay	1,284,412	1,771,280	1,195,849	-	-
Debt service:					
Principal retirement	46,422	41,211	36,631	-	-
Interest charges	3,872	3,062	636	-	-
Total Expenditures	$ 26,811,563	$ 24,261,147	$ 21,021,652	$ 19,653,991	$ 17,123,848
Excess (Deficit) of Revenues Over Expenditures	$ (4,614,850)	$ (1,378,320)	$ (440,790)	$ (1,682,479)	$ 7,536
Other Financing Sources (Uses):					
Proceeds from right to use leased assets	$ -	$ 31,612	$ -	$ -	$ -
Operating Transfers In	3,009,982	2,566,587	2,342,502	2,119,143	1,956,513
Operating Transfers Out	(137,945)	(457,266)	(383,615)	(232,150)	(2,874,681)
Proceeds from right to use subscription assets	-	25,762	92,433	-	-
Proceeds from financed purchases	-	-	16,914	-	-
Total Other Financing Sources (Uses)	$ 2,872,037	$ 2,166,695	$ 2,068,234	$ 1,886,993	$ (918,168)
Excess (Deficit) of Revenues/Other Sources Sources Over Expenditures/Other Uses	(1,742,813)	788,375	1,627,444	204,514	(910,632)
Fund Balance - Beginning of Year	14,666,114	13,877,739	12,250,295	12,045,781	12,956,413
Fund Balance - September 30	$ 12,923,301	$ 14,666,114	$ 13,877,739	$ 12,250,295	$ 12,045,781

The anticipated General Fund balance for September 30, 2026 is $9,622,839

Note: The drawdown in general fund balance is due to planned one-time capital expenditures including facility repairs and equipment replacement.

Source: The City's Annual Comprehensive Financial Reports

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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.

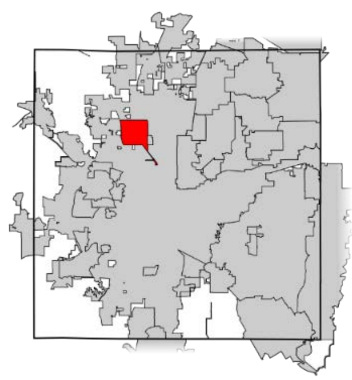
The City of Saginaw is located in Tarrant County, nine miles north of downtown Fort Worth and 37 miles west of Dallas. The Fort Worth Federal Bureau of Printing and Engraving facility is located six-tenths of a mile from Saginaw. The Alliance Airport and Texas Motor Speedway are also located just north of Saginaw (within 14 miles). The City's corporate boundaries comprise a total of approximately 7.75 square miles.

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.

Tarrant County location within Texas

Saginaw location within Tarrant County



Population:

Census	City of Saginaw	Tarrant County
Current Estimate	27,227	2,266,894
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

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

Principal Employers within the City for 2025

Employer	Type of Business	Approximate Number of Employees 2025
Eagle Mountain-Saginaw ISD	Public Education	3,570
Wal Mart Supercenter #5316	Retail Sales	417
Ventura Foods	Food Processing	387
Trinity N. American Freight Car, Inc.	Rail Car Manufacturing & Repair	370
Chefco Foods	Manufacturing & supply	356
Bana Incorporated	Packaging Supplier	218
United Forestry Products LLC	Building product supply	208
Russo Corporation	Food Processing	200
DOS – Standard Meat	Meat wholesaler	189
Texas Army National Guard	Military	185

Source: City's 2025 Annual Comprehensive Financial Report

Economic Condition and Outlook

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections are steady 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. For 2025/2026, the City had $23 million ($4M residential and $19M commercial) in added value from new construction. New businesses included eight new restaurants, the third phase of an assisted living development, and a strip center. The expansion of a large food processor was completed. Sales tax collections for the current fiscal year to date are 5% higher than last fiscal year to date collections.

Source: City's 2025 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.

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.

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

**Source: Tarrant County 2025 ACFR.*

Labor Force Statistics

	Tarrant County		DFW-Fort Worth-Arlington MSA	
	April 2026	April 2025	April 2026	April 2025
Civilian Labor Force	1,206,627	1,214,645	4,553,973	4,565,370
Total Employed	1,161,101	1,172,181	4,381,510	4,406,129
Total Unemployed	45,526	42,464	172,463	159,241
% Unemployed	3.8%	3.5%	3.8%	3.5%
% Unemployed (Texas)	4.3%	4.1%		
% Unemployed (United States)	4.3%	4.2%		

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 2026
IN THE AGGREGATE PRINCIPAL AMOUNT OF $__________

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 the executed Bonds.

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 individual 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.

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.

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 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, 2025

(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, 2025

City of Saginaw

City of Saginaw, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended September 30, 2025

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, 2025
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City of Saginaw, Texas

Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2025
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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

February 3, 2026
Citizens of the City of Saginaw,
Honorable Mayor Todd Flippo,
Members of the City Council,

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, 2025. The purpose of the report is to provide the Council, management, staff, public and other interested parties with detailed information reflecting the City's financial condition.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of operations of the City. We also believe that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included. The financial statements included in the report were prepared by the General Administrative Office in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB). Weaver, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2025. 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 2024-2025 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

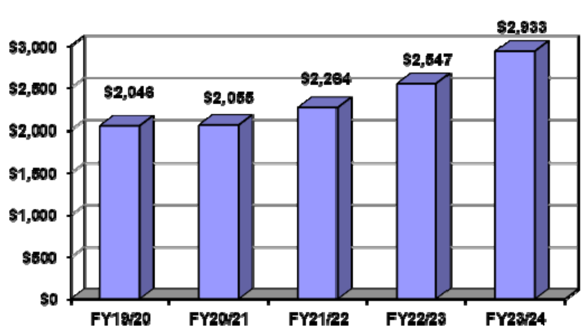
One of the objectives of the City's financial accounting system is to provide an internal control structure designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records 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

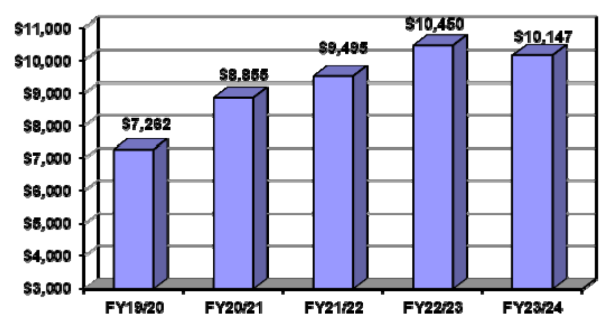
Summary of Local Economy

The local economy in Saginaw remained strong through the fiscal year. Sales tax collections are steady 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. For 2025/2026 the City had $23 million ($4M residential and $19M commercial) in added value from new construction. New businesses include eight new restaurants, the third phase of an assisted living development, and a strip center. The expansion of a large food processor was completed. Sales tax collections for the current fiscal year to date are 5% higher than last fiscal year to date collections

TAXABLE PROPERTY VALUES
(in millions)



SALES TAX COLLECTIONS
(in thousands)



Economic Prospects for the Future

Three mixed used developments, an industrial warehouse, and a professional business park are under construction. A fourth mixed use development is in the planning stages. The redevelopment of the former Fire Station/Senior Center will begin in the coming months. Several single family and homes for rent neighborhoods are under construction. The mixed use development projects 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.

Knowles Drive reconstruction Phase 1 was completed and construction for Phase 2 and 3 is substantially complete. The Library/Senior Center construction was completed. McLeroy is in various stages of design and the first phase of construction will begin this year. The reconstruction of North Old Decatur Road will also begin this year. Opal Jo Jennings Park improvements are completed and Brain Schengler Park improvements are near completion. Reconstruction, including water line replacement, of the first phase of Opal Street will begin this year. Construction will begin on the Fairmont Sanitary Sewer Rehabilitation Phase 2, the 12" water line along West McLeroy, a chloramine facility, and various inflow/infiltration remediation projects. Street projects, park improvements, and an Animal Shelter are currently being evaluated for a 2026 bond election.

OTHER INFORMATION

Independent Audit

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

Certificate of Achievement

The City of Saginaw was awarded a Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2024 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 2024-2025 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.

The City of Saginaw was awarded the Texas Comptroller of Public Accounts transparency star for traditional finances in 2025 and continues to provide readily accessible financial information to maintain the recognition.

Acknowledgments

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

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

Respectfully submitted,

Gabe Reaume, City Manager

Respectfully submitted,

Kim Quin, Finance Director

City of Saginaw, Texas
Principal Officials
September 30, 2025

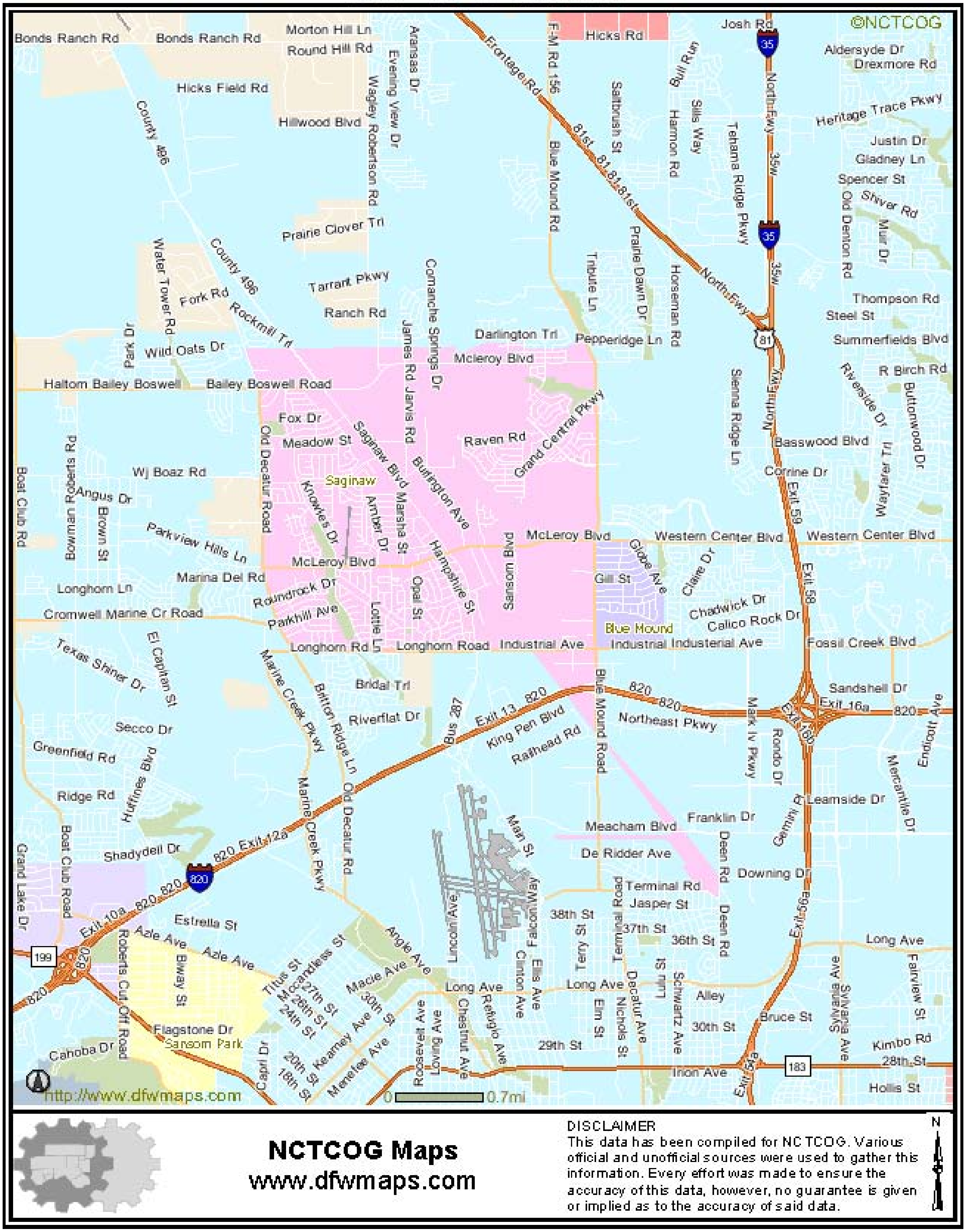
GOVERNING BODY

Todd Flippo	Mayor
Paul Felegy	Mayor Pro-Tem, Councilmember, Place 1
Nicky Lawson	Councilmember, Place 2
Valerie Junkersfeld	Councilmember, Place 3
Brack St. Clair	Councilmember, Place 4
Shawn Morrison	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
Jarred Coursey	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



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Saginaw
Texas

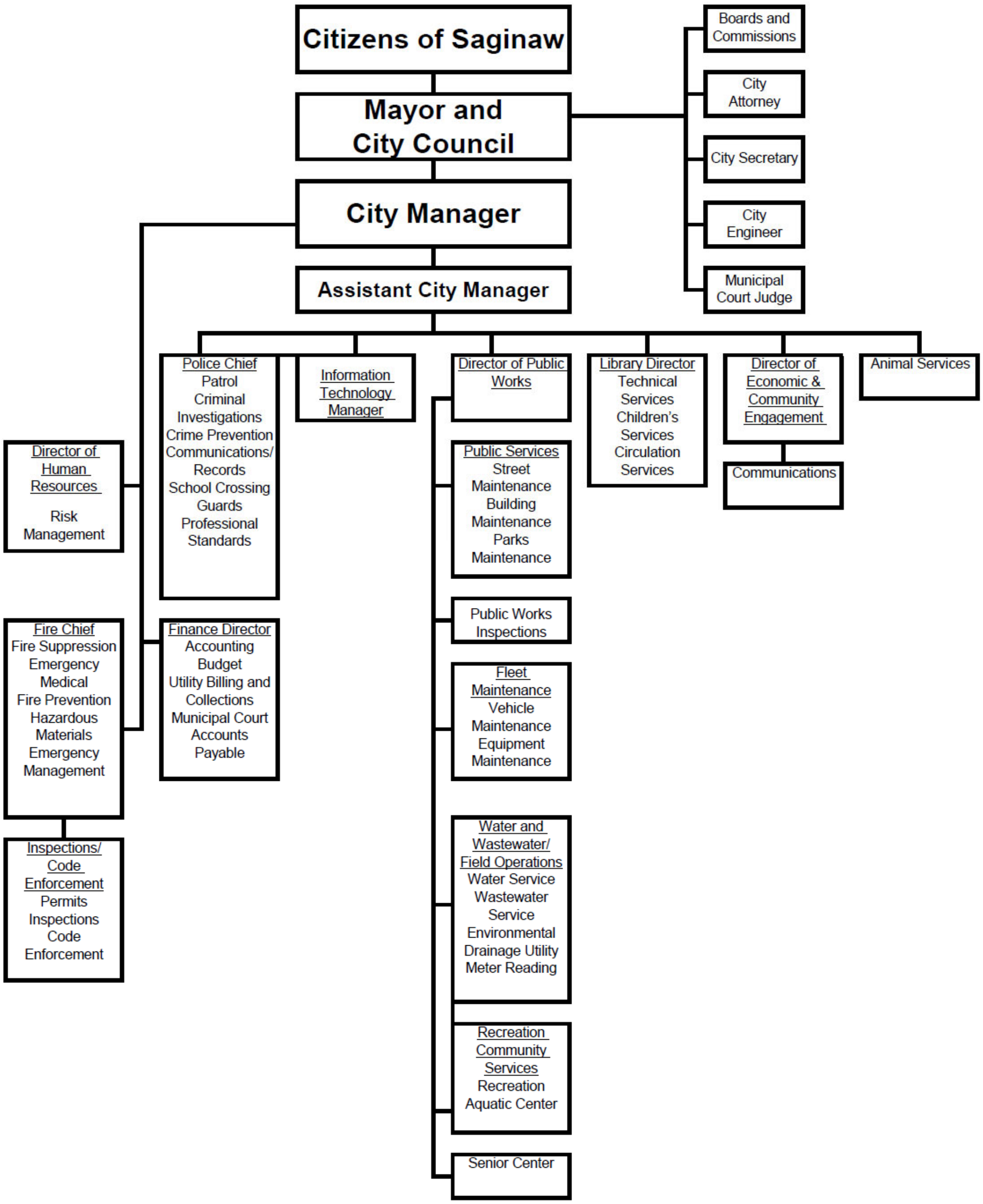
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

CITY OF SAGINAW
ORGANIZATIONAL CHART



City of Saginaw

Financial Section

City of Saginaw

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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

Supplementary Information

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

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 29, 2026

City of Saginaw

As management of the City of Saginaw, Texas (the City) 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, 2025. 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 $171,851,625 (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 $141,372,618 (82.3%) 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 $12,808,787 (7.4%). The remaining $17,670,220 (10.3%) 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 $4,374,331; governmental activities accounts for $3,789,653 and business-type activities for $584,678 of the increase. The increase is related to increased capital assets partially offset by increased liabilities

- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of $54,113,936. Within this total $40,537,316 is restricted by specific legal requirements or non-spendable and $1,471,322 has been committed or assigned for specific types of expenditures. About 22% of this total amount, or $12,105,298 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 $12,105,298 is 45.1% 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 17-21 of this report.

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

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

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

The City maintains eleven governmental funds. Information is presented separately in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, eight Special Revenue, Debt Service, and Capital Projects funds. The basic governmental funds financial statements can be found on pages 23-27.

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 29-34 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 35-65.

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, 2025, the City of Saginaw's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $171,851,625.

The largest portion of the City's net position (82.3%) 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	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 63,073,214	$ 69,710,969	$ 20,855,241	$ 14,522,980	$ 83,928,455	$ 84,233,949
Capital assets	180,356,712	157,813,003	33,906,503	34,917,312	214,263,215	192,730,315
Total assets	243,429,926	227,523,972	54,761,744	49,440,292	298,191,670	276,964,264
Deferred outflows of resources	4,056,495	3,737,097	431,039	394,578	4,487,534	4,131,675
Long term liabilities	108,233,269	98,326,266	6,390,027	1,714,177	114,623,296	100,040,443
Other liabilities	12,673,053	10,554,162	2,249,296	2,203,197	14,922,349	12,757,359
Total liabilities	120,906,322	108,880,428	8,639,323	3,917,374	129,545,645	112,797,802
Deferred inflows of resources	1,157,239	747,434	124,695	73,409	1,281,934	820,843
Net Position						
Net Investment in capital assets	108,044,676	104,752,671	33,327,942	34,373,260	141,372,618	139,125,931
Restricted	12,573,594	11,310,993	235,193	210,871	12,808,787	11,521,864
Unrestricted	4,804,590	5,569,543	12,865,630	11,259,956	17,670,220	16,829,499
Total net position	$ 125,422,860	$ 121,633,207	$ 46,428,765	$ 45,844,087	$ 171,851,625	$ 167,477,294

An additional portion of the City's net position $12,808,787 (7.4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $17,670,220 (10.3%) may be used to meet the City's ongoing obligation to citizens and creditors.

The increase in net position totals $4,374,331; governmental activities increased by $3,789,653 and business-type activities increased by $584,678. The net increase is related to increased capital assets offset by increased debt due in more than one year, partially offset by a decrease in unearned revenue.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended September 30, 2025. Overall the City had an increase in net position of $4,374,331. Governmental capital contributions and interest income decreased due to less development activity, lower interest rates, and lower cash balances. Enterprise fund revenues decreased due to capital contributions partially offset by increased wastewater collection revenue. Total City revenues decreased by $4,211,134 compared to 2024. Total City expenses increased by $2,867,628 compared to 2024. Increases are related to implementation of a new pay plan, increased cost of wastewater treatment, in the enterprise fund, compensated absence expense, and pension expense. These expenses are partially offset by a decrease in interest on long term debt.

City of Saginaw's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues						
Fees, fines and charges for services	$ 4,384,444	$ 4,479,817	$ 14,144,466	$ 13,304,036	$ 18,528,910	$ 17,783,853
Operating grants and contributions	1,112,613	1,855,125	-	-	1,112,613	1,855,125
Capital grants and contributions	3,167,437	4,541,522	213,489	2,070,791	3,380,926	6,612,313
General revenues						
Ad valorem taxes	16,033,406	15,294,001	-	-	16,033,406	15,294,001
Sales taxes	10,166,679	10,147,310	-	-	10,166,679	10,147,310
Franchise taxes	1,660,073	1,703,659	-	-	1,660,073	1,703,659
Other taxes	145,603	147,483	-	-	145,603	147,483
Penalties and interest	12,310	52,754	322,892	289,949	335,202	342,703
Interest income	2,644,827	4,187,287	601,785	616,289	3,246,612	4,803,576
Miscellaneous	9,383	145,161	67,841	63,198	77,224	208,359
Total revenues	39,336,775	42,554,119	15,350,473	16,344,263	54,687,248	58,898,382
Expenses						
General administrative office	5,123,991	4,811,236	-	-	5,123,991	4,811,236
Municipal court	253,150	243,969	-	-	253,150	243,969
Fire	6,246,705	5,344,936	-	-	6,246,705	5,344,936
Police	7,983,637	7,201,026	-	-	7,983,637	7,201,026
Public works	6,426,713	6,544,714	-	-	6,426,713	6,544,714
Parks	683,280	609,576	-	-	683,280	609,576
Community services	1,500,865	1,581,112	-	-	1,500,865	1,581,112
Library	1,059,433	877,627	-	-	1,059,433	877,627
Inspections	1,293,145	1,074,161	-	-	1,293,145	1,074,161
Animal services	719,586	627,476	-	-	719,586	627,476
Fleet maintenance	761,487	635,432	-	-	761,487	635,432
Economic development	110,422	127,323	-	-	110,422	127,323
Information technology	951,581	814,144	-	-	951,581	814,144
Emergency management	27,230	100,352	-	-	27,230	100,352
Communications	307,861	165,357	-	-	307,861	165,357
Interest on long term debt	3,228,190	3,839,155	-	-	3,228,190	3,839,155
Water and wastewater	-	-	13,635,641	12,847,693	13,635,641	12,847,693
Total expenses	36,677,276	34,597,596	13,635,641	12,847,693	50,312,917	47,445,289
Increases in net position before transfers	2,659,499	7,956,523	1,714,832	3,496,570	4,374,331	11,453,093
Transfers	1,130,154	951,788	(1,130,154)	(951,788)	-	-
Increase in net position	3,789,653	8,908,311	584,678	2,544,782	4,374,331	11,453,093
Net position - October 1	121,633,207	112,724,896	45,844,087	43,299,305	167,477,294	156,024,201
Net position - September 30	$ 125,422,860	$ 121,633,207	$ 46,428,765	$ 45,844,087	$ 171,851,625	$ 167,477,294

City governmental activities increased net position by $3,789,653 and enterprise activities increased net position by $584,678.

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 $54,113,936. Approximately 22.4% of this total ($12,105,298) 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 decreased by $1,742,813. The decrease was primarily due to the use of fund balance for facility maintenance and improvements and equipment replacement. The decrease of $4,532,588 in the Capital Projects Fund reflects the use of previously issued debt for Knowles Drive construction, construction of the Library and Senior Activity Center, and Parks Master Plan projects. The $236,017 decrease in Crime Control and Prevention District fund balance is for the replacement of patrol vehicles and the construction of covered parking at the Police Department. Drainage Utility fund balance increased by $518,506 due to no drainage construction projects this fiscal year. Design is ongoing for the Saginaw Boulevard System 3 drainage project. The Street Maintenance Fund balance increased by $509,919 due to the delay of the Opal Street reconstruction project. There was an increase in the General Escrow Fund balance of $410,847 due to interest earnings, and strong hotel/motel tax and court security/technology fee collections.

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 $12,865,630. Total net position of the Enterprise Fund increased by $584,678 from fiscal year 2024 to fiscal year 2025. The increase is due to increased wastewater and wastewater surcharge fees partially offset by the increased cost of salaries, benefits, water meters, system maintenance and wastewater service.

Budgetary Highlights – The City Council approved revisions to the original budget appropriations. General Fund revenues were increased by $555,320 or 2.3%. Increased revenues were due to American Rescue Plan Act revenue recognition and municipal court fines and fees. General Fund expenditure appropriations increased by $28,695 or 0.1%. Increases were for overtime, utilities, and contract mowing partially offset by vacancy savings and project delays.

CAPITAL ASSETS

The City of Saginaw's investment in capital assets for its governmental and business-type activities as of September 30, 2025 amounts to $214,263,215 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, improvements, infrastructure, construction in progress, and right to use lease and subscription assets.

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

- Developer contributed paving ($120,000).
- Keeter Library repurpose design ($262,221).
- Fire Station #2 exhaust system replacement/improvements ($122,383).
- Facility improvements ($221,570).
- Purchase of 10 service trucks ($410,897).
- Softball complex improvements ($53,475).
- Keeter Library roof replacement ($171,140).
- Purchase of a pressure sewer cleaner and trailer ($75,159).
- Police Station parking lot awning ($166,500).

- Purchase of 9 police vehicles ($281,414).
- Purchase of remote control mower ($70,413).
- Purchase of Library equipment and art work ($77,277).
- Construction of the Library/Senior Citizens Center facility ($16,704,466).
- Sidewalk improvements ($218,900).
- Knowles Drive improvements ($6,991,187).
- Design for W McLeroy Boulevard improvements Phase 3 ($952,230).
- Design for E McLeroy Boulevard improvements Phase 2A ($338,800).
- Park improvements ($894,859).
- Design for North Old Decatur Road ($76,363).
- Intersection improvements at Blue Mound Road and Industrial Boulevard ($99,156).
- Design for Opal Street reconstruction ($105,630).
- Developer contributed water/wastewater system improvements ($72,111).

Capital Assets at Year End
Net of Accumulated Depreciation/Amortization

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 20,485,256	$ 20,477,307	$ 16,657	$ 16,657	$ 20,501,913	$ 20,493,964
Improvements	6,281,756	5,489,395	-	-	6,281,756	5,489,395
Buildings	63,756,386	34,546,134	154,587	154,587	63,910,973	34,700,721
Equipment	336,981	14,507,018	17,890	2,335,414	354,871	16,842,432
Infrastructure	31,612	158,978,379	-	49,440,156	31,612	208,418,535
Construction in progress	14,977,081	20,914,620	2,423,573	1,387,510	17,400,654	22,302,130
Right-to-use subscription assets	159,100,129	336,981	49,512,267	17,890	208,612,396	354,871
Right-to-use lease assets	18,382,091	31,612	1,454,700	-	19,836,791	31,612
Accumulated depreciation/amortization	(102,994,580)	(97,468,443)	(19,673,171)	(18,434,902)	(122,667,751)	(115,903,345)
Total	$ 180,356,712	$ 157,813,003	$ 33,906,503	$ 34,917,312	$ 214,263,215	$ 192,730,315

Additional information on the City of Saginaw's capital assets can be found in Note 5 on pages 48-49.

DEBT ADMINISTRATION

At the end of the fiscal year, the City had a total bonded debt of $103,623,177.

Outstanding Bond Debt at Year End

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligations	$ 75,450,000	$ 60,885,000	$ 5,315,000	$ 485,000	$ 80,765,000	$ 61,370,000
Certificates of obligation	15,885,000	16,685,000	-	-	15,885,000	16,685,000
Tax notes	240,000	475,000	-	-	240,000	475,000
Premiums on bonds	6,733,177	6,439,285	-	-	6,733,177	6,439,285
Total	$ 98,308,177	$ 84,484,285	$ 5,315,000	$ 485,000	$ 103,623,177	$ 84,969,285

During the fiscal year, the City's total debt increased by $18,653,892 or 22%. Enterprise Fund principal payments of $160,000 and General Fund principal payments of $3,880,000 were made. The City's General Obligation Bonds, and Certificates of Obligation have a Standard and Poor's Ratings Services rating of AA. The Revenue bonds have a Standard and Poor's Rating of AA.

Additional information on the City of Saginaw's long-term debt can be found on pages 49-55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In the 2025-2026 budget, General Fund revenues and transfers in are budgeted to be $25,688,740 which is $818,270 or 3.4% more than the revised 2024-2025 budget. Sales tax is estimated to remain stable. The adopted budget reflects a decrease in permits and fees, as well as, interest earnings. Due to an estimated slow down in new construction and lower cash balance and interest rates. These reductions are offset by a budgeted increase in property tax and transfers from other funds. General Fund revenues are comprised of 38% property tax, 30% sales tax, and 32% fees and transfers. Estimated net taxable value increased 2.7% from the preceding year with $23 million in added value. Budgeted property tax revenues are $9,674,445 in the General Fund and $7,084,430 in the Debt Service Fund. General Fund expenditures and transfers increased by $192,545 or 0.7% due to salary increases, operating costs of the new Library/Senior Center, a full year of contracted ambulance services, and increased overtime. Funding is provided for salary step increases to remain competitive in the labor market. One-time expenses include replacement of a battalion chief vehicle, barricade rental for special events, Police Station security upgrades, replacement of school zone traffic lights, Recreation and Aquatics Center improvements and shade structures at the Animal Shelter.

The 2025-2026 budget includes a 3.25% increase in water and wastewater rates. The City of Fort Worth, water and wastewater service provider, will increase water rates by 6.75% and decrease wastewater rates by 3.69%. The Enterprise Fund budget has been balanced with the use of $4,622,965 from fund balance for the water line replacement along Opal Street, the Fairmont 12" sewer rehabilitation phase 2, the West McLeroy 12" water line phase 2, a chloramine facility, and various inflow/infiltration remediation projects.

Drainage Utility fees will remain the same. Funding is included for an additional drainage maintenance worker and final design for the Saginaw Boulevard System 3 drainage project.

REQUEST FOR INFORMATION

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

City of Saginaw

Basic Financial Statements

City of Saginaw

Government-Wide Financial Statements

City of Saginaw

City of Saginaw, Texas
Statement of Net Position
For the Fiscal Year Ended September 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Deposits and investments	$ 29,007,273	$ 17,985,188	$ 46,992,461
Receivables:			
Taxes, net of allowance	1,964,608	-	1,964,608
Accounts, net of allowance	110,439	1,859,190	1,969,629
Leases	293,908	-	293,908
Other	263,875	-	263,875
Prepaid items	59,478	5,166	64,644
Restricted assets:			
Deposits and investments	31,373,633	1,005,697	32,379,330
Capital assets:			
Land	20,485,256	16,657	20,501,913
Improvements	6,281,756	-	6,281,756
Buildings	63,756,386	154,587	63,910,973
Equipment	14,977,081	2,423,573	17,400,654
Infrastructure	159,100,129	49,512,267	208,612,396
Construction in progress	18,382,091	1,454,700	19,836,791
Right-to-use subscription assets	336,981	17,890	354,871
Right-to-use lease assets	31,612	-	31,612
Accumulated depreciation/amortization	(102,994,580)	(19,673,171)	(122,667,751)
Total assets	243,429,926	54,761,744	298,191,670
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge for refunding	52,468	-	52,468
Related to TMRS pension	3,946,078	423,472	4,369,550
Related to TMRS OPEB	57,949	7,567	65,516
Total deferred outflows of resources	4,056,495	431,039	4,487,534
LIABILITIES			
Accounts payable and accrued liabilities	4,394,599	963,342	5,357,941
Accrued interest payable	329,338	21,373	350,711
Unearned revenue	434,436	-	434,436
Payable from restricted assets:			
Contracts payable	3,768,893	-	3,768,893
Current portion of revenue bonds payable	-	488,118	488,118
Customer deposits	-	770,504	770,504
Noncurrent liabilities:			
Debt due within one year	3,745,787	5,959	3,751,746
Debt due in more than one year	95,777,432	5,010,000	100,787,432
Net pension liability	12,098,935	1,334,456	13,433,391
Total OPEB liability	356,902	45,571	402,473
Total liabilities	120,906,322	8,639,323	129,545,645
DEFERRED INFLOWS OF RESOURCES			
Related to leased assets	293,908	-	293,908
Related to TMRS pension	719,634	109,027	828,661
Related to TMRS OPEB	143,697	15,668	159,365
Total deferred inflows of resources	1,157,239	124,695	1,281,934
NET POSITION			
Net investment in capital assets	108,044,676	33,327,942	141,372,618
Restricted for:			
Debt service	1,197,176	235,193	1,432,369
Street maintenance	3,272,880	-	3,272,880
Crime prevention	1,017,519	-	1,017,519
Drainage	2,075,198	-	2,075,198
Public improvements	263,575	-	263,575
Infrastructure, court technology, and safety projects	4,747,246	-	4,747,246
Unrestricted	4,804,590	12,865,630	17,670,220
TOTAL NET POSITION	$ 125,422,860	$ 46,428,765	$ 171,851,625

City of Saginaw, Texas
Statement of Activities
For the Fiscal Year Ended September 30, 2025

Program Activities	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General administrative offices	$ 5,123,991	$ 193,484	$ 606,836	$ -
Municipal court	253,150	869,779	-	-
Fire	6,246,705	141,600	31,924	-
Police	7,983,637	20,223	473,853	-
Public works	6,426,713	1,048,529	-	3,167,437
Parks	683,280	-	-	-
Community services	1,500,865	718,685	-	-
Library	1,059,433	6,755	-	-
Inspection	1,293,145	1,356,644	-	-
Animal services	719,586	28,745	-	-
Fleet maintenance	761,487	-	-	-
Economic development	110,422	-	-	-
Information technology	951,581	-	-	-
Emergency management	27,230	-	-	-
Communications	307,861	-	-	-
Interest on long term debt	3,228,190	-	-	-
Total governmental activities	36,677,276	4,384,444	1,112,613	3,167,437
Business-type activities:				
Water and wastewater	13,635,641	14,144,466	-	213,489
Total business-type activities	13,635,641	14,144,466	-	213,489
TOTAL GOVERNMENT	$ 50,312,917	$ 18,528,910	$ 1,112,613	$ 3,380,926

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

Net (Expenses) Revenue and Changes in Net Position		
Governmental Activities	Business- type Activities	Total
$ (4,323,671)	$ -	$ (4,323,671)
616,629	-	616,629
(6,073,181)	-	(6,073,181)
(7,489,561)	-	(7,489,561)
(2,210,747)	-	(2,210,747)
(683,280)	-	(683,280)
(782,180)	-	(782,180)
(1,052,678)	-	(1,052,678)
63,499	-	63,499
(690,841)	-	(690,841)
(761,487)	-	(761,487)
(110,422)	-	(110,422)
(951,581)	-	(951,581)
(27,230)	-	(27,230)
(307,861)	-	(307,861)
(3,228,190)	-	(3,228,190)
(28,012,782)	-	(28,012,782)
-	722,314	722,314
-	722,314	722,314
$ (28,012,782)	$ 722,314	$ (27,290,468)
$ 16,033,406	$ -	$ 16,033,406
10,166,679	-	10,166,679
1,660,073	-	1,660,073
145,603	-	145,603
12,310	322,892	335,202
2,644,827	601,785	3,246,612
9,383	67,841	77,224
1,130,154	(1,130,154)	-
31,802,435	(137,636)	31,664,799
3,789,653	584,678	4,374,331
121,633,207	45,844,087	167,477,294
$ 125,422,860	$ 46,428,765	$ 171,851,625

City of Saginaw

Fund Financial Statements
Governmental Funds

City of Saginaw, Texas
Balance Sheet - Governmental Funds
September 30, 2025

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 15,978,552	$ 1,414,302	$ -	$ 11,614,419	$ 29,007,273
Receivables:					
Taxes, net of allowance	1,437,852	112,212	-	414,544	1,964,608
Accounts	110,439	-	-	-	110,439
Leases	293,908	-	-	-	293,908
Other	96,363	-	-	167,512	263,875
Prepaid items	59,478	-	-	-	59,478
Restricted assets:					
Deposits and investments	-	-	31,373,633	-	31,373,633
TOTAL ASSETS	$ 17,976,592	$ 1,526,514	$ 31,373,633	$ 12,196,475	$ 63,073,214
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
LIABILITIES					
Accounts payable and accrued liabilities	$ 4,330,452	$ -	$ -	$ 64,147	$ 4,394,599
Payable from restricted assets:					
Contracts payable	-	-	3,768,893	-	3,768,893
Unearned revenue	391,323	-	-	43,113	434,436
Total liabilities	4,721,775	-	3,768,893	107,260	8,597,928
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - leased assets	293,908	-	-	-	293,908
Unavailable revenue - property taxes	37,608	29,834	-	-	67,442
Total deferred inflows of resources	331,516	29,834	-	-	361,350
FUND BALANCES					
Nonspendable:					
Prepaid items	59,478	-	-	-	59,478
Restricted:					
Debt service	-	1,496,680	-	-	1,496,680
Capital projects	-	-	27,604,740	-	27,604,740
Street maintenance	-	-	-	3,272,880	3,272,880
Crime prevention	-	-	-	1,017,519	1,017,519
Drainage	-	-	-	2,075,198	2,075,198
Public improvements	-	-	-	263,575	263,575
Infrastructure, court technology, and safety projects	-	-	-	4,747,246	4,747,246
Committed:					
Donations	-	-	-	712,797	712,797
Assigned	758,525	-	-	-	758,525
Unassigned	12,105,298	-	-	-	12,105,298
Total fund balances	12,923,301	1,496,680	27,604,740	12,089,215	54,113,936
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 17,976,592	$ 1,526,514	$ 31,373,633	$ 12,196,475	$ 63,073,214

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

City of Saginaw, Texas
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
September 30, 2025

TOTAL FUND BALANCE - GOVERNMENTAL FUND	$	54,113,936
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.		180,356,712
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.		(329,338)
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.		67,442
Long-term liabilities, including bonds payable, subscriptions payable, leases payable, arbitrage payable, and financed purchases are not due and payable in the current period and therefore are not reported in the fund financial statements. A deferred charge on an advanced refunding of bonds payable of $52,468 is reflected as a deferred outflow of resources on the Statement of Net Position.		(99,470,751)
Included in noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of $12,098,935, a deferred resource outflow related to TMRS of $3,392,934, and a deferred resource inflow related to TMRS of $166,490. This resulted in a decrease in net position.		(8,872,491)
Included in noncurrent liabilities is the recognition of the City's total OPEB liability required by GASB 75 in the amount of $356,902, a deferred resource outflow related to TMRS of $57,949, and a deferred resource inflow related to TMRS of $143,697. This resulted in a decrease in net position.		(442,650)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	$	125,422,860

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

City of Saginaw, Texas

Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For The Year Ended September 30, 2025

	General	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 17,959,304	$ 6,804,285	$ -	$ 3,229,228	$ 27,992,817
Licenses and permits	873,750	-	-	-	873,750
Charges for services	141,600	-	-	1,048,529	1,190,129
Fines and fees	1,358,046	-	-	36,028	1,394,074
Interest income	796,312	197,780	1,157,659	493,076	2,644,827
Recreation income	378,034	-	-	-	378,034
Intergovernmental	638,760	-	3,244,453	4,722	3,887,935
Miscellaneous revenues	50,907	-	-	564,926	615,833
Total revenues	22,196,713	7,002,065	4,402,112	5,376,509	38,977,399
EXPENDITURES					
Current:					
General administrative office	3,240,290	-	290,181	1,148,737	4,679,208
Municipal court	252,300	-	-	-	252,300
Fire	5,630,507	-	-	-	5,630,507
Police	7,404,122	-	-	47,006	7,451,128
Public works	2,427,698	-	-	-	2,427,698
Parks	466,100	-	-	-	466,100
Community services	1,303,771	-	-	-	1,303,771
Library	1,002,218	-	-	-	1,002,218
Inspection	1,139,785	-	-	114,947	1,254,732
Animal services	697,343	-	-	-	697,343
City garage	723,343	-	-	-	723,343
Economic development	110,422	-	-	-	110,422
Information technology	750,352	-	-	-	750,352
Emergency management	27,230	-	-	-	27,230
Communications	301,376	-	-	-	301,376
Capital outlay	1,284,412	-	26,336,086	884,654	28,505,152
Debt service:					
Principal retirement	46,422	3,880,000	-	144,655	4,071,077
Interest charges	3,872	3,069,268	-	12,719	3,085,859
Fiscal agent's fees and debt issuance costs	-	38,405	461,047	-	499,452
Total expenditures	26,811,563	6,987,673	27,087,314	2,352,718	63,239,268
Excess (deficiency) of revenues over (under) expenditures	(4,614,850)	14,392	(22,685,202)	3,023,791	(24,261,869)
OTHER FINANCING SOURCES (USES)					
Transfers in	3,009,982	-	-	151,288	3,161,270
Transfers out	(137,945)	-	-	(1,893,171)	(2,031,116)
Issuance of debt	-	-	17,410,000	-	17,410,000
Premium on bond issuance	-	-	742,614	-	742,614
Total other financing sources (uses)	2,872,037	-	18,152,614	(1,741,883)	19,282,768
Net change in fund balances	(1,742,813)	14,392	(4,532,588)	1,281,908	(4,979,101)
Fund Balance, beginning	14,666,114	1,482,288	32,137,328	10,807,307	59,093,037
FUND BALANCE, ending	$ 12,923,301	$ 1,496,680	$ 27,604,740	$ 12,089,215	$ 54,113,936

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

City of Saginaw, Texas
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Fiscal Year Ended September 30, 2025

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	$	(4,979,101)
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.		28,092,637
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.		392,114
Depreciation expense on capital assets is reported in the statement of activities and does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.		(5,941,042)
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.		(13,844,538)
Financed purchases, leases, and subscriptions payable provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount consists of leases entered into during the year , subscriptions payable entered into repayments on financed purchases and subscriptions payable.		191,249
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.		(91,027)
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.		(4,028)
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.		(71,127)
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		44,516
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES	$	3,789,653

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

City of Saginaw

Fund Financial Statements
Proprietary Funds

City of Saginaw

City of Saginaw, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025

		Enterprise Fund
ASSETS		
Current assets:		
Deposits and investments	$	17,985,188
Deposits and investments-restricted		235,193
Receivables:		
Accounts receivable, net of allowance of $89,631		1,077,344
Unbilled accounts		781,846
Prepaid		5,166
Total current assets		20,084,737
Noncurrent assets:		
Capital assets, at cost:		
Land and land improvements		16,657
Buildings and improvements		154,587
Waterworks and sewer system		49,512,267
Machinery and equipment		2,423,573
Right-to-use subscription assets		17,890
Construction in progress		1,454,700
Accumulated depreciation/amortization		(19,673,171)
Total capital assets, net of accumulated depreciation/amortization		33,906,503
Deposits and investments-restricted		770,504
Total noncurrent assets		34,677,007
Total assets		54,761,744
DEFERRED OUTFLOWS OF RESOURCES		
Related to the TMRS pension		423,472
Related to the TMRS OPEB		7,567
Total deferred outflows of resources		431,039
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities		963,342
Accrued interest		21,373
Subscriptions payable		5,959
Revenue bonds payable		488,118
Total current liabilities		1,478,792
Noncurrent liabilities:		
Revenue bonds payable		5,010,000
Customer deposits		770,504
Net pension liability		1,334,456
Total OPEB liability		45,571
Total noncurrent liabilities		7,160,531
Total liabilities		8,639,323
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension		109,027
Related to the TMRS OPEB		15,668
Total deferred inflows of resources		124,695
NET POSITION		
Net investment in capital assets		33,327,942
Restricted for revenue bond retirement		235,193
Unrestricted		12,865,630
TOTAL NET POSITION	$	46,428,765

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

City of Saginaw, Texas

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Enterprise Fund
OPERATING REVENUES	
Water and sewer sales	$ 11,640,152
Penalties	322,892
Surcharges	2,504,314
Miscellaneous	67,841
Total operating revenue	14,535,199
OPERATING EXPENSES	
Cost of sales and services	8,898,561
Administrative	3,481,492
Depreciation/amortization	1,238,269
Total operating expenses	13,618,322
Operating income	916,877
NONOPERATING REVENUES (EXPENSES)	
Investment income	601,785
Interest expense and agent fees	(17,319)
Total nonoperating revenues (expenses)	584,466
Income before capital contributions and transfers	1,501,343
CAPITAL CONTRIBUTIONS AND TRANSFERS	
Capital contributions	72,111
Intergovernmental	8,000
Impact and tap fees	133,378
Transfers out	(1,264,604)
Transfers in	134,450
Total capital contributions and transfers	(916,665)
Change in net position	584,678
Net position, beginning of year	45,844,087
NET POSITION, end of year	$ 46,428,765

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

City of Saginaw, Texas
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	$ 14,386,890
Cash paid to employees	(1,477,029)
Cash paid to suppliers	(11,219,337)
Net cash provided by operating activities	1,690,524
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out to other funds	(1,264,604)
Transfers from other funds	134,450
Net cash used in noncapital financing activities	(1,130,154)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental revenues	8,000
Impact and tap fees	133,378
Principal paid on SBITAs	(5,681)
Principal paid on bonds	(160,000)
Purchase of capital assets	(155,349)
Interest and fees paid on debt issuance	8,820
Net cash used in capital and related financing activities	5,002,286
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	601,785
Net cash provided by investing activities	601,785
Net change in cash and cash equivalents	6,164,441
CASH AND CASH EQUIVALENTS, beginning of year	12,826,444
CASH AND CASH EQUIVALENTS, end of year	$ 18,990,885

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

City of Saginaw, Texas
Statement of Cash Flows – Continued
Proprietary Funds
For the Fiscal Year Ended September 30, 2025

	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	$ 11,859,414	$ 210,871	$ 756,159	$ 12,826,444
Net increase (decrease)	6,125,774	24,322	14,345	6,164,441
Cash and cash equivalents - ending	$ 17,985,188	$ 235,193	$ 770,504	$ 18,990,885
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income				$ 916,877
Adjustments to reconcile operating income to net cash				
Depreciation/amortization				1,238,269
(Increase) Decrease in accounts receivable				(162,654)
Decrease in prepaids				(5,166)
(Increase) Decrease in deferred outflows of resources-pension				(44,799)
(Increase) Decrease in deferred outflows of resources-OPEB				2,772
Increase (Decrease) in accounts payable and accrued expenses				(322,896)
Increase (Decrease) in customer deposits				14,345
Increase (Decrease) in net pension liability				3,465
Increase (Decrease) in total OPEB liability				(975)
Increase (Decrease) in deferred inflows of resources-pension				51,286
Net cash provided by operating activities				$ 1,690,524
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES				
Capital-related accounts payable				$ 52,978
Capital asset contributions from developers				$ 72,111

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

Note 1. Summary of Significant Accounting Policies

A. General Statement

The City of Saginaw, Texas (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.

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

C. Basis of Presentation

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

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

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

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

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, Police Fund, Escrow Fund, TIRZ 1 Fund and Debt Service Fund.

Budgets for the General Fund, Saginaw CCPD Fund, Drainage Utility Fund, Street Maintenance Fund, Donations Funds, Escrow Fund, Beltmill PID Fund, Police Fund, TIRZ 1 Fund, and Debt Service Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

All appropriations lapse on September 30 of the fiscal year.

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

F. Deposits and Investments

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

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. Leases

Lessee

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the City is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

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. Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – vacation, compensatory time and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

<u>Vacation and Compensatory Time</u>
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.

<u>Sick Leave</u>
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.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences. The compensated absences liability increased $1,195,412 over the course of the fiscal year and ended September 30, 2025, with a liability of $2,977,315.

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:

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

1. Spendable Fund Balance

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

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

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

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

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

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

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

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

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

M. Subscription-Based Information Technology Arrangements (SBITA)

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

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

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

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

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

N. Pensions

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

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

O. Postemployment Benefits Other Than Pensions (OPEB)

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

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

P. Management's Use of Estimates

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

Q. Recent Accounting Pronouncements

GASB Statement No. 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 was implemented in the District's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the City's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

Note 2. Deposits and Investments

Deposits and investments as of September 30, 2025 consist of the following:

Deposits with financial institutions	$ 2,072,256
Investments	77,299,535
	$ 79,371,791

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, 2025, the City had the following investments:

Investment Type	Weighted Average Amount	Maturity
TexPool	$ 77,299,535	41 days

As of September 30, 2025, 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, 2025
TexPool	$ 77,299,535	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, 2025, 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, 2025, the carrying amount of the City's cash on hand and deposits were $2,072,256 and the bank balance was $2,957,988. $250,000 of the bank balance was covered by depository insurance under the FDIC, with the remaining $2,707,988 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	$	235,193
Refundable water and wastewater deposits		770,504
Total	$	1,005,697

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, 2025, 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, 2025, was as follows:

	Balance, October 1, 2024	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2025
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 20,477,307	$ 7,949	$ -	$ 20,485,256
Construction in progress	20,914,620	26,560,586	(29,093,115)	18,382,091
Total capital assets, not being depreciated/amortized	41,391,927	26,568,535	(29,093,115)	38,867,347
Capital assets being depreciated/amortized:				
Buildings	34,546,134	711,593	28,498,659	63,756,386
Right-to-use subscription assets	336,981	-	-	336,981
Right-to-use lease assets- equipment	31,612	-	-	31,612
Improvements	5,489,395	264,165	528,196	6,281,756
Infrastructure	158,978,379	121,750	-	159,100,129
Equipment	14,507,018	895,962	(425,899)	14,977,081
Total capital assets, being depreciated/amortized	213,889,519	1,993,470	28,600,956	244,483,945
Less accumulated depreciation/amortization for:				
Buildings	10,590,668	875,198	-	11,465,866
Right-to-use subscription assets	167,078	133,253	-	300,331
Right-to-use lease assets- equipment	5,269	5,269	-	10,538
Improvements	1,858,868	293,883	-	2,152,751
Infrastructure	75,663,484	3,651,066	-	79,314,550
Equipment	9,183,076	982,373	(414,905)	9,750,544
Total accumulated depreciation/amortization	97,468,443	5,941,042	(414,905)	102,994,580
Total capital assets being depreciated/amortized, net	116,421,076	(3,947,572)	29,015,861	141,489,365
Governmental activities capital assets, net	$ 157,813,003	$ 22,620,963	$ (77,254)	$ 180,356,712

	Balance, October 1, 2024	Additions/ Completions	Retirements/ Adjustments	Balance, September 30, 2025
Business-type Activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 16,657	$ -	$ -	$ 16,657
Construction in progress	1,387,510	67,190	-	1,454,700
Total capital assets, not being depreciated/amortized	1,404,167	67,190	-	1,471,357
Capital assets, being depreciated/amortized:				
Buildings	154,587	-	-	154,587
Water and wastewater system	49,440,156	72,111	-	49,512,267
Right-to-use subscription assets	17,890	-	-	17,890
Equipment	2,335,414	88,159	-	2,423,573
Total capital assets, being depreciated/amortized	51,948,047	160,270	-	52,108,317
Less accumulated depreciation/amortization				
Buildings	93,158	3,540	-	96,698
Water and wastewater system	16,770,825	1,055,670	-	17,826,495
Right-to-use subscription assets	5,963	5,963	-	11,926
Equipment	1,564,956	173,096	-	1,738,052
Total accumulated depreciation/amortization	18,434,902	1,238,269	-	19,673,171
Total capital assets being depreciated/amortized, net	33,513,145	(1,077,999)	-	32,435,146
Business-type activities capital assets, net	$ 34,917,312	$ (1,010,809)	$ -	$ 33,906,503

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

Governmental activities:		
General administrative office	$	99,902
Municipal court		-
Fire		590,136
Police		501,267
Public works		3,992,846
Community services		193,353
Library		53,088
Inspections/code enforcement		33,059
Animal services		19,338
Fleet maintenance		36,442
Parks		216,537
Information technology		199,520
Communications		5,554
	$	5,941,042
Business-type activities:		
Water and wastewater	$	1,238,269

The City has active construction projects as of September 30, 2025. Total accumulated commitments for capital projects are $2,066,954 for the Capital Projects Fund.

Note 6. Long-Term Debt

In August 2025, the City issued General Obligation Bonds, Series 2025, in the amount of $17,410,000. The General Obligation Bonds, Series 2025 proceeds from the sale will be used to pay all or a portion of the City's contractual obligations incurred in connection with the purpose of 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; and the cost of issuance of the bonds. The bonds will bear an interest rate of between 4.25% and 5.00%. The bonds were sold at a premium of $742,614.

In August 2025, the City issued Combination Tax and Revenue Certificates of Obligation Bonds, Series 2025, in the amount of $4,990,000. The Combination Tax and Revenue Certificates of Obligation Bonds, Series 2025 proceeds from the sale will be used to acquiring, constructing, and equipping additions, improvements, extensions, and equipment for the City's waterworks and sewer system, including the acquisition of land and rights-of-way therefor; and legal, fiscal and engineering fees in connection with such projects. The bonds will bear an interest rate of between 4.00% and 5.00%. The bonds were sold at a premium of $185,037.

At September 30, 2025, the City's bonds payable and tax notes 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%.	$ 3,795,000	$ -
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%.	4,320,000	-
2015 General Obligation Refunding Bonds, dated December 22, 2015, due in annual installments through September 1, 2027, bearing an interest rate of 1.98%.	-	325,000
2016 General Obligation Refunding Bonds, dated June 21, 2016, due in annual installments through September 1, 2027, bearing an interest rate of 1.69%.	850,000	-
2017 General Obligation Bonds, dated June 1, 2017, due in annual installments through September 1, 2037, bearing an interest rate of 3.00%.	5,265,000	-
2019 Tax Notes, dated September 17, 2019, due in annual installments through March 1, 2026, bearing an interest rate of 1.40%.	240,000	-
2019 General Obligation Refunding Bonds, dated November 13, 2019, due in annual installments through September 1, 2025, bearing an interest rate of 1.63%.	-	-
2020 General Obligation Refunding Bonds, dated June 1, 2020, due in annual installments through September 1, 2030, bearing an interest rate of 1.11%.	590,000	-
2020 Certificates of Obligation Bonds, dated August 15, 2020, due in annual installments through September 1, 2040, bearing interest rates of 2% to 4%.	15,885,000	-
2021 General Obligation Bonds, dated August 1, 2021, due in annual installments through September 1, 2041, bearing an interest rate of 2% to 4%.	6,985,000	-
2022 General Obligation Bonds, dated June 1, 2022, due in annual installments through September 1, 2042, bearing an interest rate of 4% to 5%.	21,045,000	-
2023 General Obligation Bonds, dated April 1, 2023, due in annual installments through September 1, 2043, bearing an interest rate of 4% to 5%.	15,190,000	-
2025 General Obligation Bonds, dated August 1, 2025, due in annual installments through September 1, 2045, bearing an interest rate of 4.25% to 5%.	17,410,000	-
2025 Combination Tax and Revenue Certificates of Obligation Bonds, dated August 1, 2025, due in annual installments through September 1, 2045, bearing an interest rate of 4% to 5%.	-	4,990,000
Premium on bonds	6,733,177	-
Total bonds payable	$ 98,308,177	$ 5,315,000

The following is a summary of long-term debt transactions of the City for the year ended September 30, 2025:

	Balance, October 1, 2024	Increases	Decreases	Balance, September 30, 2025	Due Within One Year
Governmental activities:					
General obligation bonds	$ 60,885,000	$ 17,410,000	$ (2,845,000)	$ 75,450,000	$ 2,590,000
Certificates of obligation	16,685,000	-	(800,000)	15,885,000	815,000
Tax notes	475,000	-	(235,000)	240,000	240,000
Financed purchases	207,331	-	(68,998)	138,333	71,594
Subscriptions payable	151,265	-	(117,525)	33,740	24,262
Leases payable	31,612	-	(4,726)	26,886	4,931
Premiums on bonds	6,439,285	742,614	(448,722)	6,733,177	-
Arbitrage payable	1,016,083	-	-	1,016,083	-
Net pension liability	12,070,897	28,038	-	12,098,935	-
Total OPEB liability	364,793	-	(7,891)	356,902	-
Total governmental activities	$ 98,326,266	$ 18,180,652	$ (4,527,862)	$ 111,979,056	$ 3,745,787
Business-type activities:					
General obligation bonds	$ 485,000	$ -	$ (160,000)	$ 325,000	$ 160,000
Certificates of obligation	-	4,990,000	-	4,990,000	145,000
Premiums on bonds	-	185,037	(1,919)	183,118	-
Subscriptions payable	11,640	-	(5,681)	5,959	5,959
Net pension liability	1,330,991	3,465	-	1,334,456	-
Total OPEB liability	46,546	-	(975)	45,571	-
Total business-type activities	$ 1,874,177	$ 5,178,502	$ (168,575)	$ 6,884,104	$ 310,959

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, 2025, are as follows:

General Obligation Bonds			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 2,590,000	$ 3,269,571	$ 5,859,571
2027	3,135,000	3,119,632	6,254,632
2028	3,565,000	3,005,133	6,570,133
2029	3,745,000	2,856,601	6,601,601
2030	4,025,000	2,698,770	6,723,770
2031-2035	22,540,000	10,699,827	33,239,827
2036-2040	21,450,000	5,962,355	27,412,355
2041-2045	14,400,000	1,517,221	15,917,221
Totals	$ 75,450,000	$ 33,129,110	$ 108,579,110

Certificates of Obligation

Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 815,000	$ 860,240	$ 1,675,240
2027	840,000	809,306	1,649,306
2028	865,000	776,106	1,641,106
2029	890,000	741,656	1,631,656
2030	925,000	697,056	1,622,056
2031-2035	5,210,000	2,445,318	7,655,318
2036-2040	6,340,000	780,200	7,120,200
2041-2045	-	-	-
Totals	$ 15,885,000	$ 7,109,882	$ 22,994,882

Tax Notes

Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 240,000	$ 1,680	$ 241,680
Totals	$ 240,000	$ 1,680	$ 241,680

General Obligation Bonds

Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2026	$ 160,000	$ 6,435	$ 166,435
2027	165,000	3,267	168,267
Totals	$ 325,000	$ 9,702	$ 334,702

Certificates of Obligation			
Due Fiscal Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2026	$ 145,000	$ 250,040	$ 395,040
2027	160,000	223,556	383,556
2028	170,000	215,556	385,556
2029	180,000	207,056	387,056
2030	190,000	198,056	388,056
2031-2035	1,085,000	840,030	1,925,030
2036-2040	1,370,000	556,330	1,926,330
2041-2045	1,690,000	240,277	1,930,277
Totals	$ 4,990,000	$ 2,730,901	$ 7,720,901

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

Financed Purchases			
Due Fiscal Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2026	$ 71,594	$ 5,206	$ 76,800
2027	66,739	2,511	69,250
Totals	$ 138,333	$ 7,717	$ 146,050

Leases Payable
The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use equipment over the term of the lease. The City is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Lease Term in Years	Ending Balance
Governmental activities			
Equipment	4.334%	6	$ 26,886
Total governmental activities			$ 26,886

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

Due Fiscal Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Governmental Activities Total
2026	$ 4,931	$ 1,165	$ 6,096
2027	5,145	952	6,097
2028	5,367	729	6,096
2029	5,600	496	6,096
2030	5,843	253	6,096
Totals	$ 26,886	$ 3,595	$ 30,481

The value of the right-to-use assets as of the end of the current fiscal year was $31,612 and had accumulated amortization of $10,538.

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

	Interst Rate(s)	Subscription Term in Years	Ending Balance
Governmental activities			
Software	3.964-5.298%	3-7	$ 33,740
Total governmental activities			$ 33,740
Business-type activities			
Software	5%	3	$ 5,959
Total business-type activities			$ 5,959

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

Subscriptions Payable Due Fiscal Year Ending September 30,	Governmental Activities Principal		Governmental Activities Interest		Governmental Activities Total	
2026	$	24,262	$	1,581	$	25,843
2027		2,998		502		3,500
2028		3,156		343		3,499
2029		3,324		176		3,500
Totals	$	33,740	$	2,602	$	36,342

Subscriptions Payable Due Fiscal Year Ending September 30,	Business-type Activities Principal		Business-type Activities Interest		Business-type Activities Total	
2026	$	5,959	$	291	$	6,250
Totals	$	5,959	$	291	$	6,250

The value of the subscription assets recorded in the governmental activities at the end of the current fiscal year was $336,981 and had accumulated amortization of $300,331. The value of the subscription assets recorded in the business-type activities at the end of the current fiscal year was $17,890 and had accumulated amortization of $11,926.

Federal Arbitrage
The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or performed correctly, a liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The City has recorded an arbitrage liability in the amount of $1,016,083 as of September 30, 2025.

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 ($64,433 for the General Fund and $49,573 for the Debt Service Fund). The allowance is evaluated annually based upon analysis of historical trends, current economic conditions and other pertinent factors. Uncollectible personal property taxes are written off upon expiration of the five-year statute of limitations.

Note 8. Pension Plan

Plan Description

The City participates as one of 942 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *tmrs.com*.

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

Benefits Provided

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

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

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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	87
Inactive employees entitled to but not yet receiving benefits	118
Active employees	164
	369

Contributions
Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the City matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each City is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The City's contribution rate is based on the liabilities created from the benefit plan options selected by the City and any changes in benefits or actual experience over time.

Employees for the City of Saginaw were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Saginaw were 20.85% and 21.69% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $2,660,712.

Net Pension Liability
The City's Net Pension Liability (NPL) was measured as of December 31, 2024 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, 2024 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 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 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 the most recent Scale MP- 2021 to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2123, actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of the expected return for each major asset class in fiscal year 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.10%
Core Fixed Income	6.0%	5.00%
Non-Core Fixed Income	6.0%	6.80%
Hedge Funds	5.0%	6.40%
Private Equity	13.0%	8.50%
Private Debt	13.0%	8.20%
Real Estate	12.0%	6.70%
Infrastructure	6.0%	6.00%
Other Public and Private Markets	4.0%	7.30%
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.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at December 31, 2023	$ 61,875,194	$ 48,473,306	$ 13,401,888
Changes for the year:			
Service cost	2,456,533	-	2,456,533
Interest	4,185,717	-	4,185,717
Change of benefit terms	-	-	-
Difference between expected and actual experience	1,957,039	-	1,957,039
Changes of assumptions	-	-	-
Contributions - employer	-	2,660,712	(2,660,712)
Contributions - employee	-	893,285	(893,285)
Net investment income	-	5,046,846	(5,046,846)
Benefit payments, including refunds of employee contributions	(2,185,662)	(2,185,662)	-
Administrative expense	-	(32,302)	32,302
Other changes	-	(755)	755
Net changes	6,413,627	6,382,124	31,503
Balance at December 31, 2024	$ 68,288,821	$ 54,855,430	$ 13,433,391

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	$ 23,415,039	$ 13,433,391	$ 5,268,180

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, 2025, the City recognized pension expense of $3,123,634.

At September 30, 2025, 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	$ 2,144,325	$ (82,001)
Changes in actuarial assumptions	-	(125,155)
Difference between projected and actual investment earnings	-	(621,505)
Contributions subsequent to the measurement date	2,225,225	-
Totals	$ 4,369,550	$ (828,661)

$2,225,225 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 31, 2025 (i.e., recognized in the City's financial statements for the year ended September 30, 2026). 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,	
2025	$ 721,954
2026	1,057,537
2027	(202,040)
2028	(261,787)
Totals	$ 1,315,664

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 another postemployment benefit (OPEB) and is a fixed amount of $7,500.

Employees Covered by Benefit Terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	66
Inactive employees entitled to but not yet receiving benefits	21
Active employees	164
	251

Total OPEB Liability

The City's total OPEB liability of $402,473 was measured as of December 31, 2024 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2024 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	3.6% to 11.85%, including inflation
Discount Rate	4.08%

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 4.08%. 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, 2023	$	411,339
Changes for the year:		
Service cost		20,418
Interest		15,676
Change of benefit terms		-
Difference between expected and actual experience		(11,057)
Changes of assumptions or other inputs		(22,418)
Benefit payments		(11,485)
Net changes		(8,866)
Balance at December 31, 2024	$	402,473

Sensitivity of the Net OPEB liability to Changes in the Discount Rate
The following presents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

		1% Decrease in Discount Rate (3.08%)		Discount Rate (4.08%)		1% Increase in Discount Rate (5.08%)
City's OPEB liability	$	481,427	$	402,473	$	341,002

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB
For the year ended September 30, 2025, the City recognized OPEB expense of $17,197.

At September 30, 2025, 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	$	927	$	(24,261)
Changes in actuarial assumptions		55,356		(135,106)
Contributions subsequent to the measurement date		9,233		-
Total	$	65,516	$	(159,367)

$9,233 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 31, 2025 (i.e., recognized in the City's financial statements for the year ended September 30, 2026). 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,		
2025	$	(18,184)
2026		(18,787)
2027		(28,680)
2028		(32,327)
2029		(4,295)
Thereafter		(811)
Total	$	(103,084)

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 currently has four agreements under Chapter 380 of the Texas Local Government Code, for the reimbursement of development costs and redevelopment incentives. The balance to be paid under these agreements total $3,336,265 of September 30, 2025.

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, 2025, 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	$	1,264,604
General Fund	Saginaw CCPD Fund		1,507,125
General Fund	Donations Fund		10,655
General Fund	Escrow Fund		26,356
General Fund	Drainage Utility Fund		214,585
Enterprise Fund	Drainage Utility Fund		134,450
Escrow Fund	General Fund		137,945
		$	3,295,720

Transfers are primarily used to move funds from:

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

Note 12. Risk Management

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

Note 13. Tax Abatements and Economic Incentive Agreements

Tax Abatements under Chapter 312 of the Texas Tax Code and economic incentive agreements under Chapter 380 of the Texas Tax Code allow the City to negotiate tax abatement agreements and economic incentive agreements with applicants. These agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. There were no property taxes abated under these programs in fiscal year 2025.

Note 14. New Accounting Pronouncements

The GASB pronouncements effective in fiscal years 2026 and beyond are listed as follows:

GASB Statement No. 103*, Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the City's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 105, *Subsequent Events* (GASB 105), improves financial reporting related to subsequent events by 1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and non-recognized events and 2) specifies the information items that are required to be disclosed about subsequent events. The requirements of this statement are effective for reporting periods beginning after June 15, 2026, with earlier application encouraged. GASB 105 will be implemented in the City's fiscal year 2027 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 $293,908 remaining in lease receivables and deferred inflows as of September 30, 2025 recorded in the General Fund.

As of September 30, 2025, expectation of lease receipts through the expiration of all leases is as follows:

Year Ending September 30,	Lease Principal	Lease Interest	Totals
2026	$ 7,421	$ 8,817	$ 16,238
2027	7,643	8,595	16,238
2028	7,873	8,365	16,238
2029	8,109	8,129	16,238
2030	8,352	7,886	16,238
2031-2035	58,603	34,764	93,367
2036-2040	82,808	24,564	107,372
2041-2045	113,099	10,379	123,478
2046-2050	-	-	-
	$ 293,908	$ 111,499	$ 405,407

City of Saginaw

Required Supplementary Information

City of Saginaw, Texas
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System

	Year Ended December 31									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL PENSION LIABILITY										
Service cost	$ 1,192,902	$ 1,237,546	$ 1,287,912	$ 1,567,813	$ 1,671,277	$ 1,762,184	$ 1,821,205	$ 1,995,996	$ 2,164,084	$ 2,456,533
Interest (on the total pension liability)	2,134,257	2,224,580	2,372,294	2,777,269	2,979,679	3,152,810	3,370,126	3,637,636	3,867,398	4,185,717
Changes of benefit terms	-	-	-	3,431,070	-	-	-	-	-	-
Difference between expected and actual experience	(194,482)	(306,070)	(93,610)	(144,360)	(819,741)	(1,584)	797,877	(197,924)	845,733	1,957,039
Change of assumptions	89,204	-	-	-	147,074	-	-	-	(215,531)	-
Benefit payments, including refunds of employee contributions	(800,864)	(752,837)	(1,232,910)	(1,043,059)	(1,464,519)	(1,453,169)	(1,993,694)	(2,233,263)	(1,998,479)	(2,185,662)
Net change in total pension liability	2,421,017	2,403,219	2,333,686	6,588,733	2,513,770	3,460,241	3,995,514	3,202,445	4,663,205	6,413,627
Total pension liability, beginning	30,293,364	32,714,381	35,117,600	37,451,286	44,040,019	46,553,789	50,014,030	54,009,544	57,211,989	61,875,194
TOTAL PENSION LIABILITY, ending (a)	$ 32,714,381	$ 35,117,600	$ 37,451,286	$ 44,040,019	$ 46,553,789	$ 50,014,030	$ 54,009,544	$ 57,211,989	$ 61,875,194	$ 68,288,821
PLAN FIDUCIARY NET POSITION										
Contributions - employer	$ 1,351,553	$ 1,404,336	$ 1,427,850	$ 1,491,686	$ 1,924,856	$ 2,057,464	$ 2,063,642	$ 2,266,421	$ 2,456,559	$ 2,660,712
Contributions - employee	453,288	472,046	488,154	513,196	631,692	664,617	684,296	751,180	809,220	893,285
Net investment income	31,855	1,527,402	3,497,782	(880,810)	4,556,996	2,665,162	5,088,715	(3,275,194)	4,907,842	5,046,846
Benefit payments, including refunds of employee contributions	(800,864)	(752,837)	(1,232,910)	(1,043,059)	(1,464,519)	(1,453,169)	(1,993,694)	(2,233,263)	(1,998,479)	(2,185,662)
Administrative expense	(19,398)	(17,251)	(18,123)	(17,017)	(25,732)	(17,230)	(23,521)	(28,308)	(31,167)	(32,302)
Other	(958)	(929)	(920)	(889)	(773)	(672)	161	33,780	(218)	(755)
Net change in plan fiduciary net position	1,015,476	2,632,767	4,161,833	63,107	5,622,520	3,916,172	5,819,599	(2,485,384)	6,143,757	6,382,124
Plan fiduciary net position, beginning	21,583,459	22,598,935	25,231,702	29,393,535	29,456,642	35,079,162	38,995,334	44,814,933	42,329,549	48,473,306
PLAN FIDUCIARY NET POSITION, ending (b)	$ 22,598,935	$ 25,231,702	$ 29,393,535	$ 29,456,642	$ 35,079,162	$ 38,995,334	$ 44,814,933	$ 42,329,549	$ 48,473,306	$ 54,855,430
NET PENSION LIABILITY/ (ASSET), ending (a) - (b)	$ 10,115,446	$ 9,885,898	$ 8,057,751	$ 14,583,377	$ 11,474,627	$ 11,018,696	$ 9,194,611	$ 14,882,440	$ 13,401,888	$ 13,433,391
Plan fiduciary net position as a percentage of total pension liability	69.08%	71.85%	78.48%	66.89%	75.35%	77.97%	82.98%	73.99%	78.34%	80.33%
Covered payroll	$ 7,554,795	$ 7,867,428	$ 8,135,894	$ 8,553,265	$ 9,024,174	$ 9,494,529	$ 9,775,660	$ 10,731,159	$ 11,560,279	$ 12,761,210
Net pension liability as a percentage of covered payroll	133.89%	125.66%	99.04%	170.50%	127.15%	116.05%	94.06%	138.68%	115.93%	105.27%

Other Information:

Notes — There were no benefit changes during the year.

City of Saginaw, Texas

Schedule of Contributions
Texas Municipal Retirement System

	Year Ended September 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	$ 1,351,553	$ 1,404,336	$ 1,427,850	$ 1,491,686	$ 1,924,856	$ 2,057,164	$ 2,063,642	$ 2,266,421	$ 2,456,559	$ 2,660,712
Contributions in relation to the actuarially determined contribution	1,416,758	1,437,537	1,488,506	1,819,055	1,943,565	2,060,541	2,248,369	2,336,850	2,691,308	3,056,668
Contribution deficiency (excess)	$ (65,205)	$ (33,201)	$ (60,656)	$ (327,369)	$ (18,709)	$ (3,377)	$ (184,727)	$ (70,429)	$ (234,749)	$ (395,956)
Covered payroll	$ 8,101,429	$ 8,085,355	$ 8,444,346	$ 8,911,253	$ 9,003,652	$ 9,609,280	$ 10,558,419	$ 10,882,799	$ 12,664,687	$ 12,761,210
Contributions as a percentage of covered payroll	17.49%	17.78%	17.63%	20.41%	21.59%	21.44%	21.29%	21.47%	21.25%	23.95%

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	21 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 100% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes	There were no benefit changes during the year.

City of Saginaw, Texas

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

	Year Ended December 31							
	2017	2018	2019	2020	2021	2022	2023	2024
TOTAL OPEB LIABILITY								
Service cost	$ 14,645	$ 17,962	$ 17,146	$ 22,787	$ 28,348	$ 33,268	$ 17,340	$ 20,418
Interest	11,297	11,619	12,605	11,104	10,150	10,278	15,435	15,676
Difference between expected and actual experience	-	(13,397)	(29,760)	2,855	150	(2,387)	(10,486)	(11,057)
Changes of assumptions or other inputs	27,069	(24,428)	63,993	69,040	17,686	(201,163)	21,805	(22,418)
Benefit payments*	(2,441)	(2,566)	(2,707)	(2,848)	(6,843)	(8,585)	(10,404)	(11,485)
Net change in total OPEB liability	50,570	(10,810)	61,277	102,938	49,491	(168,589)	33,690	(8,866)
Total OPEB liability, beginning	292,772	343,342	332,532	393,809	496,747	546,238	377,649	411,339
Total OPEB LIABILITY, ending	$ 343,342	$ 332,532	$ 393,809	$ 496,747	$ 546,238	$ 377,649	$ 411,339	$ 402,473
Covered-employee payroll	$ 8,135,894	$ 8,553,265	$ 9,024,174	$ 9,494,529	$ 9,775,660	$ 10,731,159	$ 11,560,279	$ 12,761,210
Total OPEB liability as a percentage of covered payroll	4.22%	3.89%	4.36%	5.23%	5.59%	3.52%	3.56%	3.15%

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, 2024 - the period from January 1, 2024 - December 31, 2024.

Only eight 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, 2025

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Over / (Under)
	Original	Final		
REVENUES				
Taxes	$ 18,002,320	$ 17,742,865	$ 17,959,304	$ 216,439
Licenses and permits	896,230	881,230	873,750	(7,480)
Charges for services	118,000	141,600	141,600	-
Fines and fees	906,325	1,250,875	1,358,046	107,171
Interest income	840,000	803,000	796,312	(6,688)
Recreation income	364,960	361,930	378,034	16,104
Intergovernmental	29,000	632,000	638,760	6,760
Miscellaneous revenues	80,000	45,000	50,907	5,907
Total revenues	21,236,835	21,858,500	22,196,713	338,213
EXPENDITURES				
Current:				
General administrative office	2,830,380	3,010,155	3,240,290	230,135
Municipal court	253,440	253,840	252,300	(1,540)
Fire	5,341,940	5,441,240	5,630,507	189,267
Police	7,201,065	7,031,965	7,404,122	372,157
Public works	2,254,930	2,252,000	2,427,698	175,698
Parks	425,780	463,565	466,100	2,535
Community services	1,482,065	1,313,400	1,303,771	(9,629)
Library	967,715	986,745	1,002,218	15,473
Inspections/code enforcement	1,104,385	1,107,080	1,139,785	32,705
Animal services	646,670	660,060	697,343	37,283
City garage	744,100	713,180	723,343	10,163
Economic development	153,950	95,450	110,422	14,972
Information technology	753,940	769,065	750,352	(18,713)
Emergency management	34,620	34,830	27,230	(7,600)
Communications	172,420	240,555	301,376	60,821
Capital outlay	1,212,670	1,720,145	1,284,412	(435,733)
Debt service:				
Principal retirement	-	-	46,422	46,422
Interest charges	-	-	3,872	3,872
Total expenditures	25,580,070	26,093,275	26,811,563	718,288
EXCESS (DEFICENCY) OF REVENUES OVER EXPENDITURES	(4,343,235)	(4,234,775)	(4,614,850)	(380,075)
OTHER FINANCING SOURCES (USES)				
Proceeds from right to use subscription assets	-	-	-	-
Proceeds from right to use leased assets	-	-	-	-
Transfers in	3,011,970	3,011,970	3,009,982	(1,988)
Transfers out	(102,945)	(161,445)	(137,945)	23,500
Total other financing sources (uses)	2,909,025	2,850,525	2,872,037	21,512
Net change in fund balance	(1,434,210)	(1,384,250)	(1,742,813)	(358,563)
FUND BALANCES, beginning of year	14,666,114	14,666,114	14,666,114	-
FUND BALANCES, end of year	$ 13,231,904	$ 13,281,864	$ 12,923,301	$ (358,563)

City of Saginaw

Combining and Individual Fund Financial Statements and Schedules

City of Saginaw

Non-Major Governmental Funds

City of Saginaw, Texas
Combining Balance Sheet
Non-Major Governmental Funds
September 30, 2025

	Special Revenue								
	Police Fund	TIRZ 1 Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Beltmill PID Fund	Escrow Fund	Total Other Governmental Funds
ASSETS									
Deposits and investments	$ 105,041	$ 170,529	$ 606,009	$ 1,988,601	$ 3,166,645	$ 755,361	$ 94,638	$ 4,727,595	$ 11,614,419
Receivables									
Other	-	-	-	101,309	-	42,195	-	24,008	167,512
Taxes, net	-	-	306,509	-	108,035	-	-	-	414,544
TOTAL ASSETS	$ 105,041	$ 170,529	$ 912,518	$ 2,089,910	$ 3,274,680	$ 797,556	$ 94,638	$ 4,751,603	$ 12,196,475
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	$ 40	$ -	$ -	$ 14,712	$ 1,800	$ 41,646	$ 1,592	$ 4,357	$ 64,147
Unearned revenue	-	-	-	-	-	43,113	-	-	43,113
Total liabilities	40	-	-	14,712	1,800	84,759	1,592	4,357	107,260
Fund balances:									
Restricted:									
Street maintenance	-	-	-	-	3,272,880	-	-	-	3,272,880
Crime prevention	105,001	-	912,518	-	-	-	-	-	1,017,519
Drainage	-	-	-	2,075,198	-	-	-	-	2,075,198
Public improvements	-	170,529	-	-	-	-	93,046	-	263,575
Other special revenue	-	-	-	-	-	-	-	4,747,246	4,747,246
Committed:									
Donations	-	-	-	-	-	712,797	-	-	712,797
Total fund balances	105,001	170,529	912,518	2,075,198	3,272,880	712,797	93,046	4,747,246	12,089,215
TOTAL LIABILITIES AND FUND BALANCES	$ 105,041	$ 170,529	$ 912,518	$ 2,089,910	$ 3,274,680	$ 797,556	$ 94,638	$ 4,751,603	$ 12,196,475

City of Saginaw, Texas

Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds
For the Fiscal Year Ended September 30, 2025

	Special Revenue								
	Police Fund	TIRZ 1 Fund	Saginaw CCPD Fund	Drainage Utility Fund	Street Maintenance Fund	Donations Fund	Beltmill PID Fund	Escrow Fund	Total Other Governmental Funds
REVENUES									
Taxes	$ -	$ 177,152	$ 1,844,612	$ -	$ 640,159	$ -	$ 442,482	$ 124,823	$ 3,229,228
Fines and fees	-	-	-	-	-	-	-	36,028	36,028
Intergovernmental	-	-	4,722	-	-	-	-	-	4,722
Miscellaneous	23,000	-	-	-	-	338,916	-	203,010	564,926
Interest income	4,205	7,198	46,754	69,136	124,705	29,740	14,978	196,360	493,076
Charges for services	-	-	-	1,048,529	-	-	-	-	1,048,529
Total revenues	27,205	184,350	1,896,088	1,117,665	764,864	368,656	457,460	560,221	5,376,509
EXPENDITURES									
Current:									
General administrative office	-	7,738	-	88,643	199,505	295,611	440,882	116,358	1,148,737
Police	8,408	-	38,598	-	-	-	-	-	47,006
Inspections	-	114,947	-	-	-	-	-	-	114,947
Capital outlay	-	-	445,851	161,481	55,440	77,277	-	144,605	884,654
Debt service:									
Principal retirement	-	-	141,951	-	-	2,704	-	-	144,655
Interest charges	-	-	11,923	-	-	796	-	-	12,719
Total expenditures	8,408	122,685	638,323	250,124	254,945	376,388	440,882	260,963	2,352,718
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	18,797	61,665	1,257,765	867,541	509,919	(7,732)	16,578	299,258	3,023,791
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	13,343	-	-	-	-	137,945	151,288
Transfers out	-	-	(1,507,125)	(349,035)	-	(10,655)	-	(26,356)	(1,893,171)
Total other financing sources (uses)	-	-	(1,493,782)	(349,035)	-	(10,655)	-	111,589	(1,741,883)
Net change in fund balances	18,797	61,665	(236,017)	518,506	509,919	(18,387)	16,578	410,847	1,281,908
Fund balances, beginning of year	86,204	108,864	1,148,535	1,556,692	2,762,961	731,184	76,468	4,336,399	10,807,307
FUND BALANCES, end of year	$ 105,001	$ 170,529	$ 912,518	$ 2,075,198	$ 3,272,880	$ 712,797	$ 93,046	$ 4,747,246	$ 12,089,215

City of Saginaw

Special Revenue Funds

The following funds have legally adopted budgets:

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

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

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

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

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

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

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

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

City of Saginaw, Texas
Comparative Balance Sheets
Saginaw Crime Control and Prevention District Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 606,009	$ 1,171,268
Receivables		
Taxes, net of allowance	306,509	297,679
TOTAL ASSETS	$ 912,518	$ 1,468,947
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ -	$ 320,412
Total liabilities	-	320,412
FUND BLANCES		
Restricted for crime prevention	912,518	1,148,535
Total fund balances	912,518	1,148,535
TOTAL LIABILITIES AND FUND BALANCES	$ 912,518	$ 1,468,947

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Saginaw Crime Control and Prevention District Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Taxes	$ 1,976,215	$ 1,816,450	$ 1,844,612	$ 28,162	$ 1,837,637
Intergovernmental	-	-	4,722	4,722	-
Interest income	48,000	45,110	46,754	1,644	75,818
Total revenues	2,024,215	1,861,560	1,896,088	34,528	1,913,455
EXPENDITURES					
Contract services	67,500	67,500	-	67,500	-
Uniforms	14,650	14,650	12,472	2,178	13,487
Data processing	58,000	18,000	9,386	8,614	335,940
Officer supplies and equipment	79,000	79,000	3,948	75,052	3,149
Books	5,700	5,700	5,451	249	5,118
Crime prevention supplies	6,000	6,000	3,989	2,011	5,959
Tactical employee training	13,500	13,500	3,352	10,148	5,343
Capital outlay	426,025	573,845	445,851	127,994	612,494
Debt service:					
Principal retirement	-	-	141,951	(141,951)	171,510
Interest charges	-	-	11,923	(11,923)	9,788
Total expenditures	670,375	778,195	638,323	139,872	1,162,788
EXCESS OF REVENUES OVER EXPENDITURES	1,353,840	1,083,365	1,257,765	174,400	750,667
OTHER FINANCING SOURCES (USES)					
Proceeds from right to use subscription assets	-	-	-	-	197,689
Transfers in	-	13,345	13,343	(2)	-
Transfers out	(1,507,125)	(1,507,125)	(1,507,125)	-	(1,328,845)
Total other financing sources (uses)	(1,507,125)	(1,493,780)	(1,493,782)	(2)	(1,131,156)
NET CHANGE IN FUND BALANCES	(153,285)	(410,415)	(236,017)	174,398	(380,489)
FUND BALANCES, beginning of year	1,148,535	1,148,535	1,148,535	-	1,529,024
FUND BALANCES, end of year	$ 995,250	$ 738,120	$ 912,518	$ 174,398	$ 1,148,535

City of Saginaw, Texas
Comparative Balance Sheets
Police Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 105,041	$ 76,666
Receivables		
Other	-	9,702
TOTAL ASSETS	$ 105,041	$ 86,368
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 40	$ 164
Total liabilities	40	164
FUND BLANCES		
Restricted for crime prevention	105,001	86,204
Total fund balances	105,001	86,204
TOTAL LIABILITIES AND FUND BALANCES	$ 105,041	$ 86,368

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Police Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Miscellaneous	$ -	$ 23,000	$ 23,000	$ -	$ 70,134
Interest income	800	4,140	4,205	65	1,255
Total revenues	800	27,140	27,205	65	71,389
EXPENDITURES					
Supplies	10,000	5,000	5,442	(442)	10,048
Educational travel and training	2,500	2,500	2,966	(466)	2,742
Total expenditures	12,500	7,500	8,408	(908)	12,790
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,700)	19,640	18,797	(843)	58,599
FUND BALANCES, beginning of year	86,204	86,204	86,204	-	27,605
FUND BALANCES, end of year	$ 74,504	$ 105,844	$ 105,001	$ (843)	$ 86,204

City of Saginaw, Texas
Comparative Balance Sheets
Drainage Utility Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 1,988,601	$ 1,470,088
Receivables		
Other	101,309	95,576
TOTAL ASSETS	$ 2,089,910	$ 1,565,664
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 14,712	$ 8,972
Total liabilities	14,712	8,972
FUND BALANCES		
Restricted for drainage	2,075,198	1,556,692
Total fund balances	2,075,198	1,556,692
TOTAL LIABILITIES AND FUND BALANCES	$ 2,089,910	$ 1,565,664

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Drainage Utility Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
REVENUE					
Interest income	$ 48,000	$ 66,180	$ 69,136	$ 2,956	$ 98,925
Charges for services	1,020,000	1,046,000	1,048,529	2,529	1,022,536
Total revenues	1,068,000	1,112,180	1,117,665	5,485	1,121,461
EXPENDITURES					
Uniforms	2,000	2,000	2,573	(573)	1,488
Officer supplies and equipment	60,000	60,000	55,534	4,466	43,273
Disposal costs	10,000	10,000	10,000	-	3,600
Maintenance and repairs	10,000	10,000	10,000	-	10,000
Employee training	6,500	6,500	6,144	356	11,164
Other	1,500	1,500	4,392	(2,892)	75
Capital outlay	175,000	187,760	161,481	26,279	1,567,142
Total expenditures	265,000	277,760	250,124	27,636	1,636,742
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	803,000	834,420	867,541	33,121	(515,281)
OTHER FINANCING USES					
Transfers out	(349,035)	(349,035)	(349,035)	-	(263,845)
Total other financing uses	(349,035)	(349,035)	(349,035)	-	(263,845)
NET CHANGE IN FUND BALANCES	453,965	485,385	518,506	33,121	(779,126)
FUND BALANCES, beginning of year	1,556,692	1,556,692	1,556,692	-	2,335,818
FUND BALANCES, end of year	$ 2,010,657	$ 2,042,077	$ 2,075,198	$ 33,121	$ 1,556,692

City of Saginaw, Texas
Comparative Balance Sheets
Street Maintenance Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 3,166,645	$ 2,663,532
Receivables		
Taxes	108,035	105,016
TOTAL ASSETS	$ 3,274,680	$ 2,768,548
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,800	$ 5,587
Total liabilities	1,800	5,587
FUND BALANCES		
Restricted for street maintenance	3,272,880	2,762,961
Total fund balances	3,272,880	2,762,961
TOTAL LIABILITIES AND FUND BALANCES	$ 3,274,680	$ 2,768,548

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Street Maintenance Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Taxes	$ 638,015	$ 631,820	$ 640,159	$ 8,339	$ 639,206
Interest income	80,000	122,800	124,705	1,905	120,235
Total revenues	718,015	754,620	764,864	10,244	759,441
EXPENDITURES					
Maintenance and repairs	465,000	168,240	199,505	(31,265)	152,510
Capital outlay	978,700	68,020	55,440	12,580	88,451
Total expenditures	1,443,700	236,260	254,945	(18,685)	240,961
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(725,685)	518,360	509,919	(8,441)	518,480
FUND BALANCES, beginning of year	2,762,961	2,762,961	2,762,961	-	2,244,481
FUND BALANCES, end of year	$ 2,037,276	$ 3,281,321	$ 3,272,880	$ (8,441)	$ 2,762,961

City of Saginaw, Texas
Comparative Balance Sheets
Donations Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 755,361	$ 735,272
Receivables		
Other	42,195	38,536
TOTAL ASSETS	$ 797,556	$ 773,808
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 41,646	$ 3,168
Unearned revenue	43,113	39,456
Total liabilities	84,759	42,624
FUND BALANCES		
Committed	712,797	731,184
Total fund balances	712,797	731,184
TOTAL LIABILITIES AND FUND BALANCES	$ 797,556	$ 773,808

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Donations Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Miscellaneous	$ 350,300	$ 350,300	$ 338,916	$ (11,384)	$ 340,600
Interest income	26,760	26,760	29,740	2,980	33,980
Total revenues	377,060	377,060	368,656	(8,404)	374,580
EXPENDITURES					
Contract services	69,630	87,425	88,203	(778)	86,870
Data processing	12,000	12,000	8,280	3,720	5,206
Supplies and equipment	119,000	90,750	96,854	(6,104)	120,385
Special programs	-	76,085	87,732	(11,647)	52,736
Maintenance and repairs	3,500	3,500	752	2,748	130
Other	2,500	2,500	13,790	(11,290)	25,496
Capital outlay	40,000	96,835	77,277	19,558	18,590
Principal retirement	-	-	2,704	(2,704)	2,568
Interest charges	-	-	796	(796)	932
Total expenditures	246,630	369,095	376,388	(7,293)	312,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	130,430	7,965	(7,732)	(15,697)	61,667
OTHER FINANCING SOURCES (USES)					
Transfers out	(10,655)	(10,655)	(10,655)	-	(10,530)
Total other financing sources (uses)	(10,655)	(10,655)	(10,655)	-	(10,530)
NET CHANGE IN FUND BALANCES	119,775	(2,690)	(18,387)	(15,697)	51,137
FUND BALANCES, beginning of year	731,184	731,184	731,184	-	680,047
FUND BALANCES, end of year	$ 850,959	$ 728,494	$ 712,797	$ (15,697)	$ 731,184

City of Saginaw, Texas
Comparative Balance Sheets
Beltmill PID Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 94,638	$ 78,028
TOTAL ASSETS	$ 94,638	$ 78,028
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 1,592	$ 1,560
Total liabilities	1,592	1,560
FUND BALANCES		
Restricted for public improvements	93,046	76,468
Total fund balances	93,046	76,468
TOTAL LIABILITIES AND FUND BALANCES	$ 94,638	78,028

City of Saginaw, Texas

Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual
Beltmill PID Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Taxes	$ -	$ 442,480	$ 442,482	$ 2	$ 495,819
Interest income	8,000	13,950	14,978	1,028	23,538
Total revenues	8,000	456,430	457,460	1,030	519,357
EXPENDITURES					
Contract services	496,290	496,290	440,882	55,408	963,668
Total expenditures	496,290	496,290	440,882	55,408	963,668
EXCESS (DEFICENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(488,290)	(39,860)	16,578	56,438	(444,311)
FUND BALANCES, beginning of year	76,468	76,468	76,468	-	520,779
FUND BALANCES, end of year	$ (411,822)	$ 36,608	$ 93,046	$ 56,438	$ 76,468

City of Saginaw, Texas
Comparative Balance Sheets
TIRZ 1 Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 170,529	$ 108,864
TOTAL ASSETS	$ 170,529	$ 108,864
FUND BALANCES		
Restricted for public improvements	$ 170,529	$ 108,864
Total fund balances	170,529	108,864
TOTAL LIABILITIES AND FUND BALANCES	$ 170,529	$ 108,864

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
TIRZ 1 Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Taxes	$ 171,420	$ 175,900	$ 177,152	$ 1,252	$ 95,794
Interest income	3,600	6,985	7,198	213	3,024
Total revenues	175,020	182,885	184,350	1,465	98,818
EXPENDITURES					
Contract services	30,000	30,000	7,738	22,262	970.00
Inspections	-	120,600	114,947	5,653	-
Total expenditures	30,000	150,600	122,685	27,915	970
EXCESS (DEFICENCY) OF REVENUES OVER (UNDER) EXPENDITURES	145,020	32,285	61,665	29,380	97,848
FUND BALANCES, beginning of year	108,864	108,864	108,864	-	11,016.00
FUND BALANCES, end of year	$ 253,884	$ 141,149	$ 170,529	$ 29,380	$ 108,864

City of Saginaw, Texas
Comparative Balance Sheets
Escrow Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 4,727,595	$ 4,345,255
Receivables		
Other	24,008	25,165
TOTAL ASSETS	$ 4,751,603	$ 4,370,420
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accrued liabilities	$ 4,357	$ 34,021
Total liabilities	4,357	34,021
FUND BALANCES		
Nonspendable:		
Prepaid items	-	3,420
Restricted	4,747,246	4,332,979
Total fund balances	4,747,246	4,336,399
TOTAL LIABILITIES AND FUND BALANCES	$ 4,751,603	$ 4,370,420

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Escrow Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUE					
Taxes	$ 93,980	$ 132,870	$ 124,823	$ (8,047)	$ 110,360
Fines and fees	16,380	35,570	36,028	458	26,688
Miscellaneous revenues	118,150	182,150	203,010	20,860	202,542
Interest income	137,545	190,610	196,360	5,750	196,797
Total revenues	366,055	541,200	560,221	19,021	536,387
EXPENDITURES					
Data processing	14,010	665	-	665	-
Entertainment	10,000	10,000	10,000	-	-
Supplies and equipment	-	-	3,745	(3,745)	5,084
Maintenance and repairs	86,500	40,500	38,293	2,207	207,184
Other	40,000	40,000	64,320	(24,320)	43,841
Capital outlay	15,000	167,425	144,605	22,820	10,395
Total expenditures	165,510	258,590	260,963	(2,373)	266,504
EXCESS (DEFICENCY) OF REVENUES OVER (UNDER) EXPENDITURES	200,545	282,610	299,258	16,648	269,883
OTHER FINANCING SOURCES (USES)					
Transfers in	102,945	161,445	137,945	(23,500)	457,266
Transfers out	(15,000)	(28,345)	(26,356)	1,989	(11,579)
Total other financing sources (uses)	87,945	133,100	111,589	(21,511)	445,687
NET CHANGE IN FUND BALANCES	288,490	415,710	410,847	(38,159)	715,570
FUND BALANCES, beginning of year	4,336,399	4,336,399	4,336,399	-	3,620,829
FUND BALANCES, end of year	$ 4,624,889	$ 4,752,109	$ 4,747,246	$ (38,159)	$ 4,336,399

City of Saginaw

Debt Service Fund

Used to account for the accumulation of resources for, and the payment of, general obligation long-term debt principal and interest.

City of Saginaw, Texas
Comparative Balance Sheets
Debt Service Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
Deposits and investments	$ 1,414,302	$ 1,482,289
Receivables		
Taxes, net of allowance	112,212	10,792
TOTAL ASSETS	$ 1,526,514	$ 1,493,081
DEFERRED INFLOWS AND FUND BALANCES		
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	$ 29,834	$ 10,793
Total deferred inflows of resources	29,834	10,793
FUND BALANCES		
Restricted for debt service	1,496,680	1,482,288
Total fund balances	1,496,680	1,482,288
TOTAL DEFERRED INFLOWS AND FUND BALANCES	$ 1,526,514	$ 1,493,081

City of Saginaw, Texas

Schedule of Revenues, Expenditures and Changes in
Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended September 30, 2025 and 2024

	Budgeted Amounts		Actual GAAP Basis	Variance with Final Budget Positive (Negative)	Actual GAAP Basis 2024
	Original	Final			
REVENUES					
Current and delinquent general property tax - debt service portion	$ 6,756,580	$ 6,725,000	$ 6,798,894	$ 73,894	$ 6,935,103
Penalties, interest and fees on delinquent taxes	7,000	5,500	5,391	(109)	23,250
Interest income	150,000	197,000	197,780	780	222,183
Total revenues	6,913,580	6,927,500	7,002,065	74,565	7,180,536
EXPENDITURES					
Bond principal payments	3,880,000	3,880,000	3,880,000	-	3,580,000
Bond interest	3,096,905	3,069,340	3,069,268	72	3,506,250
Fiscal charges and debt issuance costs	20,600	39,330	38,405	925	9,950
Total expenditures	6,997,505	6,988,670	6,987,673	997	7,096,200
EXCESS (DEFICENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(83,925)	(61,170)	14,392	75,562	84,336
Fund balances, beginning of year	1,482,288	1,482,288	1,482,288	-	1,397,952
FUND BALANCES, end of year	$ 1,398,363	$ 1,421,118	$ 1,496,680	$ 75,562	$ 1,482,288

City of Saginaw

Enterprise Fund

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

City of Saginaw, Texas
Comparative Statements of Net Position
Enterprise Fund
September 30, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Deposits and investments	$ 17,985,188	$ 11,859,414
Deposits and investments-restricted	235,193	210,871
Receivables:		
Accounts receivable, net of allowance of $89,631 in 2025 and $81,442 in 2024	1,077,344	948,190
Unbilled accounts	781,846	748,346
Prepaid	5,166	-
Total current assets	20,084,737	13,766,821
NONCURRENT ASSETS		
Capital assets, at cost:		
Land and land improvements	16,657	16,657
Buildings and improvements	154,587	154,587
Waterworks and wastewater system	49,512,267	49,440,156
Machinery and equipment	2,423,573	2,335,414
Right-to-use subscription assets	17,890	17,890
Construction in progress	1,454,700	1,387,510
Accumulated depreciation/amortization	(19,673,171)	(18,434,902)
Total capital assets, net of accumulated depreciation/amortization	33,906,503	34,917,312
Deposits and investments-restricted	770,504	756,159
Total noncurrent assets	34,677,007	35,673,471
Total assets	54,761,744	49,440,292
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for refunding	-	5,566
Related to the TMRS pension	423,472	378,673
Related to the TMRS OPEB	7,567	10,339
Total deferred outflows of resources	431,039	394,578
LIABILITIES AND NET POSITION		
CURRENT LIABILTIES		
Accounts payable and accrued liabilities	963,342	1,286,238
Accrued interest	21,373	800
Subscriptions payable	5,959.00	5,681
Revenue bonds payable	488,118	160,000
Total current liabilities	1,478,792	1,452,719
NONCURRENT LIABILITIES		
Revenue bonds payable	5,010,000	325,000
Customer deposits	770,504	756,159
Subscriptions payable	-	5,959
Net pension liability	1,334,456	1,330,991
Total OPEB liability	45,571	46,546
Total noncurrent liabilities	7,160,531	2,464,655
Total liabilities	8,639,323	3,917,374
DEFERRED INFLOWS OF RESOURCES		
Related to the TMRS pension	109,027	56,443
Related to the TMRS OPEB	15,668	16,966
Total deferred inflows of resources	124,695	73,409
NET POSITION		
Net investment in capital assets	33,327,942	34,373,260
Restricted for		
Revenue bond retirement	235,193	210,871
Unrestricted	12,865,630	11,259,956
TOTAL NET POSITION	$ 46,428,765	$ 45,844,087

City of Saginaw, Texas
Comparative Statements of Net Position
Enterprise Fund
September 30, 2025 and 2024

	2025	2024
OPERATING REVENUE		
Water and sewer sales	$ 11,640,152	$ 11,240,608
Penalties	322,892	289,949
Surcharges	2,504,314	2,063,428
Miscellaneous	67,841	63,198
Total operating revenue	14,535,199	13,657,183
OPERATING EXPENSES		
Cost of sales and services	8,898,561	8,767,794
Administrative	3,481,492	2,910,534
Depreciation/amortization	1,238,269	1,151,127
Total operating expenses	13,618,322	12,829,455
Operating income	916,877	827,728
NONOPERATING REVENUES (EXPENSES)		
Investment income	601,785	616,289
Interest expense and agent fees	(17,319)	(18,238)
Total nonoperating revenues (expenses)	584,466	598,051
Income before capital contributions and transfers	1,501,343	1,425,779
CAPITAL CONTRIBUTIONS AND TRANSFERS		
Capital contributions	72,111	1,319,309
Intergovernmental	8,000	633,500
Impact and tap fees	133,378	117,982
Transfers out	(1,264,604)	(1,075,388)
Transfers in	134,450	123,600
Total capital contributions and transfers	(916,665)	1,119,003
Changes in net position	584,678	2,544,782
NET POSITION, beginning of year	45,844,087	43,299,305
NET POSITION, end of year	$ 46,428,765	$ 45,844,087

City of Saginaw, Texas
Comparative Statements of Cash Flows
Enterprise Fund
For the Fiscal Years Ended September 30, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 14,386,890	$ 13,708,327
Cash paid to employees	(1,477,029)	(1,441,262)
Cash paid to suppliers	(11,219,337)	(10,944,359)
Net cash provided by operating activities	1,690,524	1,322,706
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out to other funds	(1,264,604)	(1,075,388)
Transfers from other funds	134,450	123,600
Net cash used in noncapital financing activities	(1,130,154)	(951,788)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from the issuance of bonds	5,173,118	633,500
Intergovernmental revenues	8,000	117,982
Impact and tap fees	133,378	11,640
Principal paid on SBITAs	(5,681)	-
Principal paid on bonds	(160,000)	(155,000)
Purchase of capital assets	(155,349)	(1,470,042)
Interest	8,820	(12,928)
Net cash used in capital and related financing activities	5,002,286	(874,848)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	601,785	616,289
Net cash provided by investing activities	601,785	616,289
Net change in cash	6,164,441	112,359
CASH AND CASH EQUIVALENTS, beginning of year	12,826,444	12,714,085
CASH AND CASH EQUIVALENTS, end of year	$ 18,990,885	$ 12,826,444

City of Saginaw, Texas
Comparative Statements of Cash Flows – Continued
Enterprise Fund
For the Fiscal Years Ended September 30, 2025 and 2024

	Current Assets	2025 Statement of Cash Flows Totals	2024 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 of year	$ 11,859,414	$ 12,826,444	$ 12,714,085
Net increase (decrease)	6,125,774	6,164,441	112,359
CASH AND CASH EQUIVALENTS, end of year	$ 17,985,188	$ 18,990,885	$ 12,826,444
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income		$ 916,877	$ 827,728
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation/amortization		1,238,269	1,151,127
(Increase) Decrease in accounts receivable		(162,654)	50,484
(Increase) Decrease in prepaids		(5,166)	-
(Increase) Decrease in deferred outflows of resources-pension		(44,799)	127,057
(Increase) Decrease in deferred outflows of resources-OPEB		2,772	592
Increase (Decrease) in accounts payable and accrued expenses		(322,896)	(669,051)
Increase (Decrease) in customer deposits		14,345	660
Increase (Decrease) in net pension liability		3,465	(162,861)
Increase (Decrease) in total OPEB liability		(975)	3,706
Increase (Decrease) in deferred inflows of resources-pension		51,286	(6,736)
Net cash provided by operating activities		$ 1,690,524	$ 1,322,706
SUPPLEMENTAL SCHEDULE OF NONCASH FINANCING, CAPITAL AND INVESTING ACTIVITIES			
Capital-related accounts payable		$ 52,978	$ 52,978
Capital asset contributions from developers		$ 72,111	$ 1,319,309

City of Saginaw

Statistical Section
(Unaudited)

City of Saginaw

City of Saginaw, Texas
Statistical Section (Unaudited)

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

Contents:

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

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

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

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

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

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

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

	2016	2017*	2018
GOVERNMENTAL ACTIVITIES			
Net investment in capital assets	$ 56,038,750	$ 62,510,664	$ 65,704,199
Restricted	1,267,190	1,120,206	6,958,205
Unrestricted	7,709,276	8,126,849	3,446,846
TOTAL GOVERNMENTAL ACTIVITES NET POSITION	65,015,216	71,757,719	76,109,250
BUSINESS-TYPE ACTIVITIES			
Net investment in capital assets	21,614,590	22,315,277	23,273,899
Restricted	444,944	175,662	179,178
Unrestricted	7,603,698	8,123,007	8,410,610
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	29,663,232	30,613,946	31,863,687
PRIMARY GOVERNMENT			
Net investment in capital assets	77,653,340	84,825,941	88,978,098
Restricted	1,712,134	1,295,868	7,137,383
Unrestricted	15,312,974	16,249,856	11,857,456
TOTAL PRIMARY GOVERNMENT NET POSITION	$ 94,678,448	$ 102,371,665	$ 107,972,937

*2017 restated for GASB 75

Table 1

2019	2020	2021	2022	2023	2024	2025
$ 70,565,446	$ 62,189,307	$ 84,992,122	$ 85,548,604	$ 95,130,777	$ 104,752,671	$ 108,044,676
7,659,462	7,491,338	9,112,393	10,690,770	11,132,250	11,310,993	12,573,594
263,251	17,660,209	1,805,245	2,094,593	6,461,869	5,569,543	4,804,590
78,488,159	87,340,854	95,909,760	98,333,967	112,724,896	121,633,207	125,422,860
24,688,409	28,198,820	29,067,806	29,787,001	32,511,297	34,373,260	33,327,942
184,466	185,900	185,657	187,413	198,001	210,871	235,193
9,664,848	8,317,961	8,013,996	9,676,642	10,590,007	11,259,956	12,865,630
34,537,723	36,702,681	37,267,459	39,651,056	43,299,305	45,844,087	46,428,765
95,253,855	90,388,127	114,059,928	115,335,605	127,642,074	139,125,931	141,372,618
7,843,928	7,677,238	9,298,050	10,878,183	11,330,251	11,521,864	12,808,787
9,928,099	25,978,170	9,819,241	11,771,235	17,051,876	16,829,499	17,670,220
$ 113,025,882	$ 124,043,535	$ 133,177,219	$ 137,985,023	$ 156,024,201	$ 167,477,294	$ 171,851,625

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

	2016	2017	2018
EXPENSES			
Governmental activities:			
General administrative office	$ 2,060,595	$ 1,924,614	$ 2,306,824
Municipal court	186,864	190,521	167,338
Fire	3,242,317	3,446,465	3,410,291
Police	4,434,955	4,616,528	4,732,436
Public works	3,435,053	3,705,943	3,717,371
Parks	294,992	348,531	345,716
Community services	1,076,293	1,130,034	1,141,716
Library	591,580	624,921	610,243
Inspections	824,509	861,619	563,502
Animal services	-	-	322,993
Fleet maintenance	439,379	513,948	499,089
Economic development	50,197	46,520	567,431
Information technology	-	-	-
Emergency management	-	-	-
Communications	-	-	-
Interest on long term debt	994,113	883,962	1,017,739
Total governmental activities	17,630,847	18,293,606	19,402,689
Business-type activities:			
Water and wastewater	8,355,662	9,167,424	10,295,498
Total business-type activities	8,355,662	9,167,424	10,295,498
Total primary government expenses	25,986,509	27,461,030	29,698,187
PROGRAM REVENUES			
Governmental activities:			
Fines, fees and charges for services:			
General administrative office	63,426	32,724	77,113
Municipal court	441,298	493,172	416,477
Fire	83,000	84,000	84,000
Police	4,314	3,822	4,439
Public works	592,078	754,462	776,501
Community services	646,004	665,004	692,897
Library	16,260	16,944	15,309
Inspections	939,380	961,945	1,025,588
Animal services *	-	-	20,044
Operating grants and contributions:			
General administrative office	-	-	-
Municipal court	-	-	-
Fire	29,134	54,529	30,833
Police	150,845	179,592	128,595
Public works	-	-	-
Parks	-	-	-
Community services	-	-	-
Library	-	-	-
Inspections	-	-	-
Animal services	-	-	-
Information technology	-	-	-
Capital grants and contributions:			
Fire	-	-	-
Police	-	-	-
Public works	1,549,780	5,835,552	2,544,847
TOTAL GOVERNMENTAL ACTIVITIES AND PROGRAM REVENUES	$ 4,515,519	$ 9,081,746	$ 5,816,643

* Prior to 2018 Animal services was included in Inspections

2019	2020	2021	2022	2023	2024	2025
$ 2,887,428	$ 2,801,551	$ 2,660,420	$ 3,053,160	$ 3,357,010	$ 4,811,236	$ 5,123,991
237,810	187,789	187,686	204,415	222,339	243,969	253,150
4,547,729	3,824,006	3,833,378	4,080,989	4,556,370	5,344,936	6,246,705
6,404,221	5,419,054	5,290,475	5,461,474	6,189,931	7,201,026	7,983,637
4,127,755	5,104,334	5,033,117	6,134,668	6,337,340	6,544,714	6,426,713
393,026	356,963	468,390	466,233	597,075	609,576	683,280
1,309,456	993,452	802,551	1,486,401	1,314,753	1,581,112	1,500,865
787,531	607,455	645,186	707,863	795,853	877,627	1,059,433
751,460	633,836	698,321	835,781	957,192	1,074,161	1,293,145
415,695	374,204	396,348	477,232	554,318	627,476	719,586
535,473	434,270	492,762	632,167	674,642	635,432	761,487
285,028	176,295	140,178	224,361	81,610	127,323	110,422
384,523	374,852	389,186	384,253	496,470	814,144	951,581
-	-	-	-	97,784	100,352	27,230
-	-	-	-	156,048	165,357	307,861
915,915	892,956	1,403,680	1,885,591	2,766,529	3,839,155	3,228,190
23,983,050	22,181,017	22,441,678	26,034,588	29,155,264	34,597,596	36,677,276
9,727,920	10,969,259	9,679,904	10,314,089	12,121,448	12,847,693	13,635,641
9,727,920	10,969,259	9,679,904	10,314,089	12,121,448	12,847,693	13,635,641
33,710,970	33,150,276	32,121,582	36,348,677	41,276,712	47,445,289	50,312,917
43,455	42,410	216,266	142,250	186,132	145,964	193,484
387,843	348,604	464,072	427,608	289,946	463,442	869,779
87,150	94,815	97,020	100,755	137,500	118,000	141,600
6,574	3,075	3,174	3,414	3,927	14,595	20,223
794,783	815,726	823,078	835,850	1,011,821	1,022,536	1,048,529
811,469	443,782	455,009	656,095	644,928	711,496	718,685
8,978	5,212	6,886	6,506	7,211	7,658	6,755
959,843	923,088	1,278,968	741,666	955,188	1,966,106	1,356,644
25,433	30,307	32,119	28,444	27,630	30,020	28,745
-	23,844	-	10,514	245,616	1,157,425	606,836
-	7,337	1,033	-	-	-	-
53,987	519,191	100,690	104,035	389,553	222,485	31,924
165,424	702,553	163,999	155,069	232,032	344,805	473,853
-	431,927	3,982	-	-	-	-
-	650	-	-	112,392	112,392	-
-	33,959	1,739	-	-	-	-
-	2,016	-	-	-	-	-
-	9,599	-	-	-	-	-
-	7,357	449	-	18,018	18,018	-
-	22,956	4,986	-	-	-	-
-	64,035	-	-	-	-	-
-	15,623	-	-	-	-	-
3,930,917	6,803,877	5,422,862	657,170	8,559,510	4,541,522	3,167,437
$ 7,275,856	$ 11,351,943	$ 9,076,332	$ 3,869,376	$ 12,821,404	$ 10,876,464	$ 8,664,494

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

	2016	2017	2018
BUSINESS-TYPE ACTIVITIES			
Charges for services:			
Water and wastewater	$ 8,733,275	$ 9,088,796	$ 10,434,663
Capital grants and contributions	967,271	1,447,523	1,360,420
Total business-type activities program revenues	9,700,546	10,536,319	11,795,083
Total primary government program revenues	14,216,065	19,618,065	17,611,726
NET (EXPENSES) REVENUE			
Governmental activities	(13,115,328)	(9,211,860)	(13,586,046)
Business-type activities	1,344,884	1,368,895	1,499,585
Total primary governmental net expenses	(11,770,444)	(7,842,965)	(12,086,461)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS			
Governmental activities:			
Taxes:			
Ad valorem	7,201,098	7,608,668	8,172,372
Sales	5,790,661	6,198,989	6,356,478
Franchise taxes	1,839,384	1,693,095	1,660,835
Other taxes	28,626	32,666	79,388
Penalties and interest	15,202	17,148	22,706
Interest income	84,200	214,428	475,921
Miscellaneous revenues	125,952	116,691	590,747
Transfers	551,405	590,530	579,130
Total governmental activities	15,636,528	16,472,215	17,937,577
Business-type activities:			
Interest income	26,998	63,794	145,445
Miscellaneous revenues	196,314	172,559	183,841
Transfers	(551,405)	(590,530)	(579,130)
Total business-type activities	(328,093)	(354,177)	(249,844)
Total primary government	15,308,435	16,118,038	17,687,733
CHANGES IN NET POSITION			
Governmental activities	2,521,200	7,260,355	4,351,531
Business-type activities	1,016,791	1,014,718	1,249,741
TOTAL PRIMARY GOVERNMENT	$ 3,537,991	$ 8,275,073	$ 5,601,272

Table 2
(Page 2 of 2)

2019	2020	2021	2022	2023	2024	2025
$ 10,327,466	$ 10,798,406	$ 10,672,524	$ 12,285,560	$ 13,213,107	$ 13,304,036	$ 14,144,466
2,233,163	2,706,220	43,434	870,159	2,540,150	2,070,791	213,489
12,560,629	13,504,626	10,715,958	13,155,719	15,753,257	15,374,827	14,357,955
19,836,485	24,856,569	19,792,290	17,025,095	28,574,661	26,251,291	23,022,449
(16,707,194)	(10,829,074)	(13,365,346)	(22,165,212)	(16,333,860)	(23,721,132)	(28,012,782)
2,832,709	2,535,367	1,036,054	2,841,630	3,631,809	2,527,134	722,314
(13,874,485)	(8,293,707)	(12,329,292)	(19,323,582)	(12,702,051)	(21,193,998)	(27,290,468)
8,911,747	9,670,822	10,451,254	11,782,661	13,952,095	15,294,001	16,033,406
6,809,346	7,262,055	8,855,456	9,494,855	10,450,488	10,147,310	10,166,679
1,764,936	1,612,023	1,561,343	1,629,409	1,783,344	1,703,659	1,660,073
105,233	77,679	109,813	129,131	131,023	147,483	145,603
14,604	12,581	10,590	33,148	20,101	52,754	12,310
657,032	255,256	22,000	446,409	3,480,247	4,187,287	2,644,827
244,135	183,708	298,496	373,271	123,476	145,161	9,383
579,070	607,645	625,300	700,535	784,015	951,788	1,130,154
19,086,103	19,681,769	21,934,252	24,589,419	30,724,789	32,629,443	31,802,435
236,213	97,645	4,846	72,329	491,175	616,289	601,785
184,184	139,591	149,178	170,173	309,280	353,147	390,733
(579,070)	(607,645)	(625,300)	(700,535)	(784,015)	(951,788)	(1,130,154)
(158,673)	(370,409)	(471,276)	(458,033)	16,440	17,648	(137,636)
18,927,430	19,311,360	21,462,976	24,131,386	30,741,229	32,647,091	31,664,799
2,378,909	8,852,695	8,568,906	2,424,207	14,390,929	8,908,311	3,789,653
2,674,036	2,164,958	564,778	2,383,597	3,648,249	2,544,782	584,678
$ 5,052,945	$ 11,017,653	$ 9,133,684	$ 4,807,804	$ 18,039,178	$ 11,453,093	$ 4,374,331

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

	2016	2017	2018
GENERAL FUND			
Nonspendable:			
Prepaid items	$ -	$ -	$ -
Restricted:			
Assigned	537,510	1,167,595	885,540
Unassigned	10,155,535	10,480,993	10,714,852
TOTAL GENERAL FUND	$ 10,693,045	$ 11,648,588	$ 11,600,392
ALL OTHER GOVERNMENTAL FUNDS			
Nonspendable			
Prepaid items	$ -	$ -	$ -
Restricted:			
Debt service	1,306,703	1,153,415	1,115,474
Capital projects	10,566,997	12,597,897	7,208,691
Street maintenance	1,283,877	1,452,255	1,655,775
Crime prevention	591,654	524,886	535,811
Drainage	1,142,095	1,701,294	2,217,041
Public improvements	-	-	-
Other	1,160,365	1,162,875	1,487,451
Committed:			
Donations	293,437	272,446	324,644
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 16,345,128	$ 18,865,068	$ 14,544,887

Table 3

2019	2020	2021	2022	2023	2024	2025
$ -	$ 137,534	$ -	$ 800	$ 740	$ 18,206	$ 59,478
729,080	2,882,850	1,901,425	785,625	669,335	1,910,875	758,525
10,875,059	9,936,029	10,144,356	11,463,870	13,207,664	12,737,033	12,105,298
$ 11,604,139	$ 12,956,413	$ 12,045,781	$ 12,250,295	$ 13,877,739	$ 14,666,114	$ 12,923,301
$ -	$ -	$ -	$ -	$ 3,420	$ -	$ -
1,209,970	1,185,401	1,082,134	1,180,683	1,397,952	1,482,288	1,496,680
7,418,377	23,234,623	24,284,485	36,748,661	46,694,781	32,137,328	27,604,740
1,766,915	1,594,442	1,746,242	2,152,478	2,244,481	2,762,961	3,272,880
488,741	529,301	858,108	1,461,350	1,556,629	1,234,739	1,017,519
2,636,085	2,642,077	3,179,644	3,769,042	2,335,818	1,556,692	2,075,198
-	-	-	22,746	531,795	185,332	263,575
1,612,405	1,641,765	2,358,268	2,495,702	3,617,409	4,336,399	4,747,246
429,164	506,739	514,398	586,126	680,047	731,184	712,797
$ 15,561,657	$ 31,334,348	$ 34,023,279	$ 48,416,788	$ 59,062,332	$ 44,426,923	$ 41,190,635

City of Saginaw, Texas

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2016	2017	2018
REVENUES			
Taxes	$ 14,877,738	$ 15,540,413	$ 16,287,689
Licenses and permits	740,192	929,188	951,542
Charges for services	674,978	838,362	860,401
Fines and fees	656,746	542,873	525,876
Interest income	84,200	214,428	475,921
Recreation income	487,081	496,969	520,798
Intergovernmental	179,979	234,122	159,428
Miscellaneous revenues	1,010,725	326,507	1,091,494
Total revenues	18,711,639	19,122,862	20,873,149
EXPENDITURES			
Current:			
General administrative office	1,963,039	2,075,890	2,217,124
Municipal court	184,973	187,886	168,421
Fire	3,177,233	3,280,597	3,982,620
Police	4,075,546	4,273,272	4,638,904
Public works	1,263,892	1,354,767	1,609,303
Parks	266,949	352,766	339,015
Community services	918,907	990,618	959,782
Library	537,893	568,246	569,005
Inspections	825,017	849,217	579,082
Animal services *	-	-	398,633
City garage	399,692	471,007	456,219
Economic development	50,197	46,520	567,978
Information technology**			
Emergency management***			
Communications****			
Capital outlay	2,570,956	6,349,590	5,761,665
Debt service:			
Principal retirement	2,539,654	2,667,570	2,555,536
Interest charges	854,529	763,613	1,012,169
Fiscal agent's fees and debt issuance costs	203,483	144,905	5,200
Total expenditures	19,831,960	24,376,464	25,820,656
Excess (deficiency) of revenues over expenditures	(1,120,321)	(5,253,602)	(4,947,507)
Other financing sources (uses):			
Proceeds from right to use leased assets	-	-	-
Proceeds from right to use subscription assets	-	-	-
Proceeds from financed purchases	-	-	-
Issuance of debt	-	7,830,000	-
Proceeds from bond refunding	5,910,000	-	-
Premium on bond issuance	-	308,555	-
Payments to refunded bond escrow agent	(5,834,072)	-	-
Transfers in	1,726,230	1,697,052	1,705,322
Transfers out	(1,174,825)	(1,106,522)	(1,126,192)
Total other financing sources (uses)	627,333	8,729,085	579,130
Net change in fund balances	$ (492,988)	$ 3,475,483	$ (4,368,377)
Debt service as a percentage of noncapital expenditures	20.02%	19.37%	19.07%

* Prior to 2018 Animal services was included in Inspections

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

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

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

Table 4

2019	2020	2021	2022	2023	2024	2025
$ 17,610,628	$ 18,632,475	$ 20,976,412	$ 23,064,987	$ 26,351,166	$ 27,370,571	$ 27,992,817
858,901	773,813	668,169	502,521	392,973	1,399,816	873,750
881,933	910,541	920,098	936,605	1,149,321	1,140,536	1,190,129
529,770	536,473	1,117,050	705,117	894,359	1,086,755	1,394,074
657,032	255,256	22,000	446,409	3,480,247	4,187,287	2,644,827
524,686	162,412	163,056	344,113	314,980	369,929	378,034
219,411	2,661,433	5,326,134	802,187	3,642,245	2,357,498	3,887,935
555,747	509,849	1,054,895	851,327	1,232,207	723,417	615,833
21,838,108	24,442,252	30,247,814	27,653,266	37,457,498	38,635,809	38,977,399
2,536,360	2,692,380	3,073,314	3,116,047	3,190,352	4,732,953	4,679,208
212,743	187,064	191,718	212,097	217,935	246,829	252,300
3,826,258	3,965,267	3,864,642	4,158,484	4,237,521	4,813,648	5,630,507
5,358,286	5,072,762	5,103,232	5,421,737	5,565,890	6,811,019	7,451,128
1,835,898	2,330,346	1,652,954	2,579,899	2,318,296	2,295,707	2,427,698
379,478	538,609	337,404	319,152	408,079	434,246	466,100
998,499	811,155	645,986	1,367,624	1,124,311	1,423,295	1,303,771
601,026	568,571	626,724	708,877	741,632	847,927	1,002,218
600,849	625,717	716,646	906,530	921,566	1,060,919	1,254,732
329,854	389,122	471,758	483,263	526,138	616,106	697,343
434,837	392,030	457,527	665,366	634,734	603,252	723,343
243,050	176,840	140,178	224,361	81,610	127,323	110,422
327,680	427,319	398,731	398,691	456,127	635,865	750,352
				96,566	102,091	27,230
				154,339	165,285	301,376
2,276,933	6,464,727	16,290,487	12,188,359	16,380,964	21,447,958	28,505,152
2,495,000	3,015,000	2,725,000	3,160,000	3,526,007	3,795,289	4,071,077
886,610	741,720	1,391,033	1,536,376	2,785,516	3,520,032	3,085,859
53,300	376,873	193,968	290,867	244,257	9,950	499,452
23,396,661	28,775,502	38,281,302	37,737,730	43,611,840	53,689,694	63,239,268
(1,558,553)	(4,333,250)	(8,033,488)	(10,084,464)	(6,154,342)	(15,053,885)	(24,261,869)
-	-	-	-	-	31,612	-
-	-	-	-	113,530	223,451	-
-	-	-	-	337,911	-	-
2,000,000	17,345,000	8,435,000	22,260,000	15,590,000	-	17,410,000
	3,015,000	-	-	-	-	-
	3,414,982	751,487	1,721,952	1,601,874	-	742,614
	(2,924,412)	-	-	-	-	-
1,840,082	1,957,493	4,831,194	2,351,293	2,726,117	3,023,853	3,161,270
(1,261,012)	(1,349,848)	(4,205,894)	(1,650,758)	(1,942,102)	(2,072,065)	(2,031,116)
2,579,070	21,458,215	9,811,787	24,682,487	18,427,330	1,206,851	19,282,768
$ 1,020,517	$ 17,124,965	$ 1,778,299	$ 14,598,023	$ 12,272,988	$ (13,847,034)	$ (4,979,101)
17.29%	17.60%	19.33%	18.56%	23.18%	22.69%	20.36%

City of Saginaw, Texas

Table 5

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	% of Current Tax Collected	Delinquent Tax Collections	Total Tax Collections	% of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	% of Delinquent Taxes to Tax Levy
2015/16	$ 7,175,560	$ 7,141,585	99.5%	$ 31,088	$ 7,172,673	100.0%	2,887	0.0%
2016/17	7,557,636	7,513,508	99.4%	39,420	7,552,928	99.9%	4,708	0.1%
2017/18	8,075,537	8,027,316	99.4%	39,061	8,066,377	99.9%	9,160	0.1%
2018/19	8,893,539	8,850,081	99.5%	37,326	8,887,407	99.9%	6,132	0.1%
2019/20	9,671,868	9,625,725	99.5%	38,231	9,663,956	99.9%	7,912	0.1%
2020/21	10,438,401	10,380,213	99.4%	48,045	10,428,258	99.9%	10,143	0.1%
2021/22	11,695,914	11,633,510	99.5%	49,213	11,682,723	99.9%	13,191	0.1%
2022/23	13,426,232	13,377,942	99.6%	29,218	13,407,160	99.9%	19,072	0.1%
2023/24	14,876,172	14,853,246	99.8%	(2,479)	14,850,767	99.8%	25,405	0.2%
2024/25	15,530,177	15,462,735	99.6%	-	15,462,735	99.6%	67,442	0.4%

City of Saginaw, Texas

Table 6

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

	Real Property		Personal Property		Total		
Fiscal Year	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Assessed Value**	**Estimated Actual Value**	**Property Tax Rate Per $100**
2015/16*	$ 962,111,241	$ 962,111,241	$ 354,242,308	$ 354,242,308	$ 1,316,353,549	$ 1,316,353,549	0.544000
2016/17	1,061,912,257	1,061,912,257	379,440,615	379,440,615	1,441,352,872	1,441,352,872	0.513000
2017/18	1,205,160,927	1,205,160,927	365,041,273	365,041,273	1,570,202,200	1,570,202,200	0.495000
2018/19	1,453,373,020	1,453,373,020	390,558,650	390,558,650	1,843,931,670	1,843,931,670	0.471800
2019/20	1,628,809,088	1,628,809,088	417,203,024	417,203,024	2,046,012,112	2,046,012,112	0.459000
2020/21	1,634,542,012	1,634,542,012	420,221,179	420,221,179	2,054,763,191	2,054,763,191	0.461579
2021/22	1,811,505,128	1,811,505,128	452,536,472	452,536,472	2,264,041,600	2,264,041,600	0.479516
2022/23	2,083,925,176	2,083,925,176	462,893,143	462,893,143	2,546,818,319	2,546,818,319	0.508042
2023/24	2,445,483,449	2,445,483,449	487,627,015	487,627,015	2,933,110,464	2,933,110,464	0.498769
2024/25	2,578,121,952	2,578,121,952	519,762,118	519,762,118	3,097,884,070	3,097,884,070	0.493747

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

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

City of Saginaw, Texas — Table 7

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

Fiscal Year	General Fund	Debt Service Fund	Total	School	County (1)	State	Total
2015/16	0.291937	0.252063	0.544000	1.540000	0.641397	0.000000	2.725397
2016/17	0.293308	0.219692	0.513000	1.540000	0.626627	0.000000	2.679627
2017/18	0.284186	0.210814	0.495000	1.540000	0.608489	0.000000	2.643489
2018/19	0.291129	0.180671	0.471800	1.540000	0.594499	0.000000	2.606299
2019/20	0.281655	0.177345	0.459000	1.518000	0.588599	0.000000	2.565599
2020/21	0.284238	0.177341	0.461579	1.496400	0.588599	0.000000	2.546578
2021/22	0.285058	0.194458	0.479516	1.457500	0.583599	0.000000	2.520615
2022/23	0.273156	0.234886	0.508042	1.434600	0.578599	0.000000	2.521241
2023/24	0.263959	0.234810	0.498769	1.247200	0.501170	0.000000	2.247139
2024/25	0.275330	0.218417	0.493747	1.245700	0.482280	0.000000	2.221727

Note(1) Column includes Tarrant County, Tarrant County College District and Tarrant County Hospital District

City of Saginaw, Texas — Table 8

Principal Taxpayers
Current Year and Ten Years Ago

2025			2016		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Taxpayer	Assessed Valuation	% of Total Assessed Valuation
Ventura Foods LLC	$ 54,483,000	1.76	Trinity Industries	$ 35,407,238	2.69
Miller Milling Company LLC	47,569,802	1.54	Miller Milling Company LLC	33,627,142	2.55
Fossil Creek 270, LLC (Cobalt Apartments)	44,800,000	1.45	Ventura Foods LLC	31,175,357	2.37
Ardent Mills/Cargill LLC	44,728,952	1.44	CTI Holdings LLC	19,543,940	1.48
Viterra USA Grain LLC/Gavilon Grain LLC	35,771,102	1.15	Wal-Mart Real Estate Business Trust	18,270,104	1.39
Trinity Industries Inc	33,450,655	1.08	Ardent Mills LLC	15,724,769	1.19
Oncor Electric Delivery Co LLC	32,118,265	1.04	ADM/Farmland Industries	15,694,112	1.19
Grand Saginaw LLC	30,791,244	0.99	BNSF Railway Company	13,324,117	1.01
Ergon Asphalt & Emulsions Inc	25,388,064	0.82	Trinity Tank Car Inc	13,101,738	1.00
Northwest Pipe Company	24,408,429	0.79	Universal Forest Products	12,469,913	0.95
		12.06			15.82

Source: Information obtained from Tarrant Appraisal District

City of Saginaw, Texas
Table 9

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities								Business-Type Activities					Primary Government	% of	
Fiscal Year	General Obligation Bonds	Certificates of Obligation Bonds	Financed Purchases	Tax Notes	Leases	Subscription Based IT Arrangements	Premiums/ Loss on Refundings	Net Pension OPEB Liability	Arbitrage Payable	Water and Sewer Bonds	Gen. Oblig. Refunding Bonds	Net Pension OPEB Liability	Subscription Based IT Arrangements	Premiums/ Loss on Refundings	Total All Debt	Personal Income (a)	Per Capita (b)
2015/16	$ 25,310,000	$ 2,440,000	$ 358,106	$ -	$ -	$ -	$ 477,503	$ -	$ -	$ 380,000	$ 2,000,000	$ -	$ -	$ 12,106	$ 30,977,715	5.44%	1,494
2016/17	30,980,000	2,110,000	180,535	-	-	-	729,335	-	-	150,000	1,810,000	-	-	6,918	35,966,788	6.10%	1,687
2017/18	28,765,000	1,950,000	-	-	-	-	672,612	-	-	100,000	1,615,000	-	-	1,730	33,104,342	4.79%	1,523
2018/19	26,435,000	1,785,000	-	2,000,000	-	-	615,889	-	-	50,000	1,420,000	-	-	-	32,305,889	4.77%	1,444
2019/20	25,735,000	17,345,000	-	1,570,000	-	-	3,764,136	-	-	-	1,220,000	-	-	-	49,634,136	7.10%	2,150
2020/21	31,890,000	17,310,000	-	1,160,000	-	-	4,270,201	-	-	-	1,010,000	-	-	-	55,640,201	7.42%	2,380
2021/22	51,315,000	17,210,000	-	935,000	-	-	5,660,633	-	-	-	790,000	-	-	-	75,910,633	9.08%	3,105
2022/23	63,810,000	17,110,000	273,827	705,000	-	76,606	6,850,893	13,723,397	-	-	640,000	1,536,692	-	-	104,726,415	10.44%	3,580
2023/24	60,885,000	16,685,000	207,331	475,000	31,612	151,265	6,439,285	12,435,690	1,016,083	-	485,000	1,377,537	11,640	-	100,200,443	8.86%	3,385
2024/25	75,450,000	15,885,000	138,333	240,000	26,886	33,740	6,733,177	12,455,837	1,016,083	4,990,000	325,000	1,380,027	5,959	183,118	118,863,160	11.93%	4,628

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

City of Saginaw, Texas **Table 10**

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

Fiscal Year	Estimated Population	Assessed Value	Total General Bonded Debt	Less Amounts Available for Debt Service	Net General Bonded Debt	Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2015/16	20,740	$ 1,316,353,549	$ 28,227,503	$ 1,267,190	$ 26,960,313	2.14%	$ 1,300
2016/17	21,320	1,441,352,872	33,819,335	1,120,206	32,699,129	2.35%	1,534
2017/18	21,730	1,570,202,200	31,387,612	1,062,127	30,325,485	2.00%	1,396
2018/19	22,380	1,843,931,670	30,835,889	1,155,633	29,680,256	1.67%	1,326
2019/20	23,090	2,046,012,112	48,414,136	1,028,491	47,385,645	2.37%	2,052
2020/21	23,380	2,054,763,191	55,640,201	970,131	54,670,070	2.71%	2,338
2021/22	24,450	2,264,041,600	75,910,633	730,981	75,179,652	3.35%	3,075
2022/23	24,974	2,546,818,319	104,726,415	846,118	103,880,297	4.11%	4,160
2023/24	25,223	2,933,110,464	100,200,443	1,234,870	98,965,573	3.42%	3,924
2024/25	25,685	3,097,884,070	118,863,160	1,197,176	117,665,984	3.84%	4,581

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

City of Saginaw, Texas **Table 11**

Computation of Direct and Overlapping Bonded Debt
September 30, 2025

Jurisdiction	Net Debt Outstanding	Percentage Applicable to City of Saginaw	Amount Applicable to City of Saginaw
City of Saginaw	$ 98,308,177	100.00%	$ 98,308,177
Subtotal: City of Saginaw direct debt			98,308,177
Eagle Mountain-Saginaw Independent School District	1,452,246,626	19.05%	276,724,538
Tarrant County	330,997,000	1.11%	3,685,356
Tarrant County Hospital District	447,131,000	1.11%	4,978,405
Tarrant County College District	603,708,686	1.11%	6,721,758
Subtotal: overlapping debt			292,110,057
Total direct and overlapping debt			$ 390,418,234
Ratio of direct and overlapping funded debt to taxable assessed valuation			12.60%
Per capita direct and overlapping bonded debt			$ 15,200

Source: Individual taxing entities and Tarrant Appraisal District
Note: Percentage of overlap based on net taxable value

City of Saginaw, Texas

Table 12

Schedule of Revenue Bond Coverage
Last Ten Fiscal Years

Year	Gross Revenue (1)	Direct Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest and Fiscal Charges	Total	Coverage Ratio
2015/16	$ 9,538,475	$ 7,420,919	$ 2,117,556	$ 510,000	$ 106,371	$ 616,371	3.44
2016/17	9,961,902	8,383,924	1,577,978	420,000	70,984	490,984	3.21
2017/18	11,342,975	9,477,554	1,865,421	245,000	55,563	300,563	6.21
2018/19	11,225,184	8,903,304	2,321,880	245,000	52,841	297,841	7.80
2019/20	11,366,978	10,025,116	1,341,862	250,000	46,996	296,996	4.52
2020/21	10,873,942	8,619,791	2,254,151	210,000	34,238	244,238	9.23
2021/22	12,568,192	9,239,744	3,328,448	220,000	25,572	245,572	13.55
2022/23	14,025,791	10,998,142	3,027,649	150,000	21,208	171,208	17.68
2023/24	14,391,454	11,678,328	2,713,126	155,000	18,238	173,238	15.66
2024/25	15,270,362	12,380,053	2,890,309	160,000	17,319	177,319	16.30

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

City of Saginaw, Texas **Table 13**

Computation of Legal Debt Margin
Year Ended September 30, 2025

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

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

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

The rate for fiscal year 2025 was established at $.493747 per $100 of assessed valuation based on 100% of appraised value.

City of Saginaw, Texas **Table 14**

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)
2015/16	20,740	$ 569,416,700	$ 27,455	19,582	4.10%
2016/17	21,320	589,839,120	27,666	19,293	3.40%
2017/18	21,730	691,818,010	31,837	20,050	3.20%
2018/19	22,380	677,285,940	30,263	21,027	3.20%
2019/20	23,090	698,772,670	30,263	21,378	6.30%
2020/21	23,380	749,399,140	32,053	22,382	4.50%
2021/22	24,450	835,921,050	34,189	23,145	3.50%
2022/23	24,974	856,857,940	34,310	23,415	3.90%
2023/24	25,223	963,947,391	38,217	23,923	4.00%
2024/25	25,685	995,935,875	38,775	24,187	4.00%

Sources:

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

City of Saginaw, Texas **Table 15**

Principal Employers

Current Year and Ten Years Ago

2025			2016		
Employer	Employees	Percentage of Total City Employment	Employer	Employees	Percentage of Total City Employment
Eagle Mountain-Saginaw ISD	3,570	29%	Eagle Mountain-Saginaw ISD	2,304	23%
Walmart Supercenter #5316	417	3%	Trinity North Amer. Freight Car	800	8%
Ventura Foods	387	3%	Wal Mart Supercenter #5316	500	5%
Trinity North Amer. Freight Car	370	3%	CTI Chefco Foods	356	4%
Chefco Foods	356	3%	Bana Box Inc.	218	2%
Bana Incorporated	218	2%	Ventura Foods	215	2%
United Forestry Products, LLC	208	2%	Russo Corporation	200	2%
Russo Corporation	200	2%	Ranger Fire	200	2%
DOS - Standard Meat	189	2%	DOS - Standard Meat	189	2%
Texas Army National Guard	185	1%	Texas Army National Guard	185	2%

Source: City Economic Development Department.
EMS ISD employment is for the district. Employment for district facilities within the City of Saginaw is 767.

City of Saginaw, Texas **Table 16**

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

	Full-time Equivalent Employees as of October 1									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Function/Program										
General government:										
Administration	10.0	9.0	9.0	9.0	10.0	9.0	8.0	8.0	8.0	8.0
Municipal court	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Information technology *	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-	-
Public Safety:										
Fire	30.0	30.0	29.0	29.0	30.0	30.0	28.0	27.0	27.0	27.0
Emergency management	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Police	49.5	49.5	55.5	55.5	53.0	53.0	50.0	46.5	46.5	45.5
Public Works:										
Streets	10.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0
Parks maintenance	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Building inspections	8.0	8.0	8.0	8.5	6.0	5.0	4.0	4.0	4.0	4.0
Code enforcement	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Animal services	6.5	6.0	6.0	6.0	6.0	4.5	4.5	4.5	4.5	4.5
City garage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Economic development	-	-	-	-	-	-	1.0	-	-	-
Community services	9.0	9.0	8.5	8.5	7.5	7.5	7.5	7.5	7.0	7.0
Communications	1.0	1.0	1.0	1.0	-	-	-	-	-	-
Library	9.0	9.0	9.0	9.0	8.5	8.0	8.0	8.0	8.0	8.0
Water/wastewater	19.0	19.0	20.0	20.0	19.0	18.0	18.0	17.0	17.0	16.0
Drainage	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Total	165.0	162.5	168.0	168.5	161.0	156.0	150.0	141.5	141.0	139.0

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

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

	Fiscal Year					
	2025	2024	2023	2022	2021	2020
Function/Program						
Police:						
Stations	1	1	1	1	1	1
Licensed Officers	41	41	41	41	41	41
Patrol units on duty at any one time	4	4	4	4	4	4
Fire:						
Stations	2	2	2	2	2	2
Firefighter/paramedics	27	27	26	26	26	26
Library :						
Number of libraries	1	1	1	1	1	1
Volumes in collection	60,650	58,456	58,589	54,847	60,703	60,990
Average monthly circulation	8,628	8,391	6,833	6,148	5,558	5,541
Average monthly visitors	4,275	5,001	4,498	4,298	3,851	3,419
Public works:						
Streets (miles)	97.8	97.8	96.6	94.9	94.9	92.9
Streetlights	1,417	1,386	1,355	1,321	1,321	1,321
Parks and recreation:						
Acreage	108.022	108.022	108.022	107.593	107.593	103.69
Parks	7	7	7	7	7	7
Recreation Centers	1	1	1	1	1	1
Senior/community Centers	1	1	1	1	1	2
Water:						
Number of water customers	8,687	8,558	8,445	8,402	8,383	8,347
Annual water consumption (1,000 gallons)	1,281,519	1,323,383	1,370,287	1,422,720	1,267,426	1,175,194
Daily consumption (1,000 gallons)	3,511	3,626	3,754	3,898	3,472	3,220
Water mains (miles)	128.1	128.0	126.8	123.9	122.3	122.3
Fire hydrants *	1,211	1,211	1,198	1,171	1,171	1,171
Storage capacity (thousands of gallons)	4,250	4,250	4,250	4,250	4,250	4,250
Wastewater:						
Number of wastewater customers	8,469	8,343	8,237	8,201	8,184	8,164
Wastewater treated annually (1,000 gallons)	952,133	1,039,494	927,762	847,252	949,816	940,582
Sanitary sewers (miles)	93.4	93.4	92.1	90.1	90.1	90.1
Storm sewers (miles)	24.5	24.5	23.4	21.7	21.6	20.3

Sources: Various city departments.
Note: No capital asset indicators are available for the general government.
* Number of fire hydrants restated as a result of mapping update

Table 17

Fiscal Year			
2019	2018	2017	2016
1	1	1	1
41	40	39	38
4	4	4	4
2	2	2	2
26	25	24	24
1	1	1	1
59,893	59,220	59,029	58,302
7,438	7,599	7,358	7,522
5,977	6,250	6,653	6,690
89.4	86.6	85.4	83.4
1,223	1,198	1,187	1,135
101	101	101	101
7	7	7	7
1	1	1	1
2	2	2	2
8,052	7,841	7,606	7,427
1,077,595	1,106,653	1,020,550	967,332
2,952	3,032	2,796	2,643
119.0	116.4	114.9	113.7
1,139	835	823	809
4,250	4,250	4,250	4,250
7,878	7,700	7,477	7,307
1,027,571	838,637	804,134	915,347
87.3	85.0	83.9	83.1
18.5	17.9	17.1	17.0

The Continuing Financial Disclosure Tables portion of the Statistical section presents various financial data originally distributed in a debt official statement. The City is required to update financial tables originally distributed in a debt official statement within six months after the end of each fiscal year. The financial tables that follow are updated through September 30, 2025. The last debt issue was sold in fiscal year ending September 30, 2025. This information is also sent to the Municipal Securities Rule Making Board (the "MSRB") or filed with the United States Securities and Exchange Commission (the "SEC") as permitted by SEC Rule 15c2-12. The information is also available to the public on the MSRB's Internet Website www.emma.msrb.org.

City of Saginaw, Texas

Continuing Financial Disclosure Tables
General Obligation Tables

ASSESSED VALUATION **TABLE GO-1**

2024 Actual Total Appraised Value of Taxable Property (100% of Actual)*		$ 3,729,651,455
Less Adjustments to Market Value:		
Agriculture Productivity Value Loss	5,098,865	
Abatement	-	
Disabled and Deceased Veterans' Exemptions	54,438,320	
Freeport Property	90,688,798	
Local, Option Over-65 / Disabled	162,988,514	
Pollution Control	293,702	
Solar/Wind/Other	11,203,898	
Totally Exempt Property	222,935,274	
Cases before ARB, Incomplete Accounts & In process	84,120,014	
Total Adjustments to Market Value:		631,767,385
2024 Certified Net Taxable Assessed Valuation		$ 3,097,884,070

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

Source: Tarrant County Appraisal District - September certified values

GENERAL OBLIGATION BONDED DEBT **TABLE GO-2**

(As of September 30, 2025)

General Obligation Debt Principal Outstanding:	
General Obligation Refunding and Improvement Bonds, Series 2013	$ 3,795,000
General Obligation Bonds, Series 2015	4,320,000
General Obligation Refunding Bonds, Series 2015	325,000
General Obligation Refunding Bonds, Series 2016	850,000
General Obligation Bonds, Series 2017	5,265,000
2019 Tax Note	240,000
General Obligation Refunding Bonds, Series 2020	590,000
2020 Certificates of Obligation	15,885,000
General Obligation Bonds, Series 2021	6,985,000
General Obligation Bonds, Series 2022	21,045,000
General Obligation Bonds, Series 2023	15,190,000
2025 Certificates of Obligation	4,990,000
General Obligation Bonds, Series 2025	17,410,000
Total Gross General Obligation Debt Principal Outstanding:	$ 96,890,000
Less: Self-Supporting General Obligation Debt Principal	
General Obligation Refunding Bonds, Series 2015	$ 325,000
2025 Certificates of Obligation	4,990,000
Total Self-Supporting General Obligation Debt	$ 5,315,000
Total Net General Obligation Debt Principal Outstanding:	$ 91,575,000
General Obligation Interest and Sinking Fund Balance as of September 30, 2024	$ 1,496,680
Ratio of Gross General Obligation Debt Principal to 2024 Net Assessed Valuation	3.13%
Ratio of Net General Obligation Debt Principal to 2024 Net Assessed Valuation	2.96%
2024 Net Taxable Assessed Value	$ 3,097,884,070
Population: 1980 - 5,736; 1990 - 8,551; 2000 - 12,374; Current (Estimate) -	25,685
Per Capita 2024 Net Taxable Assessed Valuation -	$ 120,611
Per Capita Gross General Obligation Debt Principal -	$ 3,772
Per Capita Net General Obligation Debt Principal -	$ 3,565

OTHER OBLIGATIONS | **TABLE GO-3**

Financed Purchase Obligations

The City entered into agreements for the lease-purchase of public safety equipment, with the total capitalized cost of $376,450 and an amortized value of $202,377 at September 30, 2025.

The following is a schedule of future minimum payments under the capital lease together with the present value of the net minimum lease payments as of September 30, 2025.

Fiscal Year	Future Minimum Payments
2026	$ 76,800
2027	69,250
Total minimum payments	$ 146,050
Less: amount representing interest	(7,717)
Present value of future minimum payments	$ 138,333

FUND BALANCES | **TABLE GO-4**

(As of September 30, 2025)

General Operating Fund (Undesignated)	$ 6,528,301
General Obligation Debt Service (I&S) Fund	1,496,680
Special Revenue Funds	12,089,215
Capital Projects Fund	27,604,740
Enterprise Fund (Undesignated)	7,469,718
Revenue Bond Reserve	184,190
Revenue Bond Debt Service (I&S) Reserve	41,412
General Fund Emergency Reserve	6,395,000
Enterprise Fund Emergency Reserve	3,746,000
Enterprise Fund (Designated)	1,659,503
Total	$ 67,214,759

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

PRINCIPAL TAXPAYERS 2024-2025 — **TABLE GO-5**

Name	Type of Business		2024 Net Taxable Assessed Valuation	% of Total 2024 Net Taxable Assessed Valuation
Ventura Foods LLC	Food Processing Plant		$ 54,483,000	1.76%
Miller Milling Company LLC	Food Processing Plant		47,569,802	1.54%
Fossil Creek 270, LLC (Cobalt Apartments)	Housing		44,800,000	1.45%
Ardent Mills/Cargill LLC	Food Processing Plant		44,728,952	1.44%
Viterra USA Grain LLC/Gavolin Grain LLC	Warehouse/Storage		35,771,102	1.15%
Trinity Industries	Manufacturing		33,450,655	1.08%
Oncor Electric Delivery Co LLC	Commercial Utility		32,118,265	1.04%
Grand Saginaw LLC	Housing		30,791,244	0.99%
Ergon Asphalt & Emulsions Inc	Construction		25,388,064	0.82%
Northwest Pipe Company	Manufacturing		24,408,429	0.79%
		Total	$ 373,509,513	12.06%

2024 Net Taxable Assessed Valuation on August 19, 2024 — $ 3,097,884,070

Source: Tarrant County Appraisal District

PROPERTY TAX RATES AND COLLECTIONS — **TABLE GO-6**

Tax Year	Net Taxable Assessed Valuation	Tax Rate	Tax Levy	% Collections Current	% Collections Total	Fiscal Year Ended
2015	$ 1,316,353,549	0.5440	$ 7,175,560	99.53%	99.96%	9-30-16
2016	1,441,352,872	0.5130	7,557,636	99.42%	99.94%	9-30-17
2017	1,570,202,200	0.4950	8,075,537	99.40%	99.89%	9-30-18
2018	1,843,931,670	0.4718	8,893,539	99.51%	99.93%	9-30-19
2019	2,046,012,112	0.4590	9,671,868	99.52%	99.92%	9-30-20
2020	2,054,763,191	0.4616	10,438,401	99.44%	99.90%	9-30-21
2021	2,264,041,600	0.4795	11,695,914	99.47%	99.89%	9-30-22
2022	2,546,818,319	0.5080	13,426,232	99.64%	99.86%	9-30-23
2023	2,933,110,464	0.4988	15,530,177	99.57%	99.57%	9-30-24
2024	3,097,884,070	0.4937	15,530,177	99.57%	99.57%	9-30-25

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

TAX RATE DISTRIBUTION — **TABLE GO-7**

	2024-25	2023-24	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18
General Fund	$0.2753	$0.2640	$0.2732	$0.2851	$0.2842	$0.2817	$0.2911	$0.2842
I & S Fund	$0.2184	$0.2348	$0.2349	$0.1945	$0.1773	$0.1773	$0.1807	$0.2108
TOTAL	$0.4937	$0.4988	$0.5080	$0.4795	$0.4616	$0.4590	$0.4718	$0.4950

City of Saginaw, Texas

Continuing Financial Disclosure Tables
General Obligation Tables

GENERAL FUND COMBINED STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCES **TABLE GO-8**

	Fiscal Year Ended September 30					
	2025	2024	2023	2022	2021	2020
Revenues:						
Taxes	$ 17,959,304	$ 17,233,402	$ 16,957,443	$ 15,824,110	$ 14,703,088	$ 13,071,890
Licenses and Permits	873,750	1,399,816	392,973	502,521	668,169	773,813
Charges for Services	141,600	118,000	137,500	100,755	97,020	94,815
Fines and Fees	1,358,046	1,060,067	880,286	682,650	1,092,420	517,883
Interest Income	796,312	1,122,002	946,360	102,447	6,911	113,140
Recreation Income	378,034	369,929	314,980	344,113	163,056	162,412
Intergovernmental	638,760	1,469,470	796,605	216,784	229,848	1,423,032
Miscellaneous Revenues	50,907	110,141	154,715	198,132	170,872	182,049
Total Revenues	$ 22,196,713	$ 22,882,827	$ 20,580,862	$ 17,971,512	$ 17,131,384	$ 16,339,034
Expenditures:						
Current:						
General administrative office	$ 3,240,290	$ 2,643,868	$ 2,385,061	$ 2,324,967	$ 2,601,057	$ 1,798,896
Municipal court	252,300	246,829	217,935	212,097	191,718	187,064
Fire	5,630,507	4,813,648	4,237,521	4,158,484	3,864,642	3,965,267
Police	7,404,122	6,429,233	5,484,621	5,363,151	5,018,523	5,001,254
Public works	2,427,698	2,295,707	2,318,296	2,579,899	1,652,954	1,916,939
Parks	466,100	434,246	408,079	319,152	337,404	538,609
Community services	1,303,771	1,423,295	1,124,311	1,309,153	645,986	811,155
Library	1,002,218	847,927	741,632	708,877	626,724	568,571
Inspection	1,139,785	1,060,919	921,566	906,530	716,646	625,717
Animal services	697,343	616,106	526,138	483,263	471,758	389,122
Fleet Maintenance	723,343	603,252	634,734	665,366	457,527	392,030
Economic development	110,422	127,323	81,610	224,361	140,178	176,840
Information technology	750,352	635,865	456,127	398,691	398,731	427,319
Emergency management*	27,230	102,091	96,566	-	-	-
Communications**	301,376	165,285	154,339	-	-	-
Capital Outlay	1,284,412	1,771,280	1,195,849	-	-	-
Debt service:						
Principal retirement	46,422	41,211	36,631	-	-	-
Interest charges	3,872	3,062	636	-	-	-
Total Expenditures	$ 26,811,563	$ 24,261,147	$ 21,021,652	$ 19,653,991	$ 17,123,848	$ 16,798,783
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (4,614,850)	$ (1,378,320)	$ (440,790)	$ (1,682,479)	$ 7,536	$ (459,749)
Other Financing Sources (Uses):						
Proceeds from right to use leased assets	$ -	$ 31,612	$ -	$ -	$ -	$ -
Transfers In	3,009,982	2,566,587	2,342,502	2,119,143	1,956,513	1,884,758
Transfers Out	(137,945)	(457,266)	(383,615)	(232,150)	(2,874,681)	(72,735)
Proceeds from right to use subscription assets	-	25,762	92,433	-	-	-
Proceed from financed purchases	-	-	16,914	-	-	-
Total Other Financing Sources (Uses)	$ 2,872,037	$ 2,166,695	$ 2,068,234	$ 1,886,993	$ (918,168)	$ 1,812,023
Excess (Deficiency) of Revenues/Other Sources Over (under) Expenditures/Other Uses	(1,742,813)	788,375	1,627,444	204,514	(910,632)	1,352,274
Fund Balance - Beginning of Year	14,666,114	13,877,739	12,250,295	12,045,781	12,956,413	11,604,139
Fund Balance - September 30	$ 12,923,301	$ 14,666,114	$ 13,877,739	$ 12,250,295	$ 12,045,781	$ 12,956,413

Source: The Issuer's Comprehensive Annual Financial Reports

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

REVENUE BOND DEBT PRINCIPAL DATA **TABLE REV-1**

(As of September 30, 2025)

Revenue Bond Debt Principal Outstanding:	
	$ -
Total Revenue Debt Principal Outstanding	$ -
Plus: Waterworks and Sewer System General Obligation Debt Principal	
General Obligation Refunding Bonds, Series 2015	325,000
Combination Tax and Revenue Certificates of Obligation, Series 2025	4,990,000
Total Waterworks and Sewer System General Obligation Debt	$ 5,315,000
Total Revenue Debt Principal Outstanding	$ 5,315,000

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

	Fiscal Year Ending September 30				
	2025	2024	2023	2022	2021
Revenues[(a)]	$ 15,270,362	$ 14,391,454	$ 14,025,791	$ 12,568,192	$ 10,868,948
Expenses	12,380,053	11,678,328	10,998,142	9,239,744	8,619,791
Net Revenue Available for Debt Service	$ 2,890,309	$ 2,713,126	$ 3,027,649	$ 3,328,448	$ 2,249,157
Annual Revenue Bond Debt Service Requirements	$ -	$ -	$ -	$ -	$ -
Revenue Debt Service Coverage	x -	x -	x -	x -	x -
Annual Debt Service Requirements for all Bonds Paid from System Revenues	$ 168,820	$ 167,672	$ 165,642	$ 240,006	$ 234,171
Debt Service Coverage on all Bonds Paid from System Revenues	x 17.12	x 16.18	x 18.28	x 13.87	x 9.60
Customer Count :					
Water	8,687	8,558	8,445	8,402	8,383
Wastewater	8,469	8,343	8,237	8,201	8,184
[(a)] *Does not include Impact Fees of:*	$ -	$ -	$ -	$ -	$ 4,994

Revenues include operating, interest income, and tap fees. Impact fees are not included in revenues and may be used for debt service, if required.

COVERAGE OF THE BONDS **TABLE REV-3**

(As of September 30, 2025)

Fiscal Year 2025 Net Revenues Available for Debt Service	$ 2,890,309
Following the Issuance of the Bonds:	
Maximum Revenue Debt Service Requirement Excluding Self-Supporting General Obligation Debt	$ -
Coverage	-
Maximum Debt Service Requirement Including Self-Supporting General Obligation Debt (2025)	$ 561,475
Coverage	5.15
Average Annual Revenue Debt Service Requirement Excluding General Obligation Debt	$ -
Coverage	-
Average Annual Debt Service Requirement Including Self-Supporting General Obligation Debt (2025-2027)	$ 402,780
Coverage	7.18

SELF-SUPPORTING WATERWORKS AND WASTEWATER SYSTEM OBLIGATIONS HISTORICALLY PAID FROM NET SYSTEM REVENUES **TABLE REV-4**

(As of September 30, 2025)

	Principal Outstanding	Amount of Principal Self-Supporting
General Obligation Refunding Bonds, Series 2015	$ 325,000	$ 325,000
Combination Tax and Revenue Certificates of Obligation, Series 2025	4,990,000	4,990,000
Total	$ 5,315,000	$ 5,315,000

Fiscal Year Ending Sept. 30	Self-Supporting General Obligation Debt Requirements	Waterworks and Wastewater System Debt Service	Total Debt Service Being Supported by Net System Revenues
2026	$ 561,475	$ -	$ 561,475
2027	551,823	-	551,823
2028	385,556	-	385,556
2029	387,056	-	387,056
2030	388,056	-	388,056
2031	383,556	-	383,556
2032	383,806	-	383,806
2033	383,556	-	383,556
2034	387,806	-	387,806
2035	386,306	-	386,306
2036	384,306	-	384,306
2037	386,806	-	386,806
2038	386,206	-	386,206
2039	385,206	-	385,206
2040	383,806	-	383,806
2041	386,638	-	386,638
2042	388,463	-	388,463
2043	383,838	-	383,838
2044	383,763	-	383,763
2045	387,575	-	387,575
	$ 8,055,603	$ -	$ 8,055,603

REVENUE BONDS AUTHORIZED BUT UNISSUED **TABLE REV-5**

Date Authorized	Purpose	Amount Authorized	Issued To Date	Unissued
06-30-51	Wastewater Improvements	$ 100,000	$ 20,000	$ 80,000

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

WATER RATES **TABLE REV-6**

(Based on Monthly Billing)

	Rates Effective October 1, 2024
Residential	
First 2,000 Gallons	$16.00 (minimum)
3,000 to 10,000 Gallons	4.95 /M Gallons
Over 10,000 Gallons	5.29 /M Gallons
Multi-Family (Per Dwelling Unit)	
First 2,000 Gallons	$16.00 (minimum)
3,000 to 8,000 Gallons	5.29 /M Gallons
Over 8,000 Gallons	6.38 /M Gallons
Commercial / Industrial	
First 2,000 Gallons	$16.00 (minimum)
3,000 to 10,000 Gallons	5.29 /M Gallons
Over 10,000 Gallons	6.38 /M Gallons

PRINCIPAL WATER CUSTOMERS 2023-2024 **TABLE REV-7**

(As of September 30, 2025)

Name of Customer		Average Monthly Consumption (Gals.)	Average Monthly Bill
CTI Foods		$ 9,990,750	$ 63,723
Ventura Foods		3,774,667	24,126
DOS Project		2,970,167	18,944
City of Saginaw		1,478,000	8,847
Eagle Mountain/Saginaw ISD		1,212,583	7,726
Fossil Creek 270, LLC (Prose apartments)		1,156,417	8,318
The Grand Saginaw, LLC (apartments)		1,067,583	7,639
Beltmill Saginaw, LLC		997,667	5,317
Ergon Asphalt & Emulsions, Inc.		751,500	4,782
Fuel City Saginaw, LLC		718,500	4,573
	Total	$ 24,117,834	$ 153,995

WASTEWATER RATES **TABLE REV-8**

(Based on Monthly Billing)

	Rates Effective October 1, 2024
Residential	
First 2,000 Gallons	$23.49 (minimum)
Next 18,000 Gallons	3.69 /M Gallons
Multi-Family (Per Dwelling Unit)	
First 2,000 Gallons	$23.49 (minimum)
Over 2,000 Gallons	6.41 /M Gallons
Commercial / Industrial (Non-Monitored)	
First 2,000 Gallons	$25.79 (minimum)
Over 2,000 Gallons	6.41 /M Gallons
Commercial / Industrial (Monitored)	
First 2,000 Gallons	Based on Formula
Over 2,000 Gallons	6.41 /M Gallons

PRINCIPAL WASTEWATER CUSTOMERS 2023-2024 **TABLE REV-9**

(As of September 30, 2025)

Name of Customer		Average Monthly Bill
Fossil Creek 270, LLC (Prose apartments)		$ 7,181
Grand Saginaw, LLC (apartments)		6,596
Ashton Apartments		6,005
Eagle Mountain/Saginaw ISD		5,542
The Ruston, LLC (apartments)		4,340
Villas at Willow Creek, LLC		3,038
Saginaw Crossing Apartments		2,917
Livestock Nutrition Center - Saginaw		2,812
King Laundry, LP		2,300
IMO US West, LLC (car wash)		2,266
	Total	$ 42,998

WASTEWATER SYSTEM PRODUCTION **TABLE REV-10**

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

Fiscal Year	Annual Sewage Flow (000s Gallons)	Average Daily Flow (000s GPD)	Peak Daily Flow and Date (MGD)	
2016	915,347	2,508	6.2	12-28-15
2017	804,134	2,203	6.3	09-14-17
2018	838,637	2,298	4.7	03-01-18
2019	1,027,571	2,815	6.0	10-16-18
2020	940,582	2,577	6.0	03-16-20
2021	949,816	2,602	6.8	05-25-21
2022	847,252	2,321	5.6	08-22-22
2023	927,762	2,542	5.1	02-08-23
2024	1,039,494	2,848	5.9	04-28-24

Federal Awards Section

City of Saginaw

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

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

The Honorable Mayor and City Council
City of Saginaw, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saginaw, Texas (the City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated January 29, 2026.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 29, 2026

2300 North Field Street, Suite 1000
Dallas, Texas 75201
972-490-1970

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

The Honorable Mayor and City Council
City of Saginaw, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Saginaw, Texas (the City's) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
January 29, 2026

City of Saginaw, Texas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended September 30, 2025

I. Summary of the Auditor's Results:

Financial Statements

a. An unmodified opinion was issued on the financial statements.

b. Internal control over financial reporting:

Material weakness(es) identified?	_______Yes	___X___No
Significant deficiency(ies) identified that are not considered a material weakness?	_______Yes	___X___None Reported

c. Noncompliance material to financial statements noted? _______Yes ___X___No

Major Program(s)

d. Internal control over major program(s):

Material weakness(es) identified?	_______Yes	___X___No
Significant deficiency (ies) identified that are not Considered a material weakness?	_______Yes	___X___None Reported

e. An unmodified opinion was issued on compliance for major Federal programs.

f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)? _______Yes ___X___No

g. Identification of major program(s):

Program/Cluster Name	Assistance Listing #	Amount
Coronavirus State and Local Fiscal Recovery Funds	21.027	$ 3,036,567

h. The dollar threshold used to distinguish between type A and type B programs. $1,000,000

i. Auditee qualified as a low-risk auditee? _______Yes ___X___No

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

There were no matters reported.

III. Findings and Questioned Costs for Federal Awards

There were no matters reported.

City of Saginaw, Texas
Summary of Prior Audit Findings
For the Fiscal Year Ended September 30, 2024

IV. Summary of Prior Year Findings

There were no matters reported.

City of Saginaw, Texas
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2025

Federal Grantor/ Pass-Through Grantor/ Program Title	Assistance Listing Number	Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Tarrant County			
Community Development Block Grants Entitlement/Special Purpose Grants Cluster	14.218	N/A	$ 180,000
Total U.S. Department of Housing and Urban Development			180,000
U.S. DEPARTMENT OF TRANSPORTATION			
Passed Through Texas Department of Transportation			
Highway Planning and Construction	20.205	0013-10-091	289,131
Total U.S. Department of Transportation			289,131
U.S. DEPARTMENT OF TREASURY			
Direct Awards			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	3,036,567
Total U.S. Department of Treasury			3,036,567
Total Expenditures of Federal Awards			$ 3,505,698

City of Saginaw, Texas
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2025

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented on the modified accrual basis of accounting as described in Note 1 to the basic financial statements for the year ended September 30, 2025.

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

Note 2. Subrecipients

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

Note 3. Non-Cash Assistance

The City received non-cash assistance from Texas Department of Transportation in the form of landscaping and irrigation systems during the fiscal year ended September 30, 2025. The expenditures are listed within the Schedule of Expenditures of Federal Awards under the Highway Planning and Construction grant for $289,131.

Note 4. Loans

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

Financial Advisory Services
Provided By:

SAMCO Capital