

# **CITY COUNCIL**

## **MEETING AGENDA**

**FEBRUARY 02, 2026, 6:00 PM**

**CITY COUNCIL REGULAR MEETING**

**HISTORIC CHURCH BUILDING - 403 N 7TH STREET, SANGER, TEXAS**



### **CALL THE WORK SESSION TO ORDER AND ESTABLISH A QUORUM**

#### **DISCUSSION ITEMS**

1. Consideration, acknowledgement, and acceptance of the annual financial report and related audit by BrooksWatson & Co. for the fiscal year ending September 30, 2025.
- [2.](#) Briefing by the City's Municipal Advisor on the potential refunding of the Series 2015 & Series 2017 Certificates of Obligation.

### **OVERVIEW OF ITEMS ON THE REGULAR AGENDA**

#### **ADJOURN THE WORK SESSION**

**The Regular Meeting will begin following the Work Session  
but not earlier than 7:00 p.m.**

### **CALL THE REGULAR MEETING TO ORDER AND ESTABLISH A QUORUM**

#### **INVOCATION AND PLEDGE**

#### **CITIZENS COMMENTS**

*This is an opportunity for citizens to address the Council on any matter. Comments related to public hearings will be heard when the specific hearing begins. Citizens are allowed 3 minutes to speak. Each speaker must complete the Speaker's Form and include the topic(s) to be presented. Citizens who wish to address the Council with regard to matters on the agenda will be received at the time the item is considered. The Council is not allowed to converse, deliberate or take action on any matter presented during citizen input.*

## CONSENT AGENDA

*All items on the Consent Agenda will be acted upon by one vote without being discussed separately unless requested by a Councilmember to remove the item(s) for additional discussion. Any items removed from the Consent Agenda will be taken up for individual consideration.*

- [3.](#) Consideration, acknowledgement, and acceptance of the annual financial report and related audit by BrooksWatson & Co. for the fiscal year ending September 30, 2025.
- [4.](#) Consideration and possible action on purchasing Electric Meters from Aqua-Metric Sales Company and authorizing the City Manager to execute said agreement and all necessary documents.
- [5.](#) Consideration and possible action on the minutes from the January 20, 2026, meeting.

## ACTION ITEMS

- [6.](#) Consideration and possible action to authorize the City Manager to execute a new task order under the FY2020 Engineering Assistance and Miscellaneous Task Agreement with Halff Associates, Inc., for professional landscape architectural and engineering services related to the Porter Park East Complex

## FUTURE AGENDA ITEMS

*The purpose of this item is to allow the Mayor and Councilmembers to bring forward items they wish to discuss at a future meeting, A Councilmember may inquire about a subject for which notice has not been given. A statement of specific factual information or the recitation of existing policy may be given. Any deliberation shall be limited to a proposal to place the subject on an agenda for a subsequent meeting. Items may be placed on a future meeting agenda with a consensus of the Council or at the call of the Mayor.*

## INFORMATIONAL ITEMS

*Information Items are for informational purposes only. No action may be taken on items listed under this portion of the agenda.*

- [7.](#) Republic Services Waste Report December 2025
- [8.](#) Atmos Rider GCR - Rate Filing under Docket No. OS-24-00019196 - January 26, 2026

## **ADJOURN**

**NOTE:** The City Council reserves the right to adjourn into Executive Session as authorized by Texas Government Code, Section 551.001, et seq. (The Texas Open Meetings Act) on any item on its open meeting agenda in accordance with the Texas Open Meetings Act, including, without limitation Sections 551.071-551.087 of the Texas Open Meetings Act.

## **CERTIFICATION**

I certify that a copy of this meeting notice was posted on the bulletin board at City Hall that is readily accessible to the general public at all times and was posted on the City of Sanger website on January 27, 2026, by 1:40 PM.

**/s/Kelly Edwards**

Kelly Edwards, City Secretary

The Historical Church is wheelchair accessible. Request for additional accommodations or sign interpretation or other special assistance for disabled attendees must be requested 48 hours prior to the meeting by contacting the City Secretary's Office at 940.458.7930.

# City of Sanger, Texas

## General Obligation Bonds Refunding Analysis

**Issue Description:** Tax-Exempt Current Refunding of Certificates of Obligation, Series 2015 & 2017

- Assumed Delivery: 04/03/2026
- Assumes NO CHANGE in Current Market Interest Rates
- Assumes "AA+" Underlying Rating

### Estimated Refunding Results & Rate Movement Sensitivity

	Current Rates 1/27/2026	Rate Decrease of 25 bps	Rate Increase of 25 bps
Total Savings	\$617,675	\$832,925	\$391,175
PV Savings	\$557,387	\$753,042	\$365,133
% PV Savings	4.58%	6.19%	3.00%
Refunded Par	\$12,160,000	\$12,160,000	\$12,160,000
"All-In" TIC	3.18%	2.93%	3.43%

### Raymond James' Past Analyses

	11/6/2025	1/7/2026	12/4/2025
Total Savings	\$571,681	\$605,752	\$554,556
PV Savings	\$518,583	\$551,956	\$508,638
% PV Savings	4.26%	4.54%	4.18%
Refunded Par	\$12,160,000	\$12,160,000	\$12,160,000
"All-In" TIC	3.22%	3.19%	3.25%

### Bonds to be Refunded

	Principal Refunded	Maturities Refunded	Refunded Bonds Call Date
Certificates of Obligation, Series 2015	\$3,450,000	2027-2035	5/03/2026 @ par
Certificates of Obligation, Series 2017	8,710,000	2027-2037	5/03/2026 @ par



# City of Sanger, Texas

## General Obligation Bonds Refunding Analysis

Assumed Delivery Date: 4/3/26

### Debt Service Savings Report - Current Interest Rates

*Tax-Exempt Current Refunding*

Fiscal Year ending 9/30	Total Bonds to be Refunded			Series 2026 Refunding Bonds				Debt Service Savings
	Principal	Interest	Total	Principal	Yield	Interest	Total	
2026		\$238,050	\$238,050			\$238,050	\$238,050 <sup>(1)</sup>	\$0
2027	\$390,000	476,100	866,100	\$265,000	2.400%	546,000	811,000	55,100
2028	875,000	454,725	1,329,725	740,000	2.420%	532,750	1,272,750	56,975
2029	900,000	421,200	1,321,200	770,000	2.450%	495,750	1,265,750	55,450
2030	940,000	386,194	1,326,194	815,000	2.510%	457,250	1,272,250	53,944
2031	975,000	349,200	1,324,200	855,000	2.570%	416,500	1,271,500	52,700
2032	1,010,000	310,938	1,320,938	890,000	2.640%	373,750	1,263,750	57,188
2033	1,055,000	271,206	1,326,206	940,000	2.740%	329,250	1,269,250	56,956
2034	1,420,000	229,713	1,649,713	1,310,000	2.820%	282,250	1,592,250	57,463
2035	1,475,000	173,656	1,648,656	1,375,000	2.940%	216,750	1,591,750	56,906
2036	1,535,000	115,344	1,650,344	1,445,000	3.040%	148,000	1,593,000	57,344
2037	1,585,000	63,400	1,648,400	1,515,000	3.160%	75,750	1,590,750	57,650
<b>Totals</b>	<b>\$12,160,000</b>	<b>\$3,489,725</b>	<b>\$15,649,725</b>	<b>\$10,920,000</b>		<b>\$4,112,050</b>	<b>\$15,032,050</b>	<b>\$617,675</b>

<sup>(1)</sup> Includes an interest & sinking fund contribution of \$174,350

Present Value Debt Service Savings: \$ 557,387

PV Savings as a % of Refunded Principal: 4.58%

### Bonds to be Refunded

	Principal Refunded	Maturities Refunded	Refunded Bonds Call Date
Certificates of Obligation, Series 2015	\$3,450,000	2027-2035	5/03/2026 @ par
Certificates of Obligation, Series 2017	8,710,000	2027-2037	5/03/2026 @ par

Analysis Dated: 01/27/26

RAYMOND JAM



## General Obligation Refunding Bonds, Series 2026

February						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March						
Su	M	Tu	W	Th	F	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

1.9.2026

Date	Activity	Responsibility
February 2	MA briefing to City Council	MA, City
February 13	Notice to bond holders submitted to Paying Agent	MA, City, BC
February 13	First draft of POS due	UWC
February 18	S&P rating call	MA, City, RA
March 4	Comments due on first draft of POS	All
March 5	S&P rating released	RA
March 6	Revised draft of POS circulated	UWC
March 10	Comments due on revised draft of POS	All
March 11	Underwriters' Due Diligence Call	All
March 12	POS circulated	UWC
March 16	Price Bonds	MA, UW, BC, UWC
March 16	City at a Regular Meeting signs Bond Purchase Agreement (BPA) and adopts Ordinance authorizing issuance	MA, City, BC
March 18	Distribute initial draft of Official Statement	UWC
March 24	Print Official Statement	All
March 25	First draft of Funding Memorandum Circulated	MA
March 31	Final Funding Memorandum Circulated	MA
April 3	Closing & Funding	All

City  
MA  
BC  
UW  
UWC  
RA

City of Sanger  
Government Capital Securities Corporation  
Jackson Walker LLP  
Raymond James  
Naman Howell LLP  
Standard & Poor's

Issuer  
Municipal Advisor  
Bond Counsel  
Underwriter  
Underwriters Counsel  
Rating Agency

CITY OF  
**Sanger, Texas**



# **2025 ANNUAL FINANCIAL REPORT**

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FOR FISCAL YEAR ENDED  
SEPTEMBER 30, 2025

502 ELM STREET | SANGER, TEXAS 76266 | [WWW.SANGERTEXAS.ORG](http://WWW.SANGERTEXAS.ORG)  
281.446.3061

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***ANNUAL FINANCIAL REPORT***

**of the**

**City of Sanger, Texas**

**For the Year Ended  
September 30, 2025**



# City of Sanger, Texas

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***INDEPENDENT AUDITOR'S REPORT***

To the Honorable Mayor and  
Members of the City Council  
City of Sanger, Texas:

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sanger, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sanger, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. 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 one year after the date that the financial statements are issued.

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

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Emphasis of Matter***

As discussed in Note V.G. to the financial statements, due to the implementation of GASB 101, *Compensated Absences*, the City restated its beginning net position within governmental activities, business-type activities, component unit activities, and the water, sewer, and electric fund. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions to pension plan, schedule of changes in other postemployment benefits liability and related ratios, and general fund budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Sanger, Texas' basic financial statements. The combining schedule by department for the proprietary fund is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 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.

A handwritten signature in black ink that reads "Brooks Watson & Co." in a cursive, flowing script.

Brooks Watson & Co.  
Certified Public Accountants  
Houston, Texas  
January 22, 2026

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

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# City of Sanger, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

### September 30, 2025

As management of the City of Sanger, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025.

#### **Financial Highlights**

- The City's total combined net position is \$74,507,016 at September 30, 2025. Of this, \$32,914,662 (unrestricted net position) may be used to meet the City's ongoing obligations to its citizens and creditors.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$24,083,496, a decrease of \$547,505.
- As of the end of the year, the unassigned fund balance of the general fund was \$18,520,185 or 114% of total general fund expenditures.
- The City had an overall increase in net position of \$8,974,058, which is primarily due to revenues exceeding expenses for both governmental and business-type activities.

#### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

#### **Government-Wide 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, liabilities, and deferred inflows/outflows with the difference 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses

# City of Sanger, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

### September 30, 2025

are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other 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, public safety, public works, and culture and recreation. The business-type activities of the City include water, sewer and electric operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Sanger Industrial Development Corporation ("4A") and the Sanger Texas Development Corporation ("4B"), for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

## FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City of Sanger. They are usually segregated for specific activities or objectives. The City of Sanger uses fund accounting to ensure and demonstrate compliance with finance-related legal reporting requirements. The two categories of City funds are governmental and proprietary.

### 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 *near-term inflows and outflows of spendable resources*, as well as *on balances of spendable resources* available at the end of the year. Such information may be useful in evaluating the City's near-term financing 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Sanger maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues,



# City of Sanger, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*

### September 30, 2025

expenditures, and changes in fund balances for the general, debt service, and capital projects funds. All three funds are considered to be major funds.

The City of Sanger adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided to demonstrate compliance with the general fund budget.

#### **Proprietary Funds**

The City maintains two different types of proprietary funds. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses a proprietary fund to account for its public utilities. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, meter maintenance, billing and collection. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for administrative support services to other funds of the City.

#### **Component Units**

The City maintains the accounting and financial statements for two component units. The 4A and the 4B are both discretely presented component units displayed on the government-wide financial statements.

#### **Notes to Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are the last section of the basic financial statements.

#### **Other Information**

In addition to the basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI that GASB Statement No. 34 requires is a budgetary comparison schedule for the general fund and schedules for the City's Defined Pension Plan. RSI can be found after the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Sanger, assets and deferred outflows exceeded liabilities and deferred inflows by \$74,507,016 as of September 30, 2025, in the primary government.

**City of Sanger, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued***  
**September 30, 2025**

A large portion of the City's net position, \$34,340,623, reflects its investments in capital assets (e.g., land, city hall, police station, streets, and drainage systems, as well as the public works facilities), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services 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 sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$7,251,731, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$32,914,662 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

Long-term assets of governmental activities increased by \$3,354,542 primarily due to greater capital asset balances, which is the result of new roadway improvements and purchase of public safety vehicles/equipment during the year.

Other liabilities of business-type activities decreased by \$789,333 and is primarily attributable to fewer outstanding payables to vendors and timing of repayments during the current year.

Total long-term liabilities of the primary government decreased by \$3,122,913 primarily due to principal payments made on long-term debt and a decline in the City's net pension liability.

**City of Sanger, Texas**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued**  
**September 30, 2025**

**Statement of Net Position:**

The following table reflects the condensed Statement of Net Position:

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and						
other assets	\$ 25,883,428	\$ 22,652,619	\$ 48,536,047	\$ 26,746,021	\$ 21,627,171	\$ 48,373,192
Long-term assets	34,098,411	52,948,427	87,046,838	30,743,869	51,221,002	81,964,871
<b>Total Assets</b>	<b>59,981,839</b>	<b>75,601,046</b>	<b>135,582,885</b>	<b>57,489,890</b>	<b>72,848,173</b>	<b>130,338,063</b>
<b>Def. Outflows</b>						
<b>of Resources</b>	<b>932,495</b>	<b>255,689</b>	<b>1,188,184</b>	<b>817,654</b>	<b>272,625</b>	<b>1,090,279</b>
Other liabilities	3,288,806	3,433,603	6,722,409	3,167,989	4,222,936	7,390,925
Long-term liab.	15,836,428	39,412,069	55,248,497	17,451,891	40,919,519	58,371,410
<b>Total Liabilities</b>	<b>19,125,234</b>	<b>42,845,672</b>	<b>61,970,906</b>	<b>20,619,880</b>	<b>45,142,455</b>	<b>65,762,335</b>
<b>Def. Inflows</b>						
<b>of Resources</b>	<b>249,313</b>	<b>43,834</b>	<b>293,147</b>	<b>118,504</b>	<b>14,545</b>	<b>133,049</b>
Net Position:						
Net investment						
in capital assets	20,281,776	14,058,847	34,340,623	16,792,681	10,828,242	27,620,923
Restricted	4,627,950	2,623,781	7,251,731	4,058,537	3,461,094	7,519,631
Unrestricted	16,630,061	16,284,601	32,914,662	16,717,942	13,674,462	30,392,404
<b>Total Net Position</b>	<b>\$ 41,539,787</b>	<b>\$ 32,967,229</b>	<b>\$ 74,507,016</b>	<b>\$ 37,569,160</b>	<b>\$ 27,963,798</b>	<b>\$ 65,532,958</b>

# City of Sanger, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

### September 30, 2025

#### Statement of Activities:

The following table provides a summary of the City's changes in net position:

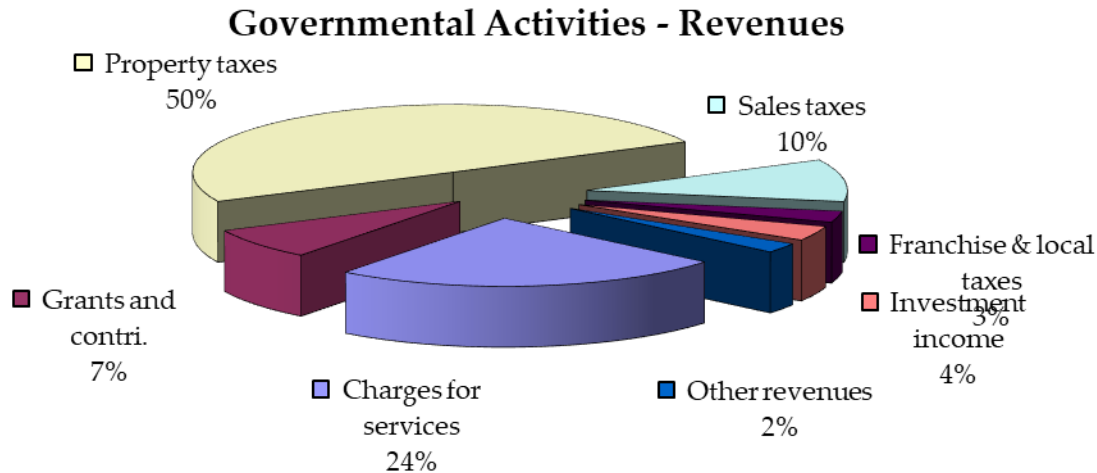
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
			Total			Total
	Governmental	Business-Type	Primary	Governmental	Business-Type	Primary
	Activities	Activities	Government	Activities	Activities	Government
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 4,439,328	\$ 11,809,446	\$ 16,248,774	\$ 2,824,610	\$ 15,522,110	\$ 18,346,720
Grants and contri.	1,365,862	3,750,153	5,116,015	966,465	-	966,465
General revenues:						
Property taxes	9,074,520	-	9,074,520	8,777,206	-	8,777,206
Sales taxes	1,838,122	-	1,838,122	1,643,141	-	1,643,141
Franchise & local taxes	485,144	-	485,144	473,083	-	473,083
Investment income	635,658	389,020	1,024,678	622,104	446,874	1,068,978
Other revenues	427,275	214,649	641,924	216,945	79,200	296,145
<b>Total Revenues</b>	<b>18,265,909</b>	<b>16,163,268</b>	<b>34,429,177</b>	<b>15,523,554</b>	<b>16,048,184</b>	<b>31,571,738</b>
<b>Expenses</b>						
General government	3,936,995	-	3,936,995	3,504,862	-	3,504,862
Public safety	7,302,986	-	7,302,986	5,332,387	-	5,332,387
Public works	2,171,707	-	2,171,707	2,000,936	-	2,000,936
Culture and recreation	1,031,765	-	1,031,765	974,952	-	974,952
Interest & fiscal chrgs.	696,118	1,181,001	1,877,119	731,793	1,206,352	1,938,145
Water, sewer, & electric	-	12,884,700	12,884,700	-	12,866,631	12,866,631
<b>Total Expenses</b>	<b>15,139,571</b>	<b>14,065,701</b>	<b>29,205,272</b>	<b>12,544,930</b>	<b>14,072,983</b>	<b>26,617,913</b>
<b>Change in Net Position</b>						
<b>Before Transfers</b>	<b>3,126,338</b>	<b>2,097,567</b>	<b>5,223,905</b>	<b>2,978,624</b>	<b>1,975,201</b>	<b>4,953,825</b>
Transfers	844,289	2,905,864	3,750,153	(1,403,155)	1,403,155	-
<b>Total</b>	<b>844,289</b>	<b>2,905,864</b>	<b>3,750,153</b>	<b>(1,403,155)</b>	<b>1,403,155</b>	<b>-</b>
<b>Change in Net Position</b>	<b>3,970,627</b>	<b>5,003,431</b>	<b>8,974,058</b>	<b>1,575,469</b>	<b>3,378,356</b>	<b>4,953,825</b>
Beginning Net Position	37,569,160	27,963,798	65,532,958	35,993,691	24,585,442	60,579,133
<b>Ending Net Position</b>	<b>\$ 41,539,787</b>	<b>\$ 32,967,229</b>	<b>\$ 74,507,016</b>	<b>\$ 37,569,160</b>	<b>\$ 27,963,798</b>	<b>\$ 65,532,958</b>

# City of Sanger, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued

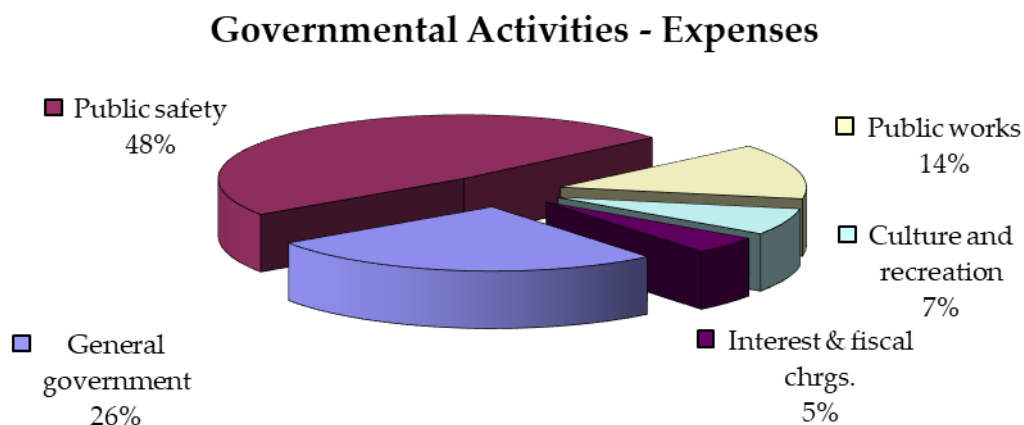
September 30, 2025

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.



For the year ended September 30, 2025, revenues from governmental activities totaled \$18,265,909. Property tax, charges for services, and sales taxes are the City's largest revenue sources. Charges for services increased by \$1,614,718 or 57% primarily due to nonrecurring building permits earned on new developments and greater ambulance services in the current year. Grants and contributions increased by \$399,397 or 41% primarily due to an increase in roadway impact fees received in the prior year. Sales taxes increased by \$194,981 or 12% primarily due to economic growth fueled by local purchases. Other revenues increased by \$210,330 or 97% primarily due to gains on sale of capital assets in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2025, expenses for governmental activities totaled \$15,139,571. This represents an increase of \$2,594,641 or 21% from the prior year. The City's largest functional expense is public safety of \$7,302,986, which primarily includes costs for the police department, animal control, fire department, and EMS services. Public safety expenses increased by \$1,970,599 or 37% primarily as a result of greater personnel costs, as the City hired new patrol officers, added new fire department

# City of Sanger, Texas

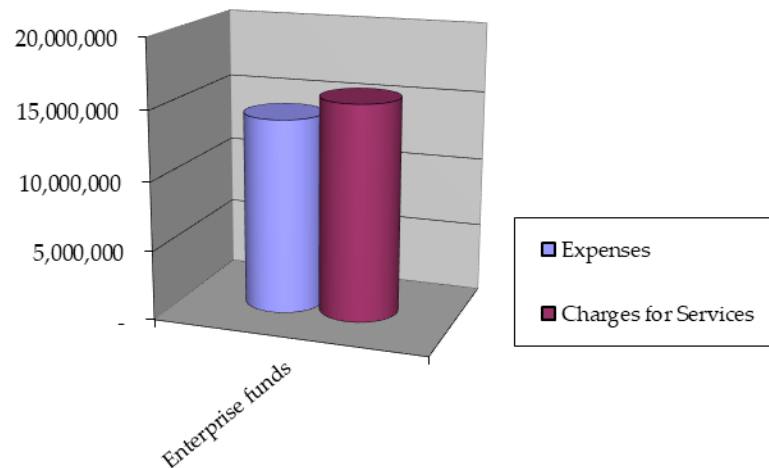
## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

positions, and approved pay raises during the year. General government increased by \$432,133 or 12% due to administrative support transfers to the internal service fund and greater hours worked by administrative employees during the year. Public works expenses increased by \$170,771 or 9% due to asphalt repairs and engineering fees related to new developments in the current year. Culture and recreation expenses increased by \$56,813 or 6% primarily due to new pay plan increases implemented in October of 2024. All other expenses remained relatively stable when compared to the previous year.

Business-type activities are shown comparing operating costs to revenues generated by related services.

### Business-Type Activities - Revenues and Expenses



For the year ended September 30, 2025, charges for services by business-type activities totaled \$11,809,446. This represents an increase of \$3,712,664 or less than 1% from the previous year. Grants and contributions increased by \$3,750,153 or over 100% as a direct result of grant reimbursements from TXDOT for the I-35 relocation project in the current year.

Utility service expenses remained relatively consistent with the prior year. Interest and fiscal charges increased by \$25,351 or 2%, and is also considered consistent.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

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

# City of Sanger, Texas

## MANAGEMENT'S DISCUSSION AND ANALYSIS, *Continued*

September 30, 2025

As of the end of the year the general fund reflected a total fund balance of \$23,111,771. Of this, \$23,344 is restricted for municipal court, \$410,033 is restricted for tourism, \$114,111 is restricted for library improvements, \$196,329 for public safety, \$27,289 is restricted for parks, \$2,412,862 is restricted for roadway impact fees, and \$1,239,934 is restricted for capital projects. In addition, \$167,684 is committed for employee benefits. Unassigned fund balance totaled \$18,520,185 as of yearend. The general fund increased by \$383,154 primarily as a result of greater than expected revenues and less than anticipated expenditures.

The capital projects fund reflected an ending balance of \$664,292, a decrease of \$902,867. This decrease was a result of significant capital outlay expenditures recognized during the year.

The debt service fund reflected an ending balance of \$307,433, a decrease of \$27,792. This decrease was due to current year expenditures exceeding revenues.

Proprietary Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### GENERAL FUND BUDGETARY HIGHLIGHTS

There was a total positive budget variance of \$638,549 in the general fund. This is a combination of a positive revenue variance of \$126,722, a positive expenditure variance of \$497,447, and a positive variance of \$14,380 in other financing sources and uses. The most significant revenue variances were for licenses/permits and intergovernmental revenues. The net positive budget variance for the general fund was \$638,549 for the year.

### CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested \$34,065,411 in a variety of capital assets and infrastructure, net of accumulated depreciation. Depreciation is included with the governmental capital assets as required by GASB Statement No. 34. The City's business-type activities funds had invested \$52,948,427 in a variety of capital assets and infrastructure, net of accumulated depreciation.

Major capital asset events during the current year include the following:

- I-35 relocation and aesthetics project investments totaling \$3,512,172.
- AMR Metering system investments for \$276,889.
- Marion Road arterial improvements totaling \$372,302.
- Senior Center improvements for \$253,007.
- Purchased four F-150 trucks in the police department totaling \$297,374.

# City of Sanger, Texas

## *MANAGEMENT'S DISCUSSION AND ANALYSIS, Continued*

### September 30, 2025

- Purchased Axon software in car dash cameras for \$210,091.
- Purchased public safety vehicles & equipment totaling \$2,230,818.
- Purchased Chevrolet Silverado in the electric department for \$99,443.
- Purchased modular building for fire services totaling \$448,780.
- Roadway & street infrastructure improvements totaling \$586,891.
- Purchased new blowers for wastewater treatment plant totaling \$128,140.

More detailed information about the City's capital assets is presented in note IV. D to the financial statements.

#### **LONG-TERM DEBT**

At the end of the current year, the City had total long-term debt (including premiums) outstanding of \$54,228,745. The City made principal payments on outstanding bonds, notes, and leases of \$2,204,035. More detailed information about the City's long-term liabilities is presented in note IV. E to the financial statements.

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

The Mayor and City Council are committed to maintaining and improving the overall wellbeing of the City of Sanger and improving services provided to their public citizens. The City is considering budgeting conservatively for the upcoming year and planning to maintain similar services.

#### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City of Sanger's finances for all those with an interest in the City's finances. Questions concerning this report or requests for additional financial information should be directed to the City Manager at the City of Sanger City Hall at 502 Elm Street, Sanger, Texas 76266.



## ***FINANCIAL STATEMENTS***

**City of Sanger, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**September 30, 2025**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Current assets:			
Cash and cash equivalents	\$ 24,066,985	\$ 15,123,972	\$ 39,190,957
Restricted cash	126,428	-	126,428
Investments	595,027	765,159	1,360,186
Receivables, net	978,844	5,170,918	6,149,762
Inventory	-	1,592,570	1,592,570
Due from component units	116,144	-	116,144
<b>Total Current Assets</b>	<b>25,883,428</b>	<b>22,652,619</b>	<b>48,536,047</b>
Noncurrent assets:			
Lease receivable, noncurrent portion	33,000	-	33,000
Capital assets			
Non-depreciable	15,241,797	12,413,090	27,654,887
Net depreciable capital assets	18,823,614	40,535,337	59,358,951
<b>Total Noncurrent Assets</b>	<b>34,098,411</b>	<b>52,948,427</b>	<b>87,046,838</b>
<b>Total Assets</b>	<b>59,981,839</b>	<b>75,601,046</b>	<b>135,582,885</b>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred charge on refunding	7,789	57,122	64,911
Pension outflows	918,699	197,312	1,116,011
OPEB outflows	6,007	1,255	7,262
<b>Total Deferred Outflows of Resources</b>	<b>932,495</b>	<b>255,689</b>	<b>1,188,184</b>

See Notes to Financial Statements.

Component Units	
Sanger Industrial Dev. Corp. (4A)	Sanger Texas Dev. Corp. (4B)
\$ 6,306,468	\$ 3,127,280
-	-
102,746	309,488
153,638	153,638
-	-
-	-
6,562,852	3,590,406
-	-
-	-
259	-
259	-
6,563,111	3,590,406
-	-
-	-
-	-
-	-
-	-

**City of Sanger, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**September 30, 2025**

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b><u>Liabilities</u></b>			
Current liabilities:			
Accounts payable and			
accrued liabilities	\$ 1,523,593	\$ 1,152,398	\$ 2,675,991
Accrued interest payable	119,574	452,469	572,043
Customer deposits	-	581,447	581,447
Due to primary government	-	-	-
Compensated absences - current	452,265	115,989	568,254
Long term debt due within one year	1,193,374	1,131,300	2,324,674
<b>Total Current Liabilities</b>	<b>3,288,806</b>	<b>3,433,603</b>	<b>6,722,409</b>
Noncurrent liabilities:			
Debt due in more than one year	13,084,138	38,820,019	51,904,157
Compensated absences - noncurrent	120,233	26,755	146,988
OPEB liability	143,102	30,735	173,837
Net pension liability	2,488,955	534,560	3,023,515
<b>Total Noncurrent Liabilities</b>	<b>15,836,428</b>	<b>39,412,069</b>	<b>55,248,497</b>
<b>Total Liabilities</b>	<b>19,125,234</b>	<b>42,845,672</b>	<b>61,970,906</b>
<b><u>Deferred Inflows of Resources</u></b>			
OPEB inflows	27,815	5,974	33,789
Pension inflows	176,281	37,860	214,141
Lease related	45,217	-	45,217
<b>Total Deferred Inflows of Resources</b>	<b>249,313</b>	<b>43,834</b>	<b>293,147</b>
<b><u>Net Position</u></b>			
Net investment in capital assets	20,281,776	14,058,847	34,340,623
Restricted for:			
Debt service	307,433	-	307,433
Parks	27,289	-	27,289
Economic development	-	-	-
Roadway impact fees	2,412,862	-	2,412,862
Capital improvements	1,136,549	2,623,781	3,760,330
Other purposes	743,817	-	743,817
Unrestricted	16,630,061	16,284,601	32,914,662
<b>Total Net Position</b>	<b>\$ 41,539,787</b>	<b>\$ 32,967,229</b>	<b>\$ 74,507,016</b>

See Notes to Financial Statements.

Component Units	
Sanger Industrial Dev. Corp. (4A)	Sanger Texas Dev. Corp. (4B)
\$ 13,992	\$ 14,951
-	-
-	-
58,072	58,072
12,330	-
-	-
84,394	73,023
-	-
3,166	-
-	-
-	-
3,166	-
87,560	73,023
-	-
-	-
-	-
-	-
259	-
-	-
-	-
6,475,292	3,517,383
-	-
-	-
-	-
-	-
\$ 6,475,551	\$ 3,517,383

# City of Sanger, Texas

## STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 3,936,995	\$ 3,209,673	\$ 180,000	\$ -
Public safety	7,302,986	1,229,655	206,514	-
Public works	2,171,707	-	-	979,348
Culture and recreation	1,031,765	-	-	-
Interest and fiscal charges	696,118	-	-	-
<b>Total Governmental Activities</b>	<b>15,139,571</b>	<b>4,439,328</b>	<b>386,514</b>	<b>979,348</b>
<b>Business-Type Activities</b>				
Water	2,437,273	3,104,287	-	-
Sewer	2,464,073	(674,211)	-	3,750,153
Electric	7,526,366	9,379,370	-	-
Utility administration	1,637,989	-	-	-
<b>Total Business-Type Activities</b>	<b>14,065,701</b>	<b>11,809,446</b>	<b>-</b>	<b>3,750,153</b>
<b>Total Primary Government</b>	<b>\$ 29,205,272</b>	<b>\$ 16,248,774</b>	<b>\$ 386,514</b>	<b>4,729,501</b>
<b>Component Units</b>				
Sanger Ind. Dev. Corp. (4A)	400,345	-	-	-
Sanger Texas Dev. Corp. (4B)	349,145	-	-	-
	<b>\$ 749,490</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### General Revenues:

Taxes

Property taxes

Sales taxes

Franchise and local taxes

Investment income

Other revenues

Gain on sale of capital assets

Insurance recoveries

### Transfers

### Total General Revenues and Transfers

### Change in Net Position

Beginning Net Position, as previously presented

Adoption of GASB 101

Beginning Net Position, as adjusted

### Ending Net Position

See Notes to Financial Statements.

## Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-Type Activities	Total	Sanger Industrial Dev. Corp. (4A)	Sanger Texas Dev. Corp. (4B)
\$ (547,322)	\$ -	\$ (547,322)	\$ -	\$ -
(5,866,817)	-	(5,866,817)	-	-
(1,192,359)	-	(1,192,359)	-	-
(1,031,765)	-	(1,031,765)	-	-
(696,118)	-	(696,118)	-	-
(9,334,381)	-	(9,334,381)	-	-
-	667,014	667,014	-	-
-	611,869	611,869	-	-
-	1,853,004	1,853,004	-	-
-	(1,637,989)	(1,637,989)	-	-
-	1,493,898	1,493,898	-	-
(9,334,381)	1,493,898	(7,840,483)	-	-
			(400,345)	-
			-	(349,145)
			(400,345)	(349,145)
9,074,520	-	9,074,520	-	-
1,838,122	-	1,838,122	909,167	909,167
485,144	-	485,144	-	-
635,658	389,020	1,024,678	148,564	75,702
328,051	214,649	542,700	-	1,800
94,918	-	94,918	-	-
4,306	-	4,306	-	-
844,289	2,905,864	3,750,153	-	-
13,305,008	3,509,533	16,814,541	1,057,731	986,669
3,970,627	5,003,431	8,974,058	657,386	637,524
37,932,640	28,066,154	65,998,794	5,827,419	2,879,859
(363,480)	(102,356)	(465,836)	(9,254)	-
37,569,160	27,963,798	65,532,958	5,818,165	2,879,859
\$ 41,539,787	\$ 32,967,229	\$ 74,507,016	\$ 6,475,551	\$ 3,517,383

# City of Sanger, Texas

## BALANCE SHEET GOVERNMENTAL FUNDS September 30, 2025

	General	Capital Projects Fund	Debt Service
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 22,819,165	\$ 641,249	\$ 307,433
Restricted cash	-	126,428	-
Investments	595,027	-	-
Receivables, net	739,124	186,151	33,776
Lease receivables	52,793	-	-
Due from component units	116,144	-	-
<b>Total Assets</b>	<b>\$ 24,322,253</b>	<b>\$ 953,828</b>	<b>\$ 341,209</b>
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 961,752	\$ 289,536	\$ -
<b>Total Liabilities</b>	<b>961,752</b>	<b>289,536</b>	<b>-</b>
<b><u>Deferred Inflows of Resources</u></b>			
Unavailable revenue			
Property taxes	178,120	-	33,776
EMS revenue	25,393	-	-
Lease related	45,217	-	-
<b>Total Deferred Inflows of Resources</b>	<b>248,730</b>	<b>-</b>	<b>33,776</b>
<b><u>Fund Balances</u></b>			
Restricted for:			
Municipal court	23,344	-	-
Tourism	410,033	-	-
Library	114,111	-	-
Public safety	196,329	-	-
Debt service	-	-	307,433
Parks	27,289	-	-
Roadway impact fees	2,412,862	-	-
Capital projects	1,239,934	664,292	-
Committed for:			
Employee benefits	167,684	-	-
Unassigned reported in:			
General fund	18,520,185	-	-
<b>Total Fund Balances</b>	<b>23,111,771</b>	<b>664,292</b>	<b>307,433</b>
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 24,322,253</b>	<b>\$ 953,828</b>	<b>\$ 341,209</b>

See Notes to Financial Statements.



<b>Total Governmental Funds</b>	
<hr/>	
\$	23,767,847
	126,428
	595,027
	959,051
	52,793
	116,144
<hr/>	
\$	25,617,290
<hr/>	

\$	1,251,288
<hr/>	
	1,251,288
<hr/>	

	211,896
	25,393
	45,217
<hr/>	
	282,506
<hr/>	

	23,344
	410,033
	114,111
	196,329
	307,433
	27,289
	2,412,862
	1,904,226
	167,684
<hr/>	
	18,520,185
<hr/>	
	24,083,496
<hr/>	
\$	25,617,290
<hr/>	

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# City of Sanger, Texas

## RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS September 30, 2025

<b>Fund Balances - Total Governmental Funds</b>	<b>\$ 24,083,496</b>
<b>Adjustments for the Statement of Net Position:</b>	
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	
Capital assets - non-depreciable	15,241,797
Capital assets - net depreciable	18,621,272
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Property tax receivable	211,896
EMS receivable	25,393
Deferred outflows (inflows) of resources, represent a consumption (acquisition) of net position that applies to a future period(s) and is not recognized as an outflow (inflow) of resources (expense/ expenditure) (revenue) until then.	
Deferred charge on refunding	7,789
Pension contributions	583,089
OPEB contributions	2,190
Pension outflows	203,756
Pension inflows	(150,981)
OPEB outflows	2,991
OPEB inflows	(23,823)
Internal service funds are used by management to charge the cost of internal services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position - governmental activities	(168,690)
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.	
Accrued interest	(119,574)
Compensated absences	(467,593)
Bond premium	(16,904)
Net pension liability	(2,131,735)
OPEB liability	(122,564)
Non-current liabilities due in one year	(1,187,472)
Non-current liabilities due in more than one year	(13,054,546)
<b>Net Position of Governmental Activities</b>	<b>\$ 41,539,787</b>

See Notes to Financial Statements.

# City of Sanger, Texas

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

For the Year Ended September 30, 2025

	General	Capital Projects Fund	Debt Service
<b><u>Revenues</u></b>			
Property tax	\$ 7,526,421	\$ -	\$ 1,624,485
Sales tax	1,838,122	-	-
Franchise and local taxes	485,144	-	-
License and permits	1,825,281	-	-
Charges for services	1,384,392	-	-
Fire and rescue	1,082,150	-	-
Contributions and donations	107,790	-	-
Intergovernmental	98,724	186,151	180,000
Fines and forfeitures	147,505	-	-
Investment income	583,292	35,392	16,974
Roadway impact fees	793,197	-	-
Other revenue	328,051	-	-
<b>Total Revenues</b>	<b>16,200,069</b>	<b>221,543</b>	<b>1,821,459</b>
<b><u>Expenditures</u></b>			
Current:			
General government	3,760,495	-	1,250
Police department	3,651,772	-	-
Municipal court	231,812	-	-
Fire and EMS	5,767,897	-	-
Parks and recreation	795,624	-	-
Public works	2,030,449	-	-
Debt service:			
Principal	4,439	-	1,129,700
Interest	-	-	718,301
Capital outlay	25,902	1,616,448	-
<b>Total Expenditures</b>	<b>16,268,390</b>	<b>1,616,448</b>	<b>1,849,251</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(68,321)</b>	<b>(1,394,905)</b>	<b>(27,792)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers in	844,289	492,038	-
Transfers (out)	(492,038)	-	-
Sale of capital assets	94,918	-	-
Insurance recoveries	4,306	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>451,475</b>	<b>492,038</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>383,154</b>	<b>(902,867)</b>	<b>(27,792)</b>
Beginning fund balances	22,728,617	1,567,159	335,225
<b>Ending Fund Balances</b>	<b>\$ 23,111,771</b>	<b>\$ 664,292</b>	<b>\$ 307,433</b>

See Notes to Financial Statements.

**Total  
Governmental  
Funds**

---

\$	9,150,906
	1,838,122
	485,144
	1,825,281
	1,384,392
	1,082,150
	107,790
	464,875
	147,505
	635,658
	793,197
	328,051
	<hr/>
	18,243,071
	<hr/>

3,761,745
3,651,772
231,812
5,767,897
795,624
2,030,449

1,134,139
718,301
1,642,350
<hr/>
19,734,089
<hr/>
(1,491,018)

1,336,327
(492,038)
94,918
4,306
<hr/>
943,513
<hr/>
(547,505)

	24,631,001
\$	<hr/>
	24,083,496
	<hr/>

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# City of Sanger, Texas

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (547,505)
---	--------------

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.

Capital outlay	4,968,491
Depreciation expense	(1,602,985)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

EMS receivable	(170,149)
Property tax receivable	93,763

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(76,018)
Accrued interest	8,405
Pension expense	(7,291)
OPEB expense	(20,674)

The issuance of long-term debt (e.g., bonds, leases, certificates of obligation) 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 issuance costs, premiums, discounts, and similar items when they are first issued; whereas, these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal payments	1,134,139
Amortization of deferred charges	(907)
Amortization of bond premium	14,685

Internal service funds are used by management to charge the cost of internal services to individual funds. The City reports the net gain (loss) of internal service funds within governmental activities.

	176,673
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 3,970,627</b>

See Notes to Financial Statements.

**City of Sanger, Texas**  
**STATEMENT OF NET POSITION (Page 1 of 2)**  
**PROPRIETARY FUND**  
**September 30, 2025**

	<b>Water, Sewer &amp; Electric</b>	<b>Governmental Activities Internal Service</b>
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalents	\$ 15,123,972	\$ 299,138
Investments	765,159	-
Receivables, net	5,170,918	-
Inventory	1,592,570	-
<b>Total Current Assets</b>	<b>22,652,619</b>	<b>299,138</b>
<b><u>Noncurrent Assets</u></b>		
Capital assets:		
Non-depreciable	12,413,090	-
Net depreciable capital assets	40,535,337	202,342
<b>Total Noncurrent Assets</b>	<b>52,948,427</b>	<b>202,342</b>
<b>Total Assets</b>	<b>75,601,046</b>	<b>501,480</b>
<b><u>Deferred Outflows of Resources</u></b>		
Deferred charge on refunding	57,122	-
Pension outflows	197,312	131,854
OPEB outflows	1,255	826
<b>Total Deferred Outflows of Resources</b>	<b>255,689</b>	<b>132,680</b>



**City of Sanger, Texas**  
**STATEMENT OF NET POSITION (Page 2 of 2)**  
**PROPRIETARY FUND**  
**September 30, 2025**

	<b>Water, Sewer &amp; Electric</b>	<b>Governmental Activities Internal Service</b>
<b><u>Liabilities</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts payable and accrued liabilities	\$ 1,152,398	\$ 272,305
Accrued interest	452,469	-
Customer deposits	581,447	-
Lease liabilities - current	-	5,902
Compensated absences - current	115,989	83,776
Bonds and leases liabilities - current	1,131,300	-
<b>Total Current Liabilities</b>	<b>3,433,603</b>	<b>361,983</b>
<b><u>Noncurrent Liabilities</u></b>		
Compensated absences - noncurrent	26,755	21,129
Lease liabilities - noncurrent	-	12,688
Net pension liability	534,560	357,220
OPEB liability	30,735	20,538
Bonds and lease liabilities - noncurrent	38,820,019	-
<b>Total Liabilities</b>	<b>42,845,672</b>	<b>773,558</b>
<b><u>Deferred Inflows of Resources</u></b>		
OPEB inflows	5,974	3,992
Pension inflows	37,860	25,300
<b>Total Deferred Inflows of Resources</b>	<b>43,834</b>	<b>29,292</b>
<b><u>Net Position</u></b>		
Net investment in capital assets	14,058,847	183,752
Restricted for capital improvements	2,623,781	-
Unrestricted	16,284,601	(352,442)
<b>Total Net Position</b>	<b>\$ 32,967,229</b>	<b>\$ (168,690)</b>

See Notes to Financial Statements.

# City of Sanger, Texas

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUND

For the Year Ended September 30, 2025

	Water, Sewer & Electric	Governmental Activities Internal Service
<b><u>Operating Revenues</u></b>		
Charges for services	\$ 15,113,178	\$ 4,043,016
Connection fees	73,608	-
Tap fees	372,813	-
Other revenue	214,649	30,000
<b>Total Operating Revenues</b>	<b>15,774,248</b>	<b>4,073,016</b>
<b><u>Operating Expenses</u></b>		
Salaries and wages	3,297,150	2,048,546
Contracted services	1,027,171	1,282,625
Utilities	372,284	118,206
Materials and supplies	323,367	313,181
Water and electric purchases	4,924,221	-
Repairs and maintenance	804,405	100,090
Depreciation	2,136,102	33,695
<b>Total Operating Expenses</b>	<b>12,884,700</b>	<b>3,896,343</b>
<b>Operating Income (Loss)</b>	<b>2,889,548</b>	<b>176,673</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>		
Investment income	389,020	-
Interest expense	(1,181,001)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(791,981)</b>	<b>-</b>
<b>Income (Loss) Before Transfers</b>	<b>2,097,567</b>	<b>176,673</b>
Capital grants	3,750,153	-
Transfers (out)	(844,289)	-
<b>Change in Net Position</b>	<b>5,003,431</b>	<b>176,673</b>
Beginning net position, as previously reported	28,066,154	(225,756)
Adoption of GASB 101	(102,356)	(119,607)
Beginning net position, as adjusted	27,963,798	(345,363)
<b>Ending Net Position</b>	<b>\$ 32,967,229</b>	<b>\$ (168,690)</b>

See Notes to Financial Statements.

**City of Sanger, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (Page 1 of 2)**  
**For the Year Ended September 30, 2025**

	Water, Sewer & Electric	Governmental Activities Internal Service
<b><u>Cash Flows from Operating Activities</u></b>		
Receipts from customers	\$ 12,593,633	\$ -
Receipts from interfund charges for administrative services	-	4,073,016
Payments to suppliers	(9,025,388)	(1,742,537)
Payments to employees	(3,463,363)	(2,261,246)
Receipts from (payments to) other funds	1,910	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>106,792</b>	<b>69,233</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>		
Operating transfers (out)	(844,289)	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(844,289)</b>	<b>-</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>		
Capital purchases	(3,863,527)	(42,525)
Capital grants	3,750,153	-
Principal paid on lease liabilities	-	(9,596)
Principal paid on debt	(1,060,300)	-
Interest paid on debt (including bond issuance costs)	(1,322,338)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,496,012)</b>	<b>(52,121)</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchases of investments, net	(17,259)	-
Interest on investments	389,020	-
<b>Net Cash Provided by Investing Activities</b>	<b>371,761</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,861,748)</b>	<b>17,112</b>
Beginning cash and cash equivalents	17,985,720	282,026
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 15,123,972</b>	<b>\$ 299,138</b>

See Notes to Financial Statements.

**City of Sanger, Texas**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND (Page 2 of 2)**  
**For the Year Ended September 30, 2025**

	<u>Water, Sewer &amp; Electric</u>	<u>Governmental Activities Internal Service</u>
<b><u>Reconciliation of Operating Income</u></b>		
<b><u>to Net Cash Provided by Operating Activities</u></b>		
Operating Income / (Loss)	\$ 2,889,548	\$ 176,673
Adjustments to reconcile operating income / (loss) to net cash provided / (used):		
Depreciation	2,136,102	33,695
<b>Changes in Operating Assets and Liabilities:</b>		
<b>(Increase) Decrease in:</b>		
Accounts receivable	(3,263,612)	-
Inventory	(608,235)	-
Due from/to other funds	1,910	-
Other deferred outflows of resources - pensions	10,749	33,007
Deferred inflows of resources - pensions	29,142	18,392
Other deferred outflows of resources - OPEB	(468)	(210)
Deferred inflows of resources - OPEB	147	(625)
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued liabilities	(965,705)	71,565
Compensated absences	(54,366)	(73,122)
Customer deposits	82,997	-
Net pension liability	(148,020)	(183,635)
OPEB liability	(3,397)	(6,507)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 106,792</u>	<u>\$ 69,233</u>

See Notes to Financial Statements.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS

### September 30, 2025

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

##### B. Reporting Entity

The City of Sanger, Texas (the “City”) was incorporated in 1886 and operates under a Council-Manager form of government. The City provides: general government, public safety, public works, culture and recreation, water, sewer, and electricity operations.

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these basic financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. The Sanger Industrial Development Corporation (“4A fund”) and the Sanger Texas Development Corporation (“4B fund”), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to 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.

#### **Discretely Presented Component Units**

##### Sanger Industrial Development Corporation (4A)

The Sanger Texas Industrial Development Corporation ("4A") is governed by a board of five directors, all of whom are appointed by the City Council of the City of Sanger and any of whom can be removed from office by the City Council at its will. The 4A fund was incorporated in the state of Texas as a non-profit industrial development corporation under Section 4A of the Development Corporation Act of 1979. The purpose of the 4A fund is to promote economic development within the City of Sanger. Discrete presentation is appropriate because the Corporation's Board is not substantially the same as the City.

##### Sanger Texas Development Corporation (4B)

The Sanger Texas Development Corporation ("4B") is governed by a board of seven directors, all of whom are appointed by the City Council at its will. The 4B fund was incorporated in the state of Texas as a nonprofit industrial development corporation under Section 4B of the Development Corporation Act of 1979. The purpose of the 4B fund is to promote economic and community development within the City of Sanger. Discrete presentation is appropriate because the Corporation's Board is not substantially the same as the City.

#### **C. Basis of Presentation Government-Wide and Fund Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds. Separate statements for each fund category—governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

#### **Governmental Funds**

Governmental funds are those funds through which most governmental functions are typically financed.

##### **General Fund**

The general fund is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, parks and recreation and public works.

##### **Capital Projects Fund**

The capital projects fund is used to account for capital asset activities for governmental fund types.

##### **Debt Service Fund**

The debt service fund is used to account for debt service activities for governmental fund types.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

#### **Proprietary Fund Types**

Proprietary funds are used to account for activities that are similar to those often found in the private sector. All assets, liabilities, equities, revenues, expenses, and transfers relating to the government's business activities are accounted for through proprietary funds. The measurement focus is on determination of net income, financial position, and cash flows. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues include charges for services. Operating expenses include costs of materials, contracts, personnel, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary fund types follow GAAP prescribed by the Governmental Accounting Standards Board (GASB) and all financial Accounting Standards Board's standards issued prior to November 30, 1989. Subsequent to this date, the City accounts for its enterprise funds as presented by GASB. The proprietary fund types used by the City include enterprise funds.

The government reports the following major enterprise fund:

#### **Water, Sewer, & Electric Fund**

This fund is used to account for the provision of water, sewer and electric services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water production and distribution system, water collection and treatment systems, and electric services. The fund also accounts for the accumulation of resources for and the payment of long-term debt. All costs are financed through charges to utility customers.

Additionally, the government reports the following fund type:

#### **Internal Service Fund**

Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an internal service fund. The City's internal service fund was set up to provide administrative support services to other funds of the City.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the



# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

#### **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance**

##### **1. Deposits and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, of the Texas Governmental Code.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

In summary, the City is authorized to invest in the following:

- Obligations of the United States Government, its agencies and instrumentalities, not to exceed two years to stated maturity.
- Fully collateralized certificates of deposit from a bank doing business in the State of Texas, not to exceed three years to the stated maturity.
- Money market funds authorized by the Public Funds Investment Act of the Texas Government Code Chapter 2256
- Statewide investment pools

## 2. Fair Value

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

## 3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a fund balance reserve account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

## 4. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E,

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. Penalties are calculated after February 1 up to the date collected by the government at the rate of 6% for the first month and increased 1% per month up to a total of 12%. Interest is calculated after February 1 at the rate of 1% per month up to the date collected by the government. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

#### **5. Inventories and Prepaid Items**

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories are valued at the lower of cost or market using the average cost method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized.

#### **6. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

<b>Asset Description</b>	<b>Estimated Useful Life</b>
Vehicles	5-10 years
Furniture and equipment	5 to 10 years
Infrastructure	10-30 years
Water and sewer system	10-30 years
Buildings and improvements	5-40 years

#### 7. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. An example is a deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and EMS revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### 8. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

flow assumption must be made about the order in which the resources are considered to be applied.

#### **9. Fund Balance Flow Assumptions**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **10. Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing body (council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

#### 11. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consist of unpaid, accumulated vacation and sick time balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

It is the City's policy to liquidate compensated absences with future revenues rather than with currently available expendable resources. Accordingly, the City's governmental funds recognize accrued compensated absences when it is paid.

#### 12. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, and discounts are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed as incurred in accordance with GASB statement no. 65.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

#### **13. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

#### **14. 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.

#### **15. Other Postemployment Benefits ("OPEB")**

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS 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. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. 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 on which TMRS deposits are made, for the 12-month



# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

period preceding the month of death. The death benefit amount for retirees is \$7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

#### 16. Leases

Lessee: The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) 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 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 and purchase option price that the City is reasonably certain to exercise.

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

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a cell tower. 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 judgments 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 noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

#### **17. Subscription based information technology arrangements (“SBITA”)**

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (“SBITA”). When implementing GASB 96, the City records right to use assets and subscription liabilities based on the present value of the payments for the related arrangements. The assets will be included within capital assets, and amortized straight-line over the term of the arrangement. The liabilities will accrue interest at the implied rate estimated by the City, and are relieved with payments over the term of the arrangements.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes reconciliation between *fund balance-total governmental funds* and *net position-governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds, are not due and payable in the current period and, therefore, are not reported in the funds.

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental states that, “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. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

**III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental and enterprise funds.

The appropriated budget is prepared by fund, function, and department. The legal level of control is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Budget amendments were only re-classes at the function level and below and there was no increase in budgeted revenues or expenses by function from amendments.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

As of September 30, 2025, the primary government had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Average Maturity (Years)</b>
Certificates of deposit	\$ 1,360,186	0.52
Total fair value	<u>\$ 1,360,186</u>	
Portfolio weighted average maturity		0.52

As of September 30, 2025, the 4A Component Unit had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Average Maturity (Years)</b>
Certificates of deposit	\$ 102,746	0.09
Total fair value	<u>\$ 102,746</u>	
Portfolio weighted average maturity		0.09

As of September 30, 2025, the 4B Component Unit had the following investments:

<b>Investment Type</b>	<b>Value</b>	<b>Average Maturity (Years)</b>
Certificates of deposit	\$ 309,488	0.43
Total fair value	<u>\$ 309,488</u>	
Portfolio weighted average maturity		0.43

*Interest rate risk* – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

*Credit risk* – The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAA-m, or equivalent, by at least one nationally recognized rating service.

*Custodial credit risk – deposits* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. As of September 30, 2025, the market values of pledged securities and FDIC exceeded bank balances.

*Custodial credit risk – investments* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

#### B. Receivables

- The following comprise trade receivable balances of the primary government at year end:

	General	Capital Projects	Debt Service	Water, Sewer & Electric	Total
Property taxes	\$ 205,528	\$ -	\$ 38,055	\$ -	\$ 243,583
Sales tax	307,277	-	-	-	307,277
Franchise & local taxes	65,683	-	-	-	65,683
Hotel occupancy	34,600	-	-	-	34,600
EMS	925,721	-	-	-	925,721
Accounts	67,082	186,151	-	1,761,772	2,015,005
Grants	-	-	-	3,483,521	3,483,521
Lease	52,793	-	-	-	52,793
Allowance	(866,767)	-	(4,279)	(74,375)	(945,421)
	<u>\$ 791,917</u>	<u>\$ 186,151</u>	<u>\$ 33,776</u>	<u>\$ 5,170,918</u>	<u>\$ 6,182,762</u>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

2. The following comprise trade receivable balances of the component units at year end:

	<b>4A</b>	<b>4B</b>	<b>Total</b>
Sales tax	\$ 153,638	\$ 153,638	\$ 307,276
	\$ 153,638	\$ 153,638	\$ 307,276

3. The City is the lessor of a contract in which the City receives lease payments from AT&T for the use of an existing cell tower. The lease commenced on May 1, 2018, with a term of 120 months. Monthly lease payments of \$1,632 will be paid through April 1, 2023. The lease payments increase to \$1,795 per month for the duration of the lease term, ending in April 2028. As of September 30, 2025, the lease receivable and offsetting deferred inflows amounted to \$52,793 and \$45,217, respectively.

The annual principal and interest payments to be received for the lease receivable are as follows:

<b>Year ending September 30,</b>	<b>Governmental Activities</b>	
	<b>Principal</b>	<b>Interest (4%)</b>
2026	\$ 19,794	\$ 1,750
2027	20,601	944
2028	12,398	169
	\$ 52,793	\$ 2,863

**C. Inventory**

The following comprise the inventory balances of the primary government at year end:

<b>Inventory type</b>	<b>Cost</b>
Electric Department	\$ 1,399,977
Water Department	192,593
Total	\$ 1,592,570

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**D. Capital Assets**

A summary of changes in governmental activities capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Disposals / Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 13,409,922	\$ -	\$ -	\$ 13,409,922
Construction in progress	802,318	1,029,557	-	1,831,875
Total capital assets not being depreciated	<u>14,212,240</u>	<u>1,029,557</u>	<u>-</u>	<u>15,241,797</u>
Capital assets, being depreciated:				
Infrastructure	22,154,573	618,537	-	22,773,110
Buildings and improvements	7,415,915	448,780	-	7,864,695
Subscription assets	120,990	-	-	120,990
Right to use assets	72,649	-	-	72,649
Machinery and equipment	6,054,432	2,914,142	(107,853)	8,860,721
Total capital assets being depreciated	<u>35,818,559</u>	<u>3,981,459</u>	<u>(107,853)</u>	<u>39,692,165</u>
Less accumulated depreciation/amortization				
Infrastructure	10,414,838	781,775	-	11,196,613
Buildings and improvements	4,066,495	344,469	-	4,410,964
Subscription assets	120,990	-	-	120,990
Right to use assets	31,994	2,483	-	34,477
Machinery and equipment	4,705,407	507,953	(107,853)	5,105,507
Total accumulated depreciation/amortization	<u>19,339,724</u>	<u>1,636,680</u>	<u>(107,853)</u>	<u>20,868,551</u>
Net capital assets being depreciated	16,478,835	2,344,779	-	18,823,614
<b>Total Capital Assets</b>	<u><u>\$ 30,691,075</u></u>	<u><u>\$ 3,374,336</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 34,065,411</u></u>

Depreciation was charged to governmental functions as follows:

General government	\$ 111,493
Police department	194,338
Public works	792,370
Culture and recreation	276,345
Fire and rescue	228,440
Internal service	33,694
<b>Total Governmental Activities Depreciation Expense</b>	<u><u>\$ 1,636,680</u></u>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

A summary of changes in business-type activities capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Disposals / Reclassifications</b>	<b>Ending Balances</b>
Capital assets, not being depreciated:				
Land	\$ 4,022,009	\$ -	\$ -	\$ 4,022,009
Construction in progress	12,878,794	3,695,999	(8,183,712)	8,391,081
Total capital assets not being depreciated	<u>16,900,803</u>	<u>3,695,999</u>	<u>(8,183,712)</u>	<u>12,413,090</u>
Capital assets, being depreciated:				
Infrastructure	55,333,918	52,438	8,183,712	63,570,068
Buildings and improvements	1,526,712	-	-	1,526,712
Machinery and equipment	2,560,868	115,090	-	2,675,958
Subscription assets	7,369	-	-	7,369
Total capital assets being depreciated	<u>59,428,867</u>	<u>167,528</u>	<u>8,183,712</u>	<u>67,780,107</u>
Less accumulated depreciation/amortization				
Infrastructure	22,248,080	1,909,972	-	24,158,052
Buildings and improvements	748,897	86,767	-	835,664
Machinery and equipment	2,104,322	139,363	-	2,243,685
Subscription assets	7,369	-	-	7,369
Total accumulated depreciation/amortization	<u>25,108,668</u>	<u>2,136,102</u>	<u>-</u>	<u>27,244,770</u>
Net capital assets being depreciated	<u>34,320,199</u>	<u>(1,968,574)</u>	<u>8,183,712</u>	<u>40,535,337</u>
<b>Total Capital Assets</b>	<u>\$ 51,221,002</u>	<u>\$ 1,727,425</u>	<u>\$ -</u>	<u>\$ 52,948,427</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 638,226
Sewer	1,226,537
Electric	271,339
<b>Total Business-type Activities Depreciation/Amortization Expense</b>	<u>\$ 2,136,102</u>



**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

A summary of changes in component unit (4A Component Unit) capital assets for the year end was as follows:

	<b>Beginning Balances</b>	<b>Additions</b>	<b>Retirements/ Reclassifications</b>	<b>Ending Balances</b>
Capital assets, being depreciated:				
Furniture and fixtures	\$ 40,950	\$ -	\$ -	\$ 40,950
Total capital assets being depreciated	<u>40,950</u>	<u>-</u>	<u>-</u>	<u>40,950</u>
Less accumulated depreciation				
Furniture and fixtures	40,691	-	-	40,691
Total accumulated depreciation	<u>40,691</u>	<u>-</u>	<u>-</u>	<u>40,691</u>
Net capital assets being depreciated	<u>259</u>	<u>-</u>	<u>-</u>	<u>259</u>
<b>Total Capital Assets</b>	<u><u>\$ 259</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 259</u></u>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**E. Long-term Debt**

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The City uses the debt service fund to liquidate governmental activities debts.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Amortization/ Payments</b>	<b>Ending Balance</b>	<b>Amounts Due within One Year</b>
<b>Governmental Activities:</b>					
Bonds and certificates:					
General Obligation Bonds	\$ 295,200	\$ -	\$ (30,600)	\$ 264,600	\$ 31,200
Certificates of Obligation	10,635,800	-	(429,100)	10,206,700	452,500
Tax Notes	4,419,000	-	(670,000)	3,749,000	695,000
Less deferred amounts:					
For issuance premiums	31,589	-	(14,685)	16,904	-
	<u>15,381,589</u>	<u>-</u>	<u>(1,144,385)</u>	<u>14,237,204</u>	<u>1,178,700</u>
Other liabilities:					
Lease liabilities	54,343	-	(14,035)	40,308	14,674
<b>Total Governmental Activities</b>	<b>\$ 15,435,932</b>	<b>\$ -</b>	<b>\$ (1,158,420)</b>	<b>\$ 14,277,512</b>	<b>\$ 1,193,374</b>
<b>Long-term liabilities due in more than one year</b>				<b>\$ 13,084,138</b>	
<b>Business-Type Activities:</b>					
General Obligation Bonds	\$ 2,164,800	\$ -	\$ (224,400)	\$ 1,940,400	\$ 228,800
Certificates of Obligation	36,534,200	-	(835,900)	35,698,300	902,500
Less deferred amounts:					
For issuance premiums	2,452,276	-	(139,657)	2,312,619	-
	<u>41,151,276</u>	<u>-</u>	<u>(1,199,957)</u>	<u>39,951,319</u>	<u>1,131,300</u>
<b>Total Business-Type Activities</b>	<b>\$ 41,151,276</b>	<b>\$ -</b>	<b>\$ (1,199,957)</b>	<b>\$ 39,951,319</b>	<b>\$ 1,131,300</b>
<b>Long-term liabilities due in more than one year</b>				<b>\$ 38,820,019</b>	

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

Long-term debt at year end was comprised of the following debt issues:

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>General Obligation Bonds:</b>			
\$2,830,000 General Obligation Refunding Bond, Series 2021B, due in installments through 2033, interest at 0.25% to 2.13%	\$ 264,600	\$ 1,940,000	\$ 2,204,600
<b>Total General Obligation Bonds</b>	<b>\$ 264,600</b>	<b>\$ 1,940,000</b>	<b>\$ 2,204,600</b>
<b>Certificates of Obligation:</b>			
\$1,750,000 Certificates of Obligation, Series 2007, due in annual installments through 2027, interest at 4.4%	\$ 86,700	\$ 168,300	\$ 255,000
\$5,025,000 Certificates of Obligation, Series 2023B, due in annual installments through 2053, interest at 4% to 5%	-	5,025,000	5,025,000
\$5,870,000 Certificates of Obligation, Series 2015, due in annual installments through 2035, interest at 3.4% to 5.5%	-	4,080,000	4,080,000
\$9,240,000 Certificates of Obligation, Series 2017, due in annual installments through 2035, interest at 3% to 4%	-	8,825,000	8,825,000
\$1,535,000 Certificates of Obligation, Series 2019, due in annual installments through 2026, interest at 3% to 4.75%	245,000	-	245,000
\$18,615,000 Certificates of Obligation, Series 2021A, due in annual installments through 2046, interest at 2% to 4%	-	17,600,000	17,600,000
\$10,190,000 Certificates of Obligation, Series 2023C, due in annual installments through 2053, interest at 4.89% to 5.55%	9,875,000	-	9,875,000
<b>Total Certificates of Obligation</b>	<b>\$ 10,206,700</b>	<b>\$ 35,698,300</b>	<b>\$ 45,905,000</b>
<b>Plus deferred amounts:</b>			
Issuance premiums	\$ 16,904	\$ 2,312,619	\$ 2,329,523
<b>Total Deferred Amounts</b>	<b>\$ 16,904</b>	<b>\$ 2,312,619</b>	<b>\$ 2,329,523</b>
<b>Limited Tax Notes:</b>			
\$5,065,000 Tax Notes, Series 2023, due in installments through August 1, 2030, interest at 3.7%	\$ 3,749,000	\$ -	\$ 3,749,000
<b>Total Tax Notes</b>	<b>\$ 3,749,000</b>	<b>\$ -</b>	<b>\$ 3,749,000</b>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

	<b>Governmental Activities</b>	<b>Business - Type Activities</b>	<b>Total</b>
<b>Long-term Debt (Continued):</b>			
<b>Lease &amp; Subscription Liabilities:</b>			
Lease for use of copier; with a term of 60 months; monthly payments of \$1,331; optional renewal period; 4% interest	\$ 40,308	\$ -	\$ 40,308
<b>Total Long-term Liabilities</b>	<b>\$ 14,277,512</b>	<b>\$ 39,951,319</b>	<b>\$ 54,228,831</b>

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The annual requirements to amortize governmental and business-type activities debt issues outstanding at year ending were as follows:

General Obligation Bonds

General Obligation Bonds

<b>Year ending September 30,</b>	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2026	\$ 31,200	\$ 4,690	\$ 228,800	\$ 34,395
2027	31,800	4,341	233,200	31,833
2028	31,800	3,889	233,200	28,521
2029	33,000	3,390	242,000	24,860
2030	33,000	2,786	242,000	20,431
Thereafter	103,800	4,362	761,200	31,992
	<b>\$ 264,600</b>	<b>\$ 23,458</b>	<b>\$ 1,940,400</b>	<b>\$ 172,032</b>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

Combination Tax and Revenue Certificates of Obligations

Year ending September 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 452,500	\$ 548,126	\$ 902,500	\$ 1,254,461
2027	214,200	528,387	935,800	1,228,481
2028	180,000	518,130	1,010,000	1,195,331
2029	190,000	509,328	1,060,000	1,157,756
2030	200,000	499,828	1,100,000	1,117,950
Thereafter	8,970,000	7,066,370	30,690,000	9,812,038
	<u>\$ 10,206,700</u>	<u>\$ 9,670,169</u>	<u>\$ 35,698,300</u>	<u>\$ 15,766,017</u>

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City.

Tax Notes

Year ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 695,000	\$ 125,856
2027	722,000	99,641
2028	749,000	72,428
2029	777,000	59,108
2030	806,000	14,911
	<u>\$ 3,749,000</u>	<u>\$ 371,944</u>

Lease liabilities

Year ending September 30,	Governmental Activities	
	Principal	Interest
2026	\$ 14,674	\$ 1,303
2027	15,230	474
2028	10,404	156
	<u>\$ 40,308</u>	<u>\$ 1,933</u>

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

The City entered into leases to finance two copier machines. The property is classified as right to use assets with a total carrying value as of yearend for governmental activities of \$25,879.

**F. Other Long-term Liabilities**

The following is a summary of changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund to liquidate governmental activities compensated absences.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
<b>Governmental Activities:</b>					
Compensated Absences	\$ 391,575	\$ 386,602	\$ (310,584)	\$ 467,593	\$ 368,489
Compensated Absences in internal service fund	178,027	66,002	(139,124)	104,905	83,776
<b>Total Governmental Activities</b>	<u>\$ 569,602</u>	<u>\$ 452,604</u>	<u>\$ (449,708)</u>	<u>\$ 572,498</u>	<u>\$ 452,265</u>
<b>Long-term Liabilities Due in More than One Year</b>				<u>\$ 120,233</u>	
<b>Business-Type Activities:</b>					
Compensated Absences	\$ 197,110	\$ 106,840	\$ (161,206)	\$ 142,744	\$ 115,989
<b>Total Business-Type Activities</b>	<u>\$ 197,110</u>	<u>\$ 106,840</u>	<u>\$ (161,206)</u>	<u>\$ 142,744</u>	<u>\$ 115,989</u>
<b>Long-term Liabilities Due in More than One Year</b>				<u>\$ 26,755</u>	
<b>Component Unit Activities:</b>					
Compensated Absences	\$ 13,278	12,515	(10,297)	15,496	12,330
<b>Total Component Unit Activities</b>	<u>\$ 13,278</u>	<u>\$ 12,515</u>	<u>\$ (10,297)</u>	<u>\$ 15,496</u>	<u>\$ 12,330</u>
<b>Long-term Liabilities Due in More than One Year</b>				<u>\$ 3,166</u>	

**G. Conduit Debt**

Before the current year, the City issued notes payable totaling \$230,461,407 for the purpose of assisting with financing needed by not-for-profit organizations to promote their cause. The final maturities on notes payable range from March 2019 through December 2041. The notes are secured by various assets of the borrower. The City has no liability for the notes payable in the event of default by the

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

borrowers. Accordingly, the bonds are not reported as liabilities in the City's financial statements.

**H. Deferred Charge on Refunding**

Deferred charges resulting from the issuance of 2021B general obligation refunding bonds have been recorded as a deferred outflow of resources and are being amortized to interest expense over the terms of the respective refunded debts. Current year balances for governmental and business-type activities totaled \$7,789 and \$57,122, respectively. Current year amortization expense for governmental and business-type activities totaled \$907 and \$6,655, respectively.

**I. Interfund Transactions**

Amounts transferred between funds relate to amounts collected, various capital expenditures, annual funding, and debt payments.

<b>Transfers (Out):</b>	<b>Transfers In:</b>		<b>Total</b>
	<b>General</b>	<b>Capital Projects</b>	
General	\$ -	\$ 492,038	492,038
Water, sewer, and electric	844,289	-	844,289
<b>Total</b>	<b>\$ 844,289</b>	<b>\$ 492,038</b>	<b>\$ 1,336,327</b>

The internal service fund provides administrative services to the general and water, sewer, & electric funds.

Below is a summary of the amounts paid from these funds to the internal service fund for the year ended September 30, 2025:

<b>Paid by:</b>	<b>Received by:</b>
	<b>Internal Service</b>
General	\$ 2,021,508
Enterprise	2,021,508
	<b>\$ 4,043,016</b>

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

As of September 30, 2025, the 4A and 4B component unit had a payable balance of \$58,072, respectively, totaling \$116,144, due to the primary government.

Interfund balances resulted from the timing difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All balances are expected to be paid in the subsequent year.

#### J. Fund Equity

The City records fund balance restrictions on the fund level to indicate that a portion of the fund balance is legally restricted for a specific future use or to indicate that a portion of the fund balance is not available for expenditures.

The following is a list of fund balances restricted/committed by the City:

	<b>Restricted Gov. Fund Balance</b>	<b>Committed Fund Balance</b>
Municipal court	\$ 23,344 *	\$ -
Tourism	410,033 *	-
Library	114,111 **	-
Public safety	196,329 *	-
Debt service	307,433	-
Capital projects	1,904,226	-
Parks	27,289	-
Roadway impact fees	2,412,862	-
A.R.P grant - public safety	-	-
Employee benefits	-	167,684
	<u>\$ 5,395,627</u>	<u>\$ 167,684</u>

\* Restricted by enabling legislation

\*\* Restricted by donor

#### V. OTHER INFORMATION

##### A. 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; and natural disasters for which the City participates along with over 2,700 other entities in the Texas Municipal League's Intergovernmental Risk Pools. The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to



**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

the Pool outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

**B. Contingent Liabilities**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

**C. Construction commitments**

The government has active construction projects as of September 30, 2025. The projects include street construction and improvements, sewer plant and the construction of additional water lines and repairs.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

At year end the government's commitments with contractors are as follows:

<b>Project</b>	<b>Construction Commitment @ 09/30/25</b>	<b>Vendor</b>
various	\$ 147,017	Mayim Municipal
various	65,400	KSA Engineers
various	262,524	Alan Plummer Assoc.
<b>Various Projects Totals</b>	<b>\$ 474,941</b>	
AMR Metering System	\$ 70,666	Aqua Metric Sales
<b>Project Total</b>	<b>\$ 70,666</b>	
Generators for Buildings	\$ 291,696	Power Standard
<b>Project Total</b>	<b>\$ 291,696</b>	
WWTP Site Study	\$ 22,634	KSA Engineers
<b>Various Projects Totals</b>	<b>\$ 22,634</b>	
<b>Total</b>	<b>\$ 900,937</b>	

#### **D. Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment 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 correctly, a substantial liability to the City could result. The City does anticipate that it will have an arbitrage liability and performs annual calculations to estimate this potential liability. The City will also engage an arbitrage consultant to perform the calculations in accordance with Internal Revenue Service's rules and regulations if indicated.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

#### E. Defined Benefit Pension Plans

##### 1. Plan Description

The City of Sanger, Texas participates as one of 938 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

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

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

Plan provisions for the City were as follows:

	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age / years of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating Transfers	100% Repeating Transfers
Annuity increase (to retirees)	0% of CPI	70% of CPI

**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	43
Inactive employees entitled to but not yet receiving benefits	53
Active employees	97
Total	193

**3. Contributions**

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

Employees for the City of Sanger were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Sanger were 12.65% and 13.31% in calendar years 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$1,108,834, and equal to the required contributions.

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

#### 4. 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	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
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. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) 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 will be 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 the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

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

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

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

The target allocation and best estimates of real rates of 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 Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Real Return	12.0%	8.0%
Real Estate	12.0%	7.6%
Absolute Return	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

**Discount Rate:**

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

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**Changes in the Net Pension Liability:**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) – (b)</b>
<b>Balance at 12/31/23</b>	\$ 17,499,390	\$ 14,173,311	\$ 3,326,079
Changes for the year:			
Service Cost	1,122,216	-	1,122,216
Interest (on the Total Pension Liab.)	1,192,219	-	1,192,219
Change in benefit terms	-	-	-
Difference between expected and actual experience	335,271	-	335,271
Changes of assumptions	-	-	-
Contributions – employer	-	982,847	(982,847)
Contributions – employee	-	503,881	(503,881)
Net investment income	-	1,475,208	(1,475,208)
Benefit payments, including refunds of emp. contributions	(795,980)	(795,980)	-
Administrative expense	-	(9,445)	9,445
Other changes	-	(221)	221
Net changes	1,853,726	2,156,290	(302,564)
<b>Balance at 12/31/24</b>	<u>\$ 19,353,116</u>	<u>\$ 16,329,601</u>	<u>\$ 3,023,515</u>

**Sensitivity of the net pension liability to changes in the discount rate**

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

<b>1% Decrease 5.75%</b>	<b>Current Single Rate 6.75%</b>	<b>1% Increase 7.75%</b>
\$ 5,807,278	\$ 3,023,515	\$ 734,659

**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](http://www.tmrs.com).

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**5. Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions**

For the year ended September 30, 2025, the City recognized pension expense of \$948,026.

At September 30, 2025, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Difference between projected and investment earnings	\$ -	\$ (177,544)
Changes in actuarial assumptions	-	(36,597)
Differences between expected and actual economic experience	288,995	-
Contributions subsequent to the measurement date	827,016	-
<b>Total</b>	<b>\$ 1,116,011</b>	<b>\$ (214,141)</b>

The City reported \$827,016 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2025	\$ 79,016
2026	210,397
2027	(137,835)
2028	(76,724)
2029	-
Thereafter	-
	<b>\$ 74,854</b>

**F. Postemployment Benefits Other Than Pensions**

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System



# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

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

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

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

#### **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	30
Inactive employees entitled to but not yet receiving benefits	17
Active employees	97
<b>Total</b>	<b>144</b>

The City's retiree contribution rates to the TMRS SDBF for the years ended 2025, 2024 and 2023 are as follows:

<b>Plan/ Calendar Year</b>	<b>Annual Required Contribution (Rate)</b>	<b>Actual Contribution Made (Rate)</b>	<b>Percentage of ARC Contributed</b>
2023	0.05%	0.05%	100.0%
2024	0.06%	0.06%	100.0%
2025	0.05%	0.05%	100.0%

# City of Sanger, Texas

## NOTES TO FINANCIAL STATEMENTS, *Continued*

### September 30, 2025

The City's contributions to the TMRS SDBF for the years ended 2025, 2024, and 2023 were \$3,330, \$3,169, and \$2,246, respectively, which equaled the required contributions each year.

#### **Total OPEB Liability**

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2024, and the Total OPEB Liability 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:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85%, including inflation per year
Discount rate	4.08%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68

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. 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) to account for future mortality improvements. For disabled annuitants, the 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% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by the most recent Scale MP=2021 (with immediate convergence) to account for future mortality improvements subject to the 3.5% and 3% floor.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

**Discount Rate:**

The discount rate used to measure the Total OPEB Liability was 4.08%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2024.

**Sensitivity of the Total 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 (asset) 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 (3.08%)	Current Single Rate 4.08%	1% Increase (5.08%)
\$ 212,580	\$ 173,837	\$ 144,230

**Changes in the Total OPEB Liability:**

	<b>Total OPEB Liability</b>
<b>Balance at 12/31/23</b>	\$ 166,321
Changes for the year:	
Service Cost	13,677
Interest	6,447
Change in benefit terms	-
Difference between expected and actual experience	2,677
Changes of assumptions	(10,966)
Benefit payments	(4,319)
Net changes	7,516
<b>Balance at 12/31/24</b>	\$ 173,837

**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 \$14,059.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to the OPEB liability from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>
Differences between expected and actual economic experience	\$ 4,242	\$ -
Changes in assumptions	-	(33,789)
Contributions subsequent to measurement date	3,020	-
<b>Total</b>	<b>\$ 7,262</b>	<b>\$ (33,789)</b>

The City reported \$3,020 as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date that will be recognized as a reduction of the OPEB liability for the year ending September 30, 2026.

Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	
2025	\$ (5,094)
2026	(5,575)
2027	(10,085)
2028	(7,531)
2029	(1,262)
Thereafter	-
	<b>\$ (29,547)</b>

**G. Restatements**

Due to the implementation of GASB 101, *Compensated Absences*, the City restated beginning net position/fund balance for governmental activities, business-type activities, component-unit activities, and the water, sewer, and electric fund. The restatements are summarized on the next page.

**City of Sanger, Texas**  
**NOTES TO FINANCIAL STATEMENTS, Continued**  
**September 30, 2025**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Water, Sewer Electric Fund</b>
Prior year ending net position/fund balance, as reported	\$ 37,932,640	\$ 28,066,154	\$ 28,066,154
Implementation of GASB 101	(363,480)	(102,356)	(102,356)
Restated beginning net position/fund balance	<u>\$ 37,569,160</u>	<u>\$ 27,963,798</u>	<u>\$ 27,963,798</u>

	<b>Component-Unit Activities</b>	<b>Sanger Indust. Dev. Corp (4A)</b>
Prior year ending net position/fund balance, as reported	\$ 8,707,278	\$ 5,827,419
Implementation of GASB 101	(9,254)	(9,254)
Restated beginning net position/fund balance	<u>\$ 8,698,024</u>	<u>\$ 5,818,165</u>

#### **H. New Accounting Standards**

The City adopted GASB 101, *Compensated Absences*, during the year. The goal of the standard is to create a more consistent model for accounting for compensated absences that can be applied to all types of compensated absence arrangements.

The new guidance introduces three criteria for recording a liability in financial statements prepared using the economic resources measurement focus (often referred to as a “full accrual” basis). A liability should be recognized for leave that has not been used if all of the following are true:

- The leave is attributable to services already rendered.
- The leave accumulates.
- The leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means (likelihood of more than 50 percent).

This standard was applied retroactively and resulted in a sick leave liability of \$316,554, which was included within compensated absences as of September 30, 2025.

#### **I. Subsequent Events**

There were no subsequent events warranting disclosure through January 22, 2026, the date the financial statements were available to be issued.

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## ***REQUIRED SUPPLEMENTARY INFORMATION***

# City of Sanger, Texas

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 1 of 2) For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>Revenues</u></b>				
Property tax	\$ 7,715,872	\$ 7,715,872	\$ 7,526,421	\$ (189,451)
Sales tax	1,943,000	1,943,000	1,838,122	(104,878)
Franchise and local taxes	553,950	400,950	485,144	84,194
License and permits	459,250	659,250	1,825,281	1,166,031
Charges for services	1,427,850	1,427,850	1,384,392	(43,458)
Fire and rescue	885,947	885,947	1,082,150	196,203
Contributions and donations	57,170	154,699	107,790	(46,909)
Intergovernmental	2,053,803	2,053,803	98,724	(1,955,079)
Fines and forfeitures	196,926	196,926	147,505	(49,421)
Investment income	418,150	418,150	583,292	165,142
Roadway impact fees	100,000	100,000	793,197	693,197
Other revenue	116,900	116,900	328,051	211,151
<b>Total Revenues</b>	<b>15,928,818</b>	<b>16,073,347</b>	<b>16,200,069</b>	<b>126,722</b>
<b><u>Expenditures</u></b>				
Current:				
General government	3,741,641	3,741,641	3,760,495	(18,854)
Police department	3,798,189	3,927,138	3,651,772	275,366
Municipal court	283,894	283,894	231,812	52,082
Fire and EMS	5,626,104	5,626,104	5,767,897	(141,793)
Parks and recreation	964,390	964,390	795,624	168,766
Public works	1,991,170	2,191,170	2,030,449	160,721
Debt service:				
Principal	-	-	4,439	(4,439)
Capital outlay	31,500	31,500	25,902	5,598
<b>Total Expenditures</b>	<b>16,436,888</b>	<b>16,765,837</b>	<b>16,268,390</b>	<b>497,447</b>
<b>Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ (508,070)</b>	<b>\$ (692,490)</b>	<b>\$ (68,321)</b>	<b>\$ 624,169</b>



# City of Sanger, Texas

## *SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES* *IN FUND BALANCE - BUDGET AND ACTUAL- GENERAL FUND (Page 2 of 2)* For the Year Ended September 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b><u>Other Financing Sources (Uses)</u></b>				
Transfers in	\$ 1,144,289	\$ 1,144,289	\$ 844,289	\$ (300,000)
Transfers (out)	(757,194)	(757,194)	(492,038)	265,156
Sale of capital assets	25,000	25,000	94,918	69,918
Insurance recoveries	25,000	25,000	4,306	(20,694)
<b>Total Other Financing Sources</b>				
<b>(Uses)</b>	437,095	437,095	451,475	14,380
<b>Net Change in Fund Balance</b>	<u>\$ (70,975)</u>	<u>\$ (255,395)</u>	383,154	<u>\$ 638,549</u>
Beginning fund balance			22,728,617	
<b>Ending Fund Balance</b>			<u>\$ 23,111,771</u>	

### Notes to Required Supplementary Information

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

# City of Sanger, Texas

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

Years ended December 31,

	2024	2023	2022	2021
Total pension liability				
Service cost	\$ 1,122,216	\$ 893,655	\$ 776,119	\$ 579,590
Interest (on the Total Pension Liability)	1,192,219	1,090,782	1,028,630	845,902
Changes in benefit terms	-	-	1,680,179	-
Differences between expected and actual experience	335,271	221,273	(260,060)	70,056
Changes of assumptions	-	(66,111)	-	-
Benefit payments, including refunds of participant contributions	(795,980)	(706,224)	(659,161)	(474,649)
<b>Net change in total pension liability</b>	<b>1,853,726</b>	<b>1,433,375</b>	<b>2,565,707</b>	<b>1,020,899</b>
<b>Total pension liability - beginning</b>	<b>17,499,390</b>	<b>16,066,015</b>	<b>13,500,308</b>	<b>12,479,409</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 19,353,116</b>	<b>\$ 17,499,390</b>	<b>\$ 16,066,015</b>	<b>\$ 13,500,308</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 982,847	\$ 773,936	\$ 449,999	\$ 401,724
Contributions - members	503,881	423,246	317,647	281,582
Net investment income (loss)	1,475,208	1,422,148	(958,693)	1,491,263
Benefit payments, including refunds of participant contributions	(795,980)	(706,224)	(659,161)	(474,649)
Administrative expenses	(9,445)	(9,034)	(8,286)	(6,891)
Other	(221)	(63)	9,888	47
<b>Net change in plan fiduciary net position</b>	<b>2,156,290</b>	<b>1,904,009</b>	<b>(848,606)</b>	<b>1,693,076</b>
<b>Plan fiduciary net position - beginning</b>	<b>14,173,311</b>	<b>12,269,302</b>	<b>13,117,908</b>	<b>11,424,832</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 16,329,601</b>	<b>\$ 14,173,311</b>	<b>\$ 12,269,302</b>	<b>\$ 13,117,908</b>
<b>Fund's net pension liability - ending (a) - (b)</b>	<b>\$ 3,023,515</b>	<b>\$ 3,326,079</b>	<b>\$ 3,796,713</b>	<b>\$ 382,400</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>84.38%</b>	<b>80.99%</b>	<b>76.37%</b>	<b>97.17%</b>
<b>Covered payroll</b>	<b>\$ 7,198,306</b>	<b>\$ 6,046,378</b>	<b>\$ 5,294,125</b>	<b>\$ 4,693,038</b>
<b>Fund's net position as a percentage of covered payroll</b>	<b>42.00%</b>	<b>55.01%</b>	<b>71.72%</b>	<b>8.15%</b>

2020	2019	2018	2017	2016	2015
\$ 547,534	\$ 498,768	\$ 462,521	\$ 438,324	\$ 408,943	\$ 369,950
780,457	709,455	648,013	590,632	545,333	521,853
-	-	-	-	-	-
38,473	89,057	93,857	38,794	(78,516)	(89,808)
-	92,583	-	-	-	47,847
(351,235)	(373,476)	(251,071)	(208,451)	(230,245)	(260,514)
1,015,229	1,016,387	953,320	859,299	645,515	589,328
11,464,180	10,447,793	9,494,473	8,635,174	7,989,659	7,400,331
\$ 12,479,409	\$ 11,464,180	\$ 10,447,793	\$ 9,494,473	\$ 8,635,174	\$ 7,989,659
\$ 359,731	\$ 321,275	\$ 294,606	\$ 276,169	\$ 240,177	\$ 231,097
264,509	243,698	226,912	217,171	202,113	195,568
787,844	1,365,511	(264,466)	1,040,205	461,955	9,831
(351,235)	(373,476)	(251,071)	(208,451)	(230,245)	(260,514)
(5,093)	(7,705)	(5,106)	(5,387)	(5,214)	(5,988)
(199)	(231)	(267)	(273)	(281)	(296)
1,055,557	1,549,072	608	1,319,434	668,505	169,698
10,369,275	8,820,203	8,819,595	7,500,161	6,831,656	6,661,957
\$ 11,424,832	\$ 10,369,275	\$ 8,820,203	\$ 8,819,595	\$ 7,500,161	\$ 6,831,655
\$ 1,054,577	\$ 1,094,905	\$ 1,627,590	\$ 674,878	\$ 1,135,013	\$ 1,158,004
91.55%	90.45%	84.42%	92.89%	86.86%	85.51%
\$ 4,408,488	\$ 4,061,633	\$ 3,781,589	\$ 3,619,524	\$ 3,368,554	\$ 3,259,471
23.92%	26.96%	43.04%	18.65%	33.69%	35.53%

# City of Sanger, Texas

## SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Years Ended:

	9/30/2025	9/30/2024	9/30/2023	9/30/2022
Actuarially determined employer contributions	\$ 1,108,834	\$ 868,459	\$ 494,726	\$ 434,276
Contributions in relation to the actuarially determined contribution	\$ 1,108,834	\$ 868,459	\$ 681,853	\$ 434,276
Contribution deficiency (excess)	\$ -	\$ -	\$ (187,127)	\$ -
Annual covered payroll	\$ 8,441,304	\$ 6,843,081	\$ 5,766,288	\$ 5,099,265
Employer contributions as a percentage of covered payroll	13.14%	12.69%	11.82%	8.52%

### NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

#### 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 Percentage of Payroll, Closed
Remaining Amortization Period	20 years
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 are specific to the City's plan of benefits. 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 110% 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.

<u>9/30/2021</u>	<u>9/30/2020</u>	<u>9/30/2019</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>9/30/2016</u>
\$ 377,301	\$ 341,109	\$ 320,019	\$ 287,348	\$ 266,753	\$ 247,432
<u>\$ 377,301</u>	<u>\$ 341,109</u>	<u>\$ 320,019</u>	<u>\$ 287,348</u>	<u>\$ 266,753</u>	<u>\$ 247,432</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 4,462,235	\$ 4,209,793	\$ 4,060,365	\$ 3,706,912	\$ 3,549,724	\$ 3,475,512
8.46%	8.10%	7.88%	7.75%	7.51%	7.12%

# City of Sanger, Texas

## ***SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM***

**Years ended December 31,**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total OPEB liability				
Service cost	\$ 13,677	\$ 12,697	\$ 19,059	\$ 16,895
Interest (on the Total OPEB Liability)	6,447	5,828	3,760	3,575
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	2,677	2,822	2,729	81
Changes of assumptions	(10,966)	8,936	(80,007)	6,480
Benefit payments, including refunds of participant contributions	(4,319)	(3,023)	(2,647)	(2,347)
<b>Net changes</b>	<b>7,516</b>	<b>27,260</b>	<b>(57,106)</b>	<b>24,684</b>
<b>Total OPEB liability - beginning</b>	<b>166,321</b>	<b>139,061</b>	<b>196,167</b>	<b>171,483</b>
<b>Total OPEB liability - ending</b>	<b>\$ 173,837</b>	<b>\$ 166,321</b>	<b>\$ 139,061</b>	<b>\$ 196,167</b>
<b>Covered payroll</b>	<b>\$ 7,198,306</b>	<b>\$ 6,046,378</b>	<b>\$ 5,294,125</b>	<b>\$ 4,693,038</b>
<b>Total OPEB Liability as a percentage of covered payroll</b>	<b>2.41%</b>	<b>2.75%</b>	<b>2.63%</b>	<b>4.18%</b>

### **Notes to schedule:**

<sup>1</sup> This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

<sup>2</sup> No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u> <sup>1</sup>
\$ 12,785	\$ 8,529	\$ 9,076	\$ 7,601
3,799	3,938	3,691	3,432
-	-	-	-
(468)	(3,932)	(9,264)	-
24,053	22,174	(7,993)	9,310
(882)	(812)	(377)	(363)
<u>39,287</u>	<u>29,897</u>	<u>(4,867)</u>	<u>19,980</u>
<u>132,196</u>	<u>102,299</u>	<u>107,166</u>	<u>87,186</u>
<u>\$ 171,483</u>	<u>\$ 132,196</u>	<u>\$ 102,299</u>	<u>\$ 107,166</u> <sup>2</sup>
\$ 4,408,488	\$ 4,061,633	\$ 3,781,859	\$ 3,619,524
3.89%	3.25%	2.70%	2.96%

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## ***OTHER SUPPLEMENTARY INFORMATION***

# City of Sanger, Texas

## COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND

### NET POSITION

### PROPRIETARY FUNDS - BY DEPARTMENT

For the Year Ended September 30, 2025

	Water	Sewer	Electric
<b><u>Operating Revenues</u></b>			
Charges for services	\$ 2,949,224	\$ 2,858,192	\$ 9,305,762
Connection fees	-	-	73,608
Tap fees	155,063	217,750	-
Other revenue	-	-	-
<b>Total Operating Revenues</b>	<b>3,104,287</b>	<b>3,075,942</b>	<b>9,379,370</b>
<b><u>Operating Expenses</u></b>			
Salaries and wages	915,846	441,668	1,721,044
Contracted services	256,691	79,412	508,961
Utilities	166,152	202,598	3,534
Materials and supplies	84,053	88,694	124,991
Water and electric purchases	205,233	-	4,718,988
Repairs and maintenance	171,072	425,164	177,509
Depreciation	638,226	1,226,537	271,339
<b>Total Operating Expenses</b>	<b>2,437,273</b>	<b>2,464,073</b>	<b>7,526,366</b>
<b>Operating Income (Loss)</b>	<b>667,014</b>	<b>611,869</b>	<b>1,853,004</b>
<b><u>Nonoperating Revenues (Expenses)</u></b>			
Investment income	-	-	-
Interest expense	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Transfers</b>	<b>667,014</b>	<b>611,869</b>	<b>1,853,004</b>
Capital contributions	-	3,750,153	-
Transfers (out)	-	-	(749,289)
<b>Change in Net Position</b>	<b>\$ 667,014</b>	<b>\$ 4,362,022</b>	<b>\$ 1,103,715</b>

<u>Administration</u>	<u>Total</u>
\$ -	\$ 15,113,178
-	73,608
-	372,813
214,649	214,649
<u>214,649</u>	<u>15,774,248</u>
218,592	3,297,150
182,107	1,027,171
-	372,284
25,629	323,367
-	4,924,221
30,660	804,405
-	2,136,102
<u>456,988</u>	<u>12,884,700</u>
<u>(242,339)</u>	<u>2,889,548</u>
389,020	389,020
<u>(1,181,001)</u>	<u>(1,181,001)</u>
<u>(791,981)</u>	<u>(791,981)</u>
(1,034,320)	2,097,567
-	3,750,153
<u>(95,000)</u>	<u>(844,289)</u>
<u>\$ (1,129,320)</u>	<u>\$ 5,003,431</u>



## CITY COUNCIL COMMUNICATION

**DATE:** February 2, 2026

**FROM:** Clayton Gray, Chief Financial Officer

**AGENDA ITEM:** Consideration, acknowledgement, and acceptance of the annual financial report and related audit by BrooksWatson & Co. for the fiscal year ending September 30, 2025.

**SUMMARY:**

- The City is required under the Texas Local Government Code and the City Charter to have an audit of its financial statements each year. An independent Certified Public Accountant must conduct this audit.
- The audit was performed by BrooksWatson & Co. and was conducted following governmental accounting standards and fulfills the requirements set in state law.
- The audit resulted in an unmodified ("clean") opinion indicating that the financial statements are presented fairly, in all material aspects, in accordance with generally accepted financial principles.
- The auditors presented the report and their findings in City Council Work Session.

**FISCAL INFORMATION:**

Budgeted: N/A

**RECOMMENDED MOTION OR ACTION:**

- Staff recommends that the City Council accept the annual audit for the fiscal year ending September 30, 2025.

**ATTACHMENTS:**

- The annual financial report for the year ended September 30, 2025.



## CITY COUNCIL COMMUNICATION

**DATE:** February 2, 2026

**FROM:** Ronnie Grace, Director of Electric

**AGENDA ITEM:** Consideration and possible action on purchasing Electric Meters from Aqua-Metric Sales Company and authorizing the City Manager to execute said agreement and all necessary documents.

**SUMMARY:**

- This purchase includes 1,172 electric meters intended for inventory and upcoming development projects.
- Due to ongoing supply chain constraints, electric meters continue to experience extended delivery lead times of approximately 4–6 months.
- Aqua-Metrics is the contracted provider of utility meters due to system compatibility requirements.

**FISCAL INFORMATION:**

- This item is a sole-source purchase and will be procured through Aqua-Metrics.
- The total cost of this purchase is \$367,668.52 and is budgeted for Fiscal Year 2025–2026 under GL Account 008-58-5372.

**RECOMMENDED MOTION OR ACTION:**

Staff recommends approval.

**ATTACHMENTS:**

- Aqua-Metric Quote
- Sole Source Letter



January 07, 2026

Aqua-Metric Sales Company

Kelsey VanCleave  
16914 Alamo Pkwy Bldg 2 | SELMA, TX 78154-1492  
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

Quote for: City of Sanger

Attention:

Address: PO BOX 1729

City, State, Zip: Sanger, TX 762660017

Phone: (940) 458-930

Email:

Quantity		Description	Tariff	Unit Price	Line Total
1000	EA	ICON 2S CL200 240V RD STRATUS IQ + SPEC ID 35474	0.00	236.99	236,990.00
8	EA	ICON 1S CL200 120V RD STRATUS IQ + SPEC ID 35475	0.00	287.06	2,296.48
24	EA	ICON 2S CL320 240V STRATUS IQ + SPEC ID 35476	0.00	183.37	4,400.88
56	EA	EMETER 9S CL20 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28634	0.00	872.29	48,848.24
32	EA	EMETER 16S CL200 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28636	0.00	872.29	27,913.28
24	EA	EMETER 2S CL200 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28629	0.00	908.07	21,793.68
16	EA	EMETER 4S CL20 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28629	0.00	908.07	14,529.12
4	EA	EMETER 45S CL20 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28639	0.00	908.07	3,632.28
4	EA	EMETER 3S CL20 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28635	0.00	908.07	3,632.28
4	EA	EMETER 12S CL200 120-480V ACLARA W/ SWITCHES B, E, K, Q, R, T, V  SPEC ID 28635	0.00	908.07	3,632.28



January 07, 2026

This quote for the product and services named above is subject to the following terms:

- 1. All quotes are subject to the Aqua-Metric Terms of Sales available at [www.aqua-metric.com](http://www.aqua-metric.com)
- 2. Quote is valid for thirty days.
- 3. If modifications in materials, labor or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
- 4. Freight allowed on single Sensus orders exceeding \$80,000.00.
- 5. Net Thirty Days to Pay.
- 6. Returned product may be subject to a 25% restocking fee
- 7. Sales Tax and/or Freight charges are approximated and may vary on final invoice.
- 8. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all applicable Taxes and Fees imposed upon the Goods purchased. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees may result in adjustments to the final invoice accordingly.

Subtotal	367,668.52
Sales Tax	0.00
Total	367,668.52



January 07, 2026

Thirkettle Corporation General Terms of Sale

1. DEFINITIONS.

1.1. "Customer" means the party purchasing goods or services pursuant to these Terms of Sale ("Terms").

1.2. "Company" means Thirkettle Corporation, including without limitation wholly owned subsidiaries Aqua-Metric Sales Company™ and Utiliuse™, who is the authorized reseller of certain Goods provided to Customer.

1.3. "Goods" broadly means the collective Products and/or Services sold or otherwise provided by the Company.

1.4. "Product" means any tangible material, object, or software offered for sale by the Company.

1.5. "Service" means a business act or task as performed by an individual at a predetermined billable rate.

1.6. "Supplier" refers to a third-party business entity who manufacturers or supplies various Goods furnished by the Company.
2. CONTRACT OF SALE. All Goods offered for sale are subject to the prices and terms specified in (i) the Terms outlined herein, (ii) an applicable Company quotation, bid, or proposal (collectively, the "Proposal"), and/or (iii) separate agreement duly executed by and between the Company and Customer; all of which are subject to change. A Customer's purchase order or similar writing shall constitute an acceptance of the offer to sell (the "Agreement"); however, any inconsistent, additional or different terms to the Proposal contained in a Customer's request for quotation or purchase order (collectively, "Additional Terms") are hereby objected to and rejected by the Company. Such Additional Terms will not become part of the Agreement unless accepted by the Company in a writing. Notwithstanding anything to the contrary herein, these Terms may be incorporated by reference or otherwise modified, in whole or in part, into a mutually acceptable agreement duly executed between the Company and the Customer.

3. PROPOSALS. Proposals are inclusive of only the Goods detailed within a formal Company quotation form. Proposals will remain valid for a period of thirty (30) days unless otherwise noted. All pricing is subject to change based on the manufacturer's suggested retail price. The Company reserves the right to apply a price adjustment to all quotes or orders received and not delivered to the Customer as a result of economic price increase or decrease in cost of raw materials, labor, or transport at the time imposed by the Company's Suppliers. Any supplemental or incidental Goods required but not included will be subject to additional costs to the Customer. THE COMPANY MAKES NO GUARANTEE, EITHER EXPRESSED OR IMPLIED, THAT PROPOSAL PRICING IS ALL INCLUSIVE.

4. ANNUAL SERVICES. Annual Services are the recurring fees for software or Services required to operate, maintain, or support Customer's product and/or software; including but not limited to annual support fees, Software-as-a-Service (or "SaaS") licensing fees, server or data hosting and licensing fees, or any fee requiring a fee for service. Unless otherwise agreed upon in writing between the Company and Customer, annual subscription services will automatically renew annually and will be subject to an automatic annual escalation to the antecedent annual fee imposed by the Supplier.

5. TAXES AND FEES. All prices quoted are exclusive of federal taxes, state taxes, municipal taxes, tariffs, duties, and other government-imposed fees (collectively the "Taxes and Fees") related to the procurement, installation, and delivery of materials and equipment. Customer shall be liable for all Taxes and Fees imposed upon the Goods purchased under this Agreement. Taxes and Fees will be added to each applicable invoice and are the responsibility of the Customer. If Customer is exempt from sales tax, Customer is required to provide all applicable tax exemption documentation at the time of purchase. Any changes in Taxes and Fees during this Agreement may result in adjustments to the final invoice accordingly.
6. PAYMENT TERMS. Customer shall pay all undisputed invoices in US Dollars within thirty (30) days of the invoice date. The Company reserves the right to establish credit limits for Customer and may require full or partial payment prior to provisioning of any Goods. All payments shall be made via credit card (VISA or MasterCard), check or electronic ACH payment. In the event of dispute, Customer must notify the Company, in writing, within seven (7) days of receipt of an invoice. Notwithstanding, if Customer fails to pay any non-disputed invoice within 30 days of the invoice date, the Company may, in its sole discretion, 1) assess late fees in the amount of one (1) percent per calendar day past due or the highest rate permitted by law, 2) place Customer on "credit hold" and withhold or suspend, in whole or in part, current or future orders or business Services, including without limitation the Annual Services; until Customer has paid all delinquent amounts plus any applicable late fees to the Company. Further, the Company may, in its sole discretion, transfer delinquent invoices to a third-party collections agency. In such event, Customer will be responsible for all fees assessed, including reasonable attorney fees, to collect Customer debts.

7. PRODUCT LEAD TIMES. All purchase orders will be prioritized and fulfilled in the order received. Stock orders will be fulfilled in the most expeditious means available. Non-stock or special order Goods delivery times will be subject to availability and Supplier lead times.

8. PACKAGING. The Company reserves the right to select the manner in which Products are packaged. Quoted prices include standard packaging. Special requirements for packaging will be subject to additional charges.

9. SHIPPING AND HANDLING. All Products will be shipped Freight on Board (FOB) Destination Freight Prepaid and Added. The Company will ship all Products using the most economical ground transportation service. Expedited shipments, such as "next day" or "second day", will be at the Customers expense unless otherwise agreed upon by the Company. All applicable shipping and handling charges will be included on the Company's invoice to the Customer. The Company does not guarantee and therefore will not be liable for any delays in shipment.

10. FREIGHT. Oversized Product(s) or bulk orders will be shipped on standard Less-Than-Truckload ("LTL") freight carriers when applicable. The Customer is required to provide the necessary equipment required (i.e. loading dock, fork lift, pallet jack, etc.) to unload the shipment upon arrival. If the Customer does not have access to equipment necessary to unload the Product(s), Customer must inform the Company in advance and prior to shipment. Customer will be responsible for any additional cost(s) or fee(s) incurred for special handling requirements.

11. FREIGHT ALLOWANCE. Single Sensus product orders exceeding \$80,000 will be shipped FOB Freight Allowed unless otherwise specified and agreed upon in writing. Freight allowance is only applicable to single orders shipped complete. Partial shipments must be specified in writing at the time of order placement. The Company reserves the right to refuse freight allowance and/or bill partial freight costs on final invoice.

12. TITLE. Title of Product(s) shall transfer to customer on the date of delivery to Customer's premises.

13. LOSS OR DAMAGE CLAIMS. The Customer is responsible for reporting lost or damaged Products as a result of improper packaging and/or handling to the Company within fifteen (15) business days. Claims may become void if made more than fifteen (15) business days after the product shipment date. Damaged Product(s) will be returned to the point of origin for inspection. The Company reserves the right to repair or replace product(s) damaged in shipment.



Thirkettle Corporation General Terms of Sale

14. CHANGES OR CANCELLATIONS. Orders submitted to the Company must be canceled or changed by Customer in writing prior to the shipment of Product(s). The Company reserves the right to invoice shipping charges for orders cancelled after deliverables shipped.
15. RETURNS. No Product(s) may be returned for refund without the prior written authorization of the Company. The Company reserves the right to refund the cost of deliverables less a restocking fee and/or shipping and handling charges upon receipt of return product. Refunds will be processed and issued within thirty (30) days from the receipt of the returned product(s). Authorized returns must be received by the Company within six (6) months of the delivery date to the Customer, in "like-new" condition to the Company's designated receiving point, must be shipped in original or suitable packaging, must be accompanied by a packing slip, including the Company's return authorization number, and must have transportation charges prepaid. All returned product(s) will be inspected upon delivery for any indication of use or damage. Customer will be responsible for returning the product(s) to the Company's designated distribution warehouse and any cost(s) incurred to repackage and/or shipping carrier fees. Customer will be responsible for any damages incurred during shipment. The Company reserves the right to refuse Product(s) which have been installed, used, or otherwise returned in any condition other than new. The Company reserves the right to deduct an adequate service charge to cover all inspection, testing and handling from any return.
16. RESTOCKING FEE. Return Product(s) are subject to a twenty-five percent (25%) restocking fee. Special order Product(s), including but not limited to: meter reading equipment, infrastructure, or any Product(s) requiring a unique configuration, are subject to fifty percent (50%) restocking fee. Due to the custom configuration of electric meters, all electric meter sales are final.
17. OBSOLESCENCE. The Company shall not be held liable for planned or unplanned obsolescence of product(s), parts, or software discontinued by any Supplier.
18. PRODUCT WARRANTIES.
- 18.1. EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, THE SERVICES AND SOFTWARE ARE PROVIDED BY THE COMPANY ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE; HOWEVER, ANY SUPPLIER WARRANTIES RECEIVED BY THE COMPANY FROM ITS SUPPLIERS SHALL BE PASSED ONTO CUSTOMER.
- 18.2. The Company warrants that the Services provided by the Company will be performed in a professional and workmanlike manner with a degree of care, skill and competence that is consistent with the then generally accepted industry standards reasonably expected of similar types of engagements and the Goods will substantially conform to the Goods specified in the applicable Proposal.
- 18.3. The Company further warrants that the Product(s) furnished shall be provided to the best of the Company's reasonable ability and in accordance with the information and data provided by Customer in the preparation of the Proposal. The Company makes no representation, warranty, or covenants that the Product(s) furnished will be fully identical or compatible with the make, model, or type required by Customer's specifications.
- 18.4. Standard Supplier's Warranty. Where available, standard Supplier warranties shall apply to all software, service(s), and product(s) furnished by the Company's third-party Suppliers. Nothing in these Terms shall be construed to amend, extend, enhance, or

limit the supplier warranties offered unless such change has been expressly offered by the Supplier in writing and duly accepted by the parties under separate agreement.

- 18.5. Meter Services Warranty. This Meter Services Limited Warranty covers the Meter Services (defined below) furnished under Agreement and in accordance with the terms and conditions as follows:
- A. Definitions.
- I. "Meter Services" means the installation or exchange of certain residential, commercial, or industrial water, electric, or gas utility meter(s) as provided by the Company or its subcontractor and pursuant to the services performed under agreement.
- II. "Service Account" means Customer's physical property to which Customer provides a Utility Service.
- III. "Utility Service" means the water, electric, and/or gas service offered and provided by Customer as applicable.
- IV. "Worksite" means the actual area of work at the Service Account where the utility meter is located.
- B. General Conditions.
- I. The Company warrants that the Meter Services will be performed in a professional and workmanlike manner, exercising discretion in determining the appropriate degree of care, skill, and competence, and aligning with industry standards and codes to the extent reasonably practicable for similar type work.
- II. The warranty is valid for a period of thirty (30) calendar days from the date the Meter Services were performed (the "Warranty Period").
- III. The warranty is limited to the actual work performed by the Company or its subcontractors and does not include work performed by third parties not hired by the Company.
- IV. The Company reserves the right, at its sole discretion, to inspect the Worksite and determine the appropriate course of action to address any warranty defect. If a claim for damage or defect is determined not to be covered by the warranty, the Company may invoice the Customer for any and all costs incurred in inspecting the Worksite. The Company's liability to the Customer under this warranty is strictly limited to, at the Company's option, the repair or correction of the defective Meter Services, and the Company shall not be liable for any other damages or costs.
- V. This warranty is limited to the labor provided to perform the Meter Services and does not include labor to replace manufacturer defects unless such defect was actually caused by the Company's or it's subcontractor's negligence.
- C. Water Utility Service.
- I. The warranty is limited to the actual area of work: 1) within the meter box (exterior meter sets); or 2) end-to-end between the meter couplings (interior meter sets).
- II. Customer acknowledges and agrees the Company may be unable to reasonably identify the presence or threat of potential or pre-existing damages or defects to the Customer's or property owner's service line. The Company does not warrant against damage or defect(s),



January 07, 2026

Thirkettle Corporation General Terms of Sale

whether or not such damage or defect was known, of the materials currently installed at the Service Account; including but not limited to the utility meter, service line piping, meter couplings, fittings, galvanized lines or fittings, curb stops, shut off valves, meter risers, meter setters, meter boxes or meter box lids, adjacent utilities lines in or around the utility meter, or other similar materials installed by others which have or may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, deflection caused by ground shift, service line spring, high pressure or repressurizing of the water service, non-compliance with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance.

- III. Customer acknowledges and agrees that the temporary disconnection of the water Utility Service to conduct the Meter Services, and any subsequent restoration or pressurization of the water service, may introduce dirt or loosen service line debris (including but not limited to hard water, scale, sediment, etc.) into the service line. Such occurrences shall not constitute a material breach of this Agreement or negligence on the part of the Company. The Company shall not be liable for any damage or defects to household fixtures, including but not limited to water heaters, water softening or filtration systems, sloop valves, appliances, water pressure, electronics, or any other related appurtenances that rely on the water Utility Service provided by Customer. Customer further agrees to indemnify, defend, and hold harmless the Company from any claims, liabilities, or damages arising from such occurrences.
- D. Electric Utility Service.
- I. The warranty is limited to the actual area of work contained within the electrical meter box.
- II. The Company does not warrant against damage or defect to electrical equipment including but not limited to wiring, conduit, wire nuts, relays, sockets, main switch, fuses and circuit breakers such as the residual current device (RCD), or other similar materials installed by others and contained within the meter box which may fail during the Meter Services due to age, normal wear and tear, deterioration, defect, non-compliance with current industry regulations or codes, negligence, tampering, or lack of proper or routine maintenance. Further, the Company does not warrant against damage or defect caused by hot sockets, overcurrent, electrical arcing, or external factors such as electrical surges.
- III. Customer acknowledges and agrees that the electric Utility Service will be temporarily disconnected to conduct the Meter Services. The Company shall not be liable for any damage, defect, or loss to household fixtures, including but not limited to fuse and circuit panels, wiring, receptacles and switches, appliances, electronics, lighting, or any other related appurtenances that rely on the electric Utility Service provided by Customer and may become damaged, defective, or otherwise affected due to the electrical Utility Service disruption. Customer assumes all risks associated with such disruption and agrees to

indemnify, defend, and hold harmless the Company from any claims, liabilities, or losses arising therefrom.

- E. Gas Utility Service.
- I. The warranty is limited to the actual work performed to exchange or retrofit a gas index or SmartPoint to the existing gas meter. The Company will not disconnect the gas Utility Service or perform any other service to the existing gas utility meter during the Meter Service.
- F. Limitations.
- I. The Company does not warrant against defects to the work resulting from tamper, vandalism, negligence, "Acts-of-God", pre-existing or uncontrollable conditions, or any service work or repair performed by third parties not hired by the Company.
- II. Unless otherwise expressly provided herein, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, warrants that the operation of the services will be uninterrupted or error free. Further, neither the Company, nor any of its suppliers, vendors, licensors, subcontractors, including employees, agents, or assigns thereof, will be responsible for (i) lost revenue, including revenue lost from third parties, persons, or entities, such as bills for electricity, lighting, gas, or water consumption; (ii) any In/Out Costs, where "In/Out Costs means any and all costs and expense incurred by Customer in transporting goods between Customer's warehouse and Service Account, including any and all costs and expenses incurred in installing, uninstalling, and removing goods; and (iii) any manual meter reading costs and expenses.
- III. The Company, nor any of its suppliers, vendors, subcontractors, or assigns including employees, agents, or assigns thereof, shall not be responsible for any Service Account in which it's occupant(s) rely on the Utility Service for medical reasons, including proper function of certain medical equipment, and such Service Accounts have not been previously disclosed by Customer to the Company. In avoidance of doubt, the Company expressly disclaims liability for Service Accounts which require Utility Services to operate certain medical equipment including but not limited to breathing machines, respiratory devices, ventilators, cardiac pumps, apnea monitors, feeding equipment, dialysis, communication devices, or other similar devices. Customer will provide the Company with a list of all known or suspect Service Accounts which rely on constant Utility Services to operate medical equipment in advance of the Meter Services. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE STATE LAW(S), CLIENT SHALL HOLD THE COMPANY, ITS SUPPLIERS, SUBCONTRACTORS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, AND ASSIGNS HARMLESS FROM ANY AND ALL LOSSES, COSTS, FINES, PENALTIES, DAMAGES, AND OTHER AMOUNTS (INCLUDING REASONABLE ATTORNEY FEES) INCURRED BY, ASSESSED AGAINST, OR IMPOSED ON THE COMPANY AND ARISING FROM OR IN CONNECTION WITH ANY AND ALL THIRD PARTY SUITS, CLAIMS, ACTIONS OR DEMANDS FOR (I) PERSONAL INJURIES, DEATH OR (II) DAMAGE TO



### Thirkettle Corporation General Terms of Sale

TANGIBLE PERSONAL AND REAL PROPERTY CAUSED BY CLIENT'S FAILURE TO COMPLY WITH THIS SECTION.

#### G. LIMITATIONS AND DISCLAIMERS OF LIABILITY.

- I. LIMITATIONS. Unless otherwise expressly provided herein, neither the Company nor any of its service providers, licensors, employees or agents warrant that the operation of the Services will be uninterrupted or error free. The Company will not be responsible for any damages that Customer may suffer arising out of use, or inability to use, the Services, except to the extent such damages are directly caused by the Company's gross negligence or willful misconduct.
  - II. DISCLAIMER OF CERTAIN DAMAGES. IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO ANOTHER PARTY HERETO FOR ANY LOST PROFITS (WHETHER DIRECT OR INDIRECT), LOSS OF USE, COSTS OF COVER, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT, WARRANTY OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE, EXCEPT TO THE EXTENT SUCH DAMAGES ARE DIRECTLY CAUSED BY THE COMPANY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.
19. RETURN MATERIAL AUTHORIZATION. Product(s) returned for warranty and in accordance with Standard Supplier's Warranty will be returned directly to the Supplier unless otherwise instructed by the Company. Customer shall submit a list of defective items with description of failure, Product(s) type(s), model(s), serial number(s) or identification number(s), and any additional pertinent information requested by the Company to identify the product in Excel format to [rma-norcal@aquametric.com](mailto:rma-norcal@aquametric.com); [rma-socal@aquametric.com](mailto:rma-socal@aquametric.com); [rma-texas@aquametric.com](mailto:rma-texas@aquametric.com); or [rma-louisiana@aquametric.com](mailto:rma-louisiana@aquametric.com). The Company will generate a Return Material Authorization ("RMA") form for the Customer to include with the Product(s) shipment to the Supplier. Customer will be responsible for any cost(s) incurred to return the Product(s) to the Supplier for warranty claims.
20. FORCE MAJEURE. The Company shall not be held liable for delay, suspension, or cancellation in fulfilling or failure to fulfill its obligations under this Agreement, if such delay or failure is caused by events beyond the Company's reasonable control, including, without limitation, natural calamity, acts of God, terrorist events, pandemic, epidemic, strikes, lockouts or labor disruption, wars, riots or embargo delays, government allocations or priorities, shortages of transportation, fuel, labor, or materials, inability to produce or procure the products or raw materials, or any other circumstance or cause, including unforeseen cost(s) imposed upon the Company by its Suppliers or governmental mandate to furnish the Goods which may arise from circumstances beyond the Company's reasonable control.
21. LIMITATION OF LIABILITY.
- 21.1. THE COMPANY'S AGGREGATE LIABILITY IN ANY AND ALL CAUSES OF ACTION ARISING UNDER, OUT OF OR IN RELATION TO THIS AGREEMENT, ITS NEGOTIATION, PERFORMANCE, BREACH OR TERMINATION (COLLECTIVELY "CAUSES OF ACTION") SHALL NOT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO THE COMPANY UNDER THIS AGREEMENT. THIS LIMITATION OF LIABILITY SHALL APPLY REGARDLESS OF THE LEGAL THEORY UNDER WHICH THE CLAIM IS BROUGHT, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, OR ANY OTHER LEGAL OR EQUITABLE THEORY.

- 21.2. AS A SEPARATE AND INDEPENDENT LIMITATION ON LIABILITY, THE COMPANY'S LIABILITY SHALL BE LIMITED TO DIRECT DAMAGES. THE COMPANY SHALL NOT BE LIABLE FOR: (I) ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; NOR (II) ANY REVENUE OR PROFITS LOST BY CUSTOMER OR ITS AFFILIATES FROM ANY END USER IRRESPECTIVE OF WHETHER SUCH LOST REVENUE OR PROFITS IS CATEGORIZED AS DIRECT DAMAGES OR OTHERWISE, INCLUDING REVENUE LOST FROM THIRD PARTIES, PERSONS, OR ENTITIES, SUCH AS BILLS FOR ELECTRICITY, LIGHTING, GAS, OR WATER CONSUMPTION; NOR (III) ANY IN/OUT COSTS; NOR (IV) CLAIMS MADE BY A THIRD PARTY; NOR (V) MANUAL METER READ COSTS AND EXPENSES. "IN/OUT COSTS" MEANS ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN TRANSPORTING GOODS BETWEEN ITS WAREHOUSE AND ITS END USER'S PREMISES AND ANY COSTS AND EXPENSES INCURRED BY CUSTOMER IN INSTALLING, UNINSTALLING AND REMOVING GOODS. "END USER" MEANS ANY END USER OF ELECTRICITY/WATER/GAS THAT PAYS CUSTOMER FOR THE CONSUMPTION OF ELECTRICITY/WATER/GAS, AS APPLICABLE.
- 21.3. The limitations on liability set forth in this Agreement are fundamental inducements to the Company entering into this Agreement. They apply unconditionally and in all respects and shall be interpreted as broadly as possible to afford the Company the maximum protection permitted under law. To the fullest extent permitted by law, no Cause of Action may be instituted by Customer against the Company more than six (6) months after the Cause of Action first arose. In the calculation of any damages in any Cause of Action, no damages incurred more than six (6) months prior to the filing of the Cause of Action shall be recoverable. If Customer is not the sole end user and ultimate owner of the Deliverables, then Customer shall ensure by its contract with the end user and ultimate owner (collectively, "Owner") that the Company is given the benefit of the exclusions and limitations set out in these Terms. To the maximum extent permitted by law, Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses, including attorney's fees, arising from or related to any Owner's claims, to the extent that the Company would not be liable to Customer under these Terms if the claim had been made by Customer.
22. INDEMNIFICATION. To the maximum extent permitted by law, Customer agrees to defend, indemnify, and hold the Company harmless from any and all losses, costs, fines, penalties, damages, and other amounts, including reasonable attorney fees (collectively the "Losses"), incurred by, assessed against, or imposed on the Company arising from or in connection with Customer's use of the Goods, regardless of whether such Losses were caused in part by the Company's actions or omissions, except to the extent such Losses were solely and directly caused by the Company's willful misconduct or gross negligence.
23. CONFIDENTIAL INFORMATION. As used herein, "Confidential Information" refers to any non-public, proprietary, or sensitive information disclosed by one party to another party in connection with this Agreement, whether in written, oral, electronic, or any other form. Confidential Information includes without limitation business plans, strategies, financial data, pricing, contracts, trade secrets, proprietary technology, software, technical specifications, Customer data (such as billing account data, payment information), Supplier information, employee information, and any other work product or information marked or reasonably understood to be confidential. Each party shall hold the other party's Confidential Information in confidence and shall not disclose such Confidential Information to third parties other than to

### Thirkettle Corporation General Terms of Sale

- consultants or contractors, subject to similar terms of confidentiality, when disclosure is necessary for the purposes set forth herein, nor use the other party's Confidential Information for any purpose other than the purposes set forth under this Agreement. The foregoing restrictions on disclosure shall not apply to information which is: (i) already known by the public, (ii) becomes, through no act or fault of the recipient, publicly known, (iii) received by recipient from a third party without a restriction on disclosure or use, (iv) independently developed by recipient without reference to the other party's Confidential Information, or (v) is a public record under applicable laws, subject to the terms of this Section. The Customer will maintain the confidentiality of all Company Confidential Information, and the Company will maintain the confidentiality of all Customer Confidential Information, with each party taking all reasonable precautions to protect the same, and at a minimum taking those precautions used to protect its own Confidential Information from unauthorized use or disclosure.
24. ASSIGNMENT. Customer may not assign, transfer or delegate this Agreement or any part of Customer's rights or duties without prior written consent of the Company. Any attempted assignment in violation of this section shall be null and void.
  25. GOVERNING LAW AND DISPUTE RESOLUTION. This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflict of laws principles. In the event of any dispute arising out of or relating to this Agreement, the parties agree that jurisdiction and venue shall be proper in the state and federal courts of California, or, where applicable, in the state where the transaction giving rise to the dispute occurred. The parties shall first attempt to resolve the matter through an informal dispute resolution process by making a good faith effort, either through email, mail, phone conference, in person meetings, or other reasonable means to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with this Agreement. If the parties fail to resolve the dispute within sixty (60) days of the date of receipt of the notice of the dispute, then the parties shall submit the matter to non-binding mediation. If no resolution is reached after having completed these steps in good faith, any legal action shall be brought in the state or federal courts located in California, and both parties consent to the exclusive jurisdiction and venue of such courts unless otherwise agreed.
  26. COMPLIANCE WITH LAWS. Customer shall at all times comply with all applicable laws and regulations, as they exist at the time of acceptance and as they may be amended, changed, or supplemented. Customer shall not take any action or permit any action by a third party that could result in the Company being held liable for any violation of applicable laws. Customer shall perform its obligations under this Agreement in strict compliance with all Laws applicable to Customer's business, activities, and facilities. "Laws" shall include and refer to any and all federal (national), state, provincial, municipal, or local laws, regulations, rules, judicial decrees, decisions and judgments, executive and government orders and ordinances, and any and all directives of regional legislative and regulatory bodies and implementing legislation, as well as rules and regulations of any self-regulatory organization by which any party may be bound. Customer agrees to indemnify, defend, and hold harmless the Company from and against any and all claims, liabilities, losses, damages, costs, and expenses arising from or related to Customer's failure to comply with this clause.
  27. SEVERABILITY. In the event any provision of this Agreement is held to be void, unlawful or otherwise unenforceable, that provision will be severed from the remainder of the Agreement and replaced automatically by a provision containing terms as nearly like the void, unlawful, or unenforceable provision as possible; and the Agreement, as so modified, will continue to be in full force and effect.
  28. NON-WAIVER. The failure, delay, or partial exercise by the Company in exercising any right, power, or privilege under this Agreement shall not be construed as a waiver of any such right, power, or privilege, nor shall it preclude any other or further exercise thereof or the exercise of any other right, power, or privilege. Any waiver by the Company must be in writing and signed by an authorized representative of the Company to be effective.





June 26, 2024

Re: Sole Source

To Whom It May Concern:

Sensus, a Xylem brand, recognizes Aqua-Metric Sales Company as the Authorized Distributor of Sensus products in the territory of Central, East, and South Texas. Purchasing Sensus products from the authorized distributor in your area ensures that your products will be properly supported and warranted. Please contact Aqua-Metric Sales Company for all your Sensus needs.

We look forward to providing your business with quality electric products, solutions, and service in the near future. Please feel free to contact me if you have any questions.

Sincerely,

**Holt Jorgensen**

Director of Sales-Sensus

M: 469.338.8348

1935 Wind Hill Road | Rockwall, TX 75087

Xylem.com | Sensus.com



July 01, 2024

Aqua-Metric Sales Company  
Kelsey VanCleave  
16914 Alamo Pkwy Bldg 2 | SELMA, TX 78154-1492  
Phone: (210) 967-6300 | Facsimile: (210) 967-6305

Quote for: City of Sanger  
Attention:  
Address: PO BOX 1729  
City, State, Zip: Sanger, TX 762660017  
Phone: (940) 458-930  
Email:

Quantity		Description		Unit Price	Line Total
300	EA	ICON	2S CL200 240V RD Stratus IQ +	227.81	68,343.00
36	EA	ICON	2S CL320 240V Stratus IQ +	169.19	6,090.84
4	EA	ICON	1S CL200 240V RD Stratus IQ +	262.92	1,051.68
48	EA	EMETER	9S CL20 120-480v Aclara w/ Switches: B,K,Q,R,T,V, UL2735 Listing	819.33	39,327.84
24	EA	EMETER	16S CL200 120-480v Aclara w/ Switches: B,K,Q,R,T,V, UL2735 Listing	819.33	19,663.92
4	EA	EMETER	36S CL20 120-480v Aclara w/ Switches: B,K,Q,R,T,V, UL2735 Listing	819.33	3,277.32
4	EA	EMETER	45S CL20 120-480v Aclara w/ Switches: B,K,Q,R,T,V, UL2735 Listing	819.33	3,277.32
1	EA	BROKENPALLETIACLARA BROKEN PALLET FEE		75.00	75.00

This quote for the product and services named above is subject to the following terms:

1. All quotes are subject to the Aqua-Metric Terms of Sales.
2. Quote is valid for thirty days.
3. If modifications in materials, labor or processing are required to meet new regulations, the pricing submitted herein is subject to immediate change.
4. Freight allowed on single orders exceeding \$80,000.00.
5. Net Thirty Days to Pay.
6. Sales Tax and/or Freight charges are approximated and may vary on final invoice.

Subtotal	141,106.92
Sales Tax	0.00
Total	141,106.92



## CITY COUNCIL COMMUNICATION

**DATE:** February 2, 2026

**FROM:** Kelly Edwards, City Secretary

**AGENDA ITEM:** Consideration and possible action on the minutes from the January 20, 2026, meeting.

**SUMMARY:**

N/A

**FISCAL INFORMATION:**

N/A

**RECOMMENDED MOTION OR ACTION:**

Approve the January 20, 2026, meeting minutes.

**ATTACHMENTS:**

Meeting minutes.

# CITY COUNCIL

## MEETING MINUTES

**JANUARY 20, 2026, 7:00 PM**

**CITY COUNCIL REGULAR MEETING**

**HISTORIC CHURCH BUILDING - 403 N 7TH STREET, SANGER, TEXAS**



### **CALL THE REGULAR MEETING TO ORDER AND ESTABLISH A QUORUM**

Mayor Muir called the regular meeting to order at 7:04 p.m.

### **COUNCILMEMBERS PRESENT**

Mayor	Thomas Muir
Mayor Pro Tem, Place 2	Gary Bilyeu
Councilmember, Place 1	Marissa Barrett
Councilmember, Place 3	Josh Burrus
Councilmember, Place 4	Allen Chick

### **COUNCILMEMBERS ABSENT**

Councilmember, Place 5	Victor Gann
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### **STAFF MEMBERS PRESENT:**

City Manager John Noblitt, City Secretary Kelly Edwards, Chief Financial Officer Clayton Gray, Director of Development Services Ramie Hammonds, Parks & Recreation Director Ryan Nolting, Director of Human Resources and Special Projects Jeriana Staton-Hemb, Assistant Fire Chief Casey Welborn, Library Director Laura Klenke, Police Chief Tyson Cheek, and Lt. Justin Lewis.

### **INVOCATION AND PLEDGE**

Councilmember Chick gave the Invocation. The Pledge of Allegiance was led by Councilmember Barrett.

### **CITIZENS COMMENTS**

Vince Handler, candidate for Justice of the Peace, provided a campaign update.



## **SPECIAL PRESENTATIONS AND ANNOUNCEMENTS**

1. American Legion Post 268 presentation honoring the Firefighter/Paramedic and Police Officer of the 2025 year.

Clint Smith announced that Officer Tim Morton was named the 2025 Police Officer of the Year, and that Rowdy Whited was named the 2025 Firefighter/Paramedic of the Year.

## **REPORTS**

2. Annual presentation of library department operations.

Director Klenke provided a presentation and overview of the Library.

## **CONSENT AGENDA**

3. Consideration and possible action on the minutes from the January 5, 2026, meeting.
4. Consideration and possible action to amend the amount for the payment for Hail Damage Repairs, September 21, 2025 Storm Event.
5. Consideration and possible action on the 2026 Facility Use Agreement between the City of Sanger and the Sanger Softball Association, and authorize the City Manager to execute said agreement.
6. Consideration and possible action authorizing the City Manager to enter into an agreement with DCBRE, LLC Commercial Real Estate for the sale of property.
7. Consideration and possible action on the 2026 Facility Use Agreement between the City of Sanger and the Sanger Youth Sports Association, and authorize the City Manager to execute said agreement.

Councilmember Chick removed Item 6 for additional discussion.

Councilmember Burrus removed Item 7 for additional discussion.

Motion to approve Items 3, 4, and 5 of the consent agenda as presented.

Motion: Chick

Second: Burrus

Ayes: Barrett, Bilyeu, Burrus, and Chick.

Nays: None

Motion passed unanimously.

After additional discussion -

Motion to approve Item 7 of the consent agenda as presented.

Motion: Chick

Second: Burrus

Ayes: Barrett, Bilyeu, Burrus, and Chick.

Nays: None

Motion passed unanimously.

Mayor Muir moved to Item 8 of the agenda.

## **PUBLIC HEARING ITEMS**

8. Conduct a public hearing on amendments to Chapter 8 Offenses and Nuisances, 8.103 Notice to Abate Nuisance, amending the language to include a public hearing before the municipal court and vehicle identification if available on site.

Mayor Muir opened the public hearing at 7:55 p.m.

Director Hammonds provided an overview of the item.

No one else requested to speak.

Mayor Muir closed the public hearing at 7:56 p.m.

9. Conduct a public hearing on amendments to Apx SR Sign Regulations, Section 4, 5, 6, 7, 9, and 15 of the Code of Ordinances.

Mayor Muir opened the public hearing at 7:56 p.m.

Director Hammonds provided an overview of the item.

No one else requested to speak.

Mayor Muir closed the public hearing at 7:58 p.m.

## **ACTION ITEMS**

10. Consideration and possible action on Ordinance No. 01-07-26 an amendment to Chapter 8 Offenses and Nuisances, 8.103 Notice to Abate Nuisance, amending the language to include a public hearing before the municipal court and vehicle identification if available on site.

Motion to approve.

Motion: Bilyeu

Second: Burrus

Ayes: Barrett, Bilyeu, Burrus, and Chick.

Nays: None

Motion passed unanimously.

11. Consideration and possible action on Ordinance No. 01-05-26 amendments to Apx SR Sign Regulations, Section 4, 5, 6, 7, 9, and 15 of the Code of Ordinances.

Motion to approve.

Motion: Burrus

Second: Bilyeu

Ayes: Barrett, Bilyeu, Burrus, and Chick.

Nays: None

Motion passed unanimously.

## **FUTURE AGENDA ITEMS**

City Secretary Edwards stated that the County had requested that cities move their election canvases to the last date allowed, scheduling the canvass for May 13, 2025.

## **EXECUTIVE SESSION**

Mayor Muir called the Council into Executive Session regarding Item 6 of the agenda pursuant to Section 551.072. DELIBERATION REGARDING REAL PROPERTY. For deliberations regarding the purchase, exchange, lease, or value of real property if deliberation in an open meeting would have a detrimental effect on the position of the governmental body in negotiations with a third person.

Council convened into executive session at 8:14 p.m.

Council reconvened into open session at 8:35 p.m.

Motion to approve Item 6 of the agenda.

Motion: Chick

Second: Bilyeu

Ayes: Barrett, Bilyeu, Burrus, Chick, and Gann.

Nays: None

Motion passed unanimously.

## **ADJOURN**

There being no further business, Mayor Muir adjourned the meeting at 8:36 p.m.

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Thomas E. Muir, Mayor

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Kelly Edwards, City Secretary



## CITY COUNCIL COMMUNICATION

**DATE:** February 2, 2026

**FROM:** Ryan Nolting, Director of Parks & Recreation

**AGENDA ITEM:** Consideration and possible action to authorize the City Manager to execute a new task order under the FY2020 Engineering Assistance and Miscellaneous Task Agreement with Halff Associates, Inc., for professional landscape architectural and engineering services related to the Porter Park East Complex

**SUMMARY:**

- The purpose of the Service Agreement is to provide schematic design and construction document (PS&E) services for the Porter Park East Multiphase Complex.
- The term of this Agreement shall be for a period of 12 months beginning on the effective date, unless extended by authority of the City Manager or designee.
- Within the scope of services, Halff Associates will provide the following tasks: 1. Design Support Services, 2. Data Collection, 3. Schematic Design, and 4 Construction Documents. Halff Associates will work closely with the City of Sanger to ensure project satisfaction.

**FISCAL INFORMATION:**

\$600,000 is in the current Parks Capital budget (004-32-6518 Porter Park Phase II), and Sanger EDC approved \$1,080,100 on December 9 to fund the project.

**RECOMMENDED MOTION OR ACTION:**

- Staff recommends approval.

**ATTACHMENTS:**

- City Council Communication
- Basic Scope of Services with Halff Associates.

December 31, 2025

PROJECT No. (AVO): 56304.002

City of Sanger  
Ryan Nolting  
Parks and Recreation  
201 Bolivar St, Sanger TX 76266

**RE: Porter Park East PS&E- The approximately 50-acre site east of Interstate Highway 35 and west of Cowling Road on the northern banks of Duck Creek.**

Dear Ryan,

At Halff we improve lives and communities by turning ideas into reality. We do that by working with great clients on meaningful PROJECTS. As such, we are pleased to submit the following Scope of Services for the Porter Park East Sports Complex for the City of Sanger.

The Services to be performed as described herein are to be performed under the requirements and definitions as described in the **FY2020 ENGINEERING ASSISTANCE AND MISCELLANEOUS TASKS** Agreement executed between Halff Associates, Inc. and the City of Sanger, Texas on 11/13/2019.

The Scope of Services are as described in EXHIBIT A with the Proposed Fees shown in EXHIBIT B. Proposed services that are not included as part of the Scope of Service are listed in EXHIBIT C Exclusions/Available Additional Services; Project Location and Limits and the Approved Master Plan are provided in EXHIBIT D; and, the Project Schedule is as shown in EXHIBIT E.

**Unless otherwise modified, please note that the Scope of Services described herein shall remain valid and continue in effect for a period of 90 calendar days, after which it will require renewal in writing by CONSULTANT and CLIENT.**

Thank you for the opportunity to work with you to improve lives and communities. Please feel free to contact me if you have any questions or comments regarding this Scope of Services.

Sincerely,



W. Brett Mann, PLA, ASLA  
Director of Landscape Architecture  
214-217-6472  
bmann@halff.com

# **EXHIBIT A**

## **BASIC SCOPE OF SERVICES**

### **LANDSCAPE ARCHITECTURAL AND ENGINEERING SERVICES FOR PORTER PARK EAST SPORTS COMPLEX**

## **PURPOSE**

Halff (CONSULTANT) shall provide Landscape Architecture and Engineering Services for Porter Park East Sports Complex (PROJECT), to the City of Sanger, TX (CLIENT). The purpose of the PROJECT is to provide Schematic Design and Construction Document (PS&E) services for Phase 1 of a multiphase sports complex as described in the scope and shown on the attached Exhibit D Approved Master Plan.

## **SCOPE**

The PROJECT is located on the approximately 50-acre site east of Interstate Highway 35 and west of Cowling Road on the northern banks of Duck Creek and will consist of the amenities shown in the area delineated as Phase 1 on the attached Exhibit D Approved Master Plan. This PROJECT Scope will consist of Schematic Design and Construction Documents (PS&E) for Phase 1.

## **ASSUMPTIONS**

This scope of services (the "Scope of Services") has been prepared using the following assumptions as a basis for its preparation:

1. The Scope of Services represents a single, stand-alone PROJECT consisting of tasks described below for the design and construction of the proposed improvements, in their entirety, with no removal or separation of tasks for the completion of the PROJECT.
2. Preparation of plans at each milestone is on a one-time only basis. Changes to a milestone submittal (i.e. a re-submitted set of 60% plans after a full 60% set of plans has been submitted by the CONSULTANT for formal review by the CLIENT) will result in additional fees to be determined at that time prior to revision work being done. Comments on each milestone submittal will be addressed in the following submittal.
3. The PROJECT will follow Federal, State and Local design requirements as applicable.
4. CLIENT, and Stakeholders, i.e., TxDOT, NCTCOG, Parks Department, Sports Associations etc, will provide available existing conditions information and base-map data, including, but not limited to:
  - As-built plans, record drawings, and/or condition assessments for existing utilities located within the proximity or adjacent to the PROJECT area.

- Construction and/or as-built drawings, if available, and any future development plans impacting the PROJECT area.
  - Traffic studies
  - Current property and easement information.
  - Aerial Data.
  - Existing or previous environmental reporting.
  - Base information such as CADD or GIS data
  - GIS data for FEMA floodplain
  - Hydraulic models
5. The CLIENT will be responsible for distributing, coordinating, and facilitating all submittal milestones/packages to necessary stakeholders, including correspondence during the submittal review period(s) and providing CONSULTANT with organized reviews/comments and feedback from reviewing entities.
6. In addition to any base map data provided by the CLIENT (as described above), CONSULTANT will utilize publicly available and CLIENT-provided data (aerial ortho imagery, contours, record drawings, etc.) to supplement PROJECT development outside the limits of survey. Supplemental information will be used in the assessment, review, and design of the proposed improvements.
- The PROJECT schedule and milestone dates are based on an assumed CLIENT and stakeholder review period of 10 business days. Review periods exceeding 10 business days may impact the remaining schedule.
7. There are no significant changes to site conditions since the original request for proposal was provided by CONSULTANT to the CLIENT on July 15, 2025.
8. Internal PROJECT meetings described herein will be held at the CONSULTANT's office or virtually, unless on-site meeting is specified. CONSULTANT shall notify CLIENT and request additional compensation if additional meetings are necessary for ongoing coordination and/or the completion of the PROJECT.



## TASK 1 – DESIGN SUPPORT SERVICES

### TASK 1.1 – PROJECT MANAGEMENT AND COMMUNICATION

#### **PROJECT Management Coordination, Communications, and Reporting:**

CONSULTANT will provide reports to the CLIENT as part of a monthly coordination meeting, which will detail the current progress, highlight any outstanding issues, and address future concerns. Additionally, CONSULTANT will conduct internal meetings with their staff for effective coordination and communication regarding the PROJECT.

CONSULTANT will coordinate with all disciplines involved in the production of the design documents and will conduct internal coordination meetings as needed.

CONSULTANT will schedule and coordinate up to five (05) Design Review meetings total with the CLIENT during the design phase. These meetings will review the design documents and address any issues that may arise.

Other Coordination - Phone calls, conference calls, virtual meetings are included in this phase.

### TASK 1.2 – PROJECT KICK-OFF MEETING

#### **PROJECT Kick-off Meeting:**

CONSULTANT will attend one (1) virtual or in-person-coordination/PROJECT kick-off meeting with the CLIENT to confirm the goals, objectives, budget, schedule and program of proposed improvements of the PROJECT. Notes may be taken by the CONSULTANT to record items discussed and decisions made during this meeting and provided to all attendees.

- PROJECT Kick-Off Meeting – One (1) Virtual or in-person meeting (3 Hours maximum duration)

#### **Task 1.2 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the PROJECT Kick-Off meeting notes.
- One (1) Digital PDF copy of the monthly progress reports (if requested).

### TASK 1.3 – QUALITY ASSURANCE/QUALITY CONTROL (QA/QC)

CONSULTANT will perform internal Quality Assurance and Quality Control (QA/QC) reviews of CONSULTANT'S deliverables at each submittal milestone. SUBCONSULTANTS are required to follow CONSULTANT QA/QC standards. In addition, the CONSULTANT QA/QC Manager may provide comments to SUBCONSULTANTS and recheck for implementation.

## TASK 2 – DATA COLLECTION

### TASK 2.1 – GEOTECHNICAL REPORT

#### **SCOPE OF SERVICES**

The objective of this geotechnical investigation will be to obtain subsurface data and develop foundation, pavement, pavement subgrade and earthwork recommendations for the facility. All services provided will be performed in accordance with and limited to those generally accepted engineering standards prevailing at the time and in the area where the work is performed.

#### **Field Services**

Based on the PROJECT layout, we propose to drill a total of nine (9) borings across the site. Six (6) borings will be drilled within the proposed parking and field areas to depths of about 10 feet, or to top of competent bedrock, whichever occurs first. Three (3) borings will be drilled in the vicinity of the concession building, shaded bleachers, pavilion, and restroom buildings to depths of about 20 feet, or 10 feet into competent bedrock, whichever occurs first.

The borings will be drilled and sampled using a truck-mounted drilling rig, however, if an ATV- mounted drilling rig is required, an additional fee of \$550 will be charged. Conventional tube or split- barrel (standard penetration test) samples will be collected as appropriate for the soils encountered. Bedrock strata, if encountered, will be tested in-place using the Texas Cone Penetration Test. The recovered subsurface samples will be preserved and labeled as to the appropriate boring number and depth in the field. These materials will later be described in further detail in the laboratory by a staff geologist or engineer. Groundwater, if observed, will be recorded during and at the completion of drilling. Borings will be backfilled with on-site cuttings to near surface grade. Backfilled borings should be expected to settle over time and should be monitored; CONSULTANT will not be responsible for any additional future backfilling required, nor damage or injury that may result from settlement of the boreholes after the initial backfill process.

#### **Laboratory Services**

Selected laboratory testing of the recovered samples will be performed to evaluate soil index, volume change, and strength properties of the subsurface materials, and to provide data for analysis. These tests may include but may not be limited to the following:

- Moisture content
- Atterberg limits
- Percent passing No. 200 mesh sieve
- Unconfined compressive strength (soil and rock)
- Overburden swell
- Soluble sulfates
- CONSULTANT will retain recovered samples for 30 days after submission of the geotechnical report unless other arrangements are made by the client.

#### **Engineering Analysis and Report**

Data obtained from the field investigation and laboratory tests will be presented in a geotechnical data report. Information to be provided includes the following:

- A plan sheet indicating the approximate location of each boring.

- A log of each boring with the boring number, depth of each stratum, material description, soil classification with laboratory test results, and groundwater information.
- A discussion of subsurface soil and groundwater conditions.
- A brief discussion of site geology.
- Estimates of soil movement related to settlement and expansive soils (if present).
- Outline of the engineering properties of the natural soils present, and any existing fill, if encountered
- Recommendations for foundation type, depth and allowable loading, uplift considerations,
- L-Pile parameters and Seismic Site Class (2018 IBC).
- Earthwork recommendations, including material type(s), compaction, and backfill requirements.
- Pavement and pavement subgrade recommendations.

### **CONDITIONS**

We respectfully request that the Owner provide the following:

- Landowner permission, right(s) of entry, permits, easements or other access authorization required to perform our proposed services.
- The CLIENT must also provide access to each boring location for the drill rig and crew prior to drilling operations. Collateral damage to landscaping and/or flatwork may occur in the event of limited access; CONSULTANT will not be responsible for any damage to these items or responsible for any repair. If the above conditions are not met and the PROJECT site is not accessible to the drilling rig at time of initial mobilization, standby and travel time (portal to portal) will be billed at the rate of \$250/hour for additional mobilizations.
- CONSULTANT will contact DigTess/Texas811 One Call for general subsurface utility clearing within the easements. Locating and marking any private non-franchise subsurface utilities or other structures or items which might be damaged during the field exploration program is not part of this scope. The client must provide these services before drilling can proceed; however, these services can be provided by third-party vendor to CONSULTANT for an additional fee. CONSULTANT will not be responsible for damaged utilities that are not clearly marked.

### **Task 2.1 Deliverables**

Deliverables provided by the CONSULTANT shall include the following:

- *One (1) PDF electronic copy of the report.*

## **TASK 2.2 – DESIGN SURVEY**

### **Survey Scope:**

Topographic and Boundary Survey of approximately 54+/- acres of land located on the east side of I-35 south of the town of Sanger and being more particularly located within the R.A. Johnson Survey, Abstract No. 666, Denton County, Texas.

Topo limits for proposed Porter Park are easterly from the northwest corner of the proposed site at the existing east right-of-way line of I-35 and along the north line of the proposed tract for approximately 400 feet, northerly +/- 185 feet, easterly +/- 680 feet to the existing east right-of-way line of Cowling Road, southerly along the existing east right-of-way line of Cowling Road +/- 2800 feet to the south bridge abutment along the south top bank of Duck Creek, northwesterly along said south top bank of Duck Creek approximately 880 feet to the existing east right-of-way line for I-35, continuing westerly with the south top bank of said Duck Creek over and across TxDOT right-of-way +/- 400 feet to the west right-of-way line of I-35, north approximately 750 feet along the existing west right-of-way line of I-35, east +/- 400 feet over and across TxDOT right-of-way to the west line of the subject tract and west right-of-way line for I-35, north approximately 1,400 feet along the existing east right-of-way line for I-35 and the west line of the subject tract to the point of beginning of proposed Porter Park. Topo to include east edge of existing service road along the subject tract's west boundary line.

### **Survey for Design:**

- Survey shall tie in all right-of-way lines and corners, property lines, trees 6" and larger in caliper, fence lines, and all other present and visible surface features. Property lines will be shown based on found monuments/property corners, and will be resolved for best fit, but not as a deliverable.
- Topographic information provided at one-foot contours of existing grade.
- Establish PROJECT control using Global Positioning System (GPS methodology). Horizontal values will be based on the Texas State Plane Coordinate System, North American Datum of 1983, North Central Zone (4202). The vertical values will be referenced to NAVD88 and computed using GEOID 18, set a minimum of three control points for design.
- Horizontal and vertical location of all existing facilities within the PROJECT limits including existing paving, driveways, sidewalks, buildings, mailboxes, landscaping, etc.
- Tie existing visible franchise utilities and appurtenances, and public utilities such as water valves, fire hydrants, manholes, etc.
- Tie underground utilities if located during the discovery process as marked by Texas 811.

### **Task 2.2 Deliverables**

Deliverables provided by the CONSULTANT shall include the following:

- *3D digital terrain model and 2D planimetric and boundary/legal reference files in Civil 3D*

## **TASK 2.3 – ENVIRONMENTAL SERVICES**

### **Environmental**

- **Cultural Resources Assessment:** Because the PROJECT is being developed by the City, a political sub-entity of the State of Texas, it falls under purview of the Antiquities Code of Texas (Title 9, Chapter 191 of the Texas Natural Resources Code), which requires that the Texas Historical Commission (THC) review actions that have the potential to impact archeological historic properties within the public domain. In addition, the PROJECT requires authorization by the USACE pursuant to Section 404 of the Clean Water Act, which is considered a federal action requiring compliance with Section 106 of the National Historic Preservation Act (Section 106). Halff will perform desktop research and agency consultation as described below to enable the City to comply with the Texas Antiquities Code (TAC) and Section 106 for the proposed PROJECT.

Based on the initial assessment of the PROJECT, it was determined that preliminary consultation with the Texas Historical Commission (THC) will be necessary due to the proximity of the Greenwood/Old Greenwood Cemetery and its shared boundary with the PROJECT area. Halff will subsequently conduct a review of the Texas Archeological Sites Atlas to identify any documented archeological sites, above-ground historic resources, or additional cemeteries within or adjacent to the PROJECT area that may be eligible for listing in the National Register of Historic Places (NRHP) or for designation as a State Antiquities Landmark (SAL). In addition, historic aerial imagery and topographic maps will be reviewed to identify potential above-ground historic resources. Background research will also include an assessment of local soils, geology, and other physiographic data to evaluate the potential for buried archeological deposits, with consideration of the proposed PROJECT's horizontal and vertical footprint. The results of this desktop review will inform recommendations regarding the potential for the PROJECT to affect cultural resources or cemeteries eligible for NRHP listing or SAL designation.

The results of the desktop review will be summarized in a report submitted for review by THC and USACE. If the desktop review and agency consultation results in the need for additional cultural resources investigations (e.g., archeological and/or historic resources field surveys), this will be considered an additional service and scoped separately.

- **Threatened and Endangered Species Assessment:** Because a Section 404 permit is a federal action, documentation must be provided to make an effect determination under the Endangered Species Act to remain in compliance with the conditions of the Section 404 permit program. The Threatened and Endangered Species Assessment will include the following:
  - Obtaining an official species list for the PROJECT area and other related construction areas utilizing the United States Fish and Wildlife Service (USFWS) Information for Planning and Consultation (IPAC) service.
  - Conducting background research including review of aerial photography, topographic maps, vegetation maps, and soil survey maps to identify potentially suitable habitat for species listed in the IPaC report.
  - An opinion regarding the potential of the proposed PROJECTs to affect federally listed threatened and endangered species.
- **Section 404 Permitting Assessment:** This task assumes the PROJECT would not exceed the impact thresholds of a Nationwide Permit. Upon completion of Cultural Resources Assessments, and Threatened and Endangered Species Assessment, Halff specialists will coordinate with design team to evaluate site alternatives pursuant to the Section 404 Nationwide Permit program. Halff will outline Section 404 permitting responsibility as appropriate for the 60% design scenario and incorporate as a separate memorandum. This task does not assume the preparation and submittal of any Section 404 permit documents to the USACE

**Section 404 Jurisdictional Determination/Delineation:** Halff will perform an Aquatic Resources Delineation in general accordance with the U.S. Army Corps of Engineers (USACE) 1987 Wetlands Delineation Manual and appropriate USACE Regional Supplement (Great Plains Region) as detailed below. Halff will perform a desktop review by locating readily available resource documents which may include aerial photographs, historic topographic maps, soil surveys, U.S. Fish and Wildlife Service (USFWS) National Wetlands Inventory (NWI) maps, National Hydrography Dataset (NHD), Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps (FIRM), historic aerial photographs, and other related data for a desktop review of site conditions.

Halff will perform a site visit to evaluate the existence and locations of aquatic resources on the site generally following the USACE 1987 Wetlands Delineation Manual and the applicable USACE Regional Supplement. Completion of USACE wetland determination data forms will be completed if applicable. The ordinary high-water mark (OHWM) for streams will be identified in the field. Following the site visit, Halff will prepare exhibits showing the boundaries (polygons) and acreage and/or linear footage (if applicable) of aquatic resources identified onsite during the site visit as collected utilizing a GPS with sub-meter accuracy.

Halff will prepare a report for documenting the results of the aquatic resources delineation performed onsite. The report will address the applicable regulatory framework, describe the assessment methodology, findings, provide site-specific conclusions and jurisdictional analysis of identified features.

### **Task 2.3 Deliverables**

Deliverables provided by the CONSULTANT shall include the following:

- *Documentation Report in PDF format.*

## TASK 2.4 – WATER RESOURCES

- Coordinate with other disciplines with regards to drainage and floodplain constraints
- Perform preliminary drainage and flood studies to determine if any grading or drainage within the site will impact adjacent properties. If a pond is needed, a pond volume will be estimated
  - Hydrology
    - Delineate existing drainage areas to the 10% rule
    - Compute existing time of concentration and percent impervious values based on the current conditions at the time of PROJECT kick-off
    - Compute the proposed time of concentration and percent impervious values based on the preliminary site and drainage plans
    - If an increase in discharge is shown, analyze the capacity of the receiving system
    - If needed, determine the amount of detention required to show no adverse impacts
  - Hydraulics
    - Leverage the FEMA effective Clear Creek hydraulic model
    - Realign and add cross sections as needed based on the conceptual grading
    - Utilize the best available LiDAR and survey to revise the existing conditions cross section geometry
    - Input the proposed grading and low water crossing into the proposed model. If adverse impacts are shown, up to two mitigation alternatives will be analyzed to mitigate rises in the floodplain
  - Prepare a brief memo describing the methodology and findings of the studies described above

### **Task 2.4 Deliverables**

Deliverables provided by the CONSULTANT shall include the following:

- *Drainage Study Report in PDF format.*
- *Flood Study Report*
- *Hydrological and Hydraulic HEC-RAS and HEC-HMS Models*

## TASK 3 – SCHEMATIC DESIGN

### TASK 3.1 – SCHEMATIC DESIGN (30%)

#### **Schematic Design (30%) :**

Based on the input gathered in the Master Plan phase of this project, the kickoff meeting, concept development, stakeholder meetings, and site investigation, the CONSULTANT will prepare one (1) Schematic Design (30%) that communicates the intent and vision of the PROJECT. The Schematic Design shall include the layout of proposed improvements to demonstrate compliance with applicable Federal, State, and local/stakeholder rules, regulations, and codes. The CONSULTANT will identify any locations where exceptions to the established design standards may be necessary.

#### **Proposed Improvements:**

The Schematic Design (30%) shall include improvements within the approved Phase 1 Limits of Work as shown on the Exhibit D Project Location and Limits Plan and as described in Exhibit A Scope of Work sections of this proposal. Design for improvements shall follow current CLIENT and regulatory standards, unless directed otherwise by the CLIENT.

#### **Landscape Schematic Design Scope:**

The following Landscape plan sheets are anticipated for the Schematic Design:

1. Illustrative Site Plan

2. Illustrative Sections and Details
3. Precedent Imagery
4. Site Materials / Furnishings Plan / Palettes
5. Amenity Grading & Drainage Plan
6. Selection of Pre-Engineered Building for Concessions and Restrooms
7. Sketch Details
8. Tree Survey
  - a. Tree survey will show locations, sizes, of trees 6" DBH or larger, and status of trees in the design area to be kept or removed.
9. Planting Plan / Palette
10. Lighting Plan
11. Diagrammatic Irrigation Layout (for coordination of system elements with Civil)

### **Civil Schematic Design Scope:**

Based upon the approved Master Plan the following Civil plan sheets are anticipated for the schematic design.

1. Cover Sheet and Sheet Index
2. General Notes and Legend
3. Site and Survey Control
4. Mass Grading Plan
5. Paving Plan and Profiles
6. Parking Lot and Amenity Site Plan
7. Pavement Markings and Signage Plans
8. Existing Drainage Area Map
9. Proposed Drainage Area Map
10. Drainage Plans
11. Water and Sewer Plans

### **Structural**

The schematic design is anticipated to include the following structural sheets:

1. Preliminary Retaining Wall Layouts
  - a. Retaining Wall adjacent to Miracle League Field
  - b. C-I-P Site Retaining Walls Greater Than Four (4) Feet In Height And Necessary For Site Grading
2. Pre-Engineered Building Foundation Plan
3. Typical Pre-Engineered Building Foundation Details
4. Preliminary Dugout Floor Plan
5. Preliminary Dugout Roof Framing Plan
6. Preliminary Backstop Design
7. Preliminary Monument Sign and Overhead Monument Foundation Plans
8. Preliminary Overhead Monument Framing Details
9. Preliminary Light Pole Foundation Details

### **Plumbing**

The schematic design is anticipated to include general locations of plumbing services such as sanitary sewer and domestic water.

### **Task 3.1 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:



- One (1) Digital PDF copy of the Schematic Design (30%) Submittal.

#### **Drawing Deliverable Review/Comment Resolution Meetings:**

After the 30% submittal milestone has been delivered to the CLIENT, CONSULTANT will schedule and conduct a Drawing Deliverable Review/Comment Resolution Meeting with the CLIENT to discuss submittal review comments related to the PROJECT. Meeting objectives will include design feedback, comment review discussions, and describe subsequent submittal deliverables per the Scope of Work, with general questions and answers. Notes may be taken by the CONSULTANT at this meeting to document items discussed and decisions made.

Drawing sets shall be sheet sizes of 22-inch-Wide x 34-inch-Long (suitable for half size in 11-inch x 17-inch format), with black and white line work.

**All Scope of Services following the Schematic Design (30%) Phase will not begin until the CLIENT has provided CONSULTANT with a formal Notice to Proceed (NTP) confirming the acceptance of the design.** CONSULTANT will review and incorporate applicable review comments and feedback received during the Drawing Deliverable Review/Comment Resolution Meeting into the preparation of the subsequent submittal milestones.

### **TASK 3.2 – OPINION OF PROBABLE CONSTRUCTION COST (OPCC)**

#### **Preliminary Schematic Design (30%) OPCC:**

Upon completion of the approved Schematic Design plan (30%), the CONSULTANT shall prepare an Opinion of Probable Construction Cost (OPCC). CONSULTANT's OPCC shall be based on the quantities indicated on the CONSULTANT's plans and on the unit prices current at the time of the probable cost opinion preparation. Quantities and available unit pricing included in the schematic design OPCC are preliminary and shall be subject to change due to significant fluctuations in the market and pricing changes beyond CONSULTANT'S control. OPCCs are intended for budget purposes only.

#### **Task 3.2 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the Opinion of Probable Construction Cost listing bid items, quantities, and estimated bid costs.

### **TASK 3.3 – PHASING PLAN UPDATE**

Through the Schematic Design phase, the CONSULTANT shall, in collaboration with the CLIENT, confirm program elements for the phasing plan. These elements from the Schematic Design will be further developed into Construction Documents.

Phase 1 will contain the following elements:

- Miracle League Field (and associated needs)
  - Lighting
  - Bleachers
  - Dugouts
  - Adjacent Walks
  - Fencing
  - Scoreboard
- Accessible Playground
- Concession / Restroom Building



- Shade pavilion between Miracle League Field and playground
- Park Entry Monument
- Parking sufficient to serve games played on the Miracle League Field
  - Limited to approach with drive apron on Cowling Road and concrete paving for twenty handicap parking spaces and drive to serve the spaces. The remainder of parking for 50-vehicles shall be graded and finished with aggregate base materials.
- Mass grading for the ballfields and parking areas
- Site Electric
- Site Wastewater
- Site Water
- Site Stormwater & Detention Area Improvements

Future Phases will be included in the OPCC as “order of magnitude” line-item costs for budgeting and are anticipated to include the following elements:

- Four (4) Youth Baseball Fields
- Parking not associated with the Miracle League Field
- Final grading for elements outside of the Phase 1 elements
- Sport Courts
- Walking paths
- Restroom buildings other than the central Concession/Restroom bldg.
- Site Lighting
- All other elements shown in the Master Plan

The Phasing Plan will consist of illustrated plans and a Phasing OPCC spreadsheet. The plans will be in sheet sizes of 22-inch-Wide x 34-inch-Long, formatted with black and white line work with a scale appropriate to illustrate which proposed improvements will be included in each of the approved phases. The Phasing OPCC will be an 8.5-inch x11-inch table with design elements grouped by phase with associated construction costs.

**Task 3.3 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:

- *One (1) Digital PDF copy of the Phasing Plan Sheets, and*
- *One (1) Digital PDF copy of the Phasing OPCC*

## TASK 4 – CONSTRUCTION DOCUMENTS

### **Construction Document Preparation:**

Based on the input gathered from the Schematic Design Phase, the CONSULTANT will prepare Construction Documents for Phase 1 as described in Task 3.1 above that include design drawings, bid documents and technical specifications for the PROJECT.

The 60%, 90%, and 100% submittal milestones shall include the anticipated improvements identified in the PROJECT's Scope and Assumptions sections. Design for improvements shall follow current CLIENT standards, supplemented with state and federal ADA standards where necessary. In addition to the anticipated improvements described above, CONSULTANT's 60%, 90%, and 100% submittal milestones shall also contain the following base information:

- PROJECT name; and if applicable, the street address, and lot and block description.
- Date, scale, north arrow, and the name of the Licensed Professional preparing the plan.
- Location of existing property lines and/or ROW limits.
- Approximate centerlines of existing water courses and the location of the floodplain; the approximate location of significant drainage features; and the location of existing parking lots, streets, driveways, and sidewalks on or adjacent to the PROJECT.
- Approximate location of known overhead lines, subsurface utility lines, and utility easements within the PROJECT limits, including the location of utility/power poles, generators, and equipment.

CONSULTANT shall provide an Opinion of Probable Construction Cost (OPCC) at 60%, 90% preliminary construction document, and 100% Bid Package submittal milestones. CONSULTANT's OPCC shall be based on the quantities indicated on the CONSULTANT's plans and on the unit prices current at the time of the probable cost opinion preparation. Quantities and available unit pricing included in the schematic design OPCC are preliminary and shall be subject to change due to significant fluctuations in the market and pricing changes beyond CONSULTANT'S control. OPCCs are intended for budget purposes only.

### **TASK 4.1 - 60% Design Submittal**

#### ***LA Design Scope:***

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the final schematic site plan Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare 60% landscape design plans, including:
  - Landscape Site Layout Plans, Notes, Schedule(s), and Details
    - The site layout plans will show existing and new site components' locations and dimensions. It will include information such as shade structure dimensions, benches, walls, walk and plaza dimensions and other site amenities. It will also include dimensions for any site improvements not shown on civil plans.
  - Site Materials Plans, details
    - The site materials plans will show the materials, colors, finishes, and details for landscape site components such as shade structures, furniture, walls, walks, etc.
- Planting Plans
- Tree Mitigation Plan
- Irrigation Plans
- Outline of Technical Specifications

#### ***Civil Design Scope:***

- Coordinate with other disciplines on various site components to be included in PROJECT.

- Based on the final schematic site plan Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare 60% civil design plans.
- Prepare PROJECT specific Technical Specifications for work items not covered by either City, NCTCOG, or TxDOT specifications
- Prepare 60% level quantities with phase appropriate contingency factors for inclusion into the overall PROJECT opinion of probably construction cost. Unit costs for these items shall be developed utilizing previously let PROJECTs by Halff of similar scope and size as well as TxDOT's available 3-month and 12-month rolling averages for recently let PROJECTs.

### **Structural**

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the final schematic site plan Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare 60% structural design plans.
- Prepare PROJECT specific Technical Specifications for work items not covered by either City, NCTCOG, or TxDOT specifications
- Prepare 60% level quantities with phase appropriate contingency factors for inclusion into the overall PROJECT opinion of probably construction cost. Unit costs for these items shall be developed utilizing previously let PROJECTs by Halff of similar scope and size as well as TxDOT's available 3-month and 12-month rolling averages for recently let PROJECTs.

### **Electrical**

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the final schematic site plan Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare 60% design plans, including
  - Site lighting and field lighting will continue to be tailored to meet site requirements.
  - Power supply and routing for Entry Sign, Irrigation System, Concession & Restroom Buildings
  - Lighting cutsheets for typical fixtures will be included.
  - Specifications
  - One line riser for electrical service and feeders.

### **Plumbing**

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the final schematic site plan Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare 60% design plans, including
  - Plumbing fixture cutsheets and typical piping will be included.
  - Specifications

### **Water Resources**

- Coordinate with other disciplines with regards to drainage and floodplain constraints
- Obtain floodplain development permit through the City.
- Perform final drainage and flood studies to determine if the revised grading and drainage within the site will impact adjacent properties.
  - Hydrology
    1. Revise the proposed times of concentration and percent impervious values to reflect the revised site and drainage plans
    2. Confirm no adverse impacts are shown to Clear Creek or any adjacent properties.
  - Hydraulics
    1. Revise the proposed conditions hydraulic model to reflect the revised grading plan
    2. Confirm no adverse impacts and that the results meet all City and FEMA criteria

3. Prepare final drainage study and flood study report in support of grading and floodplain development permits for submittal to the City
  - FEMA Conditional Letter of Map Revision (CLOMR), If needed
    - Utilize modeling developed during the 60% design phase
    - Execute the FEMA 10-, 50-, 100-, and 500-year flood profiles for the duplicate effective, revised existing, and proposed conditions floodplain and floodway models
    - Delineate the limits of the revised existing and proposed 100-year floodplain, 500-year floodplain, and floodway for Clear Creek
    - Prepare the FEMA CLOMR application including the hydraulic report, work maps, and application forms.
    - Deliver digital copy of the CLOMR Report to the City.
      1. Address any comments from the City
    - Submit the CLOMR Report to FEMA via the FEMA online LOM-C site. The current review fee for the CLOMR is \$6,500 and can be paid for by the CLIENT or may paid for by CONSULTANT and be submitted as an expense.
    - Coordinate with FEMA to address any comments

**CONSULTANT will not proceed to 90% submittal until the CLIENT has provided CONSULTANT with a formal Notice to Proceed (NTP) confirming the acceptance of the 60% design.**

CONSULTANT will review and incorporate applicable review comments and feedback received during the Drawing Deliverable Review/Comment Resolution Meeting into the preparation of the subsequent submittal milestones. **Any changes to plans following acceptance of 60% plans by the client will be considered a change order and billed hourly to the client.**

#### **TASK 4.2/4.3 - 90% Construction Documents/100% Bid Package Submittal Milestone Preparation:**

CONSULTANT shall prepare both the 90% Construction Documents and 100% Bid Package submittal milestones, including the following anticipated sheets, listed below:

##### **PS&E List:**

1. Cover Sheet and Sheet Index
2. General Notes and Legends
3. Site and Survey Control
4. Tree Survey and Protection
5. Demolition Plans
6. Grading Plans
7. Paving Layout Plan
8. Paving Plan and Profiles
9. Parking Lot and Amenity Dimension Control Plans
10. Pavement Markings and Signage Plans
11. Existing Drainage Area Map
12. Proposed Drainage Area Map
13. Hydrologic and Hydraulic Data Sheets
14. Drainage Layout Plans
15. Ditch Plan and Profiles
16. Culvert Plan and Profiles
17. Storm Drain Plan and Profiles
18. Utility Layout Plan
19. Water Plans
20. Sewer Plan and Profiles
21. Erosion Control Plans

22. Landscape Site Plans
23. Site Amenity Materials Plans
24. Site Amenity Specific Drainage Plans
25. Planting Plans
26. Planting Details
27. Irrigation Plans
28. Irrigation Details
29. Structural Plans
30. Structural Details
31. Standard details
32. Special details
33. Porter Park West Pond Dredging Plans
34. Special Inspections
35. Wind Load Diagrams
36. Retaining Wall Plan and Profiles
37. Typical Retaining Wall Details
38. PEMB Foundation Plan
39. PEMB Foundation Details
40. Dugout Foundation Plan
41. Dugout Roof Framing Plan
42. Dugout Foundation Details
43. Dugout Roof Framing Details
44. Backstop Plan and Details
45. Site Power Plans
46. Site Lighting and Field Lighting Plan
47. Lighting Details
48. One-line Riser Plan
49. Plumbing Plan
50. Plumbing Details

Additional plans may be added at the CONSULTANT'S discretion as needed to fully communicate design intent.

***Landscape Design Scope:***

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the 60% Design Submittal plans Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare one set of construction landscape design plans as previously noted, and including
  - Irrigation Plan and Details
  - Technical Specifications

***Civil Design Scope:***

- Coordinate with other disciplines on various site components to be included in PROJECT.
- CONSULTANT shall address comments from the 60% review and advance civil design drawings, PROJECT specific specifications, and quantities from the 60% stage to a 90% stage.

***Structural***

- Coordinate with other disciplines on various site components to be included in PROJECT.

- CONSULTANT shall address comments from the 60% review and advance structural design drawings, PROJECT specific specifications, and quantities from the 60% stage to a 90% stage.

### **Electrical**

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the 60% Design Submittal plans Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare one set of construction design plans, including:
  - Power and lighting plans
  - One line riser for electrical service and feeders.
  - Notes, Schedule(s), and Details
  - Specifications

### **Plumbing**

- Coordinate with other disciplines on various site components to be included in PROJECT.
- Based on the 60% Design Submittal plans Approved by the CLIENT, and utilizing information obtained from Phases as described above, prepare one set of construction design plans, including:
  - Domestic water and sanitary sewer plans.
  - Notes, Schedule(s), and Details
  - Riser Diagrams
  - Specifications

### **Environmental**

- **Nationwide Permit Pre-construction Notification (if required):** This task assumes the PROJECT would not exceed the impact thresholds of a Nationwide Permit. Activities that do not qualify for authorization under the nationwide permit program may qualify for authorization by standard individual permit. This task further assumes that a single pre-construction notification (PCN) will be submitted for the PROJECT. This task will include preparation and submittal of all permit components required for the NWP PCN, including coordination with the USACE, outlined as follows:
  - Name, address, and telephone numbers of the prospective permittee.
  - Location of the proposed PROJECT.
  - A description of the proposed PROJECT; the purpose of the proposed PROJECT; direct and indirect adverse environmental effects the PROJECT would cause, including the anticipated amount of loss of waters of the United States expected to result from the activity, in acre, linear feet, or other appropriate unit of measure.
  - Delineation of waters of the United States.
  - Threatened and endangered species assessment.
  - Cultural resources assessment; and
  - Compensatory mitigation plan.
- **Aquatic Species Relocation and Recovery Plan (ARRP) Development (if required):** This task includes coordination between Halff and Texas Parks and Wildlife Department Kills and Spills Team, and the Client to develop an ARRP for this PROJECT. This task also includes a one-day limited field visit to assess aquatic habitat within the PROJECT areas to assist in developing the ARRP, including the development of aquatic life recovery and relocation procedures. This habitat assessment will be provided as an attachment to the ARRP to

provide context to the methodology outlined in the plan. Additional scope and fees will be required to fulfill ARRP requirements (e.g. field onsite removal/relocation)

#### **Water Resources**

- 60% Documentation will be carried forward as needed.

#### **PROJECT Manual**

- PROJECT Manual with Proposal, Bid Schedule, Technical Specifications, and Bid Forms for site improvements following CLIENT/PROJECT specific standards and requirements. Technical Specifications will be provided for review at the 90% and 100% submittal milestone.

#### **Drawing Deliverable Review/Comment Resolution Meetings:**

After each submittal milestone has been delivered to the CLIENT, CONSULTANT will schedule and conduct Drawing Deliverable Review/Comment Resolution Meetings with the CLIENT to discuss submittal review comments related to the PROJECT at the submittal milestones identified below. **The number of Drawing Deliverable Review/Comment Resolution Meetings shall not exceed three (3).** Meeting objectives will include design feedback, comment review discussions, and describe subsequent submittal deliverables per the Scope of Work, with general questions and answers. Notes may be taken by the CONSULTANT at these meetings to document items discussed and decisions made. The submittal milestones are as follows:

- 60% Construction Documents – One (1) Virtual meeting (2 Hour maximum duration)
- 90% Construction Documents – One (1) Virtual meeting (2 Hour maximum duration)

Construction drawings shall be sheet sizes of 22-inch-Wide x 34-inch-Long (suitable for half size in 11-inch x 17-inch format), with black and white line work.

CONSULTANT shall, at the request of the CLIENT, transmit electronic copies of CONSULTANT work product components including data, photos, images, text, designs, and cost opinions for PROJECT-related use by CLIENT including PROJECT budgeting and PROJECT coordination/communication.

CONSULTANT's 100% Bid Package shall include the sealed and signed construction document package. CONSULTANT shall incorporate any remaining CLIENT, and/or stakeholder comments from the 90% Construction Documents review period before the final submittal of the 100% Bid Package.

#### **Task 4.1 Deliverables:**

Deliverables provided by the CONSULTANT at each submittal milestone shall include the following:

- *One (1) Digital PDF copy of meeting notes.*
- *One (1) Digital PDF copy of the Construction Documents and PROJECT Manual (90% and 100% only).*
- *Three (3) bound copies of the Construction Documents (only upon written request).*
- *Three (3) bound copies of the PROJECT Manual (only upon written request).*
- *One (1) Digital PDF copy of the Opinion of Probable Construction Cost listing bid items, quantities, and estimated bid costs.*



## TASK 5 – CONSTRUCTION SERVICES (NOT IN CONTRACT)

### TASK 5.1 – BIDDING SERVICES

#### **Bid Distribution:**

CLIENT will be responsible for distribution of construction documents and specifications to all prospective bidders. The tasks listed in this section are for a single bid. Additional bid packages will be billed hourly.

#### **Bid Process Coordination:**

CONSULTANT will assist the CLIENT during the bidding process by attending a pre-bid meeting, preparing any needed information for bidding regarding the construction drawings, addressing technical questions and bidder inquiries. CONSULTANT will prepare addenda for issuance to bidders. Addendum items that will alter the probable cost of the PROJECT must be approved by the CLIENT. These design changes will be considered additional services in which additional compensation will be due the CONSULTANT. Addendums will be added to the construction documents, and the construction documents reissued as "ISSUED FOR CONSTRUCTION" documents at the end of the bidding period.

#### **Pre-Bid Conference:**

CLIENT shall be responsible for scheduling and facilitating the pre-bid conference. CONSULTANT may attend one (1) pre-bid conference to assist the CLIENT with describing the PROJECT design to prospective bidders. Notes may be taken by the CONSULTANT to record items discussed and decisions made during the pre-bid conference.

- Pre-Bid Conference – One (1) Virtual meeting (1 Hour maximum duration)

#### **Bid Opening and Award Recommendation:**

If requested by the CLIENT, CONSULTANT will attend the bid opening. After the bid opening, CONSULTANT will review the bid results, contact references, prepare a bid tabulation, and provide an award recommendation to the CLIENT.

- Bid Opening Meeting – One (1) in-person meeting (1 Hour maximum duration)

#### **Task 5.1 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the Pre-Bid Conference notes.
- One (1) Digital PDF copy of Addenda's.
- One (1) Digital PDF copy of the bid tabulation and award recommendation.
- One (1) Digital PDF copy of the "Issued for Construction" Documents

### TASK 5.2 – CONSTRUCTION PHASE SERVICES

#### **Pre-Construction Conference:**

CLIENT shall be responsible for scheduling and facilitating the pre-construction conference. CONSULTANTS will participate in one (1) pre-construction conference and assist the CLIENT in outlining the PROJECT design, lines of communication, describing procedures, etc. Notes may be taken by the CONSULTANT to document items discussed during this conference and will be distributed to the CLIENT and Contractor.



- Pre-Construction Conference – One (1) on-site meeting (2 Hour maximum duration)

**RFI, Submittal, and Shop Drawing Review:**

CONSULTANT will review and provide responses to Contractor RFI's (a maximum of 20), Submittals, Shop Drawings, Substitution Requests, Schedule Reports, and Pay Application Requests.

CONSULTANT responses will be written and/or graphical, including, but not limited to, Exhibits, Details, Memorandums, Addenda, Architect's Supplemental Information (ASI), Change Proposals, Change Order Review, Mock-up and Sample Reviews, change orders or construction change directives, etc., if there is no impact to PROJECT budget or schedule. Any work associated with RFIs, Submittals, Change Orders, and Shop Drawings that results in design modification differing from the 100% Bid Package must be approved by the CLIENT prior to proceeding. If technical modifications altering the PROJECT, including design elements, appurtenances, and/or modifications outside the Scope of Services described in the 100% Bid Package above are required as part of the request(s), CONSULTANT shall notify CLIENT, request additional compensation, and revise the previously approved schedule accordingly.

**Construction Coordination and Site Observation Meetings:**

The CONSULTANT will conduct bi-weekly progress meetings (virtually) as required. It is anticipated that construction will take 6 months.

The CONSULTANT will visit the PROJECT construction site to observe the progress and quality of the Work completed by the Contractor. Such visits and observations are not intended to be an exhaustive check or a detailed inspection of the Contractor's work. Observations are to allow the CONSULTANT, or its assigns, as experienced professionals, to become generally familiar with the Work in progress and to determine, in general, if the Work is proceeding in accordance with the Contract Documents. Site visit reports will be prepared by the CONSULTANT to document existing conditions, installed items, construction progress, and items discussed during these site observation meetings. Digital PDF copies of the site visit reports will be distributed to the CLIENT within no more than five (05) days of the site visit.

**CONSULTANTS will participate in no more than two (2) on-site meetings per month during construction, assuming a (6) month construction period. Additional meetings may be requested by the CLIENT but will be considered additional services and invoiced hourly.**

- Construction Coordination and Site Observations – Twelve (12) virtual bi-weekly progress meetings (two (2) hour maximum duration) and 6 site visits (4) hour maximum duration).

CONSULTANT shall promptly notify the CLIENT of any emergency conditions or notable occurrences observed while conducting the site observation visits. CONSULTANT shall not be responsible for any acts or omissions of the Contractor, subcontractor, any entity performing any portions of the Work, or any agents or employees of any of them. CONSULTANT does not guarantee the performance of the Contractor and shall not be responsible for the Contractor's failure to perform the Work in accordance with the Contract Documents or any applicable laws, codes, rules, or regulations.

**Preliminary Punch List (Pre-Final Walkthrough):**

CONSULTANT will conduct one (1) pre-final walkthrough with the CLIENT, and Contractor to check conformance of the Work with the Contract Documents and to verify the accuracy and completeness of the Work. This will constitute substantial completion. The CONSULTANT will prepare one (1) preliminary punch list that summarizes discrepancies in the conformance of the work giving a description of the discrepancy, photographic evidence, and geographical description of the discrepancy location.

- Pre-Final Walkthrough Meeting – One (1) in-person meeting (2 Hour maximum duration)

**Final Punch List (Final Walkthrough):**

Once discrepancies identified in the preliminary punch list, are corrected, CONSULTANT will conduct one (1) final walkthrough with the CLIENT, and Contractor to confirm discrepancies were corrected. If needed, the CONSULTANT will prepare one (1) additional punch list that summarizes discrepancies in the

conformance of the Work giving a description of the discrepancy, photographic evidence, and geographical description of the discrepancy location. CONSULTANT shall notify CLIENT and request additional compensation if additional Punch Lists/walkthroughs are necessary.

- Final Walkthrough Meeting – One (1) in-person meeting (2 Hour maximum duration)

**Record Drawings:**

CONSULTANT shall not be responsible for the preparation of Record Drawings for the PROJECT and does not guarantee the accuracy of these documents. Based on final acceptance from the CLIENT, the Contractor shall be responsible for preparing and delivering a digital PDF copy of a final set of Record Drawings for the PROJECT, including all incorporated written and/or physical changes resulting from the Construction Administration effort.

**Task 5.2 Deliverables:**

Deliverables provided by the CONSULTANT shall include the following:

- One (1) Digital PDF copy of the Pre-Construction Conference notes.
- One (1) Digital PDF copy of the shop drawing and submittal reviews.
- One (1) Digital PDF copy of the RFI responses.
- One (1) Digital PDF Copy of the preliminary punch list.
- One (1) Digital PDF copy of the final punch list.

**PROJECT Close Out:**

CONSULTANT to assist CLIENT in acquiring final close-out documents, warranties, accurate as-built drawings and other documents from contractor required to close-out PROJECT. Review and approve contractor's final Application and Certification for Payment including retainage.

**Maintenance Hand-off (Walkthrough):**

CONSULTANT will conduct one (1) walkthrough with the CLIENT and Installation / Maintaining Contractor(s) to confirm that maintenance has been provided as outlined in the contract documents, verify plant health, irrigation functionality, and to exchange maintenance information such as but not limited to list of maintenance provided and routine schedules (i.e. watering, fertilizing, mowing). The CONSULTANT will prepare one (1) memo that summarizes discrepancies to the conformance of the work giving a description of the discrepancy, photo, and geographical description of the discrepancy location. CONSULTANT will notify the CLIENT and request additional compensation if additional walkthroughs are necessary.

- Maintenance Hand-off Walkthrough Meeting – One (1) in-person meeting (2 Hour maximum duration)

## EXHIBIT B

### PROPOSED FEES

### PORTER PARK EAST SPORTS COMPLEX PHASE 1

The basis of compensation for the services below shall be as follows:

#### A. TASK 1 – DESIGN SUPPORT SERVICES

(Lump Sum)

Task 1.1 – PROJECT Management and Communication .....	\$72,950
Task 1.2 – PROJECT Kick-Off Meeting.....	\$3,250
Task 1.3 – Quality Assurance/Quality Control.....	\$9,250
<b>TASK 1 TOTAL (Tasks 1.1 – 1.3)</b>	<b>\$85,450</b>

#### B. TASK 2 – DATA COLLECTION

(Lump Sum)

Task 2.1 – Geotechnical Report .....	\$26,400
Task 2.2 – Design Survey .....	\$124,850
Task 2.3 – Environmental Services.....	\$158,400
<b>TASK 2 TOTAL (Tasks 2.1 – 2.3)</b>	<b>\$309,650</b>

#### C. TASK 3 – SCHEMATIC DESIGN

(Lump Sum)

Task 3.1 – Schematic Design (30%).....	\$154,500
Task 3.2 – Opinion of Probable Construction Cost (30% OPCC) .....	\$2,750
Task 3.3 – Phasing Plan Update.....	\$6,750
<b>TASK 3 TOTAL (Tasks 3.1 – 3.3)</b>	<b>\$164,000</b>

#### D. TASK 4 – Construction Documents

(Lump Sum)

Task 4.1 –60% CD's and OPCC .....	\$156,300
Task 4.2 - 90% CD's and OPCC .....	\$260,500
Task 4.3 - 100% CD's and OPCC .....	\$104,200
<b>TASK 4 TOTAL (Tasks 4.1 – 4.3)</b>	<b>\$521,000</b>

**TOTAL LUMP SUM SERVICES ..... \$ 1,080,100**

#### E. TASK 5 – Construction Services (Not In Contract)

(Hourly with Estimate)

Task 5.1 – Bidding Services .....	Est. \$12,500
Task 5.2 – Construction Phase Services .....	Est. \$72,650
<b>TASK 5 TOTAL (Tasks 5.1 – 5.2)</b>	<b>Est. \$85,150</b>

**\*\*Direct Costs (Estimated Reimbursable Expenses) ..... \$10,000**

## EXHIBIT C

### EXCLUSIONS / AVAILABLE ADDITIONAL SERVICES

The following services are not included in the scope or fees for this proposal; but can be provided by CONSULTANT, subject to negotiation:

#### GENERAL:

1. Any additional work not specifically included in the Proposed Scope of Services will be accomplished as Additional Services.
2. Client generated changes to the design once Construction Document Preparation has reached the 60% level of completion. Time will be invoiced at an hourly rate, per a proposal approved by the CLIENT, until the work is at the same level of completion as it was prior to the change.
3. The development of amenities beyond the proposed Scope of Work is excluded.

Revisions to the plans requested by the CLIENT after the plans are approved, unless necessitated by negligent errors on the plans.

4. Modifications to documents after being issued for construction.
5. Design of areas outside the limits of the defined PROJECT site.
6. Design and coordination of existing utility relocations and modifications, including gas, telephone, or other franchise utility improvements.
7. Additional graphic products.
8. Additional meetings not identified in the PROJECT scope of services.
9. Printing additional drawings, specifications and contract documents not identified in the PROJECT deliverables.
10. The development design alternatives, or preparation of feasibility studies are excluded.
11. Negotiations with adjacent property owners.
12. Separation of PROJECT documents into multiple submittals or tasks.
13. Funding support services
14. Site visits or meetings other than Preliminary and Final Punch Lists.
15. Modifications to documents that impacts design or budgets of other PROJECT disciplines.
16. Design and/or modifications to systems not with the scope of the PROJECT.
17. Preparation of any special interim sets of Construction Documents for phased construction other than previously stated.
18. Additional printing of drawings and/or specifications for Bidding other than what is described in the scope of the PROJECT.
19. Filing fees and permit(s) fees.
20. Additional labor or overtime, due to lack of information and/or background drawings in a timely manner, to complete the PROJECT.

#### IRRIGATION:

21. Revisions to irrigation plans caused by CLIENT changes to landscape and/or hardscape plans after 60% submittal is excluded.

#### PUBLIC ENGAGEMENT:

22. Public Engagement, such as public meetings or hearings, is excluded.
23. Communication with adjacent property owners, impacted stakeholders, and agencies are excluded.

#### TRAFFIC:

24. Preparation of Traffic engineering reports or studies is excluded.
25. Detailed Traffic Control and/or Roadway/Traffic Modification Plans are excluded.

#### PERMITTING:

26. Payment of any fees including but not limited to permit fees, filing fees, pro-rated fees, impact fees, taxes, federal and/or state regulatory agency review fees.

**CONSTRUCTION DOCUMENTATION:**

27. The preparation and development of Construction Documentation beyond the scope of services described above is excluded.
28. Off-Site Utility improvements are excluded

**CONSTRUCTION ADMINISTRATION:**

29. No Construction Phase Services are included in this contract. These services may be negotiated and contracted under a supplemental agreement after completion of this contract.
30. Construction staking.
31. Value Engineering Services are excluded.
32. Construction Administration Services beyond the scope of services described above is excluded.

**STRUCTURAL:**

33. Preparation and submittal of any design calculations.
34. Contractor means and methods to complete the required work (Ex.: shoring design).
35. Design of drainage structures not listed above.

**SUE:**

36. Quality Level A, B, or C is excluded.
37. Permitting is excluded.

**SURVEY:**

38. Additional Survey Services for the Preparation of Easement or Right-of-Way Exhibits are excluded.
39. Field survey of channel cross sections
40. Field survey of area outside the identified PROJECT area is excluded.
41. Geospatial Survey Services are excluded.
42. Right of Entry preparation and coordination is excluded.
43. Boundary Research and Boundary Resolution Services are excluded.

**ENVIRONMENTAL:**

44. Review of federal regulations not listed in scope above.
45. NEPA Environmental Documentation - Technical analyses and reports are excluded from this scope of services including air, noise, waters, biology, cultural resources, community, hazardous materials, indirect, cumulative analyses, etc.
46. Additional regulatory agency requirements not identified in the proposed scope of services.
47. Threatened or endangered species surveys or Section 7 consultation with the United States Fish and Wildlife Service (USFWS) under the Endangered Species Act are excluded.
48. Presence/absence surveys for state listed threatened or endangered species, and species of greatest conservation needs and consultation with Texas Parks and Wildlife (TPWD) are excluded.
49. Preparation of a U.S. Army Corps of Engineers (USACE) Section 404 Individual Permit Application is not included in this Scope of Services.
50. Obtaining an Antiquities Permit from the Texas Historical Commission (THC), preparation of a research design, performing a reconnaissance survey or intensive surveys (i.e., on the ground or archival research for historic structures/districts and shovel testing/deep trenching for archeological sites), evaluation of National Register of Historic Places (NRHP) eligibility for any resources, evaluation of effects on NRHP-eligible or -listed sites, development of mitigation plans, or Section 4(f) evaluations are excluded.

51. Phase I and II Environmental Site Assessment performed in accordance with applicable American Society for Testing and Materials (ASTM) standards or any surveys/investigations involving sampling and laboratory analysis (e.g., hazardous materials sampling and analysis, asbestos surveys, and lead-based paint surveys) are excluded.
52. Field survey of channel cross sections are excluded other than what is identified in the scope above.
53. Field survey of area outside the identified PROJECT area is excluded.
54. Federal, state, or local review and processing fees are excluded, except where provided for in the scope of services.

#### **HYDROLOGIC/HYDRAULIC (H&H):**

##### **ELECTRICAL:**

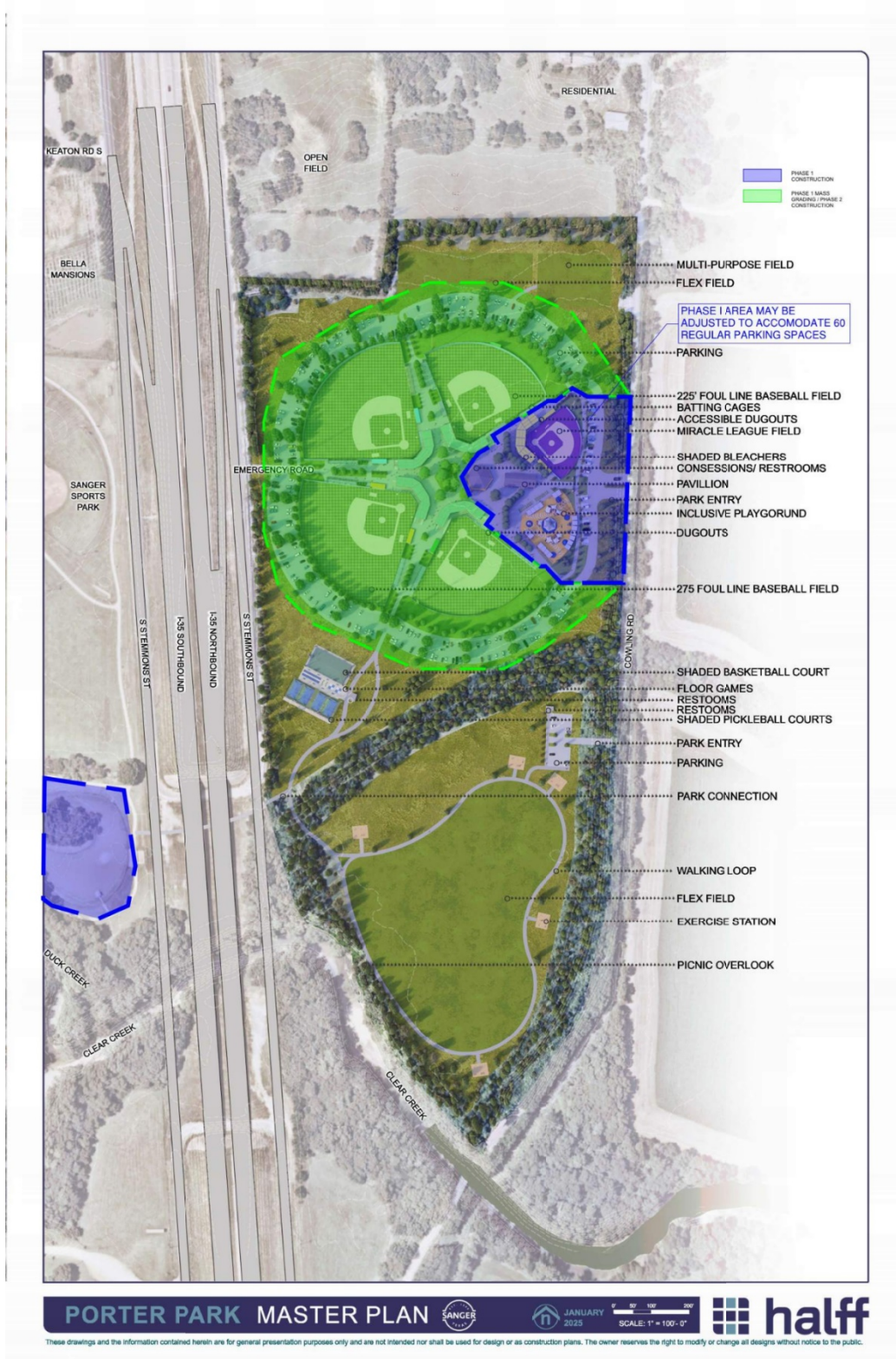
55. Design for additional power connections or circuiting to other devices/equipment other than connections for the proposed PROJECT illumination.
56. Design for Wi-Fi Systems.
57. Design for Surveillance Systems.
58. Design for any plumbing systems beyond what is stated herein.
59. Preparation or submittal of any design calculations.
60. Coordination with insurance companies, attorneys, or banking institutions.

##### **REIMBURSABLE EXPENSES:**

61. Costs for software licenses, logins, trainings, or annual fees are excluded.



## EXHIBIT D PROJECT LOCATION AND LIMITS





## APPROVED MASTER PLAN





## EXHIBIT E

### PROJECT SCHEDULE

Preliminary PROJECT schedule is shown below and is anticipated to be approximately nine months. As indicated below, if a CLOMR is required the schedule will extend to approximately twelve months. PROJECT schedule is subject to modifications due to delays, agency review turnaround time, etc. Modifications to this schedule will be communicated with the CLIENT as the PROJECT progresses. CONSULTANT is prepared to begin immediately upon receipt of an executed copy of this proposal.

This schedule is expressed relative to **Notice to Proceed (T0)** in business days/weeks and aligns with the scope's milestone structure, **10-business-day** review windows, and **NTP gates** following 30% and 60% acceptance. If a **FEMA CLOMR** is required **on the critical path**, an alternate scenario defers 90%/100% until CLOMR concurrence (CLOMR prep ~30 business days + FEMA review ~60 business days after 60. Review periods longer than 10 business days, added scope, or agency review durations may adjust these targets.

#### Schedule Table (relative to NTP)

WBS/Alt Milestone	Relative to NTP
<b>T0</b> Notice to Proceed (NTP)	<b>+0 business days (week 0)</b>
<b>1.2</b> Project Kick-off Meeting	+2 business days (~week 1)
<b>2.1-3</b> Data Collection Complete (Survey/Geotech/Environmental Desktop/JD)	+30 business days (~week 6)
<b>2.4</b> Preliminary H&H Complete	+45 business days (~week 9)
<b>3.1</b> <b>30% Schematic Design Submittal</b>	<b>+64 business days (~week 13)</b>
<b>Rev30</b> Client/Stakeholder Review (30%)	+10 business days review (~+2 weeks)
<b>4.1</b> <b>60% Construction Documents + OPCC</b>	<b>+114 business days (~week 23)</b>
<b>Rev60</b> Client/Stakeholder Review (60%)	+10 business days review (~+2 weeks)
<b>4.2</b> <b>90% Construction Documents + OPCC (no CLOMR path)</b>	<b>+149 business days (~week 30)</b>
<b>Rev90</b> Client/Stakeholder Review (90%)	+10 business days review (~+2 weeks)
<b>4.3</b> <b>100% CDs &amp; Sealed Bid Package + OPCC (no CLOMR)</b>	<b>+179 business days (~week 36)</b>
<b>ALT</b> <b>100% CDs &amp; Sealed Bid Package + OPCC (with CLOMR on critical path)</b>	<b>+259 business days (~week 52)</b>

# CITY OF SANGER DECEMBER 2025 REPORT

JERI HARWELL – MUNICIPAL SERVICES MANAGER  
DAVID BAKER – GENERAL MANAGER



# RESIDENTIAL COLLECTION TONNAGE

## SANGER - RESI TRASH COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Residential Trash	248.70	221.04	235.25	260.24	280.04	258.58	282.60	273.03	334.67	300.3	291.1	312.76	3,298.31	274.86
Brush/Bulk	49.10	98.41	135.70	186.73	143.51	173.03	150.03	150.87	125.25	129.39	91.45	133.76	1,567.23	130.60
Total	297.80	319.45	370.95	446.97	423.55	431.61	432.63	423.90	459.92	429.69	382.55	446.52	4,865.54	405.46

## SANGER - RESI RECYCLE COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Residential SSR	83.94	51.85	47.37	71.59	63.15	70.84	60.02	64.10	73.14	60.62	52.37	64.75	763.74	63.65

## SANGER - TOTAL MATERIAL COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Total All Services	381.74	371.30	418.32	518.56	486.70	502.45	492.65	488	533.06	490.31	434.92	511.27	5,629.28	469.11

## SANGER - DIVERSION RATE 2025

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Residential SSR	25.23%	19.00%	16.76%	21.57%	18.40%	21.50%	17.52%	19.01%	17.93%	16.80%	15.25%	17.15%	18.80%	18.84%



# INDUSTRIAL AND COMMERCIAL COLLECTION TONNAGE

## SANGER - INDUSTRIAL & COMMERCIAL TRASH COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Industrial Trash	197.64	197.03	216.58	182.23	201.71	214.76	167.85	239.95	197.57	203.4	169.05	163.03	2,350.80	195.90
Commercial Trash	249.06	196.71	199.35	282.24	311.24	282.51	254.71	284.35	259.50	320.00	248.18	221.56	3,109.41	259.12
Total	446.70	393.74	415.93	464.47	512.95	497.27	422.56	524.30	457.07	523.4	417.23	384.59	5,460.21	455.02

## SANGER - INDUSTRIAL RECYCLING COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Comm & Industrial Recycle	0	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00

## SANGER - TOTAL MATERIAL COLLECTED 2025 (TONS)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Total All Services	446.70	393.74	415.93	464.47	512.95	497.27	422.56	524.30	457.07	523.4	417.23	384.59	5,460.21	455.02

## SANGER - INDUSTRIAL DIVERSION RATE 2025

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Comm & Industrial	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



# PARTICIPATION SERVICES

Item 7.

## SANGER - RESIDENTIAL RECYCLE PARTICIPATION RATES 2025

Participation	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
# Households	3,317	3,322	3,329	3,343	3,346	3,355	3,375	3,363	3,357	3,364	3,368	3,365	<b>3,350</b>
Serviceable Households	16,585	13,288	13,316	16,715	13,384	13,420	13,500	13,452	13,428	13,456	13,472	13,460	<b>3,350</b>
SSR Participation	50.61%	39.02%	35.57%	42.83%	47.18%	52.79%	44.46%	47.65%	54.47%	45.05%	38.87%	48.11%	<b>45.55%</b>
SSR Set Outs	8,394	5,185	4,737	7,159	6,315	7,084	6,002	6,410	7,314	6,062	5,237	6,475	<b>6,369</b>

## SANGER - OTHER INFORMATION 2025

CONTAINERS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Container Deliveries	13	18	22	7	16	13	14	6	26	15	6	9	<b>165</b>
Repair	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Remove Container	0	0	0	4	2	1	0	0	2	27	4	6	<b>46</b>
Exchange Container	0	0	0	1	0	1	5	3	6	7	2	2	<b>27</b>
SERVICES	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Code Red	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Routes Incomplete	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Special Bulk Pickup	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
Illegal Dumps	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
TOTAL	0	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>

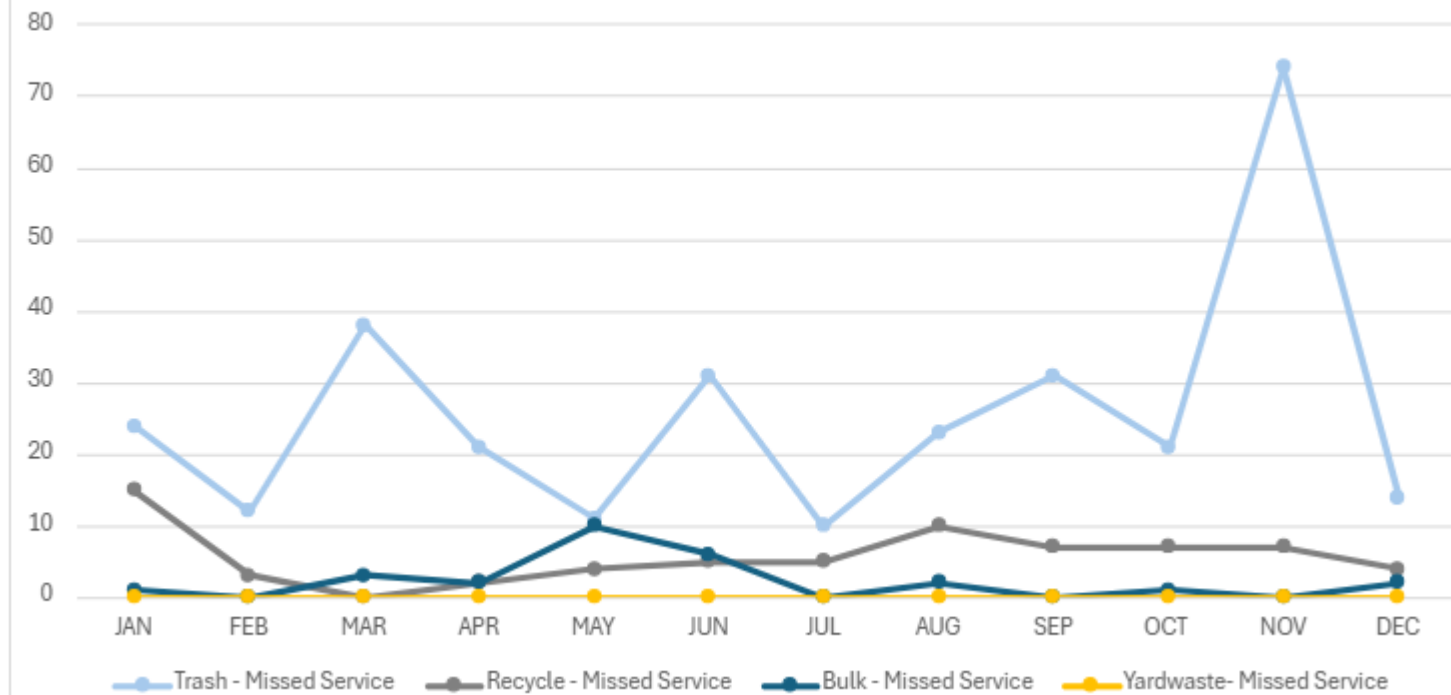


# RELIABLE SERVICES

SANGER - MISSED SERVICES 2025

Service Activity	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
Trash - Missed Service	24	12	38	21	11	31	10	23	31	21	74	14	310	25.83
Recycle - Missed Service	15	3	0	2	4	5	5	10	7	7	7	4	69	5.75
Bulk - Missed Service	1	0	3	2	10	6	0	2	0	1	0	2	27	2.25
Yardwaste- Missed Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
Service Activity Total	40	15	41	25	25	42	15	35	38	29	81	20	406	33.83

SANGER - MISSED SERVICES MONTHLY



It is the policy of Republic Services that if a customer perceives that we missed a collection component, we return for collection and do not question the missed service.

# SAFETY - OUR # 1 GOAL

Item 7.

**SANGER - SAFETY RECORD 2025**

<b>Service Activity</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUN</b>	<b>JUL</b>	<b>AUG</b>	<b>SEP</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>
Property Damage	0	0	0	1	0	0	0	0	0	0	0	0	1
Motor Vehicle Accidents	0	0	0	0	0	0	0	0	0	0	0	0	0
Moving Violations	0	0	0	0	0	0	0	0	0	0	0	0	0
Personal Injury Claims	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Nothing is more important than safety, and no job is so urgent that we cannot take the time to do it safely. The very nature of what we do requires us to be uncompromising on safety, beginning with our employees and extending to our customers and into the communities we serve. Simply, a sustainable planet is only possible if everyone works and lives together... safely.

# MATERIALS DIVERTED

Item 7.

## SANGER - RESOURCES DIVERTED FROM LANDFILL 2025 (TONS)

MATERIAL	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	AVG
OCC	57	37	32	42	37	41	35	37	42	35	30	38	463	39
MIXED PAPER	11	7	6	17	15	17	14	15	18	15	13	16	163	14
PLASTIC	10	5	5	7	6	7	6	6	7	6	5	6	78	6
METAL	5	3	2	4	3	4	3	3	4	3	3	3	40	3
OTHER	2	1	1	2	1	2	1	1	2	1	1	1	17	1
TOTAL	84	52	47	71	63	70	60	64	73	60	52	64	761	63





Chris Felan  
Vice President  
Rates & Regulatory Affairs

January 26, 2026

City Official

Re: Rider GCR - Rate Filing under Docket No. OS-24-00019196

Enclosed is Atmos Energy Corp., Mid-Tex Division's Statement of Rider GCR applicable for the February 2026 billing periods. This Statement details the gas cost component of the residential, commercial, and industrial sales rates for customers within your city. This filing is for informative purposes only and no action is required on your city's part.

Should you have any questions, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Chris Felan". The signature is written in a cursive, flowing style.

Chris Felan  
Vice President, Rates and Regulatory Affairs  
Atmos Energy, Mid-Tex Division

Attachment

ATMOS ENERGY CORPORATION  
MID-TEX DIVISION  
STATEMENT OF RIDER GCR  
**February, 2026**  
PREPARED IN ACCORDANCE WITH  
GAS UTILITIES DOCKET NO. OS-24-00019196

Item 8.

**Part (a) - Mid-Tex Commodity Costs**

Line	(a)	(b)			
1	Estimated Gas Cost per Unit:	\$0.40140			
2	Estimated City Gate Deliveries:	241,615,020			
3	Estimated Gas Cost:	\$96,984,269			
4	Lost and Unaccounted For Gas %	1.6100%			
5	Estimated Lost and Unaccounted for Gas	\$1,561,447			
6	Total Estimated City Gate Gas Cost:	\$98,545,716			
7	Estimated Sales Volume:	269,985,070			
8	Estimated Gas Cost Factor - (EGCF)	0.36500			
9	Reconciliation Factor - (RF):	0.00739			
10	Taxes (TXS):	0.00000			
11	Adjustment - (ADJ):	0.00000			
12	Gas Cost Recovery Factor - (GCRF) (Taxable)	0.37239 per Ccf	Btu Factor	Per MMBtu	
			0.1000	\$3.7239	
13	Customer Rate Relief - (CRR) (Non-Taxable)	0.12000 per Ccf	0.1000	\$1.2000	

**Part (b) - Pipeline Services Costs**

Line	(a)	(b)	(c)	(d)	(e)
			Rate R - Residential	Rate C - Commercial	Rate I - Industrial Service Rate T - Transportation <sup>1</sup>
	<u>Fixed Costs</u>				
14	Fixed Costs Allocation Factors [Set by GUD OS-24-00019196]	100.0000%	62.9568%	31.7550%	5.2881%
15	a. Current Month Fixed Costs of Pipeline Services	\$66,452,843	41,836,610	21,102,120	3,514,113
16	b. Plus: Second Prior Month Recovery Adjustment	\$0	\$0	\$0	\$0
17	Net Fixed Costs	\$66,452,843	\$41,836,610	\$21,102,120	\$3,514,113
	<u>Commodity Costs</u>				
18	a. Estimated Commodity Cost of Pipeline Services	\$3,220,723	1,928,452	1,013,677	278,594
19	b. Plus: Second Prior Month Recovery Adjustment	\$0	\$0	\$0	\$0
20	Net Commodity Cost of Pipeline Services	\$3,220,723	\$1,928,452	\$1,013,677	\$278,594
21	<b>Total Estimated Pipeline Costs (Line 17 + Line 20)</b>	\$69,673,566	\$43,765,062	\$22,115,797	\$3,792,707
22	Estimated Billed Volumes		64,648,700 Ccf	47,053,820 Ccf	4,739,436 MMBtu
23	Pipeline Cost Factor (PCF) [Line 21 / Line 22] (Taxable)		0.67700 Ccf	0.47000 Ccf	\$0.8002 MMBtu
24	Gas Cost Recovery Factor - (GCRF) [Line 12] (Taxable)		0.37239 Ccf	0.37239 Ccf	\$3.7239 MMBtu
25	Customer Rate Relief - (CRR) (Non-Taxable)		0.12000 Ccf	0.12000 Ccf	\$1.2000 MMBtu
26	<b>Rider GCR</b>		1.16939 Ccf	0.96239 Ccf	Rate I - \$5.7241 MMBtu
27					Rate T - \$0.8002 MMBtu

<sup>1</sup> Industrial Service and Transportation are reported in MMBtu. An MMBtu conversion factor of 0.1000 is used to convert from Ccf.