Monday, March 6, 2023
City Council Meeting

Council Chambers
3815 Sachse Road, Building B
6:30 p.m.

Sachse City Council Meetings are streamed live online (https://sachsetx.swagit.com/live) and available on-demand (https://sachsetx.swagit.com/city-council).

The City of Sachse reserves the right to reconvene, recess, or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the City Council workshop or regular meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular meeting agenda item listed herein.

A. Meeting Opening

1. Call to Order: The City Council of the City of Sachse will hold a Regular Meeting on Monday, March 6, 2023, at 6:30 p.m. to consider the following items of business:

2. Invocation and Pledges of Allegiance.

B. Special Announcements

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

2. Proclamation recognizing the City of Sachse Finance Department's efforts for earning the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

C. Public Comment

1. Public Comment: The public is invited at this time to address the Council. Please come to the microphone and state your name and city of residence for the record. However, if your remarks pertain to a specific agenda item that will include action/vote, please hold them until that item, at which time the Mayor will solicit your comments. The time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act but may take comments under advisement. Issues raised may be referred to City staff for research and possible future action.

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

1. Approve the February 20, 2023, meeting minutes.

2. Accept the monthly revenue and expenditure report for the period ending January 31, 2023.

3. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2022.

4. Authorize the Mayor to execute an Amended and Restated Agreement for Municipal Court Judge between the City of Sachse and the Honorable Robert Beasley.

E. Regular Agenda Items

1. Discuss and provide feedback on the Bailey Road Concept Plan.

2. Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022.

F. Regular Agenda Items / Meeting Closing

1. Adjournment.

I, the undersigned authority, do hereby certify that this notice of a public meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.

Leah K Granger

Leah K Granger, City Secretary

Posted: 03/03/2023 by 5 p.m. Removed: ____________________________

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 972-495-1212, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

B. Special Announcements

Subject	**2. Proclamation recognizing the City of Sachse Finance Department's efforts for earning the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Recognition

BACKGROUND

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles. The award represents a significant achievement by the entity, reflecting the commitment of the governing body and staff to meeting the highest principles of governmental accounting and financial reporting.

OVERVIEW

The City of Sachse has received the GFOA's Certificate of Achievement for Excellence in Financial Reporting for the past 23 consecutive years.

POLICY CONSIDERATIONS

There are no policy considerations affiliated with this item.

RECOMMENDATION

Proclamation recognizing the City of Sachse Finance Department's efforts for earning the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association.

Assistant Finance Director Ryan Bredehoeft and Finance Director David Baldwin will accept the proclamation.

File Attachments
GFOA Proclamation.pdf (103 KB)

Proclamation

WHEREAS, the Government Finance Officers Association (GFOA) advances excellence in government finance by providing best practices, professional development, resources and practical research for more than 22,500 members and the communities they serve; and

WHEREAS, the GFOA is pleased to announce that the City of Sachse, Texas has received the association's Certificate of Achievement for Excellence in Financial Reporting for the annual comprehensive financial report for the fiscal year ended September 2021; and

WHEREAS, the award represents a significant achievement by the entity, reflecting the commitment of the governing body and staff to meeting the highest principles of governmental accounting and financial reporting; and

WHEREAS, in order to receive the certificate, the entity had to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure.

NOW, THEREFORE, I, Jeff Bickerstaff, Mayor of the City of Sachse, along with the Government Finance Officers Association do hereby recognize and congratulate the efforts and achievement of the Sachse Finance Department as being primarily responsible for having achieved this Certificate of Achievement for Excellence in Financial Reporting.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Sachse, Texas to be affixed on this 6th day of March, 2023.

Gold
Seal

Jeff Bickerstaff, Mayor

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

Subject	**1. Approve the February 20, 2023, meeting minutes.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the February 20, 2023, meeting minutes.
Minutes	View Minutes for Feb 20, 2023 - City Council Meeting

BACKGROUND
Minutes from the February 20, 2023, Council meeting.

POLICY CONSIDERATIONS
There are no policy considerations affiliated with this item.

RECOMMENDATION
Approve the February 20, 2023, meeting minutes.

File Attachments
02.20.23 City Council Minutes.pdf (155 KB)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

CITY COUNCIL OF THE CITY OF SACHSE
MEETING MINUTES
FEBRUARY 20, 2023

The City Council of the City of Sachse held a regular meeting on Monday, February 20, 2023, at 6:30 p.m. at Sachse City Hall, 3815-B Sachse Road. Those present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg; City Manager Gina Nash; Assistant City Manager Lauren Rose; City Attorney Joe Gorfida; Police Chief Bryan Sylvester; Assistant Police Chief Steven Baxter; Police Lieutenant Steven Doerr; Fire Chief Marty Wade; Deputy Fire Chief Lee Richardson; Finance Director David Baldwin; Development Director Matt Robinson; Assistant to the City Manager Amanda Chi; IT Manager Mike Pastor; Library Services Manager Daniel Laney; Neighborhood Services Manager Ray Mendez; and City Secretary Leah Granger.

Members absent: Michelle Howarth.

Mayor Bickerstaff called the meeting to order at 6:30 p.m.

INVOCATION AND PLEDGES OF ALLEGIANCE TO THE U.S. AND TEXAS FLAGS:

Mayor Pro Tem Franks offered the invocation and Councilmember Buhler led the pledges.

SPECIAL ANNOUNCEMENTS:

1. Mayor and City Council announcements regarding special events, current activities, and local achievements.

Councilmember Millsap announced that the Library will have family storytime on Tuesdays at 6:30 p.m. Mayor Pro Tem Franks relayed record attendance at the Daddy-Daughter Dance this year. The adult-only Retro Dodgeball event is coming up and he is looking forward to the fun competition. Councilmember Prestenberg commended the Recreation Department for the excellent work on the Daddy-Daughter Dance.

City Manager’s announcements:

- Promotions:
  - Brandon Hill and Joel Jimenez were both promoted from Park Maintenance Technician I to II.
- New Employees:
  - Jose Gomez and Brenden Underwood were both recently hired as Street Maintenance Technicians.
  - Long Nguyen is the newest police officer to join the Police Department.
  - Jesse Edwards has joined Sachse Fire-Rescue as a firefighter/paramedic.

Mayor Bickerstaff's announcements:

- City staff has started a redesign process for the City website and they want to hear your thoughts. Check out the "What's Happening" section of the website to take the survey. All responses must be received by February 24.
- The May 6 General Election is coming up. The deadline to register to vote in this election is April 6. You can submit applications for voter registration through your county of residence's website. Contact the City Secretary if you have any questions.
- The City has several exciting events planned this spring and summer, so be sure to add them to your calendar. Join us for the Easter Egg Hunts, the Arbor Day Jubilee: Team Up & Clean Up, the CWD X-treme Green recycle event, and the Red, White, and Blue Blast. We would love to see you there!
- Sachse High School Boys Basketball Team and Girls Volleyball teams are in the playoffs; congratulations to them.

2. **Recognize the volunteer organization, Friends of the Library, and present the proceeds from the 2022 Christmas Tree Ornament Program.**

Mayor Bickerstaff presented the proceeds from the 2022 Christmas Tree Ornament Program to the Friends of the Library. Mr. Laney thanked the Friends of the Library for all they do for the Library. He noted that the group donated the 3D printer at the Library and provide all of the prizes for the summer reading club.

PUBLIC COMMENT:

- Sachse resident, Matthew Holboke, addressed the Council about the Neighborhood Partnership Program.
- Manny Diaz of Garland spoke about the Garland Council of PTAs.

CONSENT AGENDA: All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a councilmember or citizen so requests.

1. **Approve the January 28, 2023, Strategic Planning Retreat minutes.**
2. **Approve the February 6, 2023, meeting minutes.**

Items three and four were removed from the consent agenda by request.

A motion was made by Mayor Pro Tem Franks to approve items one and two of the Consent Agenda as presented. Councilmember Buhler seconded the motion and it carried unanimously.

3. **Authorize the City Manager to execute an agreement with Canon Solutions America, Inc. in the amount of One Hundred Sixty-Eight Thousand, Six Hundred Twenty-Four and No/100 Dollars ($168,624.00) for a 5-year lease of copier equipment.**

Councilmember Prestenberg commented that the amount seemed high and asked if the option of purchasing had been evaluated. Ms. Nash noted that after review, leasing the printer/copiers had a higher cost-benefit and came with better service than purchasing the equipment. Prestenberg asked if there was a push to move to paperless. In response, Ms. Nash said that while the City is increasing the use of digital records, many of our files will continue to be printed for long-term storage and back-up of those records.

Councilmember Prestenberg made a motion to approve item number three as presented. Mayor Pro Tem Franks seconded the motion, and it carried unanimously.

4. **Authorize the City Manager to execute the renewal agreement with SHI Government Solutions in the amount of One Hundred Thousand, Four Hundred Ninety-Six and 7/100 Dollars ($100,496.07) for all Microsoft licensing.**

Councilmember Millsap requested clarification regarding the additional amount being requested. Ms. Rose explained that the additional $8,000 was to provide service for additional staff and users.

Councilmember Lindsey made a motion to approve item number four as presented. Mayor Pro Tem Franks seconded the motion, and it carried unanimously.

Councilmember Howarth arrived at 7:17 p.m.

REGULAR AGENDA ITEMS:

1. **Receive Sachse Police Department's 2022 Year End Review presentation.**

Chief Sylvester provided a review of 2022 in relation to the Police Department. He presented crime statistics and summarized accomplishments. Chief is particularly proud of the community outreach activities of the department and commended the Volunteers in Police Services (VIPS) members for being great partners and lending valued services to the community. He recognized goals for 2023 and is excited to bring back the Citizen Police Academy as a community opportunity for residents to learn about the department.

Councilmembers thanked Chief Sylvester for the work the Police Department does to keep the community safe. Questions were asked about crime tracking and categorization methods, proactive efforts to monitor incidents, and other specific crimes in relation to national trends.

2. **Receive an update on the establishment of a Neighborhood Partnership Program (NPP).**

Ms. Rose gave an overview of the NPP and noted that Council has the opportunity to look at the maturity of Sachse neighborhoods and how to help them age gracefully. The goal is to invest in infrastructure, signage, and placemaking in order to be proactive and prevent the same issues from occurring in the future. She posited that the program meets the City Council's strategic goals: "Strategically invest in the City's existing and future infrastructure to ensure those needs are met" and "Provide a high quality of life environment for families, individuals, businesses, and other organizations in Sachse. Ms. Rose noted that strategic investments in neighborhoods now will ensure that they remain high-quality places to live for years to come. Staff is working to address policies and standards so as to not have the same issues moving forward. Ms. Rose spoke about eligibility of projects and the review process that would end with the Council's final decision. She also reviewed some other neighborhood programming efforts by staff.

Council provided feedback and input about the program and asked questions about eligibility and project types that would be considered. They wanted to see groups that did not have organized home owner associations included. Council requested specifications in the policy that projects must have public access and benefit to be considered. Councilmember Prestenberg pointed out Ms. Rose's comment connecting the program to mitigating mistakes made many years ago. Councilmember Lindsey expressed concern about who would be eligible to submit requests and what projects would be considered. He was also apprehensive about setting precedent and preferred to see a stricter policy initially and then reevaluate after it has been in place to see if standards should be adjusted.

EXECUTIVE SESSION:

Mayor Bickerstaff adjourned the Council to the Executive Session at 8:33 p.m.

1. **The City Council will convene into executive session pursuant to Section 551.071(2) of the Texas Government Code for the purpose of seeking legal advice regarding the PGBT zoning district.**
2. **The City Council will convene into executive session pursuant to Section 551.074 of the Government Code to discuss the duties of the City Attorney.**

The Council returned from executive session at 9:17 p.m.

REGULAR AGENDA ITEMS:

1. **Take action as a result of executive session.**

   No action necessary at this time.

2. **Adjournment.**

Mayor Bickerstaff adjourned the meeting at 9:17 p.m.

____
Jeff Bickerstaff, Mayor

ATTEST:

____
Leah K Granger, City Secretary

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

Subject	**2. Accept the monthly revenue and expenditure report for the period ending January 31, 2023.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Action (Consent)
Recommended Action	Accept the monthly revenue and expenditure report for the period ending January 31, 2023.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

BACKGROUND
The Finance Department prepares a report each month to update the City Council regarding revenues and expenditures for the City. Included in the report are unaudited summaries for the General Fund, Utility Fund, Debt Service Fund, Sachse Economic Development Corporation, and the Sachse Municipal Development District, as well as a report of the year-to-date sales tax revenue.

POLICY CONSIDERATIONS
The City Charter requires the City Manager to submit a monthly report covering revenues and expenditures of the City in such form as requested by the City Council.

RECOMMENDATION
Accept the monthly revenue and expenditure report for the period ending January 31, 2023.

File Attachments
D2.a All Funds January 2023.pdf (125 KB)
D2.b Sales Tax Report February 2023.pdf (112 KB)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2023 (Unaudited)

GENERAL FUND

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Property Tax	$ 14,734,419	$ 4,184,008	$ 12,507,452	85%	**A**
Sales Tax	2,670,000	252,900	985,836	37%	
Franchise Fees	1,946,750	220,602	742,147	38%	
Licenses and Permits	1,963,600	47,557	160,842	8%	**B**
Service Fees	1,539,800	154,314	385,152	25%	**C**
Fines	205,000	20,960	79,285	39%	
Interest Income	55,000	71,549	162,107	295%	**D**
Miscellaneous Income	375,150	40,864	152,070	41%	
Intergovernmental Revenue	1,733,328	125,576	502,304	29%	
Total Revenue	**$ 25,223,047**	**$ 5,118,331**	**$ 15,677,195**	**62%**	
Expenditure Summary					
Animal Services	$ 280,041	$ 22,997	$ 89,906	32%	
City Manager	880,103	79,605	258,789	29%	**E**
City Secretary	230,338	9,263	74,629	32%	
Combined Services	559,225	27,770	316,744	57%	**F**
Development Services	1,426,383	61,701	299,116	21%	**G**
Engineering	469,947	29,005	115,019	24%	**H**
Facilities Maintenance	635,762	50,852	253,465	40%	**I**
Finance	821,721	63,537	256,761	31%	
Fire	6,216,501	454,033	1,900,637	31%	
Human Resources	544,270	30,674	149,676	28%	**H**
Information Technology	1,028,667	67,103	325,116	32%	
Library	680,936	49,989	210,498	31%	
Municipal Court	277,808	22,048	89,269	32%	
Neighborhood Services	258,846	24,376	71,425	28%	**H**
Parks	1,192,255	71,558	384,600	32%	
Police	6,602,649	490,229	2,058,842	31%	
Recreation	536,429	59,024	205,325	38%	
Senior Activity Center	257,343	8,218	60,618	24%	**J**
Streets	1,846,182	135,096	721,776	39%	**K**
Total Expenditures	**$ 24,745,406**	**$ 1,757,079**	**$ 7,842,209**	**32%**	
Revenue Over/(Under) Expenses	**$ 477,641**	**$ 3,361,251**	**$ 7,834,986**		
Beginning Fund Balance October 1, 2022 (unaudited)			**$ 15,951,000**		

See following page for explanation of major variances

Explanation of Major Variances:

A Property tax receipts peak in December and January

B Building permit activity trending lower due to timing between residential phases and timing of commercial construction

C Plan review activity trending lower due to timing between residential phases and timing of commercial construction

D Interest revenue returns greatly exceed budgeted projections due to favorable interest rates

E Trending below "YTD Actuals % of Budget" spend primarily due to timing of professional services expenses

F Insurance expense timing increases "YTD Actual % of Budget" spend trend

G Newly budgeted position vacancies and low inspection expenses decreases "YTD Actuals % of Budget" spent trend

H Position vacancy decreases "YTD Actuals % of Budget" spent trend

I Trending above "YTD Actuals % of Budget" due to prior year budgeted Scissor Lift expense in current year

J Trending below "YTD Actuals % of Budget" spend primarily due to timing of A/V system upgrade expense

K Street and alley repairs and materials expense timing increases "YTD Actuals % of Budget" spent trend

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2023 (Unaudited)

UTILITY FUND

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Water Revenue	$ 8,430,500	$ 520,579	$ 2,468,096	29%	
Sewer Revenue	5,900,000	542,587	2,158,333	37%	
Drainage Revenue	222,000	19,090	75,510	34%	
Fees	167,375	16,160	70,758	42%	**A**
Interest Income	72,500	59,189	197,105	272%	**B**
Total Revenue	**$ 14,792,375**	**$ 1,157,605**	**$ 4,969,801**	**34%**	
Expenditure Summary					
Utility Administration	$ 525,059	$ 31,880	$ 179,637	34%	
Water Operations	7,322,340	570,228	2,513,061	34%	
Sewer Operations	4,819,471	382,156	1,970,926	41%	**C**
Stormwater Projects	80,000	7,955	17,952	22%	**D**
Total Expenditures	**$ 12,746,870**	**$ 992,218**	**$ 4,681,576**	**37%**	
Revenue Over/(Under) Expenses	**$ 2,045,505**	**$ 165,387**	**$ 288,225**		**E**

Explanation of Major Variances:

A Reconnection charges and penalties trending to exceed budget

B Interest revenue returns greatly exceed budgeted projections due to favorable interest rates

C Trending above "YTD Actuals % of Budget" primarily due to timing of water system fee expense

D Small drainage projects anticipated to be substantially spent by fiscal year end

E Current Month Actual variance due to timing of revenue collections and expenses

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2023 (Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

33% of Year Completed

	Annual Budget	Current Month Actual	YTD Actuals	YTD Actuals % of Budget	Note
Revenue Summary					
Sales Tax	$ 1,300,000	$ 123,966	$ 480,842	37%	
Other Income	10,000	-	10,000	100%	**A**
Interest Income	7,000	12,116	40,138	573%	**B**
Total Revenue	**$ 1,317,000**	**$ 136,082**	**$ 530,980**	**40%**	
Expenditure Summary					
Expenditures	$ 636,357	$ 37,466	$ 160,492	25%	**C**
Total Expenditures	**$ 636,357**	**$ 37,466**	**$ 160,492**	**25%**	
Revenue Over/(Under) Expenses	**$ 680,643**	**$ 98,616**	**$ 370,488**		
Beginning Fund Balance October 1, 2022 (unaudited)			**$ 6,579,000**		

Explanation of Major Variances:

A Garland ISD grant received in October

B Interest revenue returns greatly exceed budgeted projections due to favorable interest rates

C Current unfilled position impacts "YTD Actuals % of Budget" spend

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2023 (Unaudited)

DEBT SERVICE FUND

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Property Tax	$ 6,263,477	$ 1,780,395	$ 5,323,312	85%	**A**
Interest Income	5,500	19,611	39,486	718%	**B**
Total Revenue	**$ 6,268,977**	**$ 1,800,006**	**$ 5,362,798**	**86%**	
Expenditure Summary					
Fees	$ 3,000	$ -	$ 1,000	33%	
Principal	4,185,000	-	-	0%	**C**
Interest	2,001,422	-	-	0%	**D**
Total Expenditures	**$ 6,189,422**	**$ -**	**$ 1,000**	**0%**	
Revenue Over/(Under) Expenses	**$ 79,555**	**$ 1,800,006**	**$ 5,361,798**		
Beginning Fund Balance October 1, 2022 (unaudited)			**$ 1,165,000**		

Explanation of Major Variances:

A Property Tax receipts peak in December and January

B Interest revenue returns greatly exceed budgeted projections due to favorable interest rates

C Principal payments are primarily due in February

D Interest payments are primarily due in February and August

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2023 (Unaudited)

MUNICIPAL DEVELOPMENT DISTRICT

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Sales Tax	$ 775,000	$ 60,266	$ 233,391	30%	
Interest Income	-	-	617	-	
Total Revenue	**$ 775,000**	**$ 60,266**	**$ 234,008**	**30%**	
Expenditure Summary					
Expenditures	$ 778,250	$ 90,469	$ 587,357	75%	**A**
Total Expenditures	**$ 778,250**	**$ 90,469**	**$ 587,357**	**75%**	
Revenue Over/(Under) Expenses	**$ (3,250)**	**$ (30,202)**	**$ (353,349)**		**B**
Beginning Fund Balance October 1, 2022 (unaudited)			**$ 155,000**		

Explanation of Major Variances:

A Expenditures are primarily J.K. Sachse Park construction

B Current Month Actual variance due to timing of revenue collections and expenses

CITY OF SACHSE
2022/2023 SALES TAX REPORT

	FY 2023								FY 2022	
	Economic Dev. Corp.	Municipal Dev. Dist.	Street Maint.	General Fund				Total[1]	General Fund	Total[1]
					Year-To-Date (YTD)	YTD % of Budget	YTD Growth Over Prior Yr			
Month	*0.50%*	*0.25%*	*0.25%*	*1.00%*				*2.00%*	Year-To-Date	*2.00%*
October	$112,301	$54,655	$56,151	$224,603	$224,603	9%	28%	$447,710	$176,156	$350,683
November	131,145	65,573	63,091	262,291	486,894	19%	19%	522,100	410,301	466,411
December	113,429	55,378	56,715	226,858	713,752	27%	18%	452,381	606,194	389,661
January	123,966	60,266	61,983	247,931	961,683	37%	18%	494,146	813,181	412,885
February	156,858	75,977	78,429	313,716	1,275,400	48%	15%	624,980	1,106,275	583,920
March									1,296,933	379,416
April									1,470,511	345,655
May									1,729,411	511,195
June									1,939,206	417,376
July									2,166,799	453,729
August									2,441,472	547,607
September									2,673,296	462,146
TOTAL	$637,700	$311,849	$316,369	$1,275,400				$2,541,318		$5,320,684
BUDGET	**$1,300,000**	**$775,000**	**$650,000**	**$2,630,000**				**$5,355,000**	**$1,950,000**	**$5,812,500**

Notes

[1]- Includes General Fund, Economic Development, Municipal Development District, Street Maintenance, and General Fund
- Sales tax displayed as cash-basis, reflecting distributions from Texas Comptroller for month revenue was received
- Cash receipts are received two months after month of activity (i.e. October sales tax transaction revenue received in December)
- Excludes 380 Agreement grants
- Excludes mixed beverage sales tax

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

Subject	**3. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2022.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Action (Consent)
Recommended Action	Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2022.

BACKGROUND

The Finance Department provides budget and investment reports on a quarterly basis to provide Council an update on the City's finances. The budget report includes revenues and expenditures for the General and Utility Funds, Debt Service, Impact Fee, Special Revenue, Street Maintenance Tax, Health Insurance, and Municipal Development District, as well as a summary of capital project expenditures. The investment report provides an overview of investment activity details for the Checking, Money Market, Investment Pool, and Certificate of Deposit accounts.

OVERVIEW

Quarterly Budget and Investment Reports are provided for the quarter ending December 31, 2022.

Beginning with the current quarter, the format of the investment report has been revised to eliminate redundancies and to make the report more understandable.

POLICY CONSIDERATIONS

Sachse Comprehensive Financial Management Policy Section VI.E. Capital Improvements/Project Reporting, requires a summary/status report on the City's various capital projects be prepared and available to the City Manager and to City Council.

Texas Government Code 2256.023 of the Public Funds Investment Act (PFIA) requires not less than quarterly, the investment officer prepare and submit a written report of investment transactions for all funds covered by the Investment Policy. The City's Investment Policy is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of Sachse and conforming to the PFIA, and all other State and local statutes governing the investment of public funds.

RECOMMENDATION

Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2022.

File Attachments
D3.a Quarterly Budget Report FY 2023 Q1 2022.12.31.pdf (861 KB)
D3.b Quarterly Investment Report FY 2023 Q1 2023.12.31.pdf (2,037 KB)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

The City of SACHSE

Finance Department

TO: Gina Nash, City Manager
FROM: David Baldwin, Finance Director
SUBJ: Quarterly Budget Report For 1st Quarter Ending December 31, 2022
DATE: March 6, 2023
CC: Mayor and City Council

Attached is the unaudited 1st Quarter Budget Report for the 2023 fiscal year. The fiscal year for the City of Sachse is October 1st through September 30th. 25% of the fiscal year was complete as of the end of December 2022.

Overall, the City has received $18.8 million through the 1st quarter, representing 35.8% of budgeted revenues.

CITY-WIDE REVENUES			
Fund	***Budget***	***YTD***	***% Collected***
General Fund	$ 25,223,047	$ 10,558,865	41.9%
Utility Fund	14,792,375	3,812,197	25.8%
Debt Service Fund	6,268,977	3,562,792	56.8%
Special Revenue Fund	570,475	19,406	3.4%
Impact Fee Fund	2,765,000	104,869	3.8%
Street Maintenance Tax Fund	652,500	188,723	28.9%
Health Insurance Fund	2,345,550	593,808	25.3%
Total	$ 52,617,924	$ 18,840,659	35.8%

Year-to-date expenditures totaled $10.2 million for the 1st quarter, representing 19.0% of budgeted expenditures.

CITY-WIDE OPERATING EXPENDITURES			
Fund	***Budget***	***YTD***	***% Collected***
General Fund	$ 24,745,406	$ 6,085,130	24.6%
Utility Fund	18,209,370	3,689,358	20.3%
Debt Service Fund	6,189,422	1,000	0.0%
Special Revenue Fund	462,697	45,243	9.8%
Impact Fee Fund	1,300,000	-	0.0%
Street Maintenance Tax Fund	650,000	-	0.0%
Health Insurance Fund	2,433,180	443,504	18.2%
Total	$ 53,990,075	$ 10,264,235	19.0%

Revenue

- Total General Fund revenues are $10,558,865 or 41.9% of expected collections. Total revenues decreased $943,709 compared to the same period last fiscal year.
- Sales tax revenues are 26.0% of expected collections, at $708,439 collected.
- Franchise fees are at $521,546, or 26.8% of budget; an increase of $58,043 from last year through the same period.
- General Fund current ad valorem tax revenues are 56.49% collected at $8,323,443; a $903,806 decrease under last fiscal year through the same period.
- Collections for Licenses & Permits are a total of $113,285, or 5.8% of expected collections. This is due to lower than anticipated building permit revenue.
- Fees and Service Charges are $231,268, or 15.0% of budget; a decrease of $245,789 compared to the same period last fiscal year.
- Court fine revenues are $58,325 or 28.5% of anticipated collections.
- Utility Fund revenues are $3,812,197 or 25.8% of budget.
- Special Revenue Fund revenues are $19,406 or 3.4% of budget.
- Impact Fee revenues are $104,869 or 3.8% of the year's budget.
- Sales tax revenue in the Street Maintenance Tax Fund is $178,438 or 28.9% of budgeted collections for the current fiscal year.

Expenditures

- Total General Fund expenditures are $6,085,130 or 24.6% expended.
- Utility Fund expenditures are $3,689,358, or 20.3% of budget; an increase of $794,051 from the prior fiscal year.
- Capital Project expenditures total $2,462,748 year-to-date. This includes $653,369 of projects in the Utility Fund.

Component Units

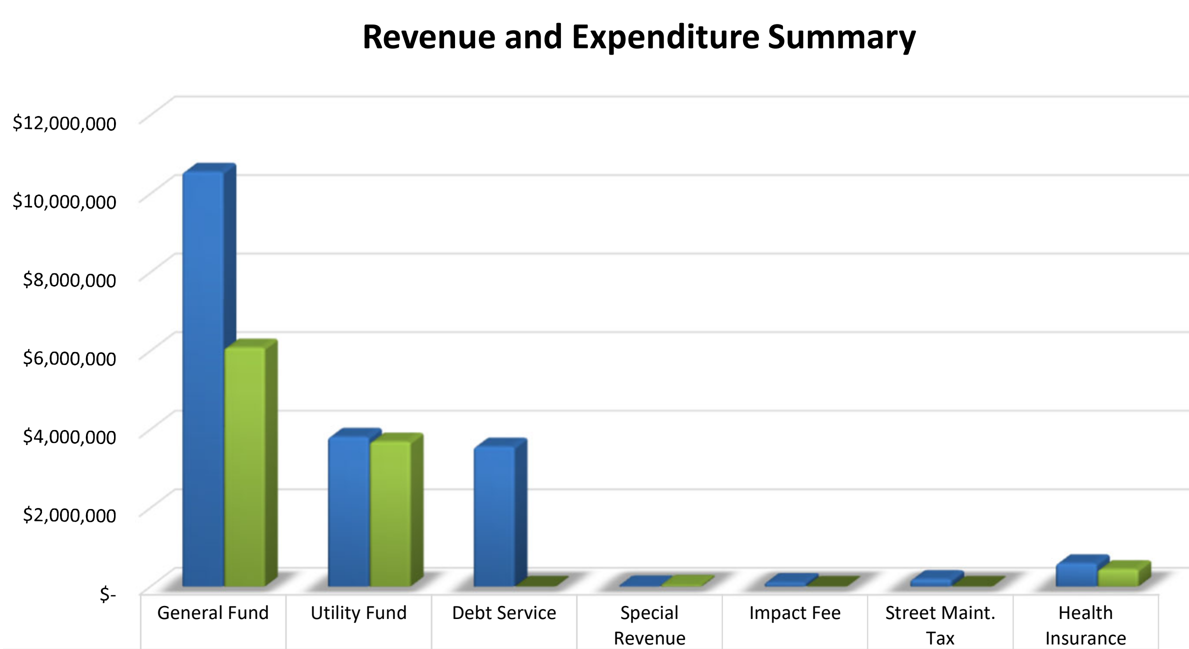
- Sales tax revenue in the Municipal Development District Fund is $173,125 or 22.3% of budget, an increase of $27,262 over the previous fiscal year.
- Sachse Economic Development Corporation had expenditures totaling $123,026 or 19.3% of budget.

CITY OF SACHSE

REVENUE AND EXPENDITURE SUMMARY AND CHANGES IN FUND BALANCE RESERVES

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	General Fund	Utility Fund	Debt Service Fund	Special Revenue Fund	Impact Fee Fund	Street Maintenance Tax Fund	Health Insurance Fund	Total
Revenues								
Budget	$ 25,223,047	$ 14,792,375	$ 6,268,977	$ 570,475	$ 2,765,000	$ 652,500	$ 2,345,550	$ 52,617,924
YTD Actual	10,558,865	3,812,197	3,562,792	19,406	104,869	188,723	593,808	18,840,659
Budget Remaining	$ 14,664,182	$ 10,980,178	$ 2,706,185	$ 551,069	$ 2,660,131	$ 463,777	$ 1,751,742	$ 33,777,265
% of Budget	41.86%	25.77%	56.83%	3.40%	3.79%	28.92%	25.32%	35.81%
Expenditures								
Budget	$ 24,745,406	$ 18,209,370	$ 6,189,422	$ 462,697	$ 1,300,000	$ 650,000	$ 2,433,180	$ 53,990,076
YTD Actual	6,085,130	3,689,358	1,000	45,243	-	-	443,504	10,264,235
Budget Remaining	$ 18,660,276	$ 14,520,012	$ 6,188,422	$ 417,454	$ 1,300,000	$ 650,000	$ 1,989,676	$ 43,725,840
% of Budget	24.59%	20.26%	0.02%	9.78%	0.00%	0.00%	18.23%	19.01%
Net Over/(Under)	**$ 4,473,735**	**$ 122,838**	**$ 3,561,792**	**$ (25,837)**	**$ 104,869**	**$ 188,723**	**$ 150,304**	**$ 8,576,424**



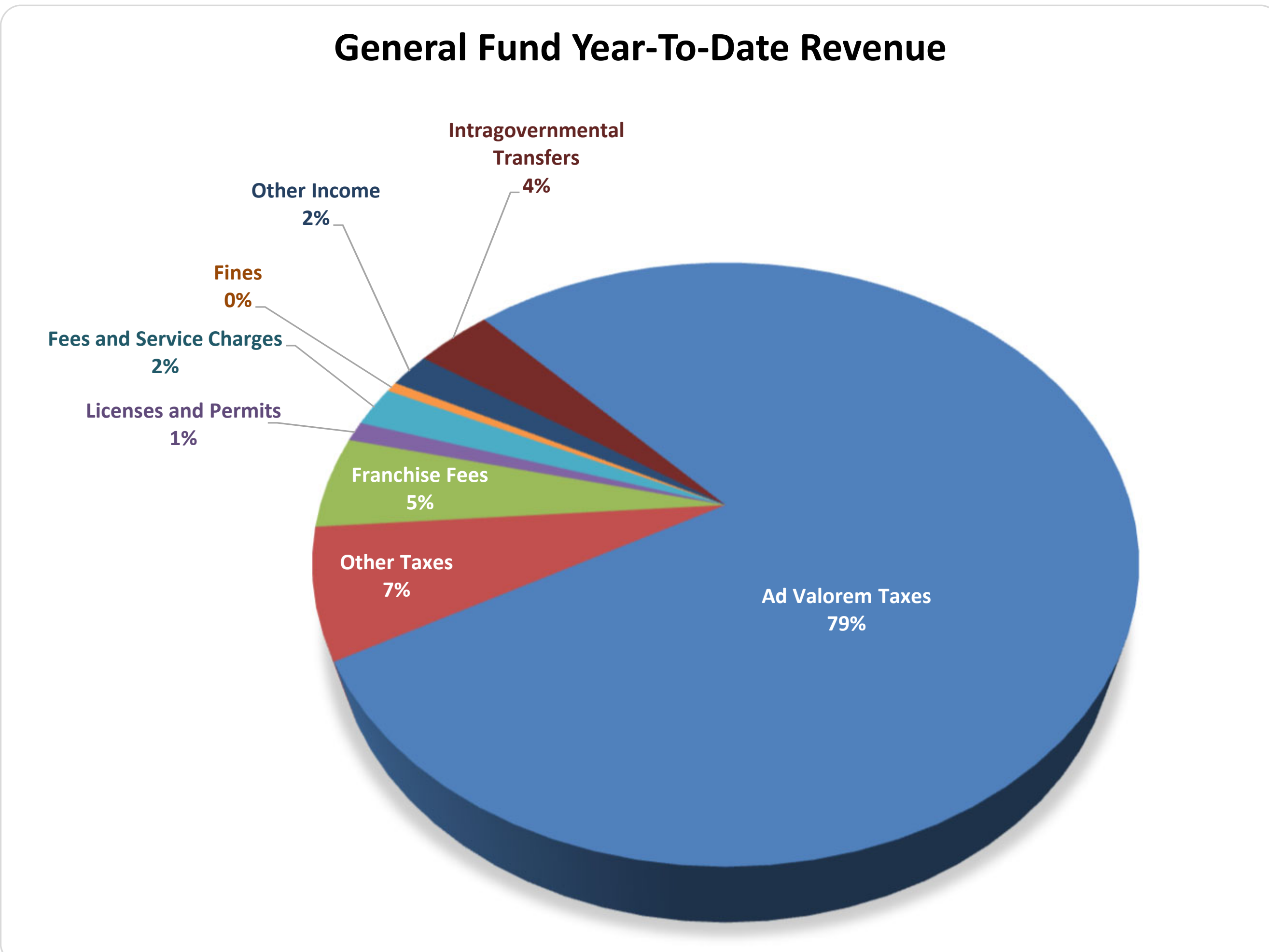
	General Fund	Utility Fund	Debt Service	Special Revenue	Impact Fee	Street Maint. Tax	Health Insurance
Revenue	$10,558,865	$3,812,197	$3,562,792	$19,406	$104,869	$188,723	$593,808
Expenditures	$6,085,130	$3,689,358	$1,000	$45,243	$-	$-	$443,504

CITY OF SACHSE

GENERAL FUND REVENUES

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Ad Valorem Taxes	$ 13,516,200	$ 9,227,249	$ 14,734,419	$ 8,323,443	$ 6,410,976	56.49%
Other Taxes	1,980,000	617,249	2,670,000	732,936	1,937,064	27.45%
Franchise Fees	1,876,250	463,503	1,946,750	521,546	1,425,204	26.79%
Licenses and Permits	904,500	229,824	1,963,600	113,285	1,850,315	5.77%
Fees and Service Charges	1,063,500	477,057	1,539,800	231,268	1,308,532	15.02%
Fines	250,000	45,418	205,000	58,325	146,675	28.45%
Other Income	451,718	90,066	430,150	201,333	228,817	46.81%
Intragovernmental Transfers	1,408,831	352,208	1,733,328	376,728	1,356,600	21.73%
TOTAL REVENUES	**$ 21,450,999**	**$ 11,502,574**	**$ 25,223,047**	**$ 10,558,865**	**$ 14,664,182**	**41.86%**



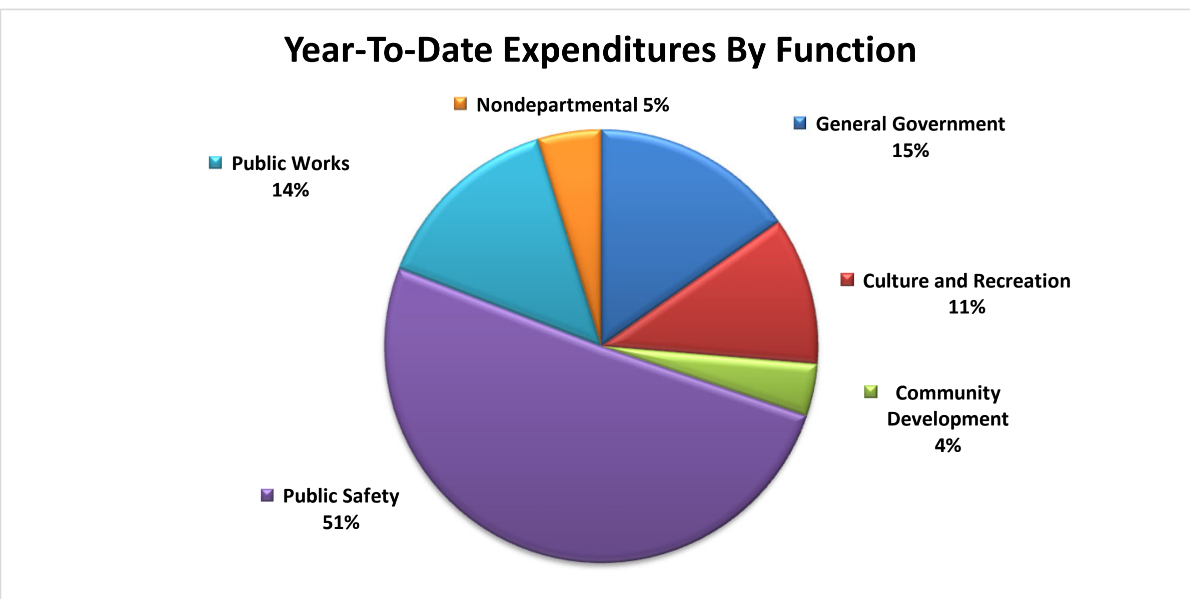
CITY OF SACHSE

GENERAL FUND EXPENDITURES

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
General Government						
City Manager	$ 531,986	$ 115,196	$ 880,103	$ 179,184	$ 700,919	20.36%
City Secretary	240,862	49,791	230,338	65,366	164,972	28.38%
Finance	760,828	200,548	821,721	193,224	628,497	23.51%
Human Resources	499,675	94,120	544,270	119,002	425,268	21.86%
Information Technology	789,859	179,763	1,028,667	258,013	770,654	25.08%
Municipal Court	248,682	44,694	277,808	67,221	210,587	24.20%
Neighborhood Services	380,111	69,730	258,846	47,048	211,798	18.18%
	3,452,003	753,842	4,041,753	929,057	3,112,696	22.99%
Leisure Services						
Library Services	566,496	125,741	680,936	160,509	520,427	23.57%
Parks	1,071,570	245,539	1,192,255	313,042	879,213	26.26%
Recreation	399,390	97,945	536,429	146,300	383,587	27.27%
Senior Activity Center	147,367	23,938	257,343	52,400	204,943	20.36%
	2,184,823	493,163	2,666,963	672,251	1,988,170	25.21%
Public Safety						
Animal Services	241,131	56,042	280,041	66,909	213,132	23.89%
Fire-Rescue	5,105,049	1,187,754	6,216,501	1,446,604	4,769,897	23.27%
Police	5,735,348	1,358,012	6,602,649	1,568,614	5,034,035	23.76%
	11,081,528	2,601,808	13,099,191	3,082,126	10,017,065	23.53%
Public Works						
Engineering	436,933	90,131	469,947	86,014	383,933	18.30%
Facilities Maintenance	681,201	141,204	635,762	202,613	433,149	31.87%
Streets	2,397,856	259,960	1,846,182	586,680	1,259,502	31.78%
	3,515,990	491,295	2,951,891	875,307	2,076,584	29.65%
Development Services	838,674	293,719	1,426,383	237,415	1,188,968	16.64%
Non-Departmental	430,805	266,810	559,225	288,974	270,251	51.67%
TOTAL EXPENDITURES	**$ 21,503,823**	**$ 4,900,636**	**$ 24,745,406**	**$ 6,085,130**	**$ 18,660,276**	**24.59%**

Note - FY 2022 budget includes City Council-approved budgt amendment - Ordinance 4075 adopted on September 19, 2022.

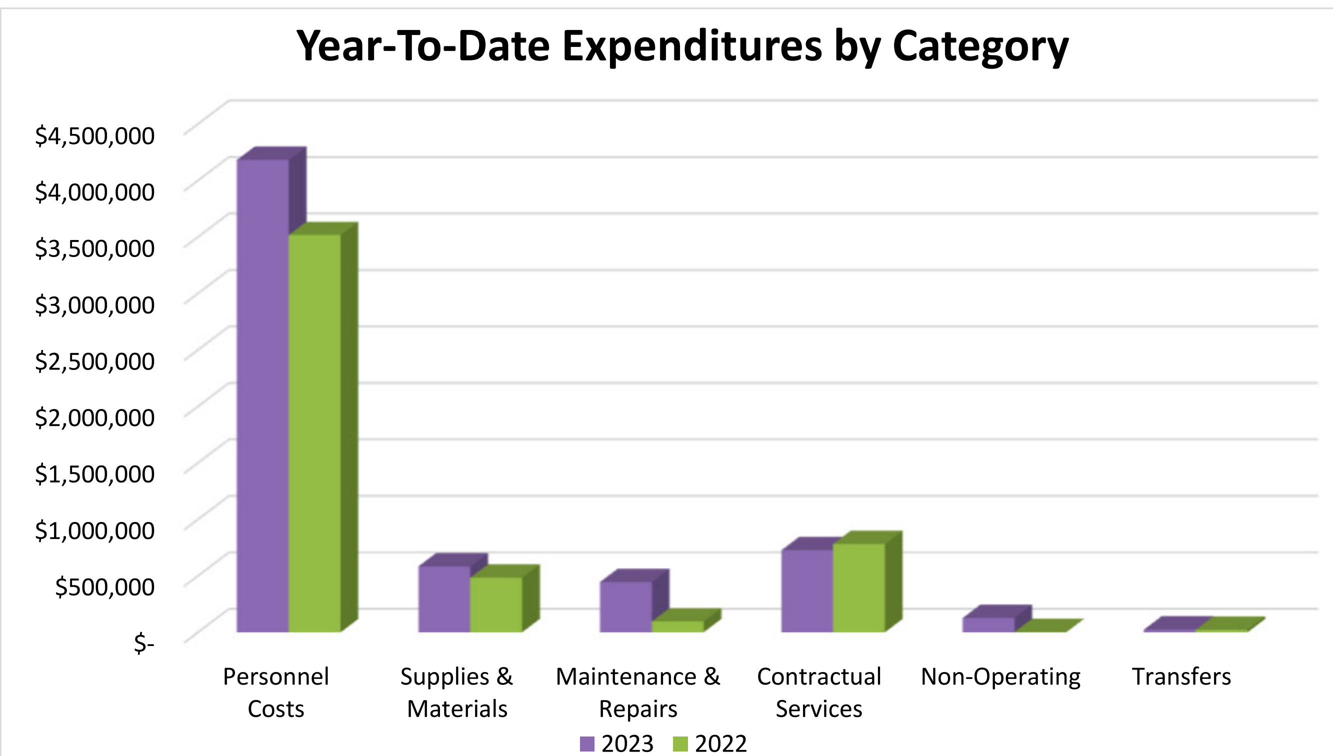


CITY OF SACHSE

GENERAL FUND EXPENDITURES BY CATEGORY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2023	$ 17,784,036	$ 4,181,506	$ 13,602,530	23.51%
	2022	15,116,456	3,516,225	11,600,231	23.26%
Supplies and Materials	2023	2,142,769	583,427	1,559,342	27.23%
	2022	1,874,980	482,913	1,392,066	25.76%
Maintenance and Repairs	2023	1,035,184	444,270	590,914	42.92%
	2022	944,510	95,160	849,350	10.08%
Contractual Services	2023	2,466,589	725,856	1,740,733	29.43%
	2022	1,966,284	782,093	1,184,192	39.78%
Non-Operating	2023	348,563	126,272	222,291	36.23%
	2022	147,158	1,800	145,358	1.22%
Intragovernmental	2023	968,265	23,799	944,466	2.46%
Transfers	2022	1,454,435	22,446	1,431,989	1.54%
TOTAL EXPENDITURES	2023	24,745,406	6,085,130	18,660,276	24.59%
	2022	21,503,823	4,900,636	16,603,186	22.79%

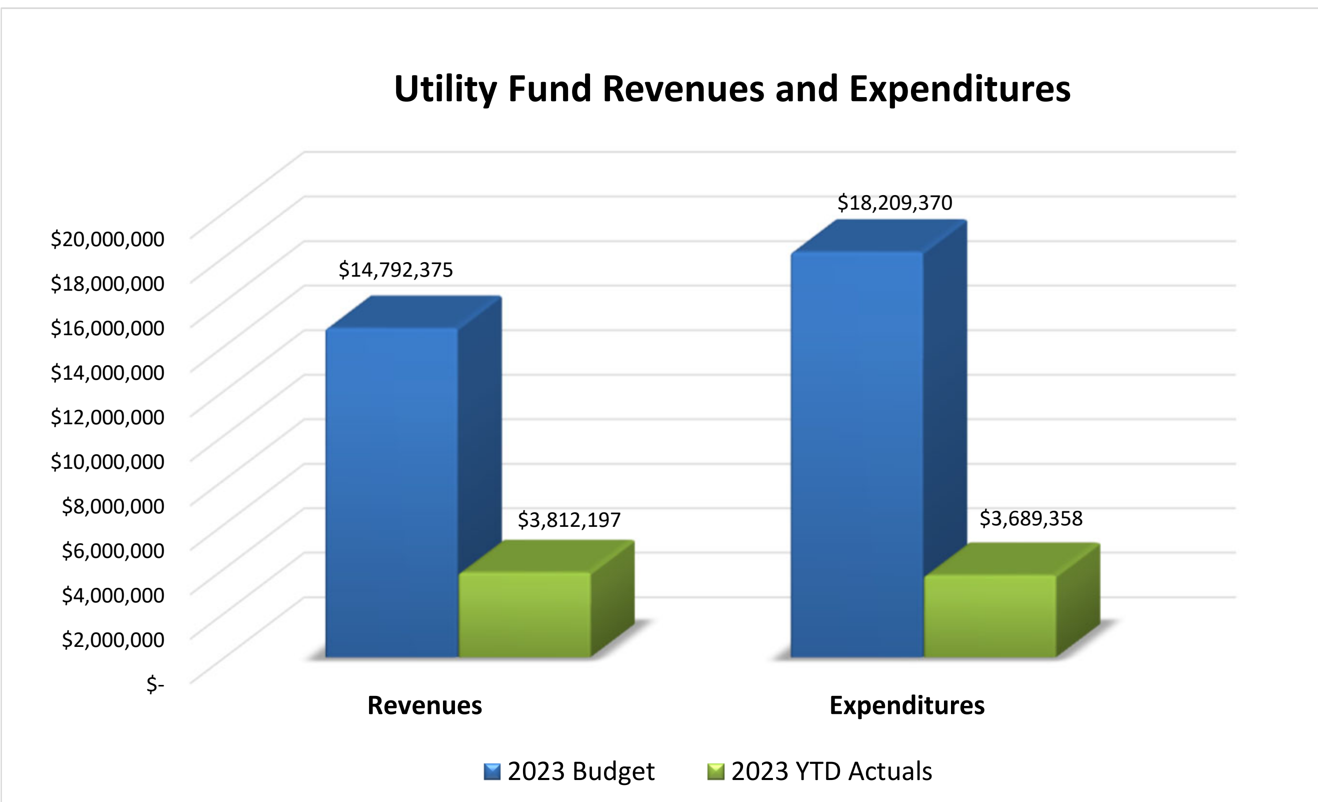


CITY OF SACHSE

UTILITY FUND SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Water Revenue	$ 7,820,000	$ 1,728,326	$ 8,300,000	$ 1,944,608	$ 6,355,392	23.43%
Sewer Revenue	5,705,000	1,465,245	5,900,000	1,615,746	4,284,254	27.39%
Drainage Fee Revenue	215,000	54,446	222,000	56,420	165,580	25.41%
Fees and Service Charges	226,000	70,934	270,500	49,347	221,153	18.24%
Other Gov'ts & Sources	25,500	6,990	26,500	7,269	19,231	27.43%
Other Income	60,500	19,160	73,375	138,806	(65,431)	189.17%
TOTAL REVENUES	**$ 14,052,000**	**$ 3,345,101**	**$ 14,792,375**	**$ 3,812,197**	**$ 10,980,178**	**25.77%**
EXPENDITURES						
Utility Administration	$ 491,941	$ 90,844	$ 525,059	$ 147,757	$ 377,302	28.14%
Water Operations	6,814,493	1,631,255	8,303,590	1,942,833	6,360,757	23.40%
Sewer Operations	5,844,149	1,164,931	9,300,721	1,588,771	7,711,950	17.08%
Stormwater Drainage	150,000	8,278	80,000	9,997	70,003	12.50%
TOTAL EXPENDITURES	**$ 13,300,583**	**$ 2,895,308**	**$ 18,209,370**	**$ 3,689,358**	**$ 14,520,012**	**20.26%**

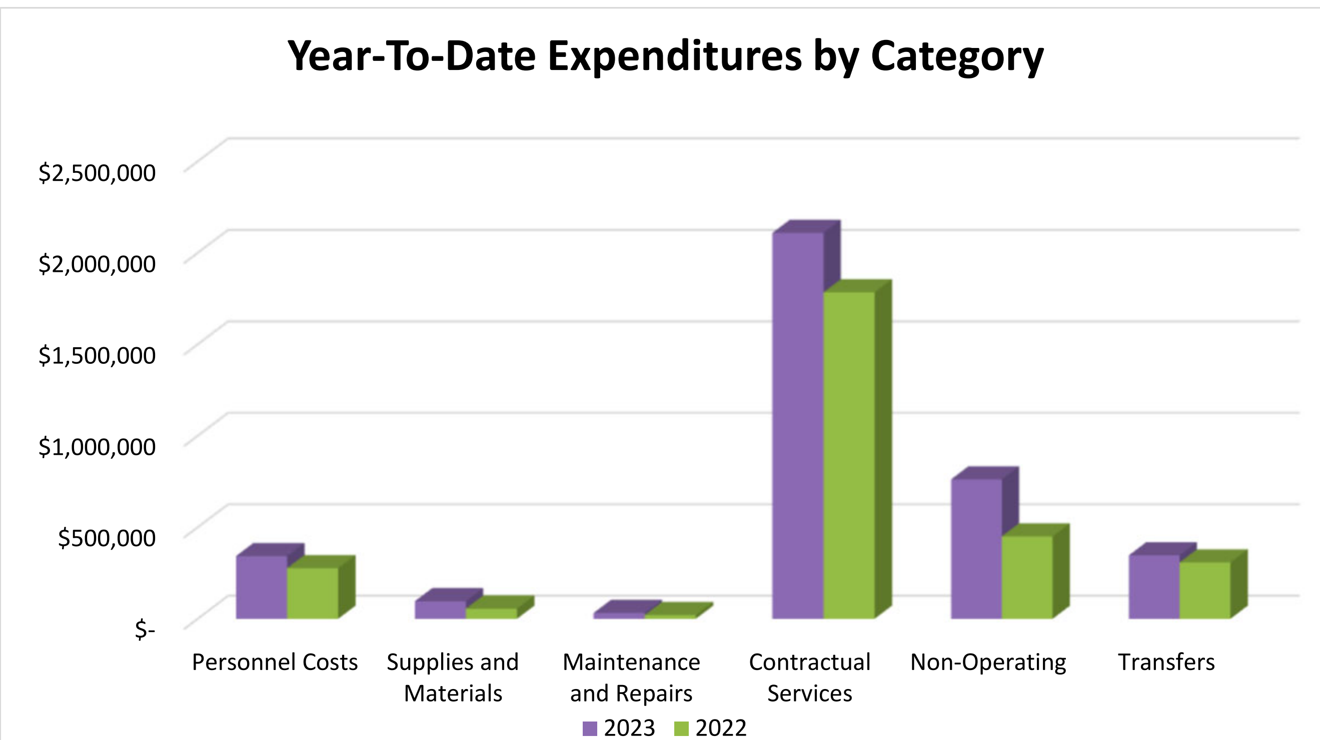


CITY OF SACHSE

UTILITY FUND EXPENDITURES BY CATEGORY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2023	$ 1,564,411	$ 342,754	$ 1,221,657	21.91%
	2022	1,312,378	276,847	1,035,531	21.10%
Supplies and Materials	2023	354,173	95,920	258,253	27.08%
	2022	329,064	55,556	273,508	16.88%
Maintenance and Repairs	2023	259,470	32,090	227,380	12.37%
	2022	246,000	20,529	225,471	8.35%
Contractual Services	2023	8,113,242	2,109,420	6,003,822	26.00%
	2022	7,569,788	1,783,940	5,785,848	23.57%
Non-Operating	2023	6,529,955	762,147	5,767,808	11.67%
	2022	2,612,098	450,622	2,161,477	17.25%
Intragovernmental	2023	1,388,119	347,028	1,041,091	25.00%
Transfers	2022	1,231,255	307,814	923,441	25.00%
TOTAL EXPENDITURES	2023	18,209,370	3,689,358	14,520,012	20.26%
	2022	13,300,583	2,895,308	10,405,275	21.77%

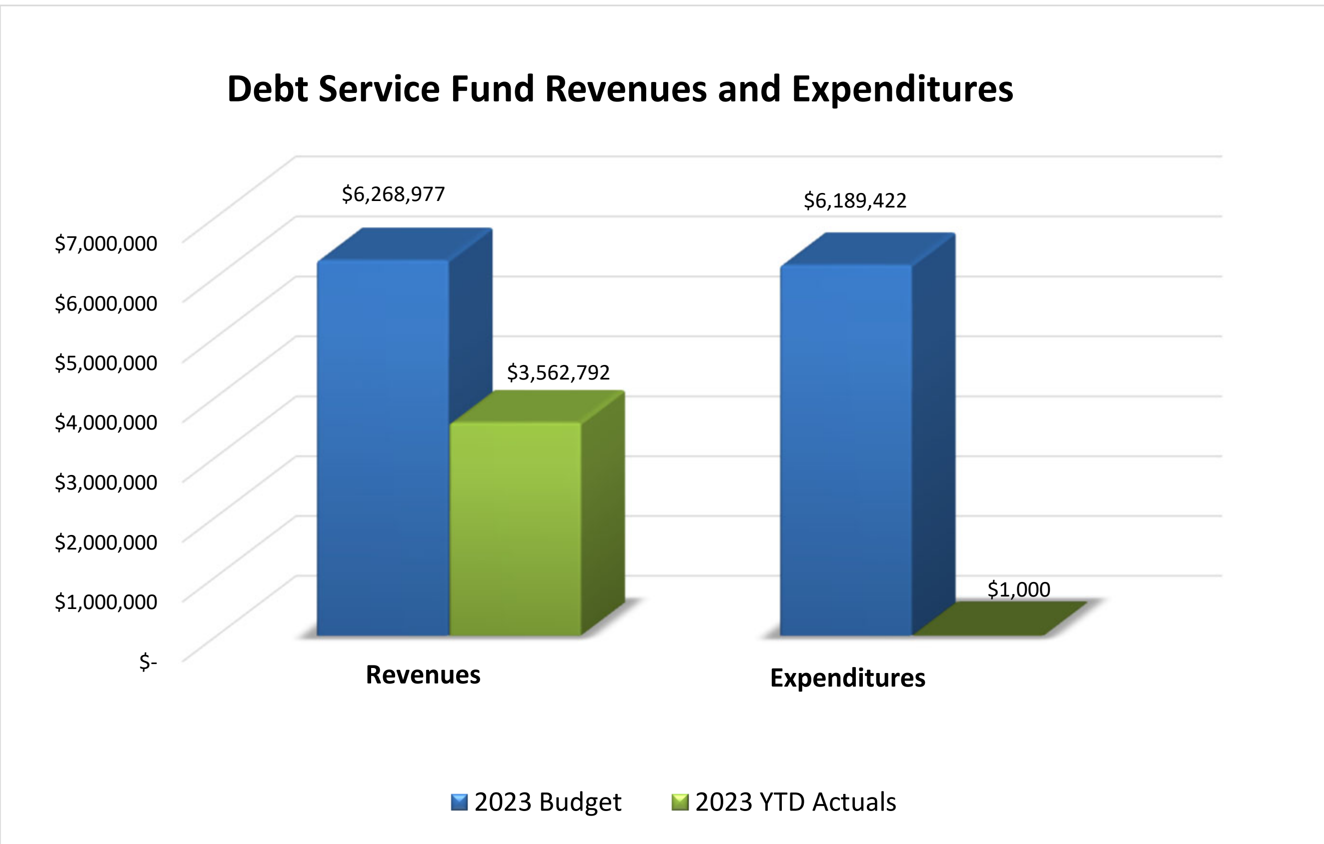


CITY OF SACHSE

DEBT SERVICE FUND SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Ad Valorem Taxes	$ 5,311,399	$ 3,537,629	$ 6,263,477	$ 3,542,917	$ 2,720,560	56.56%
Other Income	1,754,000	1,847,140	5,500	19,875	(14,375)	361.36%
TOTAL REVENUES	**$ 7,065,399**	**$ 5,384,769**	**$ 6,268,977**	**$ 3,562,792**	**$ 2,706,185**	**56.83%**
EXPENDITURES						
Principal	$ 4,100,000	$ -	$ 4,185,000	$ -	$ 4,185,000	0.00%
Interest	1,239,319	-	2,001,422	-	2,001,422	0.00%
Paying Agent Fees	3,000	950	3,000	1,000	2,000	33.33%
Financing Costs	29,369	44,500	-	-	-	-
TOTAL EXPENDITURES	**$ 7,092,319**	**$ 45,450**	**$ 6,189,422**	**$ 1,000**	**$ 6,188,422**	**0.02%**



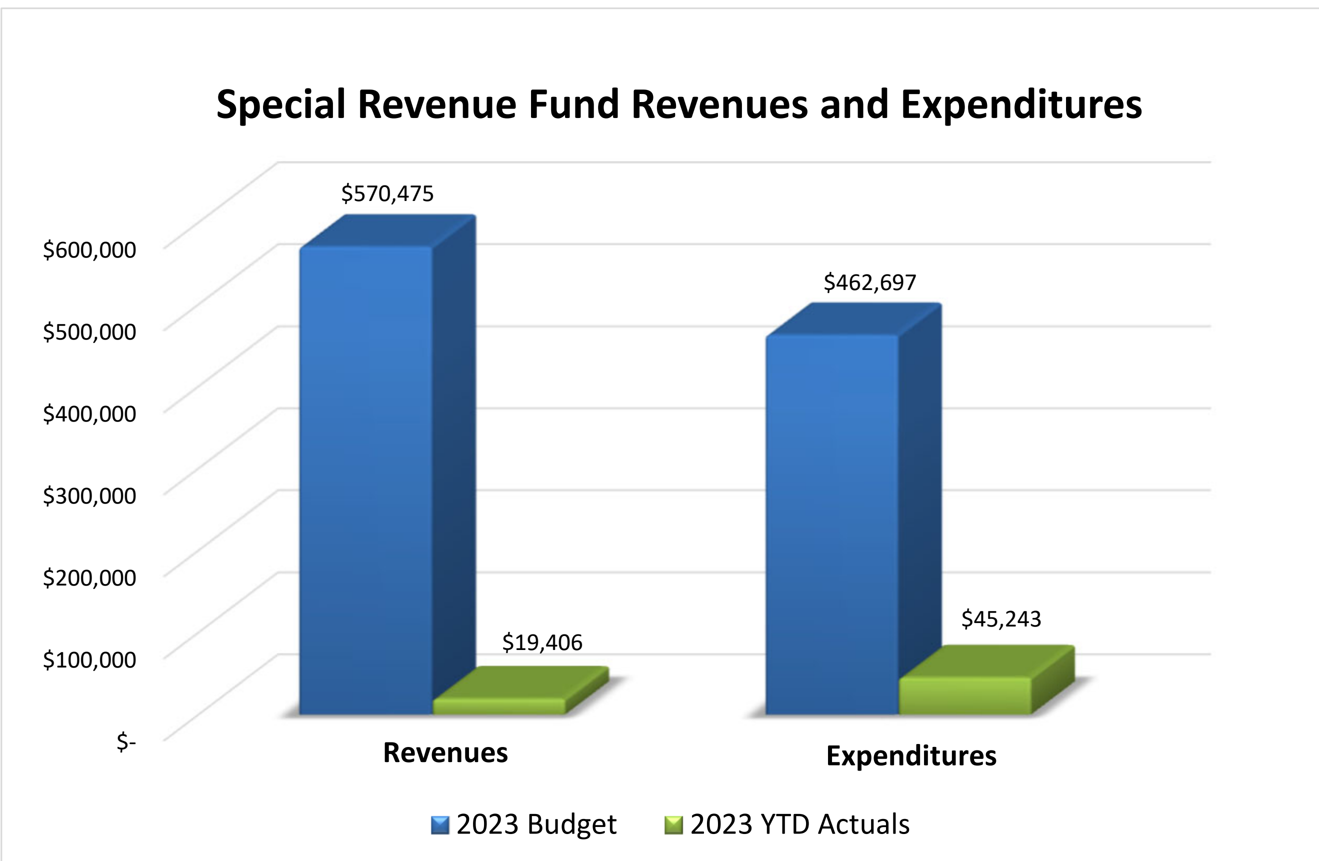
CITY OF SACHSE

SPECIAL REVENUE FUND SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Fees	$ 66,250	$ 19,119	$ 565,475	$ 13,249	$ 552,226	2.34%
Other Income	1,500	1,088	2,500	5,764	(3,264)	230.56%
Grants and Donations	1,000	292	2,500	393	2,107	15.72%
TOTAL REVENUES	**$ 68,750**	**$ 20,499**	**$ 570,475**	**$ 19,406**	**$ 551,069**	**3.40%**
EXPENDITURES						
Municipal Court	$ 28,500	$ -	$ 27,500	$ 11,578	$ 15,922	42.10%
Parks	870,000	-	-	-	-	-
Library	-	-	500	1,444	(944)	288.80%
Police	27,000	7,029	42,000	1,456	40,544	3.47%
Animal Services	10,000	-	10,000	-	10,000	0.00%
CARES Act	274,000	122,487	382,697	30,765	351,932	8.04%
TOTAL EXPENDITURES	**$ 1,209,500**	**$ 129,516**	**$ 462,697**	**$ 45,243**	**$ 417,454**	**9.78%**

Note - FY 2022 budget includes City Council-approved budgt amendment - Ordinance 4075 adopted on September 19, 2022.



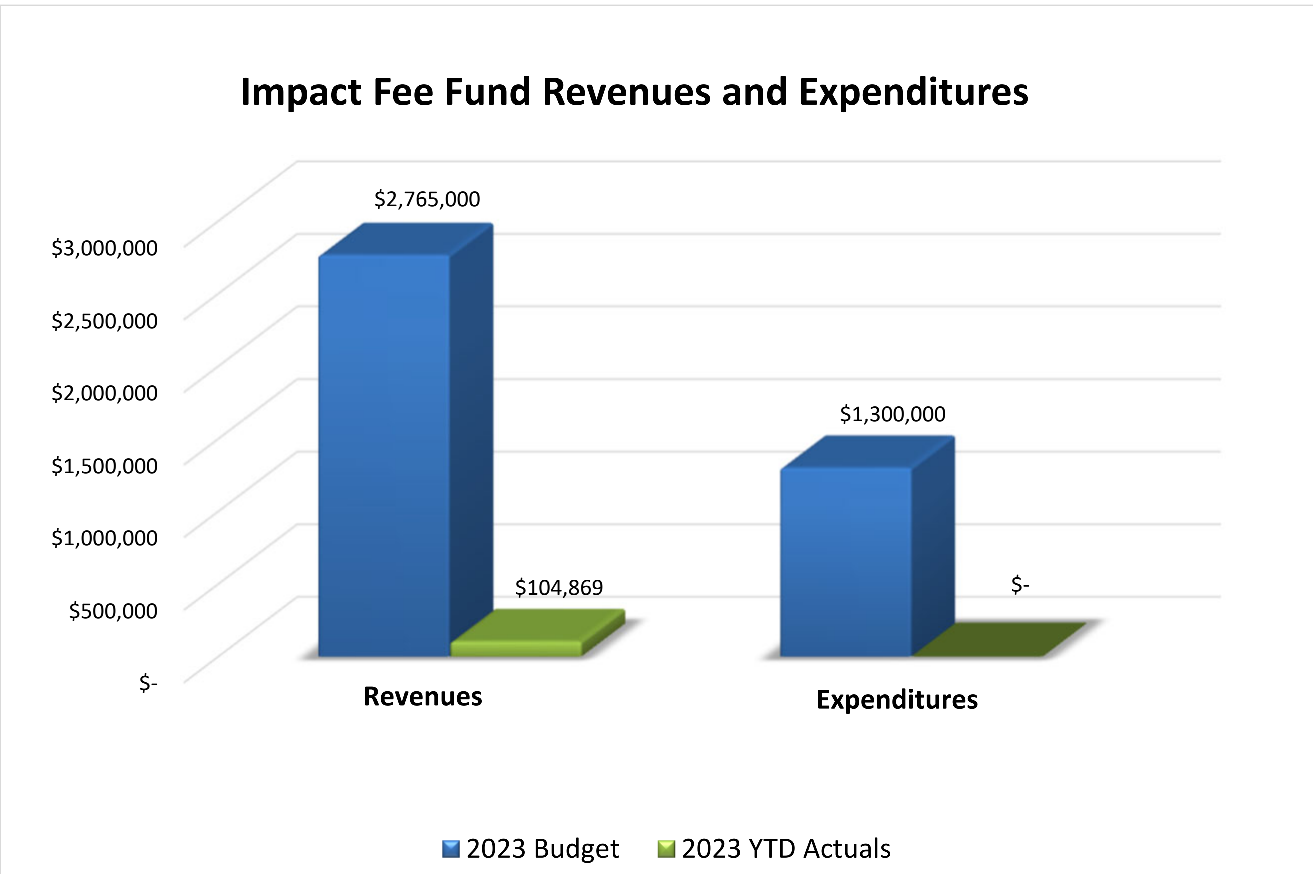
CITY OF SACHSE

IMPACT FEE FUND SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Impact Fees	$ 1,350,000	$ 361,026	$ 2,750,000	$ 47,648	$ 2,702,352	1.73%
Other Income	15,000	3,785	15,000	57,221	(42,221)	381.47%
TOTAL REVENUES	**$ 1,365,000**	**$ 364,811**	**$ 2,765,000**	**$ 104,869**	**$ 2,660,131**	3.79%
EXPENDITURES						
Development Agreements	$ 15,000	$ -	$ -	$ -	$ -	-
Intragovernmental Transfers	1,300,000	-	1,300,000	-	1,300,000	0.00%
TOTAL EXPENDITURES	**$ 1,315,000**	**$ -**	**$ 1,300,000**	**$ -**	**$ 1,300,000**	0.00%

Note - FY 2022 budget includes City Council-approved budgt amendment - Ordinance 4075 adopted on September 19, 2022.

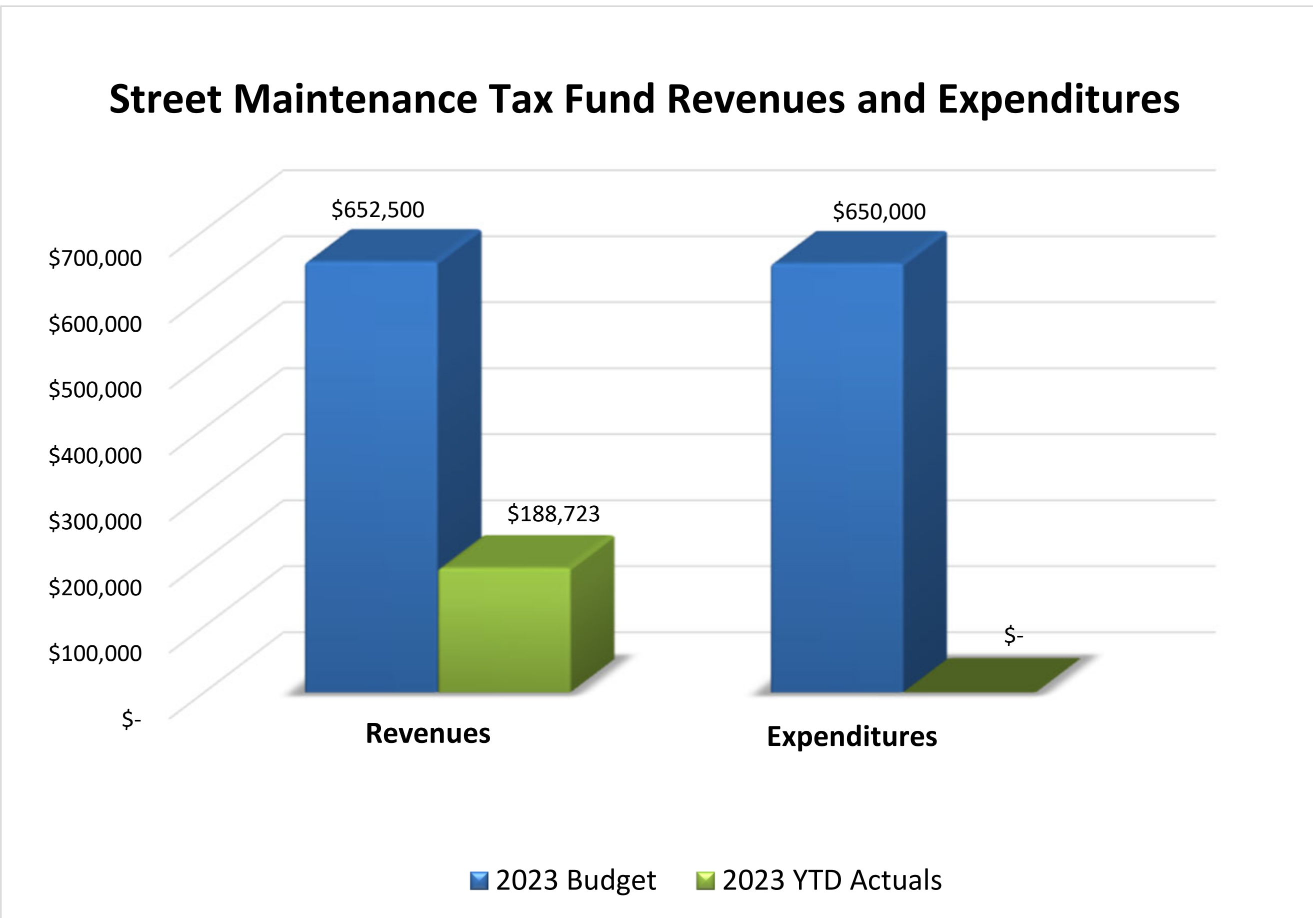


CITY OF SACHSE

STREET MAINTENANCE TAX FUND

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 487,500	$ 151,602	$ 650,000	$ 178,438	$ 471,562	27.45%
Other Income	1,000	452	2,500	10,285	(7,785)	411.39%
TOTAL REVENUES	**$ 488,500**	**$ 152,054**	**$ 652,500**	**$ 188,723**	**$ 463,777**	**28.92%**
EXPENDITURES						
Street Maintenance	$ 530,000	$ -	$ 650,000	$ -	$ 650,000	0.00%
TOTAL EXPENDITURES	**$ 530,000**	**$ -**	**$ 650,000**	**$ -**	**$ 650,000**	**0.00%**

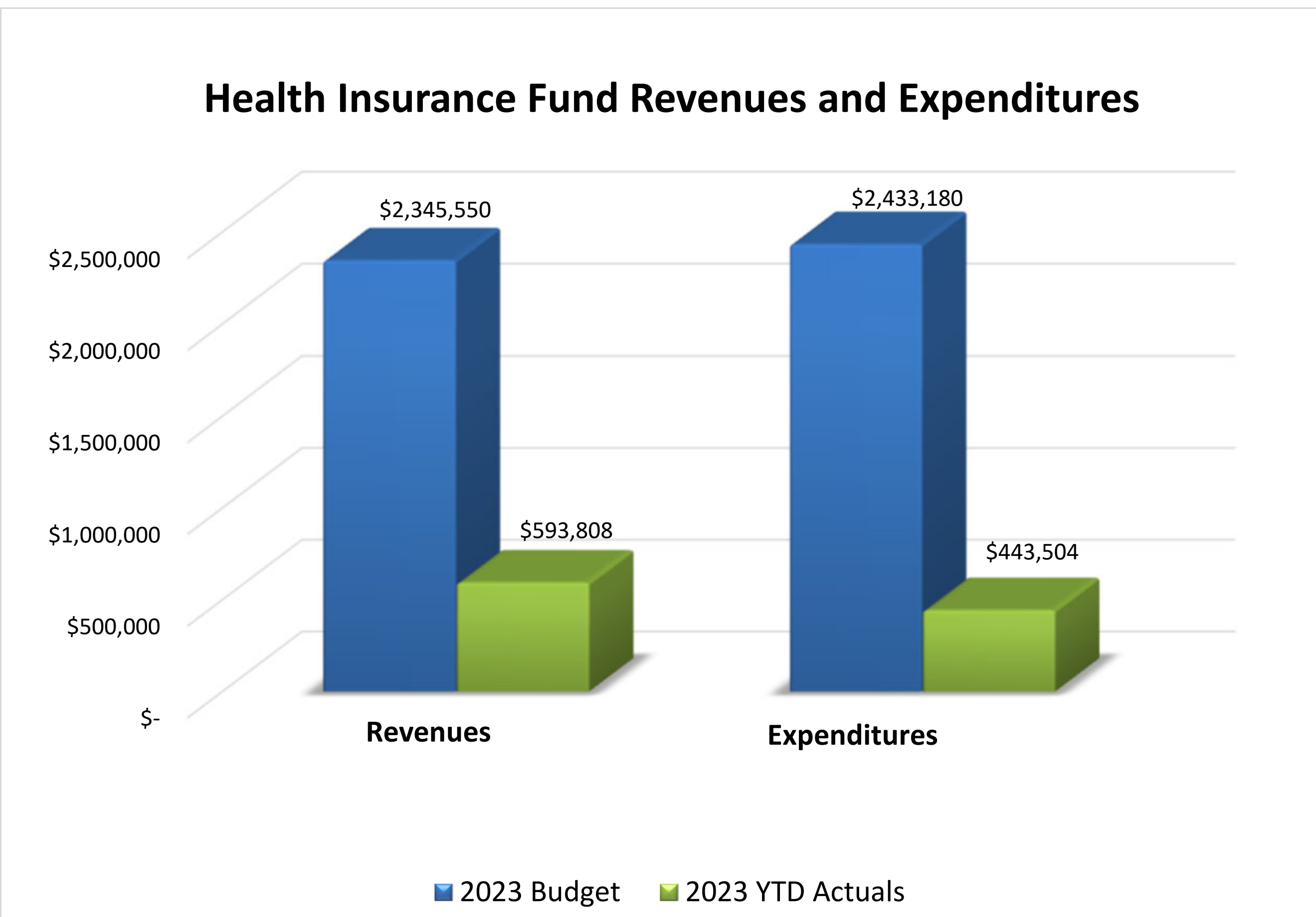


CITY OF SACHSE

HEALTH INSURANCE FUND SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Other Income	$ 1,000	$ 586	$ 2,000	$ 7,923	$ (5,923)	396.16%
Transfers In - General Fund	1,600,957	396,731	2,100,474	525,117	1,575,357	25.00%
Transfers In - Utility Fund	164,290	41,072	215,760	53,940	161,820	25.00%
Transfers In - EDC	-	-	27,316	6,828	20,488	25.00%
TOTAL REVENUES	**$ 1,766,247**	**$ 438,389**	**$ 2,345,550**	**$ 593,808**	**$ 1,751,742**	**25.32%**
EXPENDITURES						
Health Insurance	$ 1,538,400	$ 241,704	$ 2,202,937	$ 392,188	$ 1,810,749	17.80%
Dental Insurance	62,785	9,780	70,307	14,173	56,134	20.16%
H.R.A. Deductible Reimb.	76,000	23,619	76,000	18,047	57,953	23.75%
H.S.A. Contribution	56,500	11,252	56,500	12,823	43,677	22.70%
Life and LTD Insurance	29,280	5,365	27,436	6,273	21,163	22.86%
TOTAL EXPENDITURES	**$ 1,762,965**	**$ 291,719**	**$ 2,433,180**	**$ 443,504**	**$ 1,989,676**	**18.23%**



CITY OF SACHSE

CAPITAL PROJECT SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

CIP NO.	PROJECT	BUDGET THRU FY 2022	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	PROJECT-TO-DATE	REMAINING PROJECT BUDGET
Streets						
R-12-08	5th Street/Sachse Rd Widening - SH 78 to Miles	$ 6,702,100	$ -	$ -	$ 6,497,515	$ 204,585
R-12-13	Merritt Rd Re-alignment & Widening	5,000,000	1,000,000	84,639	2,372,172	3,627,828
R-13-03	Pleasant Valley Rd	300,000	-	-	54,296	245,704
R-19-02	Brookview Drive - Phase 1	60,000	-	-	-	60,000
R-19-03	Hilltop Trail & Meadow Lane Rehabilitation	600,000	-	-	-	600,000
R-19-04	Anthony Lane Rehabilitation	200,000	-	-	175,679	24,321
R-19-07	Coral Lane	50,000	-	-	49,424	576
R-20-03	Signal Improvements - Construction	1,423,395	-	26,673	900,381	523,014
IF-21-01	Roadway Impact Fee Study	150,000	-	4,492	31,295	118,705
R-21-02	Hudson Drive	1,700,000	1,300,000	766,049	922,002	2,077,998
R-21-04	Bunker Hill (The Station Blvd.)	1,650,000	-	-	-	1,650,000
R-21-20	Major Alley Rehabilitation - Multiple Locations	946,000	-	292,590	794,675	151,325
R-21-21	2021 Major Asphault Roadway Improvements	63,500	-	-	79,747	(16,247)
R-22-01	2022 Alley Projects	650,000	300,000	18,407	53,707	896,293
R-22-05	5th Street Project	352,000	2,650,000	73,884	225,343	2,776,657
R-22-06	Bailey-Hooper Rd Overlay	275,000	-	-	253,015	21,985
R-23-01	Williford Rd Overlay	-	250,000	-	-	250,000
R-23-02	6th Street Alley and Street Repair	-	350,000	-	-	350,000
R-23-03	Miscellaneous Concrete Street Repair	-	300,000	-	-	300,000
	Subtotal Streets	**$ 20,121,995**	**$ 6,150,000**	**$ 1,266,734**	**$ 12,409,252**	**$ 13,862,743**
Water						
W-12-15	Southwest Water Tower Construction	$ 2,000,000	$ -	$ -	$ 132,533	1,867,467
W-14-01	Maxwell Creek Pump Station	465,000	5,300,000	102,793	420,342	5,344,658
W-14-02	Pleasant Valley Water Line Design	450,000	-	-	26,015	423,985
W-14-07	8-inch WL 3rd Street from SH 78 to Ingram	80,000	-	-	-	80,000
W-14-08	8-inch WL Cartright from 3rd Street to Big Valley	50,000	-	-	-	50,000
W-21-05	Public Works Pump Station Generator	680,000	-	2,538	49,571	630,429
W-21-06	Sachse Rd Upsize	360,000	-	-	56,707	303,293
W-21-07	5th Street District Improvements	450,000	-	-	-	450,000
W-21-08	Hilltop Trail/Meadow Lane Utility Rehab	200,000	250,000	-	-	450,000
W-22-07	SCADA System Upgrades	140,000	-	6,095	6,095	133,905
	Subtotal Water	**$ 4,875,000**	**$ 5,550,000**	**$ 111,425**	**$ 691,263**	**$ 9,733,737**
Sewer						
SS-12-09	SE Sewer Exp: Trunk Line - Sachse Rd to SE Lift Station	$ 5,000,000	$ -	$ -	$ 114,059	4,885,941
SS-12-12	8-inch trunk line on south side of PGBT to Line "C"	90,000	-	-	-	90,000
SS-12-13	8-inch trunk line on north side of PGBT to Line "C"	260,000	-	-	-	260,000
SS-12-16	8-inch branch line north of PGBT to Line	172,000	-	-	-	172,000
SS-17-02	8-inch Main - Anthony Ln from Williford Rd to Bailey Rd	802,000	-	-	564,009	237,991
SS-18-01	Ingram Rd Sewer Relief	200,000	-	-	-	200,000
SS-21-09	Sachse Rd Sewer Upsize	60,000	-	-	60,000	-
SS-21-10	Sable Hills Lift Station Expansion	1,101,000	-	531,947	620,718	480,282
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab	200,000	2,250,000	-	-	2,450,000
SS-21-12	Sewer Rehab Hwy 78 at old City Hall	249,000	-	-	-	249,000
	Subtotal Sewer	**$ 8,134,000**	**$ 2,250,000**	**$ 531,947**	**$ 1,358,786**	**$ 9,025,214**
Drainage						
D-17-15	Vickburg Drainage Easement	$ 451,409	$ -	$ 8,472	$ 57,089	394,320
D-22-02	Third Garland Connection Creek Stabilization	75,000	1,500,000	1,525	56,528	1,518,472
D-22-03	Sachse South Drainage Study	75,000	-	-	48,436	26,564
D-23-04	Small Drainage Projects	-	80,000	-	-	80,000
	Subtotal Drainage	**$ 601,409**	**$ 1,580,000**	**$ 9,997**	**$ 162,053**	**$ 2,019,356**

CITY OF SACHSE

CAPITAL PROJECT SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

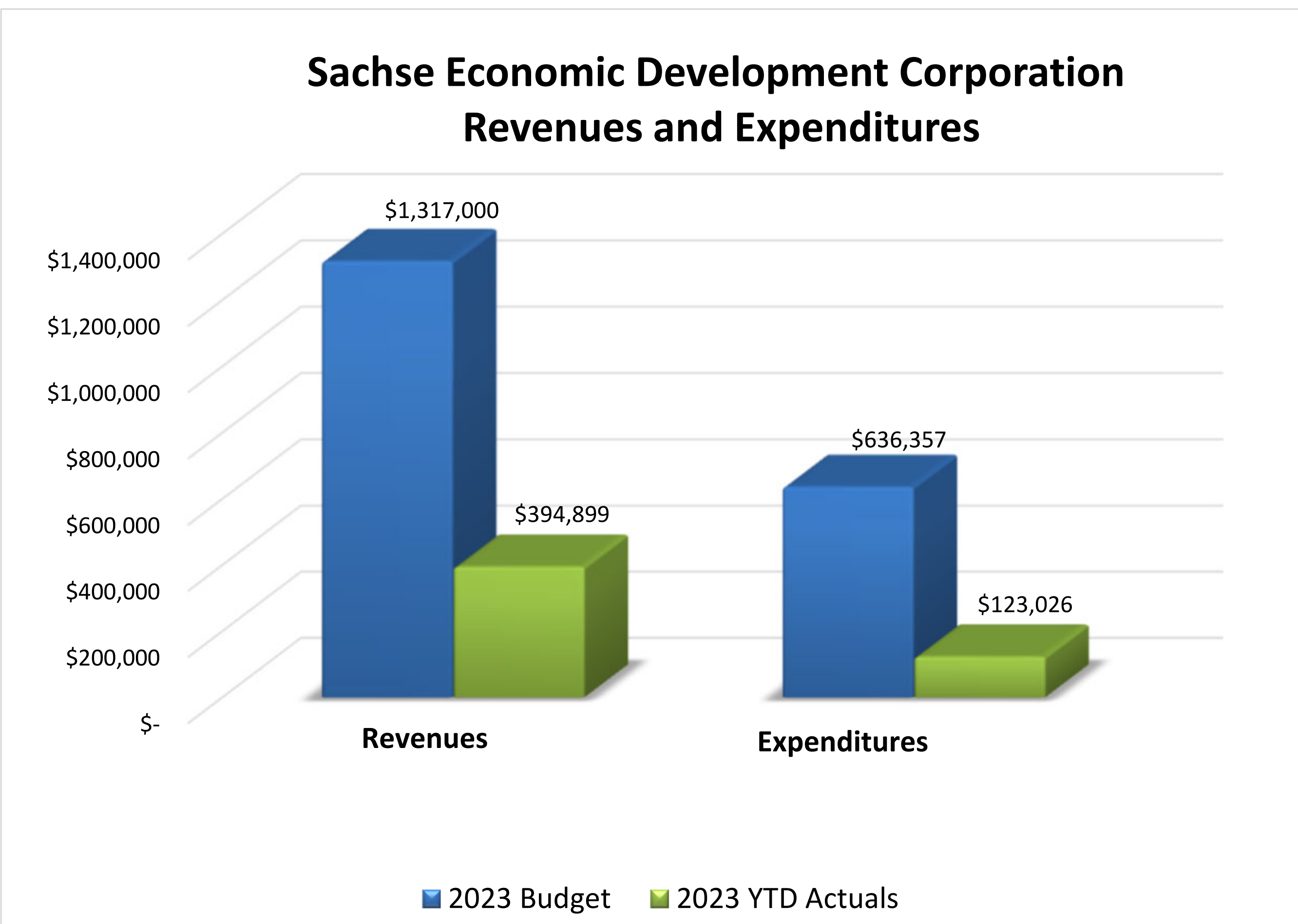
CIP NO.	PROJECT	BUDGET THRU FY 2022	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	PROJECT-TO-DATE	REMAINING PROJECT BUDGET
Parks & Trails						
P-17-04	Joe Stone Park Restroom	$ 110,000	$ -	$ -	$ -	110,000
P-21-16	J.K. Sachse Park Concept Plan & Design	249,000	-	2,392	200,864	48,136
P-22-04	J.K. Sachse Park Construction	1,764,000	1,040,750	494,497	1,993,369	811,381
T-17-02	Sachse Rd/5th Street Trail	150,000	-	-	-	150,000
T-17-04	Muddy Creek Trail - Sachse Rd to Pleasant Valley Rd	695,000	-	-	-	695,000
T-17-05	Joe Stone Loop Trail	90,000	-	-	-	90,000
	Subtotal Parks & Trails	**$ 3,058,000**	**$ 1,040,750**	**$ 496,888**	**$ 2,194,233**	**$ 1,904,517**
Facilities						
F-23-05	Outdoor warning Sirens	-	120,000	-	-	120,000
	Subtotal Facilities	**$ -**	**$ 120,000**	**$ -**	**$ -**	**$ 120,000**
Bond Proposition 2021						
BP-21-A01	Sachse Rd Phase 2	$ -	$ 1,700,000	$ -	$ -	$ 1,700,000
BP-21-B01	Streets & Roads - Bailey-Hooper Road	1,000,000	9,660,000	42,943	108,283	10,551,717
BP-21-C01	Neighborhood Package	-	675,000	-	-	675,000
BP-21-D01	Animal Shelter	350,000	4,650,000	20	64,003	4,935,997
	Subtotal Bond Proposition 2021	**$ 1,350,000**	**$ 16,685,000**	**$ 42,963**	**$ 172,285**	**$ 17,862,715**
	TOTAL CAPITAL PROJECTS	**$ 38,140,404**	**$ 33,375,750**	**$ 2,459,954**	**$ 16,987,873**	**$ 54,528,281**

CITY OF SACHSE

SACHSE ECONOMIC DEVELOPMENT CORPORATION SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 975,000	$ 303,097	$ 1,300,000	$ 356,876	$ 943,124	27.45%
Other Income	15,000	11,935	17,000	38,023	(21,023)	223.66%
TOTAL REVENUES	**$ 990,000**	**$ 315,032**	**$ 1,317,000**	**$ 394,899**	**$ 922,101**	**29.98%**
EXPENDITURES						
Personnel	$ 171,251	$ 32,101	$ 220,175	$ 32,362	$ 187,813	14.70%
Supplies and Materials	94,977	36,183	123,954	39,944	84,010	32.22%
Maintenance and Repairs	1,000	41	1,000	18	982	1.78%
Contractual Services	182,400	164,783	172,425	21,002	151,423	12.18%
Business Grant Program	-	695	-	-	-	-
Operating Transfer Out - GF	177,576	44,394	118,803	29,700	89,103	25.00%
TOTAL EXPENDITURES	**$ 627,204**	**$ 278,196**	**$ 636,357**	**$ 123,026**	**$ 513,331**	**19.33%**



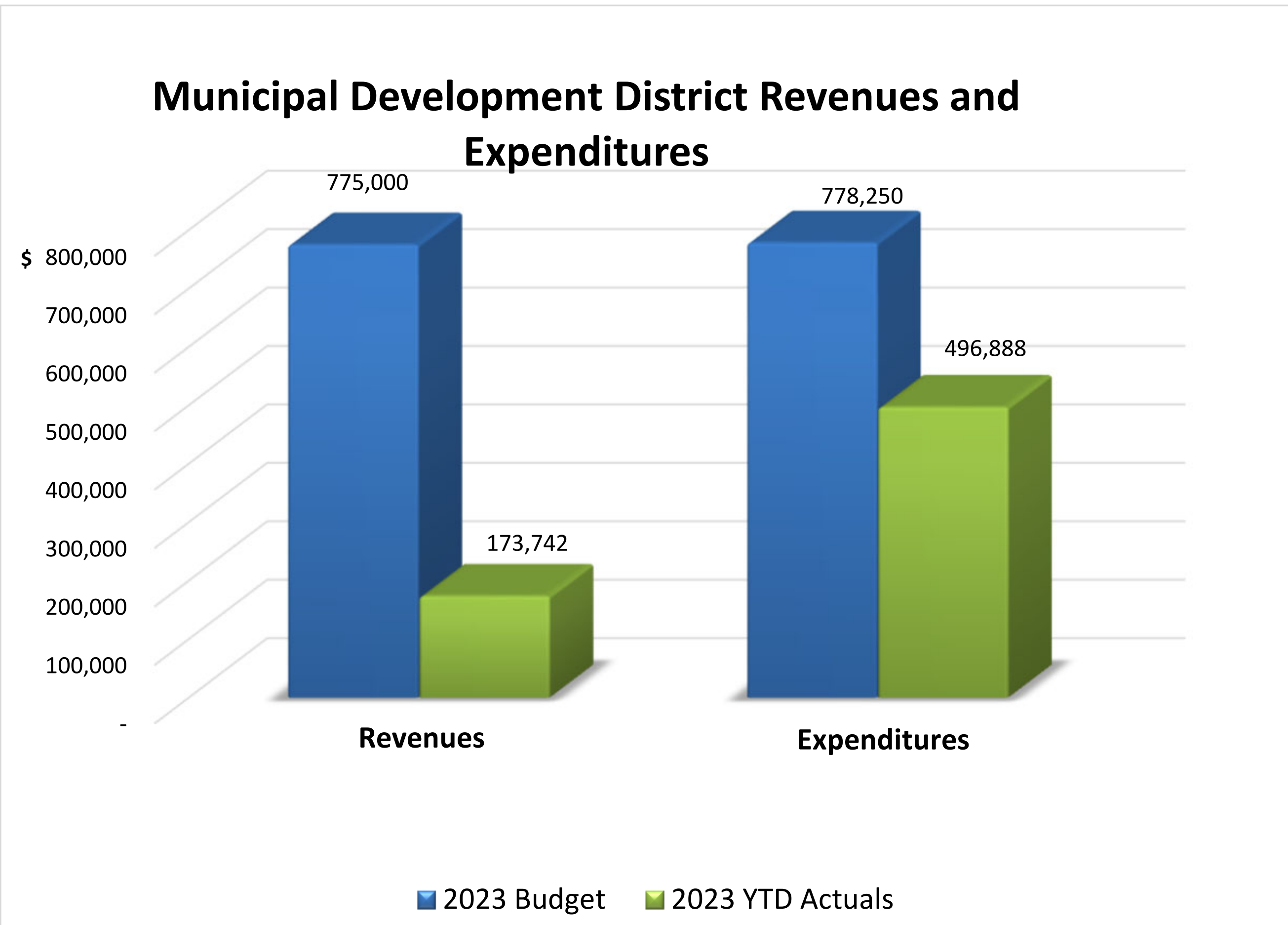
CITY OF SACHSE

MUNICIPAL DEVELOPMENT DISTRICT SUMMARY

QUARTER ENDED 12/31/2022 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2022 BUDGET	FY 2022 YEAR-TO-DATE	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 450,000	$ 145,863	$ 775,000	$ 173,125	$ 601,875	22.34%
Interest Income	1,000	669	-	617	(617)	-
TOTAL REVENUES	**$ 451,000**	**$ 146,532**	**$ 775,000**	**$ 173,742**	**$ 601,258**	**22.42%**
EXPENDITURES						
Professional Services	$ -	$ 1,911	$ -	$ 2,392	$ (2,392)	-
Park Improvements	-	9,702	-	-	-	-
J.K. Sachse Park	1,764,000	-	778,250	494,497	283,753	63.54%
Building Renovations	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 1,764,000**	**$ 11,613**	**$ 778,250**	**$ 496,888**	**$ 281,362**	**63.85%**

Note - FY 2022 budget includes City Council-approved budgt amendment - Ordinance 4075 adopted on September 19, 2022.



The City of SACHSE

Finance Department Memo

To: **Gina Nash, City Manager**

From: David Baldwin, Director of Finance

Ryan Bredehoeft, Assistant Director of Finance

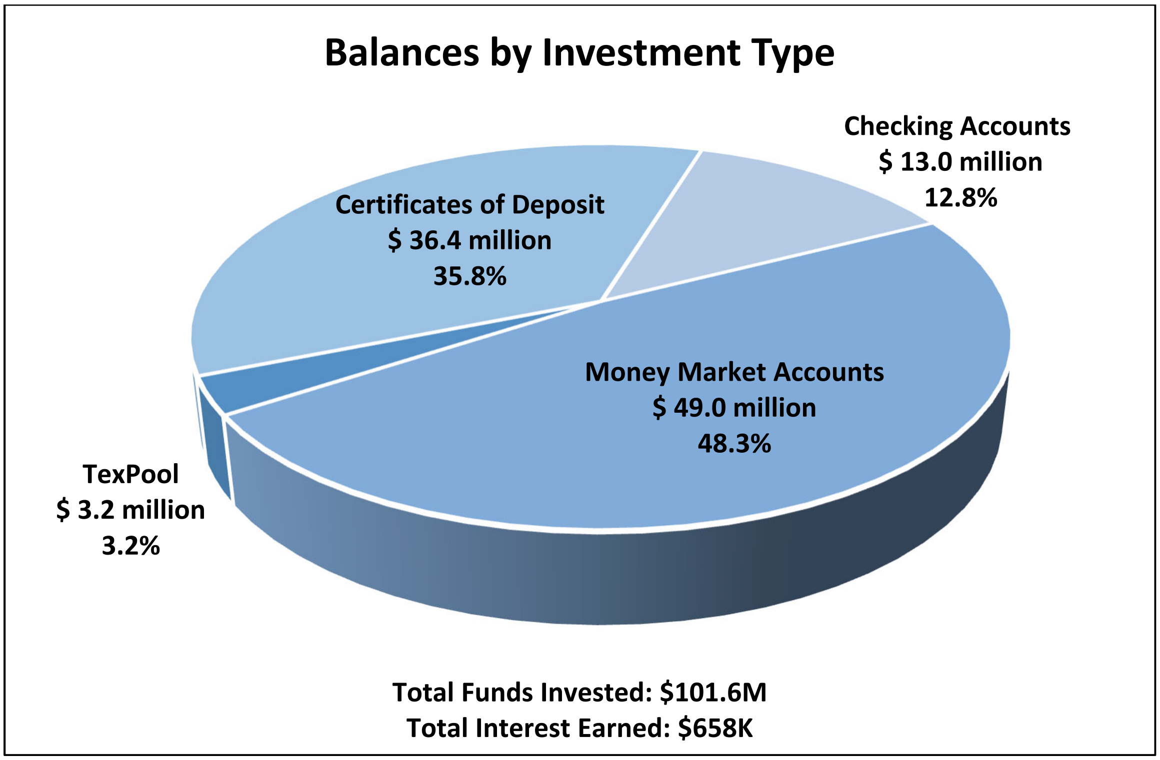
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: March 6, 2023

Re: **Investment Report for the quarter ending December 31, 2022**

Attached is the Quarterly Investment Report for the quarter ending December 31, 2022. This report complies with the requirements of the City's Investment Policy and the Public Funds Investment Act as amended. The chart below provides a summary of balances by investment type. See the report for further details.



Account Type	Weighted Average Interest Rate
Checking Accounts	0.00%
Money Market Accounts	4.34%
TexPool	3.98%
Certificates of Deposit	2.34%

Average interest rate yield	3.16%
TexPool (benchmark)	3.98%

The City of
SACHSE

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2022

Prepared by
Valley View Consulting, L.L.C.

The investment portfolio of the City is in compliance with the Public Funds Investment Act and the Investment Policy and strategies.

____
Director of Finance

____
Assistant Director of Finance

____
Senior Accountant

Disclaimer: These reports were compiled using information provided by the City of Sachse. No procedures were performed to test the accuracy or completeness of this information. The market values included in these reports were obtained by Valley View Consulting, L.L.C. from sources believed to be accurate and represent proprietary valuation. Due to market fluctuations these levels are not necessarily reflective of current liquidation values. Yield calculations are not determined using standard performance formulas, are not representative of total return yields and do not account for investment advisor fees.

Summary

Quarter End Results by Investment Category:

Asset Type	September 30, 2022 Book Value	September 30, 2022 Market Value	December 31, 2022 Book Value	December 31, 2022 Market Value	Ave. Yield
Bank/Pool	$ 69,723,449	$ 69,723,449	$ 65,195,522	$ 65,195,522	3.46%
CDs/Securities	24,177,419	24,177,419	36,393,474	36,393,474	2.63%
Totals	**$ 93,900,868**	**$ 93,900,868**	**$ 101,588,996**	**$ 101,588,996**	3.16%

Current Quarter Average Yield *(1)*		**Fiscal Year-to-Date Average Yield** *(2)*	
Total Portfolio	3.16%	Total Portfolio	3.16%
Weighted Average Maturity	68 days		
Rolling Three Month Treasury	4.19%	Rolling Three Month Treasury	4.19%
Rolling Six Month Treasury	3.90%	Rolling Six Month Treasury	3.90%
TexPool	3.98%	TexPool	3.98%

Interest Earnings (Approximate)

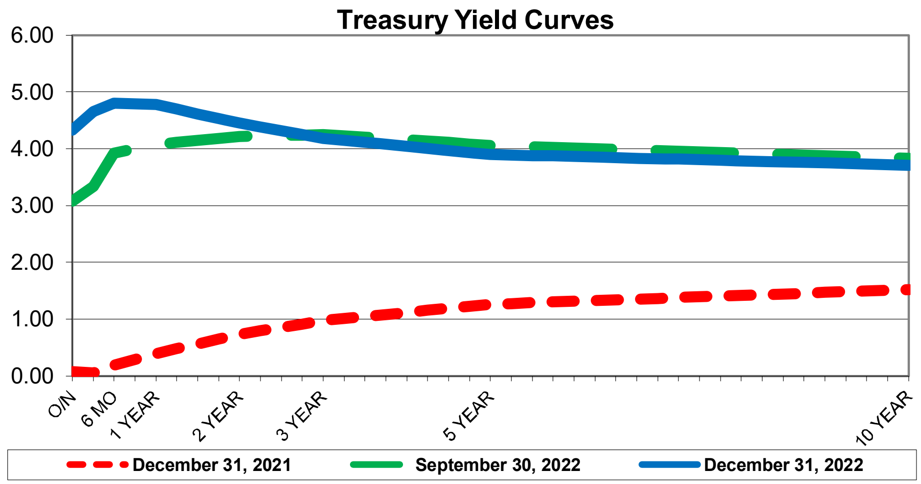
	City	EDC
Interest Earnings QTR	$ 629,885	$ 28,023
Interest Earnings YTD	$ 629,885	$ 28,023

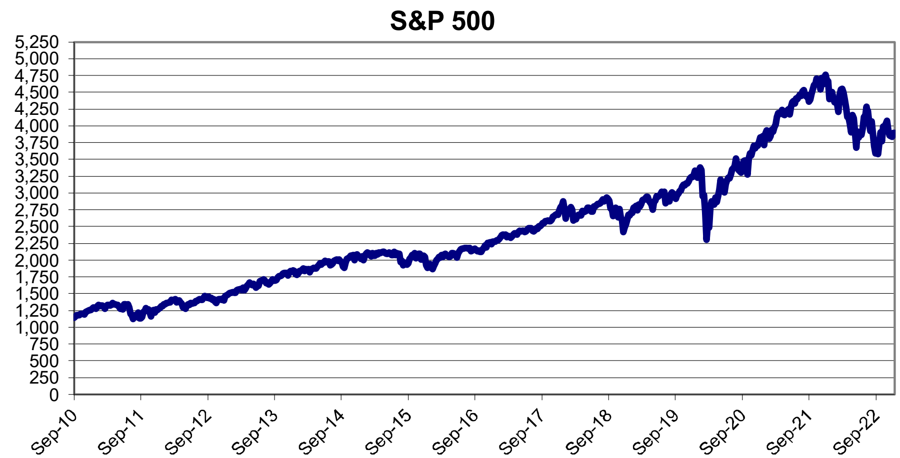
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool, and money market balances.
(2) Fiscal Year-to-Date Weighted Average Yields calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis or account for advisory fees.

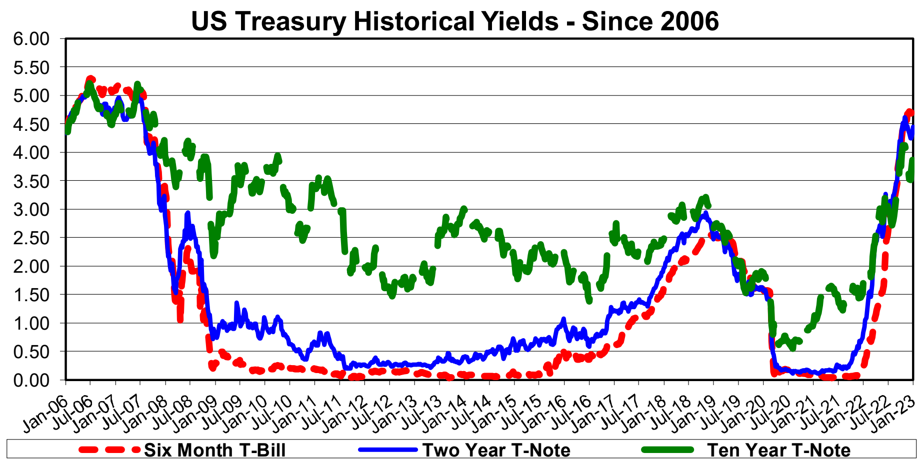
Economic Overview

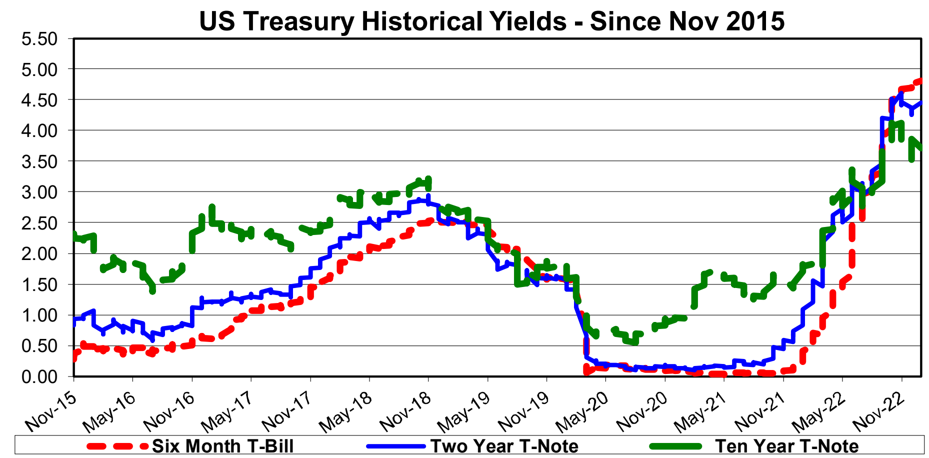
12/31/2022

The Federal Open Market Committee (FOMC) raised the Fed Funds target range 0.50% to 4.25% - 4.50% December 14th (Effective Fed Funds are trading +/-4.33%). A 0.25% increase is projected February 1st. Third Quarter GDP jumped to 3.2% in the final number. December Non-Farm Payroll added 223k new jobs with the Three Month Average declining to 247k. Crude oil continues moderating at +/-$75 per barrel. The Stock Markets drifted between +/-15% to +/-19% below the 2021 peak. The yield curve is fully negatively sloped (3 months to 10 years, with peak yield at 6 months) and continues to indicate lower future interest rates. Inflation remained well over the FOMC 2% target (Core PCE +/-5% and CPI +/-6%). International challenges add to economic uncertainty.









Investment Holdings

December 31, 2022

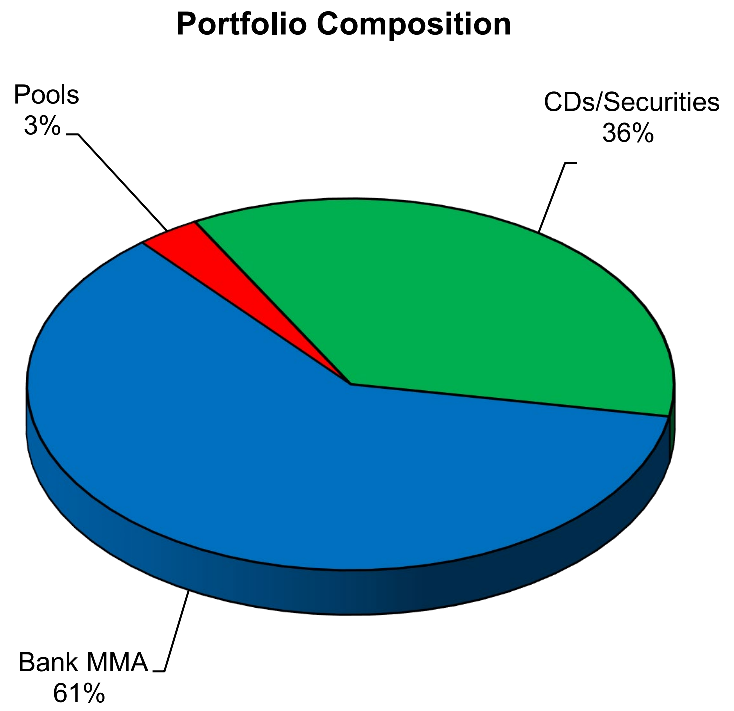
Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Original Face\ Par Value	Book Value	Market Price	Market Value	Life (days)	Yield
Checking Accounts										
American Nat'l Bank of Texas Checking		0.00%	01/01/23	12/31/22	$ 12,954,165	$ 12,954,165	1.00	$ 12,954,165	1	0.00%
Money Market Accounts										
American Nat'l Bank of Texas		3.85%	01/01/23	12/31/22	7,356,639	7,356,639	1.00	7,356,639	1	3.85%
NexBank		4.21%	01/01/23	12/31/22	101,667	101,667	1.00	101,667	1	4.21%
NexBank IntraFi		4.40%	01/01/23	12/31/22	31,502,191	31,502,191	1.00	31,502,191	1	4.40%
Texas Bank		4.50%	01/01/23	12/31/22	10,068,885	10,068,885	1.00	10,068,885	1	4.50%
Local Government Investment Pools										
TexPool	AAAm	3.98%	01/01/23	12/31/22	3,211,976	3,211,976	1.00	3,211,976	1	3.98%
Certificates of Deposit										
Citizens Bank 5723		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
Citizens Bank 5733		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
Citizens Bank 5743		0.65%	01/07/23	01/07/22	1,012,957	1,012,957	100.00	1,012,957	7	0.65%
East West Bank 0174		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 0553		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 6002		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 6607		0.48%	01/23/23	01/23/22	2,009,095	2,009,095	100.00	2,009,095	23	0.48%
East West Bank 8172		2.87%	06/30/23	06/30/22	5,073,262	5,073,262	100.00	5,073,262	181	2.87%
East West Bank 7048		3.15%	07/01/23	07/26/22	2,027,632	2,027,632	100.00	2,027,632	182	3.15%
Citizens Bank 5763		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
Citizens Bank 5773		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
Citizens Bank 5783		2.75%	07/07/23	07/07/22	1,023,237	1,023,237	100.00	1,023,237	188	2.75%
East West Bank 0043		3.01%	07/13/23	07/13/22	3,042,854	3,042,854	100.00	3,042,854	194	3.06%
East West Bank 6187		4.08%	10/05/23	10/05/22	7,069,193	7,069,193	100.00	7,069,193	278	4.16%
American Nat'l Bank & Trust 7350		4.25%	03/07/24	10/07/22	5,035,577	5,035,577	100.00	5,035,577	432	4.33%
					$ 101,588,996	**$ 101,588,996**		**$ 101,588,996**	**68**	**3.16%**
									(1)	**(2)**

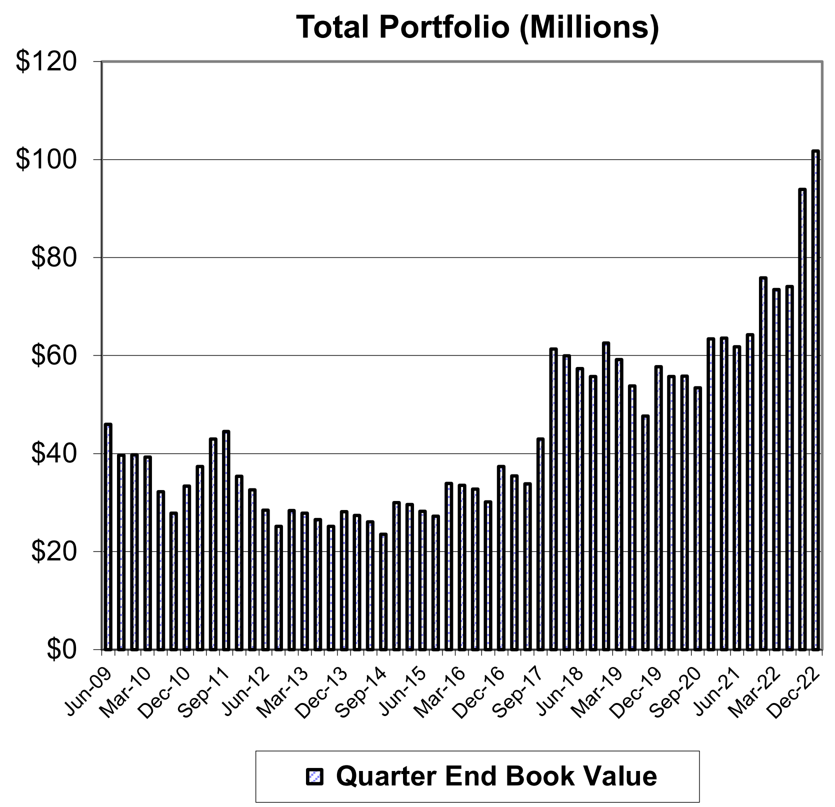
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

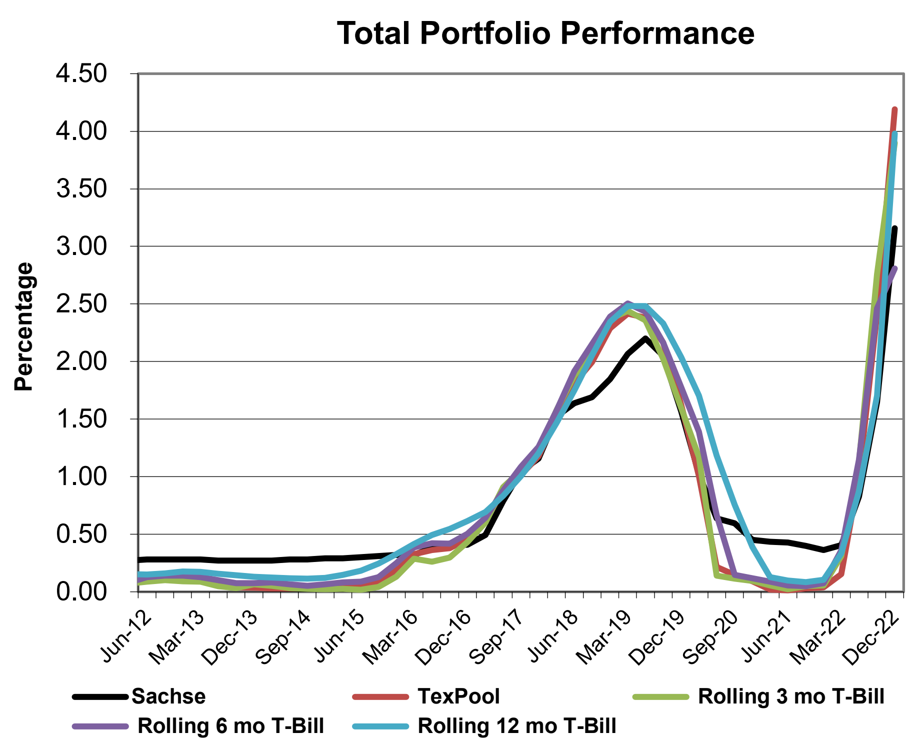
(2) Weighted average yield to maturity - The weighted average yield to maturity is based on adjusted book value, realized and unrealized gains/losses and investment advisory fees are not considered.

Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/22	Increases	Decreases	Book Value 12/31/22	Market Value 09/30/22	Change in Market Value	Market Value 12/31/22
Checking Accounts									
American Nat'l Bank of Texas Checking	0.00%	01/01/23	$14,591,423	$ –	$ (1,637,258)	$ 12,954,165	$ 14,591,423	$ (1,637,258)	$ 12,954,165
Money Market Accounts									
American Nat'l Bank of Texas	3.85%	01/01/23	17,674,740	–	(10,318,102)	7,356,639	17,674,740	(10,318,102)	7,356,639
NexBank	4.21%	01/01/23	–	101,667	–	101,667	–	101,667	101,667
NexBank IntraFi	4.40%	01/01/23	23,370,505	8,131,686	–	31,502,191	23,370,505	8,131,686	31,502,191
Texas Bank	4.50%	01/01/23	–	10,068,885	–	10,068,885	–	10,068,885	10,068,885
Local Government Investment Pools									
TexPool	3.98%	01/01/23	14,086,781	–	(10,874,805)	3,211,976	14,086,781	(10,874,805)	3,211,976
Certificates of Deposit									
Citizens Bank 5723	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
Citizens Bank 5733	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
Citizens Bank 5743	0.65%	01/07/23	1,011,299	1,658	–	1,012,957	1,011,299	1,658	1,012,957
East West Bank 0174	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 0553	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 6002	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 6607	0.48%	01/23/23	2,006,665	2,429	–	2,009,095	2,006,665	2,429	2,009,095
East West Bank 8172	2.87%	06/30/23	5,036,696	36,566	–	5,073,262	5,036,696	36,566	5,073,262
East West Bank 7048	3.15%	07/01/23	2,011,597	16,034	–	2,027,632	2,011,597	16,034	2,027,632
Citizens Bank 5763	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
Citizens Bank 5773	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
Citizens Bank 5783	2.75%	07/07/23	1,016,237	6,999	–	1,023,237	1,016,237	6,999	1,023,237
East West Bank 0043	3.06%	07/13/23	3,019,856	22,997	–	3,042,854	3,019,856	22,997	3,042,854
East West Bank 6187	4.16%	10/05/23	–	7,069,193	–	7,069,193	–	7,069,193	7,069,193
American Nat'l Bank & Trust 7350	4.33%	03/07/24	–	5,035,577	–	5,035,577	–	5,035,577	5,035,577
TOTAL / AVERAGE	**3.16%**		**$ 93,900,868**	**$ 30,518,293**	**$(22,830,165)**	**$ 101,588,996**	**$ 93,900,868**	**$ 7,688,129**	**$ 101,588,996**


Portfolio Composition
Pools
3%
CDs/Securities
36%
Bank MMA
61%


Total Portfolio (Millions)
$120
$100
$80
$60
$40
$20
$0
Jun-09
Mar-10
Dec-10
Sep-11
Jun-12
Mar-13
Dec-13
Sep-14
Jun-15
Mar-16
Dec-16
Sep-17
Jun-18
Mar-19
Dec-19
Sep-20
Jun-21
Mar-22
Dec-22
Quarter End Book Value


Total Portfolio Performance
Percentage
4.50
4.00
3.50
3.00
2.50
2.00
1.50
1.00
0.50
0.00
Jun-12
Mar-13
Dec-13
Sep-14
Jun-15
Mar-16
Dec-16
Sep-17
Jun-18
Mar-19
Dec-19
Sep-20
Jun-21
Mar-22
Dec-22
Sachse
TexPool
Rolling 3 mo T-Bill
Rolling 6 mo T-Bill
Rolling 12 mo T-Bill

FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	9/30/2022	12/31/2022	Percent	Quarterly Change
01	General Fund	$ 15,969,313	$ 20,400,163	20.08%	$ 4,430,849
02	Utility Fund	21,397,519	21,842,692	21.51%	445,174
03	Debt Service	1,165,221	4,725,983	4.65%	3,560,761
04	Capital Projects	13,305,834	12,712,928	12.51%	(592,906)
05	Special Revenue Fund	1,045,461	954,781	0.94%	(90,680)
06	Sachse Economic Development (EDC)	3,680,063	3,955,552	3.89%	275,489
09	PGBT Reinvestment Zone TIF Fund	31,874	32,097	0.03%	223
10	Impact Fees	8,301,526	7,917,108	7.79%	(384,417)
11	Street Maintenance	1,276,660	1,464,957	1.44%	188,296
12	Vehicle Equipment Replacement Fund (VERF)	1,888,333	1,766,300	1.74%	(122,033)
13	Sachse Municipal Development District (MDD)	161,046	(76,155)	-0.07%	(237,201)
14	TIRZ #2 Station	140,181	137,227	0.14%	(2,954)
15	Health Insurance	1,025,333	1,170,409	1.15%	145,075
16	Station O&M PID	32,856	29,931	0.03%	(2,925)
17	American Rescue Plan Act (ARPA)	6,468,025	6,516,415	6.41%	48,390
18	Hotel Occupancy Tax	12,754	15,682	0.02%	2,928
21	2022 Bond Construction Fund	17,998,867	18,022,926	17.74%	24,059
	TOTAL POOLED CASH AND INVESTMENTS	**$ 93,900,868**	**$ 101,588,996**	**100.00%**	**$ 7,688,129**

Notes

Consistent with City policy, investment activity is attributed to all of the City's accounting funds collectively and on a proportional basis to each fund's total cash balance.

The City does not carry any security instrument (investment type) on its books that is traded on the open market; therefore, all investments are listed at 100% of market value.

It is the strategy of the Finance Department to maintain a high percentage of its idle funds invested in safe and secure investment securities and pooled investment types in accordance with the Public Funds Investment Act.

The City's investments are liquid and have same day access. The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

D. Consent Agenda - All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or a member of the public so requests.

Subject	**4. Authorize the Mayor to execute an Amended and Restated Agreement for Municipal Court Judge between the City of Sachse and the Honorable Robert Beasley.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Action (Consent)
Preferred Date	Mar 06, 2023
Recommended Action	Authorize the Mayor to execute an Amended and Restated Agreement for Municipal Court Judge between the City of Sachse and the Honorable Robert Beasley.

BACKGROUND
Section 4.03 of the Sachse Home Rule Charter stipulates that, "the city council shall appoint by majority vote of its full membership such municipal judges of the municipal court as may be necessary...The municipal judge(s) of the municipal court shall be appointed to a term of two years and may be appointed to additional consecutive terms upon completion of his/their term(s) of office. The appointment of the municipal judge(s) may be terminated at any time by a majority vote of the full membership of the city council. The municipal judge(s) shall receive compensation as may be determined by the city council."

OVERVIEW
The City Council appointed the Honorable Robert Beasley as the Sachse Municipal Judge at the August 1, 2022, Council meeting, and the agreement expires in March 2023. The City has the option to re-appoint the Judge every two years following the expiration of the current term.

POLICY CONSIDERATIONS
There are no policy considerations affiliated with this item.

RECOMMENDATION
Authorize the Mayor to execute an Amended and Restated Agreement for Municipal Court Judge between the City of Sachse and the Honorable Robert Beasley.

File Attachments
D4 Robert Beasley Agreement for Municipal Court Judge Amendment 1 2023.pdf (117 KB)

All items listed on the consent agenda will be considered by the City Council and will be enacted on by one motion. There will be no separate discussion of these items unless a Councilmember or citizen so requests.

STATE OF TEXAS	**§**	**AMENDED AND RESTATED**
	§	**AGREEMENT FOR MUNICIPAL COURT JUDGE**
COUNTY OF DALLAS	**§**	

This Amended and Restated Agreement for Municipal Court Judge ("Agreement") is made by and between the City of Sachse, Texas ("City") and Robert Beasley (the "Judge"), (individually as the "Party" or collectively as the "Parties"), both of whom agree as follows:

Recitals:

WHEREAS, City previously engaged the services of the Judge as an independent contractor in accordance with the terms and conditions set forth in this Agreement; and

WHEREAS, Judge desires to render services as the Presiding Judge of Sachse Municipal Court, in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in exchange for the mutual covenants set forth herein and other valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

Article I
Term

1.1 Judge shall serve as the Municipal Judge commencing on March 9, 2023, through March 8, 2025, but may be removed at any time in accordance with the provisions of this Agreement, State law and the City Charter. Nothing in this Agreement shall prevent, limit or otherwise interfere with the right of the City Council to terminate the services of the Municipal Judge at any time, with or without cause, subject to the terms of this Agreement.

1.2 The City shall have the option to re-appoint the Judge every two (2) years following the expiration of their current term in office (March 8, 2025). In accordance with Section 29.005 of the Texas Government Code, if the Judge is not reappointed by the 91st day following the expiration of a term of office, absent action by the City Council, the Judge shall continue to serve for another term of office beginning on the date the previous term of office expired.

Article II
Scope of Services

2.1 Judge shall preside over all municipal court proceedings for and on behalf of the City as its Presiding Judge and conduct services as may be required from time-to-time, including but not limited to all magistrate duties, issuance of search arrests and/or capias warrants, and such other judicial and administrative duties and responsibilities as are necessary and incidental to the office of Presiding Judge of the City's Municipal Court. Judge's magistration duties include, but are not limited to, setting bonds, accepting pleas, and conducting arraignments.

2.2 Judge shall maintain eligibility and the appropriate licenses as may be required under State law to serve in the capacity as the Presiding Judge of the City's Municipal Court for the Term of this Agreement.

2.3 Judge shall perform all services in accordance with the Code of Judicial Conduct applicable to judges of courts in the State of Texas and agrees to conduct herself in a judicial demeanor at all times in representing the City.

2.4 Judge is not precluded from performing such legal services in maintaining their private practice of law, and nothing construed herein shall preclude them from maintaining their private legal practice.

2.5 Judge hereby agrees not to knowingly undertake any legal matter that would compromise or conflict with their duties and responsibilities as Municipal Court Judge or otherwise knowingly undertake to represent a client on a legal matter against the City.

Article III
Municipal Court Docket

Judge agrees to preside over the City's Municipal Court docket each week that has an Active Court Docket. If additional court dates in excess of the Active Court Docket are necessary, the Judge shall be compensated as provided in Section 4.2.

Article IV
Compensation and Method of Payment

4.1 As an independent contractor and not an employee of the City, the Judge shall not receive any City benefits which are otherwise available to City of Sachse employees.

4.2 The City shall compensate the Judge as follows:

(a) Five Hundred Dollars ($500.00) per court session: and
(b) Seventy-Five Dollars ($75.00) per warrant review and per prisoner arraignment.

4.3 City shall compensate the Judge for services provided pursuant to this Agreement and, as set forth in this Article, within thirty (30) days after receiving the Judge's invoice reflecting their time and billing, provided there are no errors or discrepancies.

Article V
Miscellaneous

5.1 Entire Agreement. This Agreement constitutes the sole and only agreement between the parties and supersedes any prior understandings written or oral agreements between the parties with respect to this subject matter.

5.2 Effective Date. This Agreement shall become effective on March 9, 2023.

5.3 Successors and Assigns. Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the Parties to it and their respective heirs, executors, administrators, legal representatives, successors and assigns.

5.4 Governing Law. The laws of the State of Texas shall govern this Agreement; and venue for any action concerning this Agreement shall be in the State District Court of Dallas County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

5.5 Amendments. This Agreement may be amended by the mutual written agreement of the parties.

5.6 Severability. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions, and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.

5.7 Notice. Any notice required or permitted to be delivered hereunder may be sent by first class mail, overnight courier or by confirmed telefax or facsimile to the address specified below, or to such other party or address as either party may designate in writing, and shall be deemed received three (3) days after delivery set forth herein:

If intended for City:	With Copy to:
Attn: Gina Nash City Manager City of Sachse 3815 Sachse Road Sachse, Texas 75048 Phone: (972) 495-1212	Joseph J. Gorfida, Jr. Nichols, Jackson, Dillard, Hager & Smith, L.L.P. 500 North Akard 1800 Ross Tower Dallas, Texas 75201 Phone: (214) 965-9900

If intended for Judge:

____
____
____
____

5.8 Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of any number of copies hereof each signed by less than all, but together signed by all of the parties hereto.

5.9 Independent Contractor. All services to be performed by the Judge pursuant to this Agreement shall be in the capacity of an independent contractor, and not as an agent or employee of the City. The Judge shall supervise the performance of their services and shall be entitled to control the manner and means by which their services are to be performed, subject to the terms of this Agreement. City agrees during the Term of this Agreement, at its cost, to obtain and maintain public official liability insurance coverage covering the acts and omissions by the Judge in the scope of their duties and responsibilities as Presiding Municipal Court Judge.

EXECUTED this _______ day of ____________________, 2023.

City of Sachse, Texas

By: ____
Jeff Bickerstaff, Mayor

Approved as to form:

By: ____________________________________
Joseph J. Gorfida, Jr., City Attorney
(07-18-2022:TM 130676)

EXECUTED this _______ day of ____________________, 2023.

Municipal Court Judge

By: ____
Robert Beasley

E. Regular Agenda Items

Subject	**1. Discuss and provide feedback on the Bailey Road Concept Plan.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Discussion
Goals	Strategically invest in the City's existing and future infrastructure.

BACKGROUND
The condition and need for repairs on Bailey Road and Hooper Road were discussed extensively during the Bond 2021 Committee and public engagement process. With the successful passage of the 2021 Bond, the design for this project will be the first project funded from the bond proceeds.

The project includes reconstruction of approximately 5,500 linear feet of Bailey Road and Hooper Road and will be reconstructed with a concrete street section. Sidewalks and drainage will be evaluated with the design to consider options for keeping the existing bar ditch section or replacing it with a storm drainage system. Design will include traffic calming (intersection treatments, signage, etc.), intersection improvements, and pedestrian safety design options. Water and sewer infrastructure will also be improved.

OVERVIEW
This item is to view the revisions and changes to the proposed concept plan and provide comments and feedback to staff. Design elements and considerations will be discussed and evaluated based on Council feedback.

POLICY CONSIDERATIONS
Design and construction of this project is in accordance with the projects identified in the voter-approved bond program. Funding for this project will be paid from Bond 2021 proceeds.

RECOMMENDATION
Discuss and provide feedback on the Bailey Road Concept Plan.

File Attachments
E1 Bailey Road Concept Design Presentation - March 2023.pdf (1,936 KB)

Bailey Road
Conceptual Design Presentation

City Council

March 6, 2023

The City of
SACHSE

Overview

- Project Location
- Background
- Design Elements
- Conceptual Layout
- Discussion and Questions

Project Location

Background

- This design project includes the reconstruction of approximately 5,500 linear feet of Hooper Road and Bailey Road
- First project under design/construction from 2021 Bond Package
- Design Elements Considered:
  - Collector street pavement section
  - Pedestrian elements: sidewalks and bike lanes
  - Drainage: evaluate existing bar ditch section or replacing it with an enclosed drainage system
  - Traffic calming (intersection improvements, signage, etc.)
  - Replacement of existing utilities (water and sewer)

The City of SACHSE

Design Elements

Original Concept Plan

- Concrete pavement section with 16 ft. lanes (including bike lane)
- 3 ft. center median
- 4 ft. sidewalk on west side
- No sidewalk on east side
- Speed tables and stop signs at intersections

Comments and Feedback

- No bike lanes
- Increase center median width
- Add sidewalk to east side and widen western sidewalk
- Evaluate proximity of road to existing homes
- No on-street parking

The City of SACHSE

Design Elements

Revised Concept Plan

- Concrete pavement section reduced to with 12 ft. lanes with 2 ft. paved shoulder
  - Curb and gutter section maintained
  - No bike lanes
- Center median increase to 6 ft. in width
- Sidewalk on west side increased to 8 ft.
- Added a 4 ft. sidewalk to the east side
- Speed tables and stop signs at intersections remain

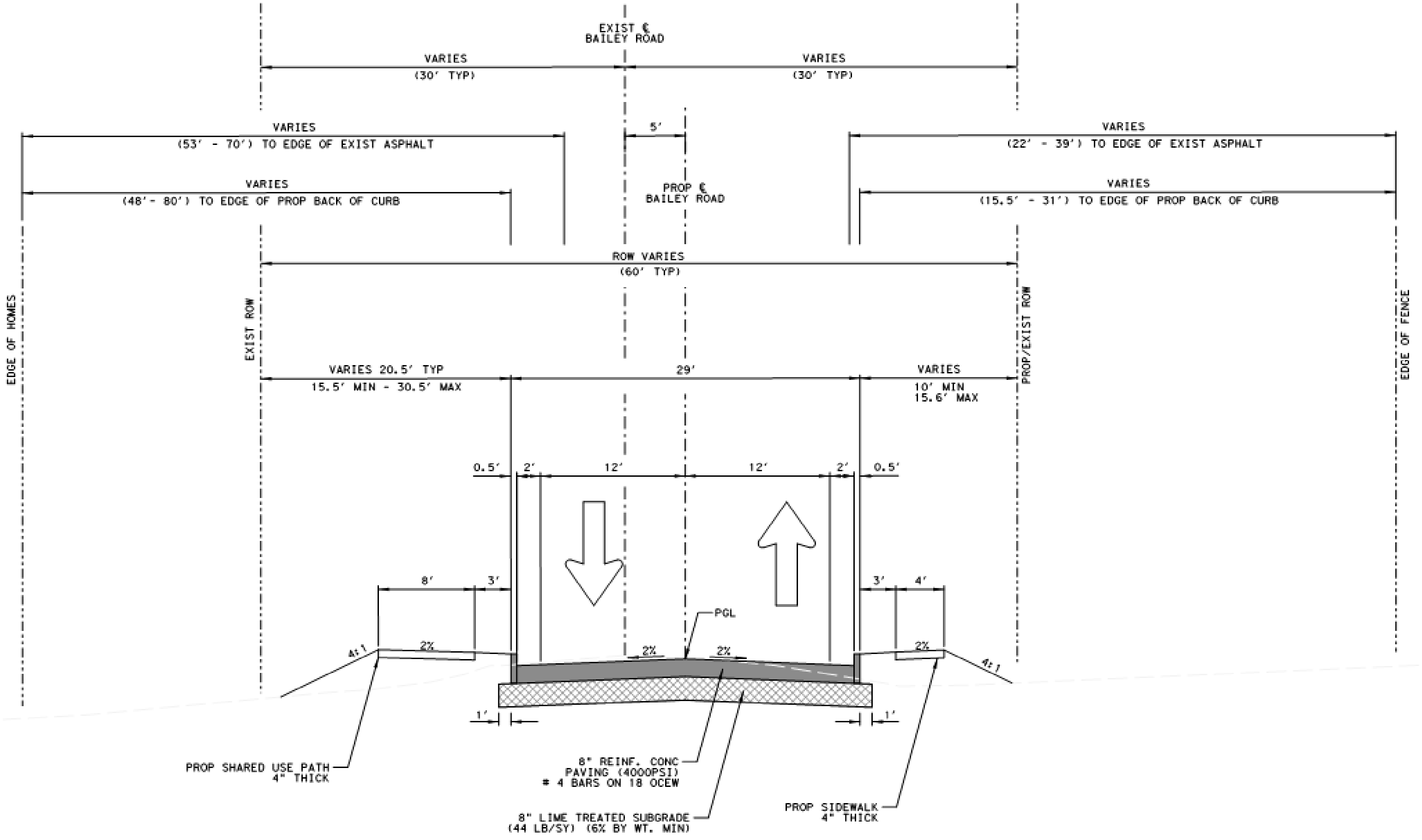
Design Elements

Revised Concept Plan (Cont.)

- Major Design Change
  - Centerline of roadway shifted 5 ft. to the east
  - New pavement will remain closer to existing edges of current roadway
    - Existing roadway is 24 ft. wide
    - Original concept is 37 ft. wide
    - New roadway is 29 ft. wide
  - Allows for increased width of center median, additional eastern sidewalk, and widened western sidewalk
  - Creates additional distance from western homes. Distances range from approximately 48 ft. to 80 ft.
  - Closest home on east side is approximately 55 ft.

The City of SACHSE

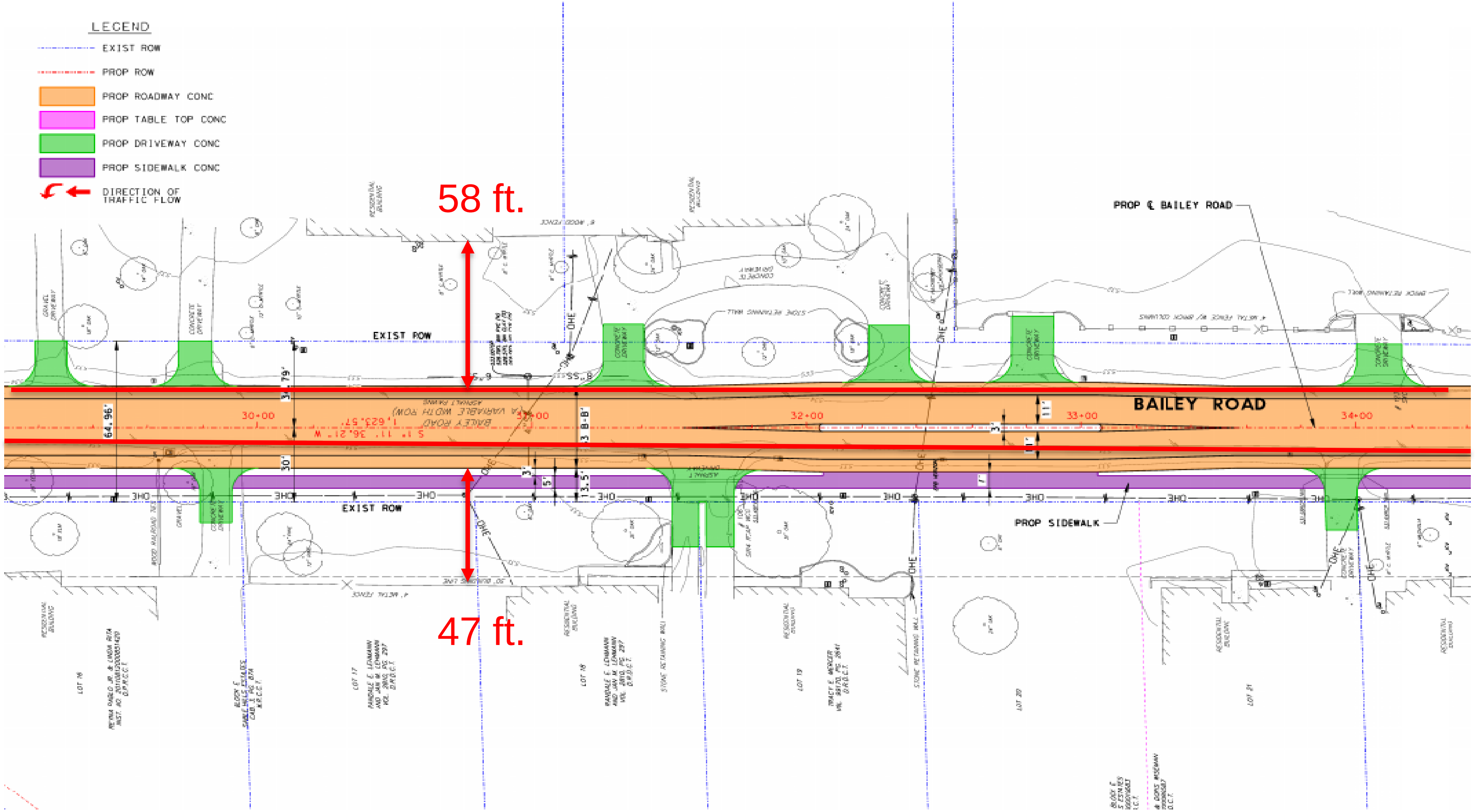
Design Elements



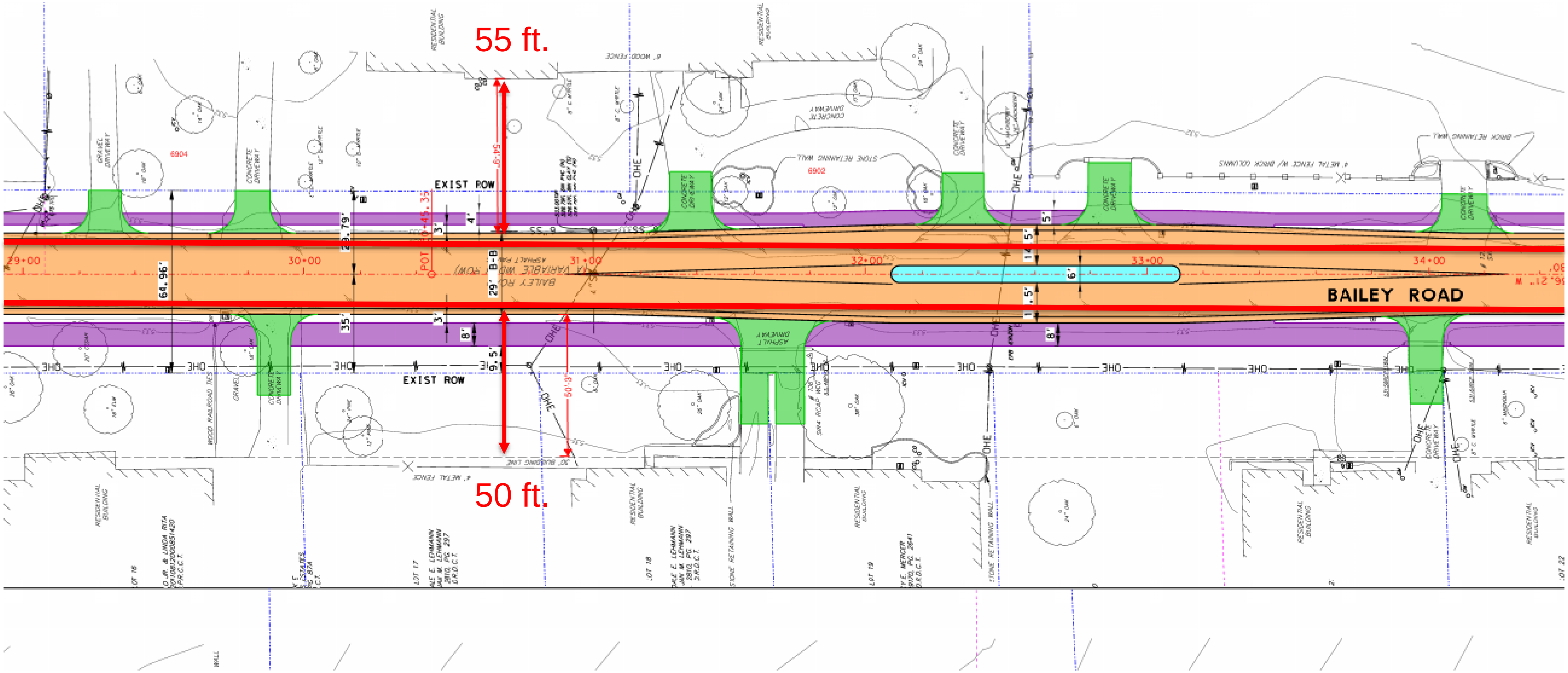
BAILEY ROAD
FROM STATE HIGHWAY 78 TO SACHSE ROAD
NTS

The City of SACHSE

Conceptual Layout (Original)



Conceptual Layout (Revised)

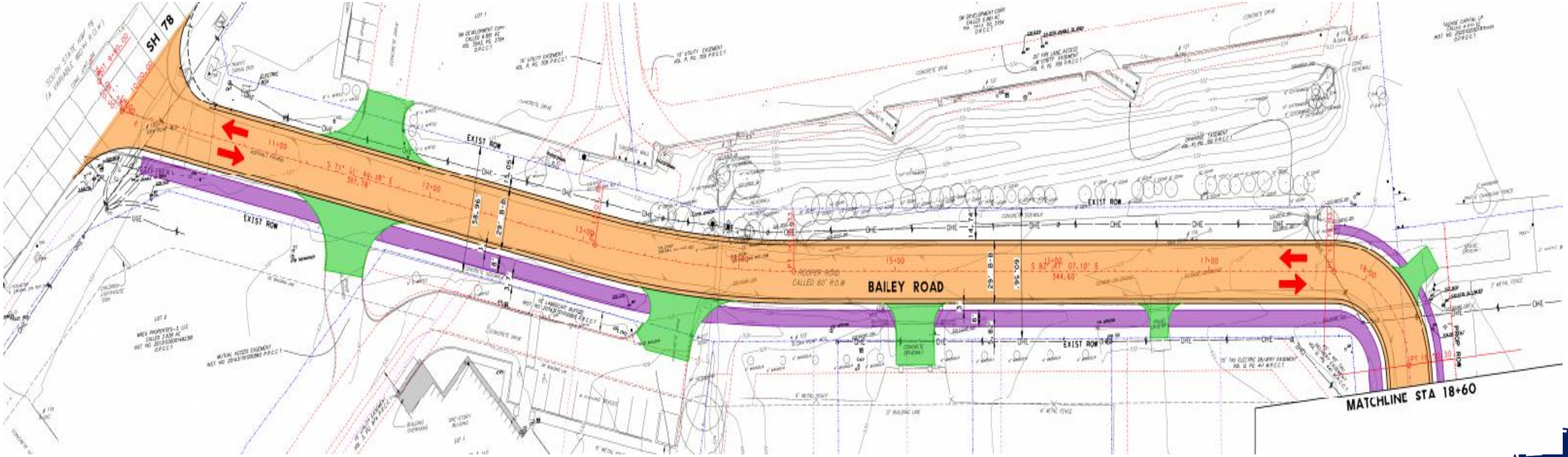


The City of SACHSE

Discussion and Questions

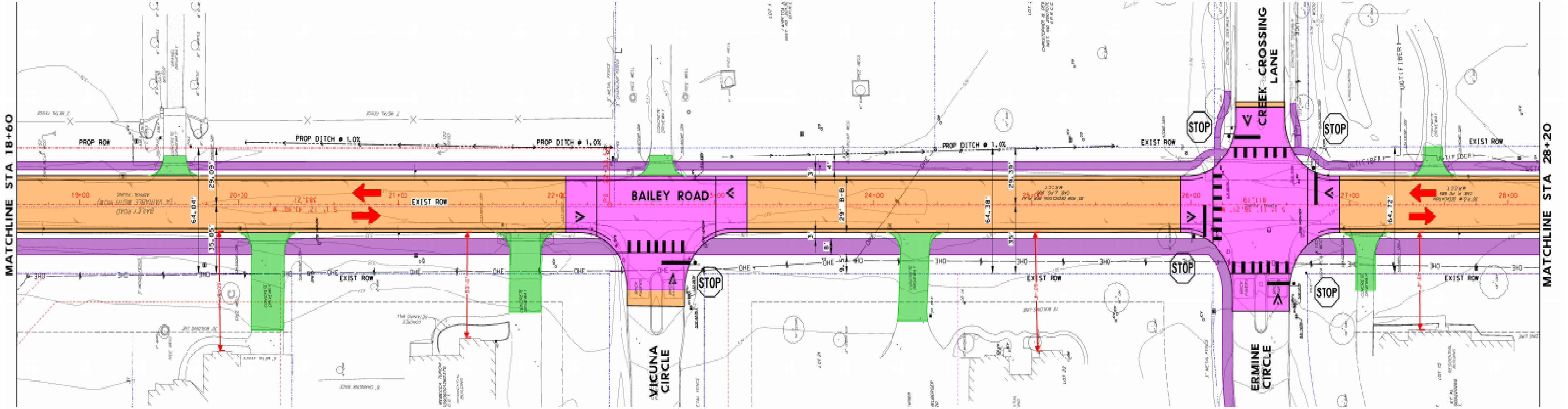
- Roadway shifting within existing ROW
- Traffic Calming
  - Center medians with landscape
  - Proposed raised intersections with table-top design
  - Stop signs at Creek Crossing Lane/Ermine Circle and Williford Road
- 30 mph speed limit will remain
- No design updates on drainage or utilities

Conceptual Layout (Revised)

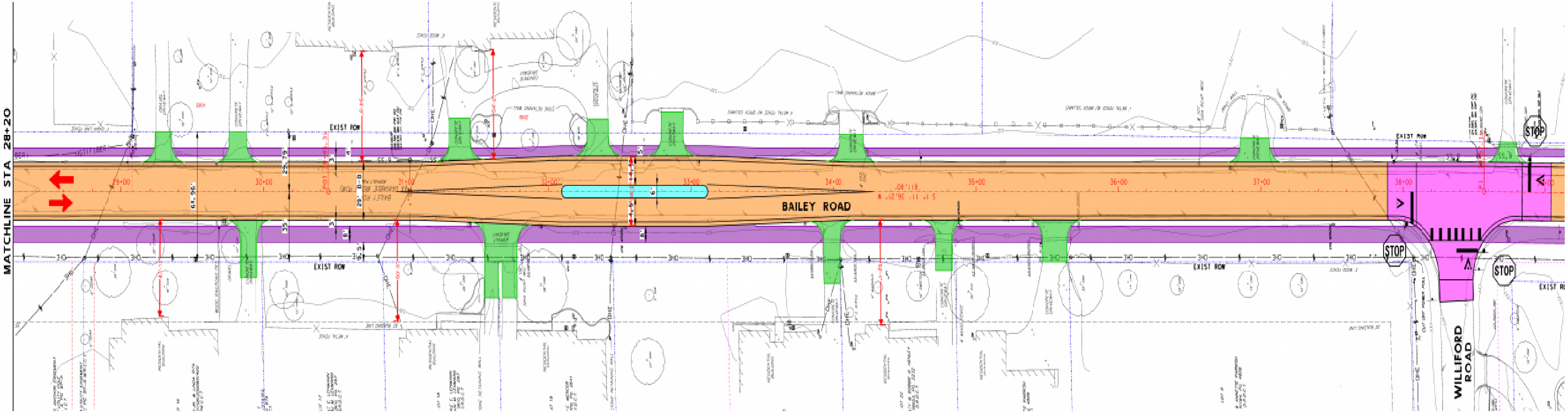


The City of
SACHSE

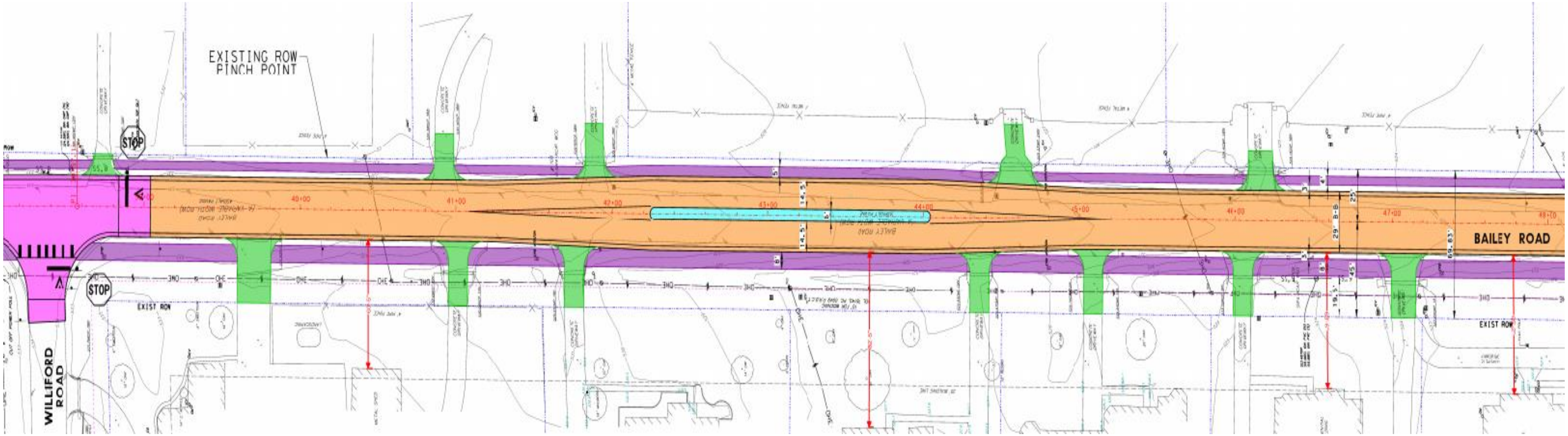
Conceptual Layout (Revised)



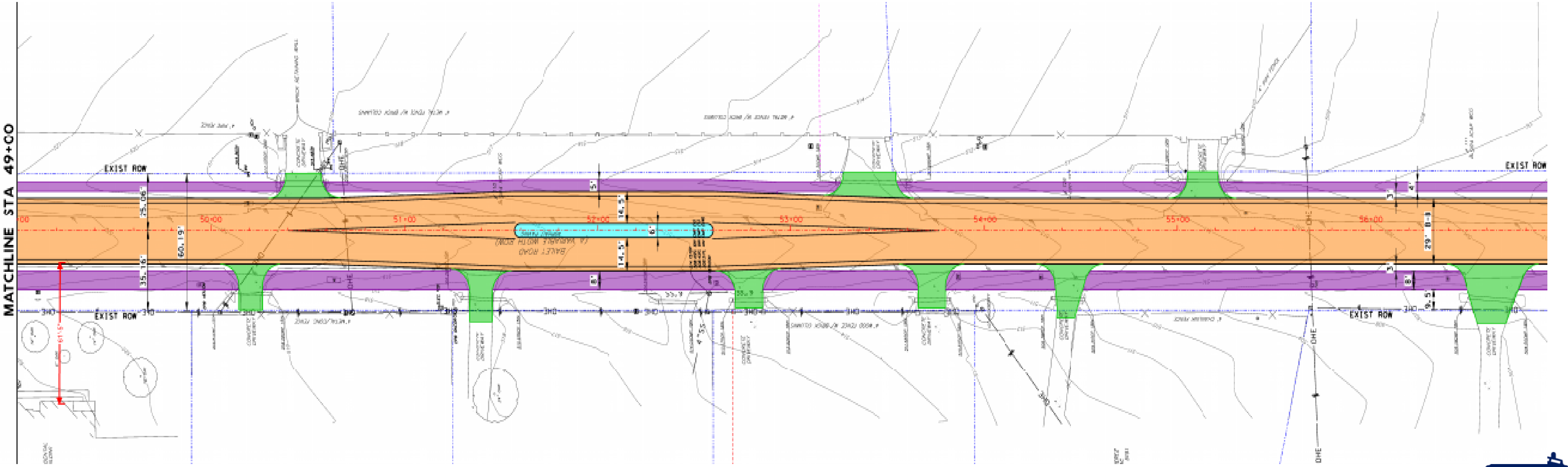
Conceptual Layout (Revised)



Conceptual Layout (Revised)

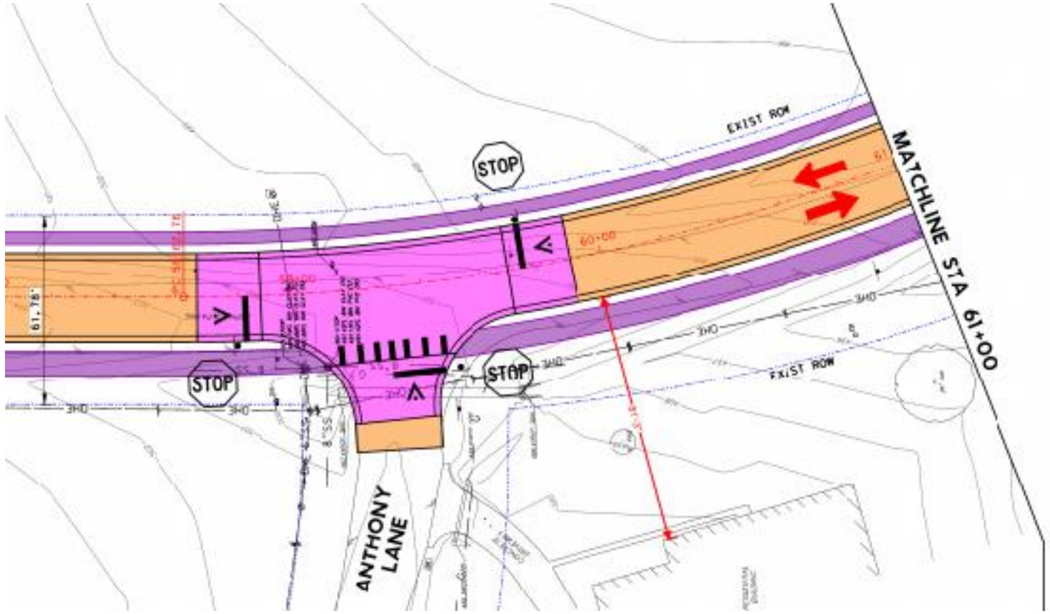


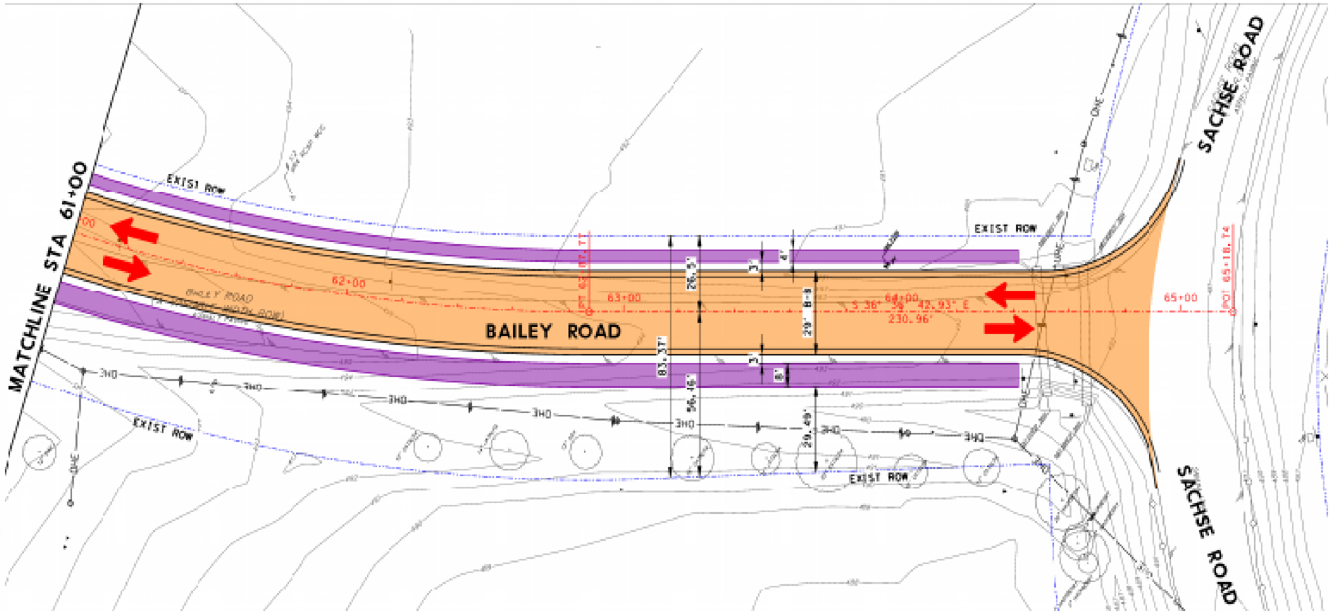
Conceptual Layout (Revised)



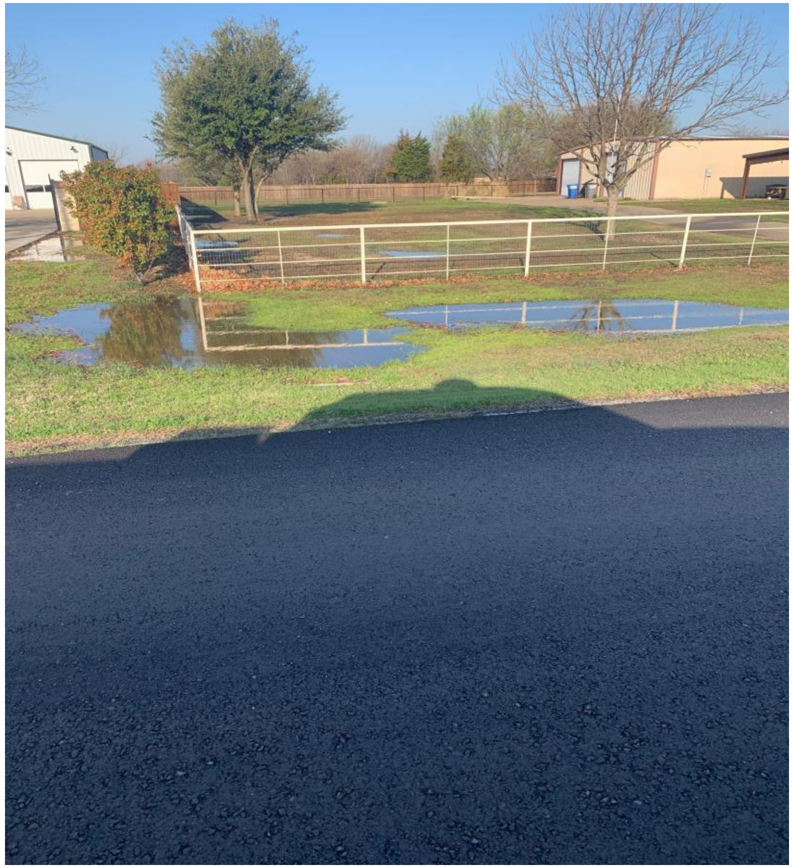
The City of SACHSE

Conceptual Layout (Revised)





Bailey Road Ponding (March 2, 2023)



The City of
SACHSE

E. Regular Agenda Items

Subject	**2. Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022.**
Meeting	Mar 6, 2023 - City Council Meeting
Access	Public
Type	Reports

BACKGROUND
Section 103.001 of Texas Local Government Code requires that a municipality have its records and financial accounts audited annually. An annual financial statement is prepared based on the audit.

OVERVIEW
BrooksWatson & Co., PLLC (BWC), an independent audit firm, has audited the City's financial statements for the fiscal year ending September 30, 2022, and has issued an unmodified or "clean" opinion.

Louis Breedlove of BWC will provide highlights and comments on the ACFR and audit process.

POLICY CONSIDERATIONS
City Charter Section 7.18 requires that at the close of each fiscal year, an independent audit firm audit the accounts of the City and a report of the audit be made to the City Council.

City Comprehensive Financial Management Policy Statement I. Accounting, Auditing, and Financial Reporting, item C. Auditing, requires an annual audit be conducted in conformance with the City's Charter and the provisions of the Texas Local Government Code Section 103.

RECOMMENDATION
Receive the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year ending September 30, 2022. No action is necessary with this item.

File Attachments
E2 Sachse 2022 ACFR.pdf (7,349 KB)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2022

City of Sachse, Texas

As Prepared by the Finance Department

"Sachse is a tranquil community welcoming the future while offering a safe and enjoyable quality of life to all those who call Sachse home."

The City of

SACHSE

City of Sachse, Texas

TABLE OF CONTENTS

September 30, 2022

The City of
SACHSE

Other Supplementary Information

Statistical Section

The City of
SACHSE

INTRODUCTORY SECTION

The City of
SACHSE

February 24, 2023

Honorable Mayor, City Council and Residents of Sachse

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the City of Sachse, Texas, for the fiscal year ended September 30, 2022. The ACFR is provided to give detailed information about the financial position and activities of the City to the residents, City Council, staff, and other readers.

Management assumes full responsibility for the completeness and reliability of information contained in this report, based upon a comprehensive framework of internal controls that is established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

BrooksWatson & Company, PLLC has issued an Unmodified ("clean") opinion on the City of Sachse's financial statements for the year ended September 30, 2022. The independent auditors' report is located at the beginning of the financial section of the ACFR.

This letter of transmittal is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements.

PROFILE OF THE GOVERNMENT

The City of Sachse, incorporated in 1956, is located in Dallas County and Collin County, Texas, 20 miles northeast of downtown Dallas, on State Highway 78 and currently occupies a land area of 9.9 square miles. The City's population is 28,453, according to the 2022 North Central Texas Council of Governments estimate.

The City Council is comprised of a Mayor and six council members, and is responsible for enacting ordinances, resolutions, and regulations governing the City, as well as, appointing the members of various statutory and advisory boards, the City Manager, City Attorney, City Secretary, and Municipal Judge. The City Manager is the chief administrative officer of the government and is responsible for the enforcement of laws and ordinances, the appointment and supervision of the department heads, and the performance of functions within the municipal organization.

The City of Sachse provides a full range of services including police, fire, emergency ambulance service, library, parks, recreation, sewer, engineering, streets and infrastructure, development services (planning and zoning), and general administrative services.

The financial reporting entity (the government) includes all funds of the primary government (i.e., the City of Sachse, as legally defined), as well as, all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units are legally separate entities and not part of the primary government's operations. The Sachse Economic Development Corporation (SEDC) and Sachse Municipal Development District are included in the financial statements as discretely presented component units. The Public Improvement District (PID) is a fiduciary fund held in a private purpose trust fund, in which the City is in a custodial capacity.

The annual budget serves as the foundation for Sachse's financial planning and control. Annual budgets are legally adopted for the General Fund, Utility Fund, Debt Service Fund, Capital Projects Fund, Special Revenue Fund, Impact Fee Fund, Street Maintenance Tax Fund, and the discretely presented component units Sachse Economic Development Corporation Fund and Municipal Development District Fund. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year, which runs from October 1 through September 30. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayers' comments. Prior to October 1, the budget is legally enacted by the City Council through passage of an ordinance and setting the limit for expenditures during the fiscal year. Expenditures in the adopted budget are appropriated by department and may be amended during the year. The City Manager is authorized to adjust budgeted amounts; however, such revisions may not result in total expenditures exceeding budgeted expenditures without approval of the City Council.

Throughout the year, monthly reports are provided to the individual departments to review and compare actual versus budgeted amounts, and summary budget reports are presented to the City Council. The Finance Department also reviews operating revenues and expenditures, recommending adjustments, as needed. On a quarterly basis, the Finance Department submits more detailed financial reports to the City Council.

Formal budgetary integration was not employed for the Tax Increment Financing Reinvestment Zone Fund (TIRZ) #1, TIRZ #2, TIRZ #3, 2022 Bond Construction Fund, Hotel Occupancy Tax Fund, or American Rescue Plan Act Fund. However, the City does develop an annual budget for those funds for managerial control.

LOCAL ECONOMY

The City of Sachse continues to enjoy a stable economic environment, and local indicators point to continued stability as part of the Dallas/Fort Worth Metroplex area. The close proximity to major transportation networks in the North Dallas regional area enhances residential and commercial development in Sachse. State Highway 78 connects Sachse to the President George Bush Turnpike, the North/South Central Expressway and the North/South Dallas Toll Road. The City is in close proximity to the Dallas Area Rapid Transportation System (DART) which includes both train and bus stations. The total transportation network gives current and future residents easy access to major industrial, commercial, and business developments in North Dallas. While Sachse is well-suited for residential development, it is anticipated that commercial development in the city will continue to increase with the eastern expansion of the George Bush Turnpike (Highway 190) to IH 30, which was completed in December 2011. In planning for this expansion, the City of Sachse put in place two Tax Increment Reinvestment Zones (TIRZs). The TIRZ contain approximately 540 acres for future commercial development. In addition, the City Council approved the establishment of a Public Improvement District in January 2019 to support the activation and development of the PGBT catalytic area.

Property Values – Assessed property values increased $272,325,685 (11%) from the preceding year with $89,081,625 in new property and a $183,244,060 increase in the value of existing property. During the last five years, assessed taxable property values have increased 75% (from $1,635,579,749 in 2016 to $2,862,003,066 in 2021) and property taxes have accounted for 66% of the General Fund revenue. With a well-educated populace and an average household income of $128,951, Sachse enjoys an exceptionally high property tax collection rate.

Long-Term Strategic Planning – Long-term vision and strategic planning have been the catalyst for the City's transformation and shaping Sachse into a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home. The City's annual budget process involves incorporating the goals and strategies identified by the City Council. Individual departments develop their goals and objectives in terms of these all-encompassing organizational goals. The City Council routinely checks in on its strategic goals during annual Council retreats.

The City Council continued the 2022 fiscal year2 with the same six strategic goals that it identified in its Strategic Plan in 2016:

1. Public Safety: Meet the public safety needs of a growing citizen, student, and business population
2. Infrastructure: Strategically invest in the City's existing and future infrastructure
3. Financial Stewardship: Be a model of financial stewardship through growth management, responsible investment, and financial transparency
4. Quality of Life: Provide a high quality of life environment for families, individuals, businesses, and other organizations in Sachse
5. Job Creation: Make Sachse more prosperous through job creation and quality development that adds community value
6. Government Services: Provide excellent government services to Sachse residents

These strategic goals and associated action items work in tandem with the City's Comprehensive Plan and the City's Long-term Financial Plan to create a synchronized system of governance for the organization.

Strategic Financial Plan – An appropriate financial plan for the City of Sachse requires many elements working in concert with one another. Additional demands for "essential" City services such as police, fire, sewer, drainage, and street improvements are anticipated. The Finance Department's management role will be to maintain and enhance financial plan elements and ensure the continued financial stability for the City of Sachse.

Financial Resource Planning – Strategic planning begins with determining the City's fiscal capacity, based upon long-term financial forecasts of recurring available revenues. Financial forecasts, coupled with financial trend analysis techniques and careful reserve analysis, will preserve the fiscal well-being of Sachse. Strategic planning is a critical element, not only to meet long-term financial stability goals, but to determine City Council objectives that will require special financial planning to achieve success.

Capital Improvement Planning – The City of Sachse's Capital Improvement Program is a multi-year financial plan for the acquisition, expansion, or rehabilitation of infrastructure, capital assets, or productive capacity of City services. The City's operating and capital project budgets are closely linked.

Revenues for the capital budget come from bond sales, development fees, intergovernmental revenues, and current operating revenues. The Capital Improvement Program, unlike the operating budget, is a five-year plan that is reviewed and projects are reprioritized, as needed. Project budgets are used as a guide for projects, debt, and other related budget planning. Plans for future years are subject to change.

Debt Management – All debt issuances are for the purpose of financing capital infrastructure or long-lived costly assets. Each debt issuance is evaluated against multiple policies addressing: debt service as a percentage of operating expenditures, tax and revenue basis for the repayment of debt, the overall debt burden on the community, statutory limitations, and market factors affecting tax-exempt interest costs. Sizing of the City's capital improvement program based on debt capacity in conjunction with conservatively estimated pay-as-you-go revenues help stabilize per capita debt and lower annual debt service costs to the City for the long-term.

FISCAL YEAR 2022 HIGHLIGHTS

The bond package that was approved by voters in November 2021 has started to see significant activity. The Sachse Animal Shelter and Bailey-Hooper Road projects are well underway. The Animal Shelter is currently in design, with construction expected to begin early 2023. Bailey-Hooper Road is also currently in design with construction estimated to start early 2024.

In March 2022, Sachse had the unique opportunity to hold two park groundbreakings in one day. J.K. Sachse Park, the first City park located in Collin County, will have approximately 20,340 square feet of new, reinforced concrete trail, trail furnishings, restroom facilities, an open-air pavilion and shade structure, splash pad, sand volleyball courts, food truck parking, an inclusive playground, an open play lawn, pickleball courts and outdoor games, and an ornamental grass maze upon completion. Heritage Park, the City's largest park, will also receive enhancements that include new open lawn areas, a splash pad, a large playground, an amphitheater, miles of walking trails and other improvements to the already existing 34-acre City park. The construction phase for these parks is well underway, and will be great amenities within the City of Sachse.

This past year, the Economic Development Corporation identified target industries for the City of Sachse. Goals relative to business attraction have included diversifying the tax base, providing high-quality jobs, and bolstering the City's daytime population. The Station, a mixed-use development along the President George Bush Turnpike, continues to grow as Phase 2 for retail and commercial has broken ground. Several new businesses have been added to Highway 78 such as, Salad and Go, Taqueria Superior, Fit Body Boot Camp, Wells Fargo, and more. City staff will continue conversations with developers, brokers, property owners, and business prospects to bring great development to the City of Sachse.

The Sachse Road project was completed in May 2022, transforming a two-lane asphalt road into a new four-lane concrete divided roadway with an added roundabout and sidewalk connections from the Municipal Complex to Highway 78. This successful project has been a great demonstration of cooperation between the City of Sachse and Dallas County, resulting in Sachse's Public Works and CIP Director receiving the 2022 Utility Partner of the Year award from Dallas County officials.

Finally, the City Council appointed a Charter Review Commission that met from February to July. This Commission presented a list of changes they would like to see made within the City Charter. The City Council chose to place all of the recommended changes on the November 2022 Special Election ballot, and all propositions were approved.

AWARDS AND ACKNOWLEDGEMENTS

Awards – The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sachse for its ACFR for the fiscal year ended September 30, 2021. This was the twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's 2021-2022 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the tenth consecutive year the City's Budget has been so recognized. The 2022-2023 Fiscal Year Budget will also be submitted for consideration.

Acknowledgements – Many people are responsible for the preparation of this report, and for the maintenance of records upon which it is based. Appreciation is expressed to representatives of Brooks Watson & Company, PLLC for their invaluable assistance in producing the final document and to the Finance team who were instrumental in the completion of this report.

We would also like to thank the Mayor, City Council, and City of Sachse staff for their assistance, interest, and support in the preparation of this document as well as their support of conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Gina Nash	David Baldwin	Ryan Bredehoeft
City Manager	Finance Director	Assistant Finance Director

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

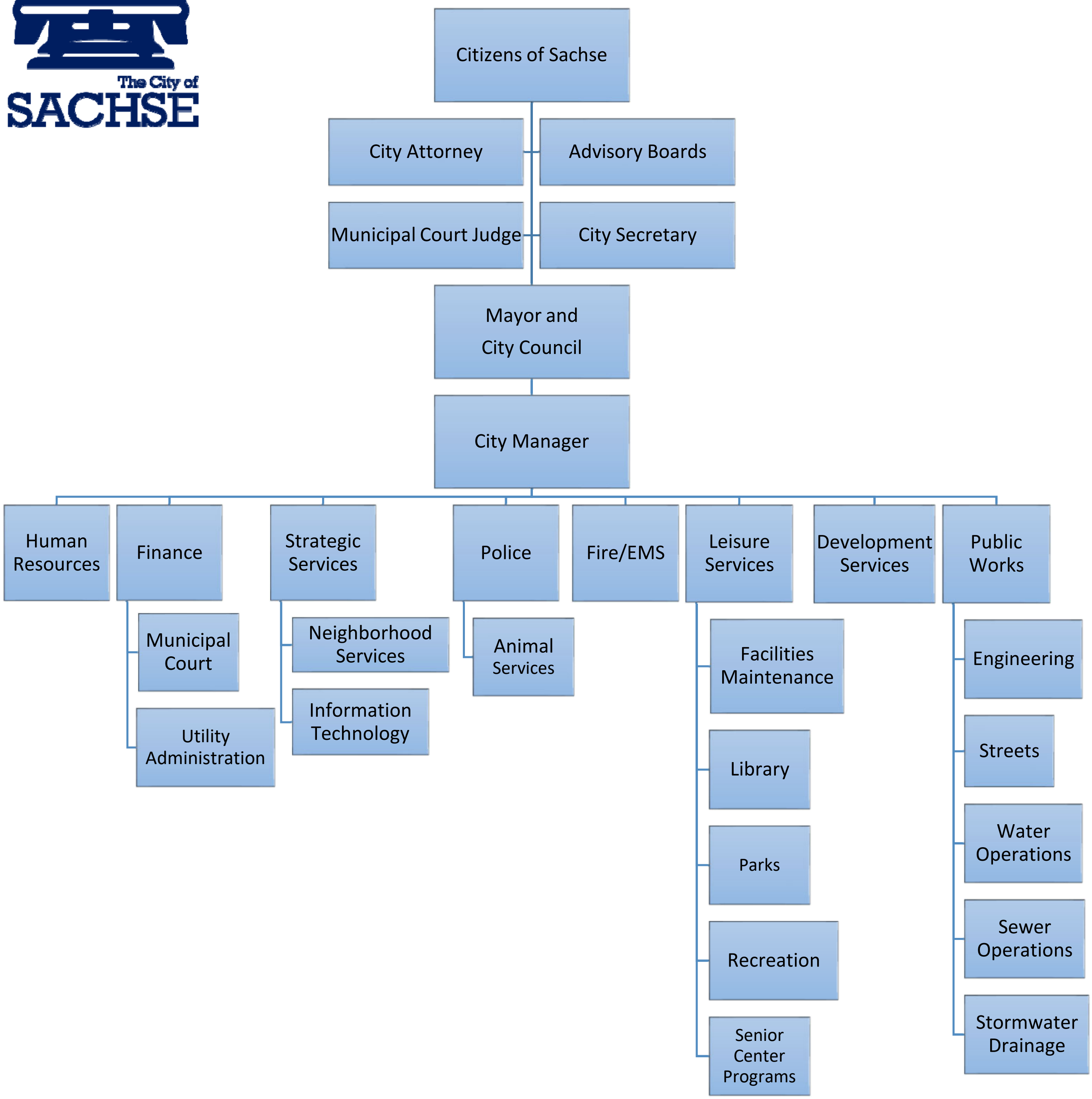
City of Sachse
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morrill

Executive Director/CEO


Citizens of Sachse
City Attorney
Advisory Boards
Municipal Court Judge
City Secretary
Mayor and City Council
City Manager
Human Resources
Finance
Municipal Court
Utility Administration
Strategic Services
Neighborhood Services
Information Technology
Police
Animal Services
Fire/EMS
Leisure Services
Facilities Maintenance
Library
Parks
Recreation
Senior Center Programs
Development Services
Public Works
Engineering
Streets
Water Operations
Sewer Operations
Stormwater Drainage

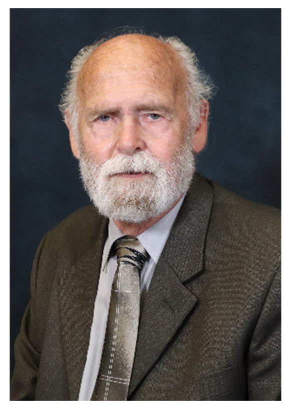
CITY OF SACHSE, TEXAS

CITY COUNCIL MEMBERS

Mayor
Jeff Bickerstaff

Place One
Mayor Pro Tem
Brett Franks

Place Two
Councilmember
Michelle Howarth



Place Three
Councilmember
Frank Millsap

Place Four
Councilmember
Chance Lindsey

Place Five
Councilmember
Lindsay Buhler

Place Six
Councilmember
Matt Prestenberg

CITY OF SACHSE, TEXAS

Management Staff

City Manager	Gina Nash
City Secretary	Leah Granger
Director of Finance	David Baldwin
Director of CIP and Public Works	Corey Nesbit
Director of Development Services and Engineering	Matt Robinson
Director of Human Resources	Kristi Wong
Director of Parks and Recreation/Library	Lance Whitworth
Director of Strategic Services	Lauren Rose
Fire Chief	Marty Wade
Police Chief	Bryan Sylvester

The City of
SACHSE

FINANCIAL SECTION

The City of
SACHSE

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the City Council
City of Sachse, 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 Sachse, Texas (the "City") as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 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.F. to the financial statements, due to the implementation of GASB Statement No. 87, *Leases*, the City restated capital assets and long-term liabilities for governmental activities 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 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 the City's basic financial statements. The combining and individual nonmajor fund financial statements and other budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
February 24, 2023

The City of

SACHSE

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of
SACHSE

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2022

As management of the City of Sachse, 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, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-5 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2022 by $162,788,749. Of this amount, $35,953,699 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $20,723,250. The majority of the City's net position are invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $67,552,867 at September 30, 2022, an increase of $27,694,006 from the prior fiscal year; this includes an increase of $3,203,146 in the general fund, an increase of $75,902 in the debt service fund, an increase of $19,395,619 in the capital projects fund, an increase of $1,930,974 in the impact fee fund, an increase of $17,934,884 in the 2022 bond construction fund, an increase of $285,548 in the tax increment reinvestment zones, and an increase of $2,802,817 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $15,945,567 or 81% of total general fund expenditures.

- The City's total long-term bonds, tax notes, and lease liabilities reflected a net increase (including premiums) of $15,363,814. The total governmental long-term debt at the close of the fiscal year was $55,299,259. Self-supporting debt of the proprietary fund was $11,891,382.

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 and liabilities. The difference between the two is 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 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, leisure services, and development services. The business-type activities of the City include utility operations.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the legally separate Sachse Economic Development Corporation and Sachse Municipal Development District, for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Tax Increment Reinvestment Zones, although also legally separate, function for all practical purposes as a department of the City, and therefore have been included as an integral part of the primary government.

FUND FINANCIAL STATEMENTS

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government'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 maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, impact fee fund, 2022 bond construction fund, and the tax increment reinvestment funds, which are considered to be major funds. The City's street maintenance, special revenue, hotel occupancy, and ARPA funds are considered nonmajor for reporting purposes.

The City adopts an annual appropriated budget for its general fund, debt service fund, impact fee fund, street maintenance, PGBT reinvestment zone tax increment fund and special revenue fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses an enterprise fund to account for its utility operations. All activities associated with providing such services are accounted for in this fund, 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 internal service funds to account for health insurance.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the utility fund since it is considered a major fund of the City.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City maintains one fiduciary fund, Public Improvement District No. 1. The *private purpose trust fund* reports resources held by the City in a custodial capacity for individuals, private organizations and other governments.

Component Units

The City maintains the accounting and financial statements for four component units. The Sachse Economic Development Corporation and the Sachse Municipal Development District are reported as discrete component units on the government-wide financial statements. The George Bush Turnpike Reinvestment Zone and the Station Reinvestment Zone are reported as blended component units and are presented as one major fund, the tax increment reinvestment funds.

Notes to Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and budgetary comparison for the general fund and impact fee fund.

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 Sachse, assets and deferred outflows exceeded liabilities and deferred inflows by $162,788,749 as of September 30, 2022 in the primary government.

The largest portion of the City's net position, $95,748,550, 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.

Total current assets as of September 30, 2022 and September 30, 2021 were $95,449,456 and $63,671,851, respectively. The increase of $31,777,605 was primarily due to greater cash on hand as a result of the issuance of bonds, in addition to operating surpluses during the year.

Total capital assets as of September 30, 2022 and September 30, 2021 were $141,921,547 and $138,066,241, respectively. The increase of $3,855,306 was primarily attributable to new capital contributions for park improvements and utility infrastructure in the current year.

Total other liabilities as of September 30, 2022 and September 30, 2021 were $9,074,429 and $7,708,000, respectively. The increase of $1,366,429 was primarily due to greater debt obligations due within one year, resulting from new issuances in the current year.

Total long-term liabilities as of September 30, 2022 and September 30, 2021 were $65,643,222 and $54,200,490, respectively. The increase of $11,442,732 was a direct result of bond and tax note issuances in the current year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

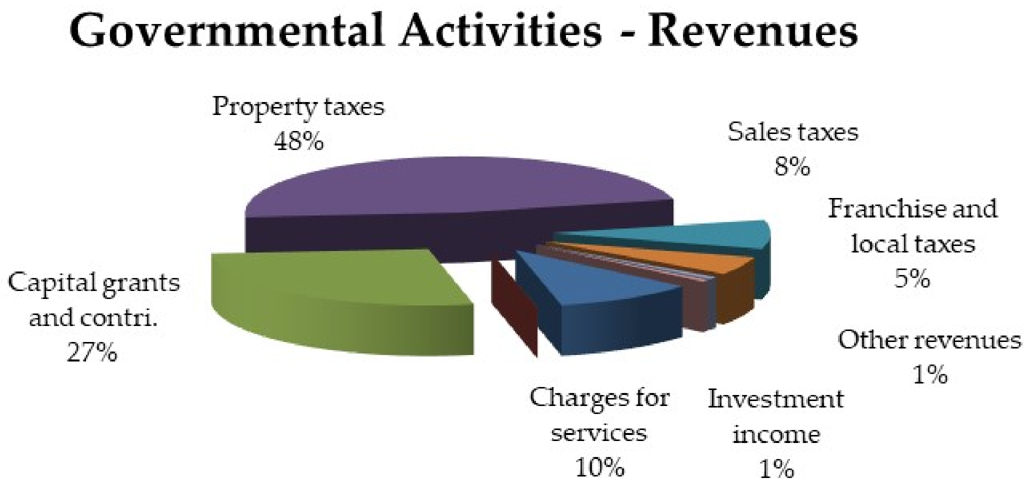
	2022			2021		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 71,917,275	$ 23,532,181	$ 95,449,456	$ 44,115,398	$ 19,556,453	$ 63,671,851
Capital assets, net	104,887,539	37,034,008	141,921,547	101,184,766	36,881,475	138,066,241
Total Assets	176,804,814	60,566,189	237,371,003	145,300,164	56,437,928	201,738,092
Total Deferred Outflows	3,059,380	96,229	3,155,609	3,162,677	124,802	3,287,479
Other liabilities	7,526,157	1,548,272	9,074,429	6,405,064	1,302,936	7,708,000
Long-term liabilities	53,977,560	11,665,662	65,643,222	41,936,569	12,263,921	54,200,490
Total Liabilities	61,503,717	13,213,934	74,717,651	48,341,633	13,566,857	61,908,490
Total Deferred Inflows	2,839,447	180,765	3,020,212	977,971	73,611	1,051,582
Net Position:						
Net investment in capital assets	70,605,922	25,142,628	95,748,550	67,797,822	26,549,371	94,347,193
Restricted	31,086,500	-	31,086,500	22,321,414	-	22,321,414
Unrestricted	13,828,608	22,125,091	35,953,699	9,024,001	16,372,891	25,396,892
Total Net Position	$ 115,521,030	$ 47,267,719	$ 162,788,749	$ 99,143,237	$ 42,922,262	$ 142,065,499

Statement of Activities:

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

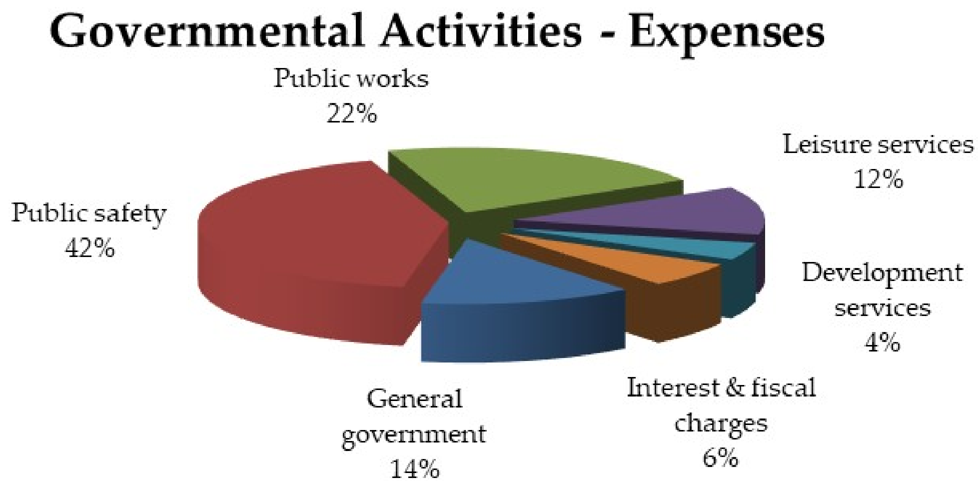
	For the Year Ended September 30, 2022			For the Year Ended September 30, 2021		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 4,309,581	$ 15,999,035	$ 20,308,616	$ 4,459,124	$ 13,640,879	$ 18,100,003
Operating grants/contri.	11,315	-	11,315	219,956	-	219,956
Capital grants/contri.	11,100,582	1,356,145	12,456,727	9,114,448	1,427,866	10,542,314
General revenues:						
Property taxes	19,502,913	-	19,502,913	19,000,362	-	19,000,362
Sales taxes	3,418,757	-	3,418,757	2,912,059	-	2,912,059
Franchise and local taxes	2,132,431	-	2,132,431	1,230,003	-	1,230,003
Investment income	299,111	118,215	417,326	131,549	86,856	218,405
Other revenues	259,941	-	259,941	439,208	-	439,208
Total Revenues	41,034,631	17,473,395	58,508,026	37,506,709	15,155,601	52,662,310
Expenses						
General government	3,562,190	-	3,562,190	3,335,835	-	3,335,835
Public safety	10,885,495	-	10,885,495	11,477,436	-	11,477,436
Public works	5,610,919	-	5,610,919	5,353,283	-	5,353,283
Leisure services	3,084,547	-	3,084,547	2,269,214	-	2,269,214
Development services	1,124,278	-	1,124,278	892,271	-	892,271
Interest & fiscal charges	1,620,664	403,641	2,024,305	1,315,797	378,861	1,694,658
Utility	-	11,493,042	11,493,042	-	10,247,345	10,247,345
Total Expenses	25,888,093	11,896,683	37,784,776	24,643,836	10,626,206	35,270,042
Change in Net Position Before Transfers	15,146,538	5,576,712	20,723,250	12,862,873	4,529,395	17,392,268
Transfers	1,231,255	(1,231,255)	-	2,359,563	(2,359,563)	-
Total	1,231,255	(1,231,255)	-	2,359,563	(2,359,563)	-
Change in Net Position	16,377,793	4,345,457	20,723,250	15,222,436	2,169,832	17,392,268
Beginning Net Position	99,143,237	42,922,262	142,065,499	83,920,801	40,752,430	124,673,231
Ending Net Position	$ 115,521,030	$ 47,267,719	$ 162,788,749	$ 99,143,237	$ 42,922,262	$ 142,065,499

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



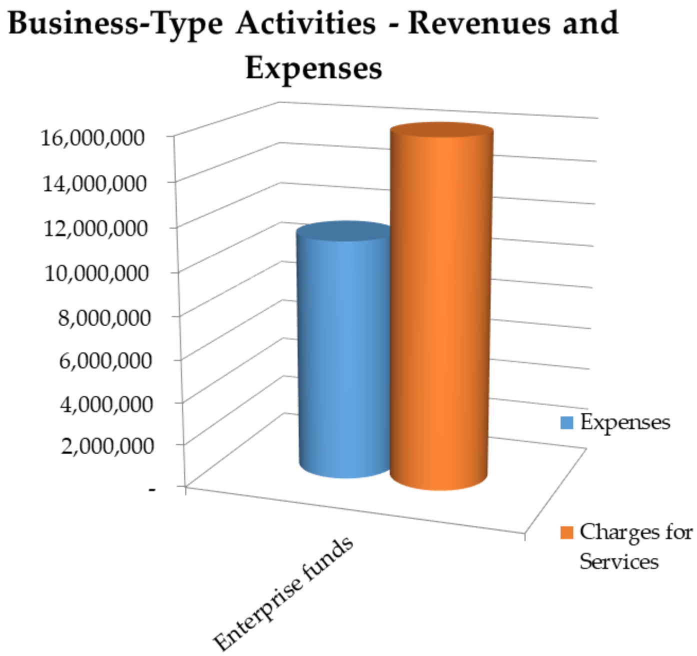
For the year ended September 30, 2022, revenues from governmental activities totaled $41,034,631. Property taxes and capital grants/contributions are the City's largest general revenue sources. Overall revenue increased $3,527,922 or 9%. Operating grants and contributions decreased by $208,641 primarily due to nonrecurring grants received for development in the prior year. Capital grants and contributions increased by $1,986,134 due to nonrecurring capital contributions from a component unit for park improvements in the current year. Sales taxes and franchise taxes increased by $506,698 or 17% and $902,428 or 73%, respectively, due to continued economic growth fueled by local purchases. Investment income increased by $167,562 or 127% due primarily to the city earning interest from a lease receivable, higher interest rates, and higher interest bearing account balances in the current year. Other revenues decreased by $179,267 primarily as a result of nonrecurring Trinity Regional Hospital mitigation plan fees received in the prior 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, 2022, expenses for governmental activities totaled $25,888,093. This represents an increase of $1,244,257 or 5% from the prior year. The City's largest functional expense is public safety of $10,885,495, a 5% decrease from prior year, which is considered relatively consistent. Public works expenses increased by $257,636 or 5% primarily due to greater repairs/maintenance and depreciation expenses. In addition, the City created a new neighborhood services department in the current year and added employees to open positions. Leisure services expenses increased by $815,333 or 36% primarily due to greater personnel expenses, utility costs, and contract services in the current year. Development services increased by $232,007 or 26% primarily due to nonrecurring professional services related to inspection fees for the PMB Station district and 3225 Switch Street in the current year. Interest and fiscal charges increased by $304,867 or 23% primarily due to nonrecurring bond issuance costs recognized in the current year. All other expenses remained relatively consistent with the previous year.

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



For the year ended September 30, 2022, charges for services by business-type activities totaled $15,999,035. This is an increase of $2,358,156 or 17% from the previous year. This increase directly relates to the City's growth and increase in consumption during the current year. In addition, the base rate for sewer services increased by 4% compared to the previous year.

Total expenses increased $1,270,477 to a total of $11,896,683, due primarily to an increased volume of wastewater treated by the City of Garland, Texas, the City's wastewater treatment provider. In addition, the City incurred greater personnel costs, drainage repairs, contract expenses, and annual depreciation when compared to the prior year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

<u>Governmental Funds</u> - 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.

At September 30, 2022, the City's governmental funds reported combined fund balances of $67,552,867, an increase of $27,694,006 in comparison with the prior year. Approximately 23% of this amount,

$15,425,606, constitutes *unassigned fund balance,* which is available for spending at the government's discretion. The remainder of the fund balance is either *nonspendable, assigned, or restricted* to indicate that it is 1) not in spendable form, $56,371, 2) assigned for particular purpose, $1,278,713, or 3) restricted for particular purposes, $49,255,251.

As of the end of the year the general fund reflected a total fund balance of $16,001,938. Of this, $56,371 is considered nonspendable and $15,945,567 is unassigned. The general fund balance increased by $3,203,146 compared to the budgeted decrease of $52,824. The fund's increase was primarily due to greater than anticipated revenues and less than anticipated expenditures. In addition, there was a reduction of transfers out to other funds when compared to the prior year.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 81% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $15,945,567 is 81% of total general fund expenditures.

The debt service fund had an ending fund balance of $1,165,246 at September 30, 2022, an increase of $75,902. The increase was a result of greater than anticipated revenues and less than anticipated expenditures. Debt service expenditures increased when compared to the prior year.

The capital projects fund had an ending fund balance of $34,270,671, an increase of $19,395,619. The increase is primarily due to the issuance of new bond during the year, in addition to the City Council approving transfers totaling $3,534,655 from various funds. During the year, the City expended $4,137,594 on various projects, utilizing funds designated for capital projects. Capital outlay expenses decreased significantly when compared to the prior year. The City has a separate capital projects fund to account for replacement of vehicles and equipment.

The impact fee fund had an ending fund balance of $7,812,239, an increase of $1,930,974. The increase is primarily a result of continued local commercial and residential development, resulting in greater than anticipated development fees received in the current year. Transfers out to other funds increased when compared to the previous year.

The tax increment reinvestment zones (includes two funds) are used to track property tax collected for development. During the year, the funds received $325,388 in property taxes. The combined fund balance increased by $285,548 as a result of the property tax revenues received. All revenues received in the President George Bush Turnpike Reinvestment Zone are applied to advances from the utility fund and the Sachse Economic Development Corporation.

<u>Proprietary Funds</u> - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position in the utility fund totaled $47,267,719. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to $22,125,091. Total net position increased $4,345,457. The fund had a net investment in capital assets of

$25,142,628. The City operates and maintains a utility distribution system with force mains and lift stations. The City has seven water storage facilities with a total capacity of approximately 8.2 million gallons. The following are additional comments regarding operations of the enterprise fund:

- The City received capital contributions of $1,356,145 consisting of utility infrastructure.
- Operational expenses excluding depreciation and amortization were $8,395,882.
- Cash and cash equivalents in the utility fund were $10,370,427 at fiscal yearend.
- Restricted cash in the utility fund were $1,958,339 at fiscal yearend.
- Investments in the utility fund were $9,060,723 at fiscal yearend.

An internal service fund was established for the purpose of tracking and allocating expenses for employee insurance. Revenue consists of budgeted allocations transferred from the general and utility funds. Expenses consist of premiums paid for health, dental, and life insurance, as well as contributions to health savings accounts and deductible reimbursements. The fund had an ending fund balance of $991,546 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no budget amendments approved during the fiscal year. There was a positive variance of $2,762,654 over budgeted general fund revenues. There was a total positive variance of $447,362 in budgeted expenditure appropriations. $3,210,016 was the budget surplus of revenues over expenditures before other financing sources (uses). There was a total net positive change in fund balance of $3,203,146.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $104,887,539 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $37,034,008 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. The City's total investment in capital assets increased by $1,401,357, net of depreciation.

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

- Building and equipment upgrades totaling $147,047.
- Purchase of new vehicles for governmental activities totaling $105,677.
- Investment in new machinery and equipment for governmental activities amounting to $44,608.
- Purchase of new office equipment totaling $19,998.
- Contribution of utility system infrastructure assets by developers totaling $1,356,145.
- Capital contributions from component unit for Sachse Park improvements totaling $1,581,588.
- Investments for Sachse Road widening totaling $1,552,085.
- Alley rehabilitation project improvements for $477,851.
- Signal improvements totaling $862,008.
- Antony Lane sewer rehab improvements of $535,294.
- Maxwell Creek pump station improvements of $123,365.

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

LONG-TERM DEBT

At the end of the current fiscal year, the City had total bonded debt obligations (including premiums) of $67,154,493. Of this amount, $11,545,000 is self-supporting through revenues collected from the rates of the City's utility fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions. More detailed information about the City's long-term liabilities is presented in note IV. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2022-2023 Fiscal Year Budget was approved by City Council on September 6, 2022. The tax rate adopted that same day was $0.650416 per $100 assessed value, a decrease of more than 5 cents from the previous year. There was an increase in taxable values of $715.7 million (25.0%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of $4.7 million to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by $3.8 million to a total of $25.2 million. Budgeted expenditures increased by $3.2 million over the amended 2021-2022 budget to a total of $24.7 million.

Budgeted revenue in the Utility Fund was estimated using rates adopted in April 2019 following a five-year update to the Utility Fund's cost-of-service and rate plan. The adopted rates included a 3% increase to sewer base and volume charges and a 2% increase to water charges. Utility rates will be reviewed annually during the budget process. Budgeted revenues increased $0.7 million to $14.8 million and expenditures increased $4.9 million.

The City's capital budget includes $33.4 million in funding for various projects city-wide. Unlike the operating budget, funding for budgeted capital projects does not expire at the end of the fiscal year but continues until the project is complete. By funding source, the amounts budgeted include $5.46 million from the Utility Fund, $1.3 million from roadway impact fees, $0.65 million in street maintenance taxes, $0.08 million in stormwater drainage funds, $0.78 million in Municipal Development District sales tax revenues, $3.12 million from capital project funds, $5.3 million from American Rescue Plan Act (ARPA) funds, and $16.69 million from 2022 General Obligation Bond funds. Projects include Merritt Road re-alignment and widening, Maxwell Creek Pump Station, 5th Street project, the new animal shelter, Bailey-Hooper Road, Sachse Road phase 2, and J.K. Sachse Park construction.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 3815-B Sachse Rd., Sachse Texas 75048 or call (972) 495-1212.

The City of

SACHSE

FINANCIAL STATEMENTS

City of Sachse, Texas

STATEMENT OF NET POSITION (Page 1 of 4)

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and cash equivalents	$ 53,515,467	$ 10,370,427	$ 63,885,894
Restricted cash	-	1,958,339	1,958,339
Investments	15,116,696	9,060,723	24,177,419
Receivables, net	1,441,950	1,838,662	3,280,612
Lease receivables	20,658	-	20,658
Inventory	-	116,030	116,030
Prepaids	1,593,297	-	1,593,297
Assets held for sale	-	-	-
Total Current Assets	71,688,068	23,344,181	95,032,249
Internal advances	(188,000)	188,000	-
Advances to primary government	-	-	-
Lease receivables, noncurrent	417,207	-	417,207
Capital assets:			
Non-depreciable	26,306,027	2,966,419	29,272,446
Net depreciable capital assets	78,581,512	34,067,589	112,649,101
Noncurrent Assets	105,116,746	37,222,008	142,338,754
Total Assets	176,804,814	60,566,189	237,371,003
Deferred Outflows of Resources			
Pension contributions	1,167,078	87,844	1,254,922
Pension changes in assumptions	12,001	903	12,904
OPEB contributions	4,853	365	5,218
OPEB changes in assumptions	94,548	7,117	101,665
Deferred charge on refunding	1,780,900	-	1,780,900
Total Deferred Outflows of Resources	$ 3,059,380	$ 96,229	$ 3,155,609

City of Sachse, Texas

STATEMENT OF NET POSITION (Page 2 of 4)

September 30, 2022

Component Units	
Sachse EDC	**Sachse MDD**
$ 3,679,851	$ 168,952
-	-
-	-
243,447	117,746
-	-
-	-
-	-
2,353,786	-
6,277,084	286,698
-	-
504,000	-
-	-
-	-
-	-
504,000	-
6,781,084	286,698
-	-
-	-
-	-
-	-
-	-
$ -	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Page 3 of 4)

September 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	$ 2,098,844	$ 739,061	$ 2,837,905
Accrued interest payable	338,710	49,464	388,174
Customer deposits	-	298,670	298,670
Compensated absences, current	867,455	56,077	923,532
Long term debt due within one year	4,221,148	405,000	4,626,148
Current Liabilities	7,526,157	1,548,272	9,074,429
Noncurrent liabilities:			
Advances from component unit	504,000	-	504,000
Compensated absences, noncurrent	96,384	6,231	102,615
Long-term debt due in more than one year	51,078,111	11,486,382	62,564,493
OPEB liability	517,915	38,983	556,898
Net pension liability	1,781,150	134,066	1,915,216
Noncurrent Liabilities	53,977,560	11,665,662	65,643,222
Total Liabilities	61,503,717	13,213,934	74,717,651
Deferred Inflows of Resources			
Pension investment returns	2,202,170	165,755	2,367,925
Pension differences in experience	181,612	13,670	195,282
OPEB difference in experience	17,800	1,340	19,140
Lease related	437,865	-	437,865
Total Deferred Inflows of Resources	2,839,447	180,765	3,020,212
Net Position			
Net investment in capital assets	70,605,922	25,142,628	95,748,550
Restricted for:			
Debt service	1,165,246	-	1,165,246
Capital improvements	21,665,616	-	21,665,616
Municipal court	376,899	-	376,899
Street maintenance	1,397,959	-	1,397,959
Grants	6,468,026	-	6,468,026
Hotel occupancy	12,754	-	12,754
Economic development	-	-	-
Municipal development	-	-	-
Unrestricted	13,828,608	22,125,091	35,953,699
Total Net Position	$ 115,521,030	$ 47,267,719	$ 162,788,749

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF NET POSITION (Page 4 of 4)

September 30, 2022

Component Units	
Sachse EDC	**Sachse MDD**
$ 7,914	$ 113,297
-	-
-	-
3,427	-
-	-
11,341	113,297
-	-
382	-
-	-
-	-
-	-
382	-
11,723	113,297
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
6,769,361	-
-	173,401
-	-
$ 6,769,361	$ 173,401

The City of
SACHSE

City of Sachse, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Units: Sachse EDC	Component Units: Sachse MDD
Primary Government									
Governmental Activities									
General government	$ 3,562,190	$ 11,485	$ -	$ -	$ (3,550,705)	$ -	$ (3,550,705)	$ -	$ -
Public safety	10,885,495	1,522,293	-	-	(9,363,202)	-	(9,363,202)	-	-
Public works	5,610,919	2,472,726	-	6,175,263	3,037,070	-	3,037,070	-	-
Leisure services	3,084,547	-	11,315	1,581,588	(1,491,644)	-	(1,491,644)	-	-
Development services	1,124,278	303,077	-	3,343,731	2,522,530	-	2,522,530	-	-
Interest and fiscal charges	1,620,664	-	-	-	(1,620,664)	-	(1,620,664)	-	-
Total Governmental Activities	25,888,093	4,309,581	11,315	11,100,582	(10,466,615)	-	(10,466,615)	-	-
Business-Type Activities									
Water	8,566,726	9,664,072	-	724,667	-	1,822,013	1,822,013	-	-
Sewer	3,173,551	6,114,257	-	631,478	-	3,572,184	3,572,184	-	-
Stormwater drainage	156,406	220,706	-	-	-	64,300	64,300	-	-
Total Business-Type Activities	11,896,683	15,999,035	-	1,356,145	-	5,458,497	5,458,497	-	-
Total Primary Government	$ 37,784,776	$ 20,308,616	$ 11,315	12,456,727	(10,466,615)	5,458,497	(5,008,118)	-	-
Component Unit									
Sachse Economic Development Corporation	$ 449,634	$ -	$ -	$ -				(449,634)	-
Municipal Development District	1,591,290	-	-	-				-	(1,591,290)
Total Component Units	$ 2,040,924	$ -	$ -	$ -				(449,634)	(1,591,290)
General Revenues:									
Taxes									
Property taxes					19,502,913	-	19,502,913	-	-
Sales taxes					3,418,757	-	3,418,757	1,374,945	661,068
Franchise and local taxes					2,132,431	-	2,132,431	-	-
Investment income					299,111	118,215	417,326	12,868	2,807
Other revenues					259,941	-	259,941	10,000	-
Transfers					1,231,255	(1,231,255)	-	-	-
Total General Revenues and Transfers					26,844,408	(1,113,040)	25,731,368	1,397,813	663,875
Change in Net Position					16,377,793	4,345,457	20,723,250	948,179	(927,415)
Beginning Net Position					99,143,237	42,922,262	142,065,499	5,821,182	1,100,816
Ending Net Position					$ 115,521,030	$ 47,267,719	$ 162,788,749	$ 6,769,361	$ 173,401

See Notes to Financial Statements.

City of Sachse, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 1 of 2)

September 30, 2022

	General	Debt Service	Capital Projects	Impact Fee
Assets				
Cash and cash equivalents	$ 9,944,356	$ 1,164,721	$ 24,118,141	$ 8,301,526
Investments	6,040,867	-	9,075,829	-
Receivables, net	1,703,536	48,050	-	-
Prepaids	56,371	-	1,536,926	-
Total Assets	$ 17,745,130	$ 1,212,771	$ 34,730,896	$ 8,301,526
Liabilities				
Accounts payable and accrued liabilities	$ 1,020,169	$ 530	$ 460,225	$ 489,287
Advances from other funds	-	-	-	-
Advances from component unit	-	-	-	-
Total Liabilities	1,020,169	530	460,225	489,287
Deferred Inflows of Resources				
Unavailable revenue -				
Property taxes	110,142	46,995	-	-
Fines receivable, net	7,881	-	-	-
Lease related	437,865	-	-	-
Ambulance	167,135	-	-	-
Total Deferred Inflows	723,023	46,995	-	-
Fund Balances				
Nonspendable for:				
Prepaids	56,371	-	1,536,926	-
Restricted for:				
Debt service	-	1,165,246	-	-
Capital improvements	-	-	31,455,032	7,812,239
Municipal court	-	-	-	-
Street maintenance	-	-	-	-
Grants	-	-	-	-
Hotel occupancy	-	-	-	-
Assigned for:				
Vehicle replacement	-	-	1,278,713	-
Unassigned	15,945,567	-	-	-
Total Fund Balances	16,001,938	1,165,246	34,270,671	7,812,239
Total Liabilities, Deferred Inflows, and Fund Balances	$ 17,745,130	$ 1,212,771	$ 34,730,896	$ 8,301,526

See Notes to Financial Statements.

City of Sachse, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS (Page 2 of 2)

September 30, 2022

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
$ 172,054	$ 8,789,336	$ 52,490,134
-	-	15,116,696
-	128,229	1,879,815
-	-	1,593,297
$ 172,054	$ 8,917,565	$ 71,079,942
$ 15	$ 94,831	$ 2,065,057
188,000	-	188,000
504,000	-	504,000
692,015	94,831	2,757,057
-	-	157,137
-	-	7,881
-	-	437,865
-	-	167,135
-	-	770,018
-	-	1,593,297
-	-	1,165,246
-	567,096	39,834,367
-	376,899	376,899
-	1,397,959	1,397,959
-	6,468,026	6,468,026
-	12,754	12,754
-	-	1,278,713
(519,961)	-	15,425,606
(519,961)	8,822,734	67,552,867
$ 172,054	$ 8,917,565	$ 71,079,942

The City of
SACHSE

City of Sachse, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

September 30, 2022

Fund Balances - Total Governmental Funds	$	67,552,867
Adjustments for the Statement of Net Position:		
Capital assets used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.		
Capital assets - non-depreciable		26,306,027
Capital assets - net depreciable		78,581,512
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		157,137
Fines receivable		7,881
Ambulance receivables		167,135
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 (inflows) of resources (expense/expenditure)/(revenue) until then.		
Deferred charge on refunding		1,780,900
Pension contributions		1,167,078
OPEB contributions		4,853
Pension changes in assumptions		12,001
Pension investment returns		(2,202,170)
Pension differences in experience		(181,612)
OPEB assumption changes		94,548
OPEB difference in experience		(17,800)
Internal service funds are used by management to charge the cost of insurance to individual departments and funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		991,546
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Accrued interest		(338,710)
Bond premium		(3,488,111)
Compensated absences		(963,839)
Non-current liabilities due in one year		(4,221,148)
Non-current liabilities due in more than one year		(47,590,000)
Net pension liability		(1,781,150)
OPEB liability		(517,915)
Net Position of Governmental Activities	$	115,521,030

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS (Page 1 of 4)

For the Year Ended September 30, 2022

	General	Debt Service	Capital Projects	Impact Fee
Revenues				
Property tax	$ 13,778,223	$ 5,401,808	$ -	$ -
Sales tax	2,731,249	-	-	-
Franchise and local taxes	2,099,095	-	-	-
License, permits and fees	3,442,197	-	-	-
Intergovernmental	522,565	-	-	-
Grants and donations	7,393	-	-	-
Fines and forfeitures	242,066	-	-	-
Impact and development fees	-	-	-	3,219,431
Investment income	94,170	12,573	157,046	25,203
Other revenue	65,440	-	-	-
Total Revenues	22,982,398	5,414,381	157,046	3,244,634
Expenditures				
Current:				
General government	2,816,576	-	-	-
Public safety	10,694,148	-	-	-
Public works	1,949,985	-	-	
Leisure services	2,597,672	-	-	-
Development services	1,156,736	-	-	-
Combined services	383,897	-	-	-
Debt Service:				
Principal	-	4,105,000	34,428	-
Interest and fiscal charges	-	1,233,479	3,529	-
Bond issuance costs	-	-	248,793	-
Capital outlay	92,792	-	4,266,917	13,660
Total Expenditures	19,691,806	5,338,479	4,553,667	13,660

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 2 of 4)

For the Year Ended September 30, 2022

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
$ 325,388	$ -	$ 19,505,419
-	687,508	3,418,757
-	33,336	2,132,431
-	-	3,442,197
-	3,239,671	3,762,236
-	3,922	11,315
-	60,939	303,005
-	124,300	3,343,731
692	9,427	299,111
-	23,814	89,254
326,080	4,182,917	36,307,456
40,532	299,914	3,157,022
-	34,507	10,728,655
-	-	1,949,985
-	-	2,597,672
-	-	1,156,736
-	-	383,897
-	-	4,139,428
-	-	1,237,008
-	-	248,793
-	175,679	4,549,048
40,532	510,100	30,148,244

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 3 of 4)

For the Year Ended September 30, 2022

	General	Debt Service	Capital Projects	Impact Fee
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 3,290,592	$ 75,902	$ (4,396,621)	$ 3,230,974
Other Financing Sources (Uses)				
Transfers in	1,231,255	-	3,534,655	-
Transfers (out)	(1,364,655)	-	-	(1,300,000)
Proceeds from sale of assets	-	-	124,733	-
Debt issuance	-	-	18,490,000	-
Premium on bonds issued	-	-	1,642,852	-
Insurance recoveries	45,954	-	-	-
Total Other Financing Sources (Uses)	(87,446)	-	23,792,240	(1,300,000)
Net Change in Fund Balances	3,203,146	75,902	19,395,619	1,930,974
Beginning fund balances	12,798,792	1,089,344	14,875,052	5,881,265
Ending Fund Balances (Deficit)	$ 16,001,938	$ 1,165,246	$ 34,270,671	$ 7,812,239

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS (Page 4 of 4)

For the Year Ended September 30, 2022

Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
$ 285,548	$ 3,672,817	$ 6,159,212
-	-	4,765,910
-	(870,000)	(3,534,655)
-	-	124,733
-	-	18,490,000
-	-	1,642,852
-	-	45,954
-	(870,000)	21,534,794
285,548	2,802,817	27,694,006
(805,509)	6,019,917	39,858,861
$ (519,961)	$ 8,822,734	$ 67,552,867

The City of
SACHSE

City of Sachse, 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, 2022

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ 27,694,006
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	4,583,138
Depreciation expense	(5,397,545)
Capital contributions	4,517,180
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	39,308
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	(116,738)
Accrued interest	(178,525)
Pension expense	965,796
OPEB expense	(54,309)
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 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.	
Issuance of debt	(18,490,000)
Debt premium on current year issuance	(1,642,852)
Amortization of debt premium	225,828
Amortization of deferred charge on refunding	(182,166)
Principal payments on long-term debt	4,139,428
Internal service funds are used by management to charge the cost of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	275,244
Change in Net Position of Governmental Activities	$ 16,377,793

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

September 30, 2022

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	$ 10,370,427	$ 1,025,333
Restricted cash	1,958,339	-
Investments	9,060,723	-
Receivables, net	1,838,662	-
Inventory	116,030	-
Total Current Assets	23,344,181	1,025,333
Noncurrent Assets		
Advances to other funds	188,000	-
Capital assets:		
Non-depreciable	2,966,419	-
Net depreciable capital assets	34,067,589	-
Total Noncurrent Assets	37,222,008	-
Total Assets	60,566,189	1,025,333
Deferred Outflows of Resources		
Pension contributions	87,844	-
Pension changes in assumptions	903	-
OPEB contributions	365	-
OPEB assumption changes	7,117	-
Total Deferred Outflows	$ 96,229	$ -

City of Sachse, Texas

STATEMENT OF NET POSITION (Continued)

PROPRIETARY FUNDS

September 30, 2022

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 739,061	$ 33,787
Accrued interest	49,464	-
Customer deposits	298,670	-
Compensated absences - current	56,077	-
Bonds payable - current	405,000	-
Total Current Liabilities	1,548,272	33,787
Noncurrent Liabilities		
Compensated absences, noncurrent	6,231	-
Bonds payable - noncurrent	11,486,382	-
OPEB liability	38,983	-
Net pension liability	134,066	-
Total Noncurrent Liabilities	11,665,662	-
Total Liabilities	13,213,934	33,787
Deferred Inflows of Resources		
Pension differences in experience	13,670	-
Pension investment returns	165,755	-
OPEB difference in experience	1,340	-
Total Deferred Inflows	180,765	-
Net Position		
Net investment in capital assets	25,142,628	-
Unrestricted	22,125,091	991,546
Total Net Position	$ 47,267,719	$ 991,546

See Notes to Financial Statements.

The City of
SACHSE

City of Sachse, Texas

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

For the Year Ended September 30, 2022

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Operating Revenues		
Water revenue	$ 9,275,864	$ -
Sewer revenue	6,114,257	-
Drainage fee revenue	220,706	-
Connection and tap charges	207,102	-
Benefit management	-	1,783,894
Other revenue	181,106	-
Total Operating Revenues	15,999,035	1,783,894
Operating Expenses		
Administration	359,974	-
Personnel	772,015	1,512,287
Cost of water operations	5,020,784	-
Cost of sewer operations	2,855,935	-
Cost of stormwater drainage operations	156,406	-
Depreciation	2,327,928	-
Total Operating Expenses	11,493,042	1,512,287
Operating Income	4,505,993	271,607
Nonoperating Revenues (Expenses)		
Investment income	118,215	3,637
Interest expense	(403,641)	-
Total Nonoperating Revenues (Expenses)	(285,426)	3,637
Income Before Capital Contributions and Transfers	4,220,567	275,244
Capital contributions	1,356,145	-
Transfers (out)	(1,231,255)	-
Change in Net Position	4,345,457	275,244
Beginning net position	42,922,262	716,302
Ending Net Position	$ 47,267,719	$ 991,546

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS (Page 1 of 2)

For the Year Ended September 30, 2022

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 15,857,716	$ -
Receipts from interfund charges for benefit management	-	1,783,894
Payments to suppliers	(7,824,848)	(1,615,588)
Payments to employees	(1,197,138)	-
Net Cash Provided (Used) by Operating Activities	6,835,730	168,306
Cash Flows from Noncapital Financing Activities		
Transfers (out)	(1,231,255)	-
Net Cash (Used for) Noncapital Financing Activities	(1,231,255)	-
Cash Flows from Capital and Related Financing Activities		
Capital purchases	(1,124,316)	-
Principal paid on debt	(380,000)	-
Interest paid on debt	(393,413)	-
Net Cash (Used for) Capital and Related Financing Activities	(1,897,729)	-
Cash Flows from Investing Activities		
Purchase of investments	(2,001,750)	-
Interest on investments	118,215	3,637
Net Cash Provided (Used) by Investing Activities	(1,883,535)	3,637
Net (Decrease) Increase in Cash and Cash Equivalents	1,823,211	171,943
Beginning cash and cash equivalents	10,505,555	853,390
Ending Cash and Cash Equivalents	$ 12,328,766	$ 1,025,333

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Page 2 of 2)
For the Year Ended September 30, 2022

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income	$ 4,505,993	$ 271,607
Adjustments to reconcile operating income to net cash provided:		
Depreciation	2,327,928	-
Changes in Operating Assets and Liabilities:		
(Increase) Decrease in:		
Accounts receivable	(146,909)	-
Inventory	(95,369)	-
Prepaids	1,190	-
Advances	90,321	-
Increase (Decrease) in:		
Accounts payable and accrued liabilities	212,135	(103,301)
Compensated absences	3,457	-
Customer deposits	5,590	-
Deferred outflows - pension liability	(6,587)	-
Deferred outflows - OPEB liability	650	-
Deferred inflows - pension liability	106,556	-
Deferred inflows - OPEB liability	598	-
OPEB liability	2,839	-
Net pension liability	(172,662)	-
Net Cash Provided (Used) by Operating Activities	$ 6,835,730	$ 168,306
Schedule of Noncash Capital and Related Financing Activities:		
Developer asset contributions	$ 1,356,145	$ -
	$ 1,356,145	$ -

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
September 30, 2022

		PID No. 1
Assets		
Cash and cash equivalents		$ 3,416,377
Special assessment receivable		14,970,000
	Total Assets	18,386,377
Liabilities		
Accounts payable		77
Long-term debt		14,970,000
	Total Liabilities	14,970,077
Net Position		
Restricted for public improvement district		3,416,300
	Total Net Position	$ 3,416,300

City of Sachse, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

For the Year Ended September 30, 2022

		PID No. 1
Additions		
Impact fee recoveries	$	1,184,174
Investment earnings		47,552
Total Additions		1,231,726
Deductions		
Payment to developer		1,994,189
Administrative expenses		111,633
Interest expenses		718,150
Total Deductions		2,823,972
Change in Net Position		(1,592,246)
Beginning net position		5,008,546
Ending Net Position	$	3,416,300

The City of
SACHSE

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Sachse, Texas (the "City") was incorporated in 1956 under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925 and has adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of the City and its inhabitants.

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 Sachse Economic Development Corporation (the "SEDC") and the Sachse Municipal Development District (the "MDD"), 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. 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.

Blended Component Units

<u>President George Bush Turnpike (PGBT) Reinvestment Zone Tax Increment Fund</u>

The City created the PGBT Reinvestment Zone Tax Increment Fund (the "TIF") in November 2003 to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The five member Board of Directors are appointed by the Sachse City Council and serve for two-year staggered terms. The members of the Board are citizens of Sachse. Any future debt obligations issued and backed by the TIF are to be repaid from property tax levies, based on the incremental increase in the real property values from the base year 2003.

The TIF Board of Directors acts primarily in an advisory role to the City Council, who exercise the ultimate financial control over the recommendations of the TIF board, including its budget and expenditures. The financial information of the TIF is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

Station Reinvestment Zone

The City created the Station Reinvestment Zone (the "TIF") to overlay the Public Improvement District ("PID") for the Station development. Incremental revenues within the Zone will be used to reduce the PID assessment required for each property.

The TIF Board of Directors acts primarily in an advisory role to the City Council, who exercise the ultimate financial control over the recommendations of the TIF board, including its budget and expenditures. The financial information of the TIF is blended as a governmental fund into the primary government. Separate financial statements are not prepared.

Discretely Presented Component Units

Sachse Economic Development Corporation

The Sachse Economic Development Corporation (the "SEDC") serves all citizens of the City and is governed by a seven-member board of directors appointed by the Sachse City Council. An Executive Director is appointed by the SEDC seven-member board to carry out the Board's administrative and policy initiatives. The SEDC does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. The SEDC is a 4B Corporation and is supported by a half-cent sales tax voted by referendum in 1994. The scope of public service of the SEDC benefits citizens and is operated primarily within geographic boundaries of the City.

Separate financial statements are not prepared. However, additional financial information for the SEDC may be obtained at the entity's administrative offices at the following address: Sachse Economic Development Corporation 3815 Sachse Road, Sachse, Texas 75048.

Sachse Municipal Development District

The Sachse Municipal Development District (the "MDD") was created for the purpose of developing and financing all development projects specifically related to park and recreation projects and facilities. The MDD is governed by a seven member board of directors appointed by the Sachse City Council. The City's Parks and Recreation Director will serve as the City Liaison to the MDD, provide administrative support services for the MDD, and perform duties for the Board, as prescribed by City Council. The MDD does not provide services entirely, or almost entirely to the City, nor does it maintain debt of any type that are repaid using City resources. The MDD is a 4B Corporation and is supported by a one-fourth of one percent sales tax voted by referendum on November 17, 2017. The scope of public service of the MDD benefits the government and its citizens and is operated primarily within geographic boundaries of the City.

Separate financial statements are not prepared. However, additional financial information for the MDD may be obtained at the entity's administrative offices at the following address: Sachse Municipal Development District 3815-B Sachse Road, Sachse, Texas 75048.

B. 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 discussed earlier, the government has two discretely presented component units and are shown in separate columns in the government-wide financial statements.

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 interfund services provided and other charges between the government's utility function 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, including its fiduciary funds and blended component units. 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 governmental funds:

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, public works, leisure services, development services, and nondepartmental. This fund is considered to be a major fund.

Debt Service Fund

The debt service fund is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

Capital Projects Fund

The capital projects fund accounts for the acquisition and construction of the government's major capital facilities, other than those financed by proprietary funds. The City has an internal vehicle replacement fund and it is presented with the Capital Projects Fund in the fund financial statements. This fund is considered to be a major fund.

Impact Fee Fund

The impact fee fund accounts for impact fees collected for specific projects related to development within the City. This fund is considered to be a major fund.

Tax Increment Reinvestment Zones

The City includes the PGBT Reinvestment Zone Tax Increment Fund and the Station Reinvestment Zone within this financial reporting fund grouping The PGBT Reinvestment Zone Tax Increment Fund was created to encourage and accelerate planned development along the George Bush Eastern Extension of the Turnpike to the City. The fund accounts for all tax and expenditure activity associated with the fund's primary purpose. The Station Reinvestment Zone was created to overlay the PID for the Station development. Incremental revenues within the Zone will be used to reduce the PID assessment required for each property. These funds are combined and considered major for reporting purposes.

Street Maintenance Fund

The street maintenance fund is used to account for a sales tax restricted for street maintenance. The fund is considered nonmajor for reporting purposes.

Special Revenue Fund

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Revenue sources for this fund include donations, fines and fees, and grants. This fund is considered nonmajor for reporting purposes.

ARPA Fund

The ARPA fund is used to account for proceeds received from the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds. This fund is considered nonmajor for reporting purposes.

Hotel Occupancy Fund

The hotel occupancy fund accounts for monies derived by hotel and motel occupancy taxes is legally restricted to promote tourism within the City.

The government reports the following major enterprise fund:

Utility Fund

This fund is used to account for the provision of water and sewer 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. 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.

The government reports the following internal service fund:

Health Insurance Fund

This fund is used to account for health insurance benefits provided to City employees.

The government reports the following fiduciary fund:

Public Improvement District No. 1

This fund is used to account for the fiduciary activity for the Public Improvement District (PID) for which the City is a trustee for certain amounts held on behalf of the developers. All the fiduciary activities are reported in a separate Statement of Fiduciary Net Position. The activities of these funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. Per indenture, the funds are held in a private purpose trust estate and the City has no legal or moral obligation to pay the bonds out of any funds of the City other than the pledged revenues and other funds comprising the trust estate.

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 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.

C. 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 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.

The proprietary, pension and other postemployment benefit trust, and private-purpose trust funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds have no measurement focus but utilize the *accrual basis of accounting* for reporting its assets and liabilities.

D. Assets, Liabilities, and Fund Equity or Net Position

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

Direct obligations of the U.S. Government
Fully collateralized certificates of deposit and money market accounts
Statewide investment pools

2. Fair Value Measurement

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 nonspendable fund balance 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. 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 of supplies are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. 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 $5,000 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 acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value. 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.
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.

Asset Description	Estimated Useful Life
Vehicles	5 to 10 years
Machinery and equipment	5 to 10 years
Infrastructure	5 to 30 years
Buildings and improvements	25 years

6. 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 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 – net position to have been depleted before unrestricted – net position is applied.

7. 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.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

8. 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 finance director 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.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 25% of operating expenditures. The utility fund working capital should be maintained at a minimum of 20-25% of the total operating expenditures or the equivalent of 75 days. The debt service fund reserve is maintained at a level to support interest and principal payments in the event of a delay in property tax collections.

9. 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, discounts and issuance costs 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 reported as deferred charges.

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 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.

10. 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.

11. 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.

12. 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 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.

13. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows / inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the 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 assets 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 that 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 property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

14. 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.

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.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. 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, 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. 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.

3. Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated, up to certain amounts, until retirement or termination. Once per year, employees with accumulations greater than 40 hours may redeem 3 days of sick and vacation leave. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of unused vacation pay based upon the years of service. Sick leave is not paid at termination or retirement. All vacation and qualifying sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. 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.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility fund are charges to customers for sales and services. The utility fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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 (GAAP) for the general, debt service, SEDC, special revenue, impact fee, street maintenance, and utility funds. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter 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. Supplemental budget appropriations were made during the year, impacting the Impact Fee Fund and the Street Maintenance Fund.

The City has implemented procedures to ensure budgetary compliance. No expenditure can be made unless there is a budget available, or an approved budget amendment has been submitted. Department head and management will review the budget variances on a regular basis and the budget will be amended, if necessary.

A. Deficit Fund Balance

At September 30, 2022, the PGBT Reinvestment Zone TIF had a deficit fund balance of $519,961. The deficit will be eliminated in the future with continued development of the zone and issuance of new debt.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As stated in I.D.1., 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. The City's investments in 2a7-like pools such as TexPool are included in this category. Although the City's investments in TexPool are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required.

The City had the following deposits considered to be cash and cash equivalents at year end:

Cash and Cash Equivalent	Value	Weighted Average Maturity	Credit Rating
Bank deposits	$ 13,616,726	-	-
Money market accounts	39,081,990	-	-
External investment pools			
TexPool	13,145,518	0.07	AAAm
Total fair value	$ 65,844,234		

The discretely presented component units, Sachse EDC and MDD, had the following deposits considered to be cash and cash equivalents at year end:

Cash and Cash Equivalent	Value	Weighted Average Maturity	Credit Rating
Bank deposits	$ 974,353	-	-
Money market account	1,941,222	-	-
External investment pools			
TexPool	933,228	0.07	AAAm
Total fair value	$ 3,848,803		

As of September 30, 2022, the primary government had the following investments:

Description	Value	Weighted Average Maturity
Certificates of deposit	$ 24,177,419	0.56
External investment pools		
TexPool	13,145,518	0.07
Total fair value	$ 37,322,937	0.38

As of September 30, 2022, the City's discretely presented component units had the following investments:

Description	Value	Weighted Average Maturity
External investment pools		
TexPool	$ 1,099,799	0.07
Total fair value	$ 1,099,799	0.07

As of September 30, 2022, the City's fiduciary fund had the following investments:

Description	Value	Weighted Average Maturity
External investment pools		
TexPool	$ 8,035	0.07
Total fair value	$ 8,035	0.07

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 States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2022, the City's investment in TexPool was rated AAAm by Standard & Poor's.

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 fair value of not less than the principal amount of the deposits. As of September 30, 2022, the fair 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.

<u>TexPool</u>

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public

Accounts for review. The City's fair value position is stated at the value of the position upon withdrawal. There were no limitations or restrictions on withdrawals.

B. Receivables

1. The following comprise receivable balances of the primary government at year end:

	General	Debt Service	Nonmajor Govt.	Utility	Total
Property taxes	$ 125,262	$ 48,050	$ -	$ -	$ 173,312
Sales tax	486,894	-	121,723	-	608,617
Franchise taxes	306,233	-	-	-	306,233
Fines	182,713	-	-	-	182,713
EMS	697,410	-	-	-	697,410
Accounts	-	-	-	1,845,057	1,845,057
Leases	437,865	-	-	-	437,865
Other	109,803	-	6,506	20,666	136,975
Allowance	(642,644)	-	-	(27,061)	(669,705)
Total	$ 1,703,536	$ 48,050	$ 128,229	$ 1,838,662	$ 3,718,477

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

	Sachse EDC	Sachse MDD	Total
Sales tax	$ 243,447	$ 117,746	$ 361,193
	$ 243,447	$ 117,746	$ 361,193

3. The City is the lessor of three contracts in which the City receives lease from Verizon Wireless, AT&T, and the Federal Aviation Administration ("FAA") for the use tower space, real property, and water tower facilities, respectively. The lease commenced several years ago. Monthly lease payments range from $1,207 to $2,300. As of September 30, 2022, the lease receivable and offsetting deferred inflows amounted to $437,865 and $437,865, respectively.

The annual principal and interest payments to be received are as follows:

Year ending September 30,	Governmental Activities Principal	Interest (5%)
2023	$ 20,658	$ 21,424
2024	22,406	20,366
2025	27,097	19,124
2026	18,688	17,880
2027	14,621	17,119
Thereafter	334,395	116,180
	$ 437,865	$ 212,093

C. Capital Assets

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 9,953,830	$ -	$ -	$ 9,953,830
Construction in progress	10,593,631	5,847,394	(88,828)	16,352,197
Total capital assets not being depreciated	20,547,461	5,847,394	(88,828)	26,306,027
Capital assets, being depreciated:				
Buildings and improvements	27,978,910	147,048	7,687	28,133,645
Vehicles and equipment	13,799,801	179,986	(806,119)	13,173,668
Right to use assets	70,576	-	-	70,576
Infrastructure	138,090,586	2,925,890	81,141	141,097,617
Total capital assets being depreciated	179,939,873	3,252,924	(717,291)	182,475,506
Less accumulated depreciation				
Buildings and improvements	11,057,793	1,160,217	-	12,218,010
Vehicles and equipment	7,907,461	860,587	(806,119)	7,961,929
Right to use assets	-	35,287	-	35,287
Infrastructure	80,337,314	3,341,454	-	83,678,768
Total accumulated depreciation	99,302,568	5,397,545	(806,119)	103,893,994
Net capital assets being depreciated	80,637,305	(2,144,621)	88,828	78,581,512
Total Capital Assets	$ 101,184,766	$ 3,702,773	$ -	$ 104,887,539

Depreciation was charged to governmental functions as follows:

General government	$	440,057
Public safety		791,426
Public works		3,582,268
Leisure services		570,678
Development services		13,116
Total Governmental Activities Depreciation Expense	$	5,397,545

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 880,675	$ -	$ -	$ 880,675
Construction in progress	1,261,565	940,212	(116,033)	2,085,744
Total capital assets not being depreciated	2,142,240	940,212	(116,033)	2,966,419
Capital assets, being depreciated:				
Buildings and improvements	250,292	41,602	(10,586)	281,308
Vehicles and equipment	4,808,385	84,177	(238,790)	4,653,772
Infrastructure	67,009,431	1,414,470	116,033	68,539,934
Total capital assets being depreciated	72,068,108	1,540,249	(133,343)	73,475,014
Less accumulated depreciation				
Buildings and improvements	237,848	2,814	(10,586)	230,076
Vehicles and equipment	1,184,163	104,409	(238,790)	1,049,782
Infrastructure	35,906,862	2,220,705	-	38,127,567
Total accumulated depreciation	37,328,873	2,327,928	(249,376)	39,407,425
Net capital assets being depreciated	34,739,235	(787,679)	116,033	34,067,589
Total Capital Assets	$ 36,881,475	$ 152,533	$ -	$ 37,034,008

Depreciation was charged to business-type activities as follows:

Water	$	1,201,655
Sewer		1,126,273
Total Business-Type Activities Depreciation Expense	$	2,327,928

D. Other Long-term Liabilities

The following summarizes the changes in the City's other long-term liabilities for the year ended. In general, the City uses the general fund and utility fund to liquidate compensated absences.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Compensated Absences	$ 847,101	$ 116,738	$ -	$ 963,839	$ 867,455
Total Governmental Activities	$ 847,101	$ 116,738	$ -	$ 963,839	$ 867,455
Other Long-term Liabilities Due in More than One Year				$ 96,384	
Business-Type Activities:					
Compensated Absences	$ 58,851	$ 3,457	$ -	$ 62,308	$ 56,077
Total Business-Type Activities	$ 58,851	$ 3,457	$ -	$ 62,308	$ 56,077
Other Long-term Liabilities Due in More than One Year				$ 6,231	
Component Unit Activities - Sachse EDC:					
Compensated Absences	$ 7,428	$ -	$ (3,619)	$ 3,809	$ 3,427
Total Component Unit Activities	$ 7,428	$ -	$ (3,619)	$ 3,809	$ 3,427
Other Long-term Liabilities Due in More than One Year				$ 382	

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 debt service fund and utility funds have typically been used to liquidate the long-term debt obligations for the primary government. The general fund is typically used to liquidate the net pension and OPEB liabilities.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligations	$ 9,505,000	$ -	$ (305,000)	$ 9,200,000	$ 315,000
General Obligation Bonds	26,490,000	16,645,000	(1,775,000)	41,360,000	3,440,000
Premium	2,071,087	1,642,852	(225,828)	3,488,111	-
Tax notes	1,395,000	1,845,000	(2,025,000)	1,215,000	430,000
Other liabilities:					
Lease liabilities	70,576	-	(34,428)	36,148	36,148
Total Governmental Activities	$ 39,531,663	$ 20,132,852	$ (4,365,256)	$ 55,299,259	$ 4,221,148
Long-term liabilities due in more than one year				$ 51,078,111	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	$ 11,795,000	$ -	$ (250,000)	$ 11,545,000	$ 405,000
General Obligation Bonds	130,000	-	(130,000)	-	-
Premium	370,164	-	(23,782)	346,382	-
Total Business-Type Activities	$ 12,295,164	$ -	$ (403,782)	$ 11,891,382	$ 405,000
Long-term liabilities due in more than one year				$ 11,486,382	

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 City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The business-type long-term debt will be repaid, plus accrued interest, from operating revenues of the utility fund.

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

Description	Interest Rates	Original Balance	Current Balance
Governmental Activities:			
2015 General obligation refunding and improvement bonds	2.0-4.0%	$ 9,470,000	$ 8,695,000
2016 General obligation refunding bonds	2.0-4.0%	20,025,000	16,020,000
2022 General obligation bonds	5.00%	16,645,000	16,645,000
2017A Certificates of obligation	3.0-4.0%	10,590,000	9,200,000
2016 Tax notes	2.0-4.0%	1,200,000	185,000
2019 Tax notes	1.17%	2,070,000	460,000
2021 Tax notes	0.83%	1,845,000	570,000
Total Governmental Activities		$ 61,845,000	$ 51,775,000
Business-type Activities:			
2017 Certificates of obligation	3.0-4.0%	$ 12,670,000	$ 11,545,000
Total Business-Type Activities		$ 13,290,000	$ 11,545,000
Total		$ 75,135,000	$ 63,320,000

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

Year ending	General Obligation Bonds		Tax Notes		Certificates of Obligation	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2023	$ 3,440,000	$ 1,678,488	$ 430,000	$ 13,695	$ 315,000	$ 309,239
2024	4,160,000	1,440,156	250,000	7,524	330,000	296,338
2025	2,385,000	1,314,650	250,000	4,085	345,000	282,838
2026	2,470,000	1,231,900	95,000	1,971	360,000	268,738
2027	2,565,000	1,135,950	95,000	1,183	375,000	254,038
Thereafter	26,340,000	6,174,825	95,000	394	7,475,000	1,921,550
Total	$ 41,360,000	$ 12,975,969	$ 1,215,000	$ 28,852	$ 9,200,000	$ 3,332,741

Lease Liabilities

Year ending	Governmental Activities	
September 30,	Principal	Interest
2023	$ 36,148	$ 1,807
	$ 36,148	$ 1,807

The City entered into a lease to finance office equipment. The property is classified as right-to-use asset with a total carrying value as of yearend for governmental activities of $35,289.

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

Year ending	Certificates of Obligation	
September 30,	Principal	Interest
2023	$ 405,000	$ 379,013
2024	415,000	362,613
2025	435,000	345,613
2026	450,000	327,913
2027	470,000	309,513
Thereafter	9,370,000	2,340,425
Total	$ 11,545,000	$ 4,065,090

F. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2009, 2015, and 2016 general obligation refunding and improvement bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental activities totaled $1,780,900 and $0 for business-type activities. Current year amortization expense for governmental activities totaled $182,166 and $34,510 for business-type activities.

G. Interfund Transactions

Transfers between the primary government funds during the 2022 year were as follows:

	Transfers In:		
Transfers Out:	**General**	**Capital Projects**	**Total**
General	$ -	$ 1,364,655	$ 1,364,655
Impact fee	-	1,300,000	1,300,000
Nonmajor govt.	-	870,000	870,000
Utility	1,231,255	-	1,231,255
Total	$ 1,231,255	$ 3,534,655	$ 4,765,910

Transfers from the utility fund were used to fund the operating budget of the general fund and do not relate to specific expenditures that are being reimbursed. Transfers from the general fund to the capital projects fund were made for construction projects.

The compositions of interfund balances as of year end were as follows:

	Advances from other funds (Payable fund):
Advances to other funds (Receiving fund):	**PGBT Reinvestment Zone**
Utility	$ 188,000
Sachse EDC	504,000
	$ 692,000

The purpose of interfund receivables and payables is to loan cash between funds. All balances are expected to be settled with issuance of new debt or the collection of property taxes.

As of year end, the Utility fund and Sachse Economic Development fund has advanced the PGBT Reinvestment Zone $188,000 and $504,000, respectively for a major sewer expansion project. The advances will be paid back by future property tax.

H. Assigned Fund Balance

The City assigns fund balance for expenditures designated for specific purposes.

		Capital Projects
Assigned for:		
Vehicle replacement	$	1,278,713
Total	$	1,278,713

I. Restricted Net Position

The City records restricted net position to indicate that a portion is legally restricted for a specific future use.

The following is a list of restricted net position of the City:

		Governmental Activities		Sachse EDC		Sachse MDD
Restricted for:						
Debt service	$	1,165,246	$	-	$	-
Capital improvements		21,665,616		-		-
* Municipal court		376,899		-		-
* Street maintenance		1,397,959		-		-
Grants		6,468,026		-		-
Hotel occupancy		12,754		-		-
Economic development		-		6,769,361		-
Municipal development		-		-		173,401
Total	$	31,086,500	$	6,769,361	$	173,401

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 2,800 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 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.

GASB 62 defines probability of loss contingencies as the following:

Probable. The future event or events are likely to occur.
Reasonably possible. The chance of the future event or events occurring is more than remote but less than likely.
Remote. The chance of the future event or events occurring is slight.

Liabilities are recorded 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, 2022. The projects include street construction and improvements and the construction of additional water lines and repairs.

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

Government Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
Bailey Rd / Hooper Rd Reconstruction	$ 821,750	$ 65,340	$ 756,410
Merritt Road Re-Alignment	2,311,800	2,219,500	92,300
J.K. Sachse Park Construction	2,388,611	1,401,698	986,914
2021 Alley Rehabilitation	809,693	443,816	365,877
Roadway Improvements	315,000	-	315,000
Station Blvd/Bunker Hill Road	1,419,000	1,393,900	25,100
Heritage Park Improvements	1,732,040	87,428	1,644,612
Regional Detention	1,305,612	407,518	898,094
	$ 11,103,506	$ 6,019,200	$ 5,084,307

Business-Type Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
Anthony Lane 8" Sewer	$ 643,864	$ 610,787	$ 33,077
Public Works Pump Station Backup Generator	624,927	-	624,927
SCADA System Improvements	140,000	-	140,000
Master Sewer Main Extension Line A	447,706	365,523	82,183
Master Sewer Main Extension Line B	66,641	53,646	12,995
	$ 1,923,138	$ 1,029,955	$ 893,183

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of Sachse participates as one of 920 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 that can be obtained at www.tmrs.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 seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

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

Plan provisions for the City were as follows:

	Plan Year 2021	Plan Year 2020
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)	70% of CPI	70% of CPI

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	94
Inactive employees entitled to but not yet receiving benefits	155
Active employees	152
Total	401

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 Sachse were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Sachse were 14.65% and 14.43% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were $1,709,420, and were equal to the required contributions.

4. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

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

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

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

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.55%
Core Fixed Income	6.0%	2.00%
Non-Core Fixed Income	20.0%	5.68%
Other Public/Private Markets	12.0%	7.22%
Real Estate	12.0%	6.85%
Hedge Funds	5.0%	5.35%
Private Equity	10.0%	10.00%
Total	100.0%	

Discount Rate:

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that 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.

Sensitivity of the Net Pension Liability (Asset) 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 (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$ 9,220,109	$ 1,915,216	$ (3,918,943)

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/20	$ 39,876,300	$ 35,494,471	$ 4,381,829
Changes for the year:			
Service Cost	1,965,391	-	1,965,391
Interest	2,714,571	-	2,714,571
Difference between expected and actual experience	(173,664)	-	(173,664)
Changes of assumptions	-	-	-
Contributions – employer	-	1,596,061	(1,596,061)
Contributions – employee	-	762,624	(762,624)
Net investment income	-	4,635,489	(4,635,489)
Benefit payments, including refunds of emp. contributions	(1,286,270)	(1,286,270)	-
Administrative expense	-	(21,410)	21,410
Other changes	-	147	(147)
Net changes	3,220,028	5,686,641	(2,466,613)
Balance at 12/31/21	$ 43,096,328	$ 41,181,112	$ 1,915,216

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.

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

For the year ended September 30, 2022, the City recognized pension expense of $670,928.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between expected and actual economic experience	$ -	$ (195,282)
Changes in actuarial assumptions	12,904	-
Difference between projected and investment earnings	-	(2,367,925)
Contributions subsequent to the measurement date	1,254,922	-
Total	$ 1,267,826	$ (2,563,207)

The City reported $1,254,922 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2022	$ (560,625)
2023	(1,012,403)
2024	(529,356)
2025	(447,919)
2025	-
Thereafter	-
Total	$ (2,550,303)

Other Postemployment Benefits

The City also participates in a defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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 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, paragraph 4b, (i.e., no assets are accumulated for OPEB). As such, the SDBF is considered to be a single-employer unfunded OPEB plan (and not a cost sharing plan) with benefit payments treated as being equal to the employer's yearly contributions for retirees.

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

The City offers supplemental death to:	Plan Year 2020	Plan Year 2021
Active employees (yes or no)	Yes	Yes
Retirees (yes or no)	Yes	Yes

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

The City's contributions to the TMRS SDBF for the years ended 2022, 2021 and 2020 were $7,079, $5,275 and $2,132, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2020	0.02%	0.02%	100.0%
2021	0.02%	0.06%	100.0%
2022	0.06%	0.06%	100.0%

Employees covered by benefit terms

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

Inactive employees or beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	32
Active employees	152
Total	244

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2021, 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.5% to 11.5%, including inflation per year
Discount rate	1.84%
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 RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 1.84%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2021.

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

1% Decrease (0.84%)	Current Single Rate Assumption 1.84%	1% Increase (2.84%)
$ 702,812	$ 556,898	$ 447,669

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/20	$ 516,337
Changes for the year:	
Service Cost	30,505
Interest	10,566
Difference between expected and actual experience	(13,603)
Changes of assumptions	19,630
Benefit payments	(6,537)
Net changes	40,561
Balance at 12/31/21	$ 556,898

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

For the year ended September 30, 2022, the City recognized OPEB expense of $65,476.

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

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in actuarial assumption changes	$ 101,665	-
Difference between expected and actual experience	-	(19,140)
Contributions subsequent to measurement date	5,218	-
Total	**$** 106,883	**$** (19,140)

The City reported $5,218 as deferred outflows of resources related to OPEB 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, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended December 31:	
2022	$ 24,357
2023	19,723
2024	25,012
2025	12,673
2026	760
Thereafter	-
	$ 82,525

E. Tax Abatement Disclosures

The City has entered into sales tax abatement agreements with local businesses under Chapter 380 of the Texas Local Government Code. Under the terms of the City's agreements, the City will refund 80% of the City's portion of sales tax paid by the businesses annually. There are currently two existing agreements expiring October 21, 2025 and March 7, 2025. The City abated $76,154 under these agreements during the current year.

The Sachse EDC entered into a sales tax with a local business under Chapters 501-505 of the Texas Local Government Code. Under the terms of the Sachse EDC's agreement, 80% of its sales tax receipts related to sales generated by the business. The maximum amount of this sales tax agreement is $282,712. This agreement expires January 23, 2023. The Sachse EDC did not abate any taxes related to this agreement in the current year.

F. Restatement

Due to the implementation of GASB Statement No. 87, *Leases*, the City restated capital assets and long-term liabilities for governmental activities as follows:

	Governmental Activities
Prior year ending net position, as reported	$ 99,143,237
Adoption of GASB 87 (lessee) - right-to-use assets	70,576
Adoption of GASB 87 (lessee) - lease liabilities	(70,576)
Restated beginning net position	$ 99,143,237

G. Subsequent Events

There were no material subsequent events through February 24, 2023, the date the financial statements were issued.

H. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 87, entitled Leases. Due to the implementation of GASB 87 in the current year, the City recorded right to use assets, lease liabilities, lease receivables, and related deferred inflows for lease revenue.

The City of
SACHSE

REQUIRED SUPPLEMENTARY INFORMATION

City of Sachse, 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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 13,516,200	$ 13,778,223	$ 262,023
Sales tax	1,980,000	2,731,249	751,249
Franchise and local taxes	1,876,250	2,099,095	222,845
License, permits and fees	1,956,000	3,442,197	1,486,197
Intergovernmental	527,576	522,565	(5,011)
Fines and forfeitures	250,000	242,066	(7,934)
Investment income	50,000	94,170	44,170
Grants and donations	-	7,393	7,393
Other revenue	63,718	65,440	1,722
Total Revenues	20,219,744	22,982,398	2,762,654
Expenditures			
Current:			
General government			
City manager	531,986	523,437	8,549
City secretary	240,862	218,094	22,768
Human resources	499,675	444,327	55,348
Finance	760,828	712,303	48,525
Municipal court	248,682	227,303	21,379
Information technology	690,609	691,112	(503)
Public safety			
Police	5,607,082	5,603,667	3,415
Animal control	235,160	236,573	(1,413)
Fire	4,758,849	4,853,908	(95,059)
Public works			
Streets	1,707,240	1,200,794	506,446
Neighborhood services	374,389	401,185	(26,796)
Engineering	429,298	348,006	81,292
Leisure services			
Facilities maintenance	552,738	557,889	(5,151)
Parks and recreation	1,423,919	1,412,661	11,258
Senior activity center	138,357	120,780	17,577
Library	546,747	506,342	40,405
Development services	827,334	1,156,736	(329,402)
Combined services	430,805	383,897	46,908
Capital outlay	134,608	92,792	41,816
Total Expenditures	20,139,168	19,691,806	447,362

City of Sachse, 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, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues Over (Under) Expenditures	$ 80,576	$ 3,290,592	$ 3,210,016
Other Financing Sources (Uses)			
Transfers in	1,231,255	1,231,255	-
Transfers (out)	(1,364,655)	(1,364,655)	-
Insurance recoveries	-	45,954	45,954
Total Other Financing Sources (Uses)	(133,400)	(87,446)	45,954
Net Change in Fund Balance	$ (52,824)	3,203,146	$ 3,255,970
Beginning fund balance		12,798,792	
Ending Fund Balance		$ 16,001,938	

Notes to Required Supplementary Information

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

The City of
SACHSE

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

IMPACT FEE FUND

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Impact and development fees	$ 1,350,000	$ 1,350,000	$ 3,219,431	$ 1,869,431
Investment income	15,000	15,000	25,203	10,203
Total Revenues	1,365,000	1,365,000	3,244,634	1,879,634
Expenditures				
Capital outlay	-	15,000	13,660	1,340
Total Expenditures	-	15,000	13,660	1,340
Revenues Over (Under) Expenditures	1,365,000	1,350,000	3,230,974	1,880,974
Other Financing Sources (Uses)				
Transfers (out)	(1,300,000)	(1,300,000)	(1,300,000)	-
Total Other Financing Sources (Uses)	(1,300,000)	(1,300,000)	(1,300,000)	-
Net Change in Fund Balance	$ 65,000	$ 50,000	1,930,974	$ 1,880,974
Beginning fund balance			5,881,265	
Ending Fund Balance			$ 7,812,239	

Notes to Required Supplementary Information

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

City of Sachse, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Page 1 of 2)

Years Ended:

	12/31/2021	12/31/2020	12/31/2019
Total pension liability			
Service cost	$ 1,965,391	$ 1,938,134	$ 1,824,297
Interest	2,714,571	2,493,268	2,301,736
Differences between expected and actual experience	(173,664)	6,987	(403,321)
Changes of assumptions	-	-	70,676
Benefit payments, including refunds of participant contributions	(1,286,270)	(1,060,648)	(964,941)
Net change in total pension liability	3,220,028	3,377,741	2,828,447
Total pension liability - beginning	$ 39,876,300	$ 36,498,559	$ 33,670,112
Total pension liability - ending (a)	$ 43,096,328	$ 39,876,300	$ 36,498,559
Plan fiduciary net position			
Contributions - employer	$ 1,596,061	$ 1,563,325	$ 1,506,494
Contributions - members	762,624	747,490	713,014
Net investment income	4,635,489	2,419,834	4,103,835
Benefit payments, including refunds of participant contributions	(1,286,270)	(1,060,648)	(964,941)
Administrative expenses	(21,410)	(15,639)	(23,154)
Other	147	(610)	(695)
Net change in plan fiduciary net position	5,686,641	3,653,752	5,334,553
Plan fiduciary net position - beginning	35,494,471	31,840,719	26,506,166
Plan fiduciary net position - ending (b)	$ 41,181,112	$ 35,494,471	$ 31,840,719
Fund's net pension liability - ending (a) - (b)	$ 1,915,216	$ 4,381,829	$ 4,657,840
Plan fiduciary net position as a percentage of the total pension liability	95.56%	89.01%	87.24%
Covered payroll	$ 10,894,626	$ 10,678,426	$ 10,185,912
Fund's net position as a percentage of covered payroll	17.58%	41.03%	45.73%

Notes to schedule:

[1] 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.

City of Sachse, Texas

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (Page 2 of 2)

Years Ended:

12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014 [1]
$ 1,745,860	$ 1,626,583	$ 1,521,822	$ 1,293,172	$ 1,042,550
2,093,509	1,869,149	1,663,017	1,563,772	1,430,625
198,661	688,777	596,374	(79,733)	(127,842)
-	-	-	110,669	-
(1,019,862)	(820,744)	(738,818)	(670,232)	(466,852)
3,018,168	3,363,765	3,042,395	2,217,648	1,878,481
$ 30,651,944	$ 27,288,179	$ 24,245,784	$ 22,028,136	$ 20,149,655
$ 33,670,112	$ 30,651,944	$ 27,288,179	$ 24,245,784	$ 22,028,136
$ 1,397,265	$ 1,258,456	$ 1,132,714	$ 982,512	$ 770,437
674,077	626,979	590,835	520,242	458,268
(787,492)	3,070,840	1,340,941	28,020	986,994
(1,019,862)	(820,744)	(738,818)	(670,232)	(466,852)
(15,202)	(15,902)	(15,135)	(17,065)	(10,302)
(793)	(805)	(815)	(843)	(847)
247,993	4,118,824	2,309,722	842,634	1,737,698
26,258,173	22,139,349	19,829,627	18,986,993	17,249,295
$ 26,506,166	$ 26,258,173	$ 22,139,349	$ 19,829,627	$ 18,986,993
$ 7,163,946	$ 4,393,771	$ 5,148,830	$ 4,416,157	$ 3,041,143
78.72%	85.67%	81.13%	81.79%	86.19%
$ 9,629,676	$ 8,956,953	$ 8,440,501	$ 7,432,025	$ 6,546,680
74.39%	49.05%	61.00%	59.42%	46.45%

City of Sachse, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM (Page 1 of 2)

Years Ended:

	9/30/2022	9/30/2021	9/30/2020	9/30/2019
Actuarially determined employer contributions	$ 1,709,420	$ 1,580,675	$ 1,564,971	$ 1,459,900
Contributions in relation to the actuarially determined contribution	$ 1,709,420	$ 1,580,675	$ 1,564,971	$ 1,459,900
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Annual covered payroll	$ 11,798,996	$ 10,791,639	$ 10,659,160	$ 9,922,284
Employer contributions as a percentage of covered payroll	14.49%	14.65%	14.68%	14.71%

[1] 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.

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

Valuation Date:

Notes	Actuarially deter Actuarially determined contribution rates are calculated as of D calculated as of December 31 and become effective in Janua 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	24 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	There were no be There were no benefit changes during the year.

City of Sachse, Texas

SCHEDULE OF EMPLOYER CONTRIBUTIONS TO PENSION PLAN

TEXAS MUNICIPAL RETIREMENT SYSTEM (Page 2 of 2)

Years Ended:

9/30/2018	9/30/2017	9/30/2016	9/30/2015 [1]
$ 1,370,165	$ 1,225,344	$ 1,106,275	$ 893,569
$ 1,370,165	$ 1,225,344	$ 1,106,275	$ 893,569
$ -	$ -	$ -	$ -
$ 9,525,614	$ 8,833,157	$ 8,185,274	$ 7,047,207
14.38%	13.87%	13.52%	12.68%

City of Sachse, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN (Page 1 of 2)

Years Ended December 31,

	2021 [1]	2020	2019	2018
Total OPEB liability				
Service cost	$ 30,505	$ 24,560	$ 17,316	$ 23,111
Interest	10,566	11,588	11,835	10,685
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(13,603)	(5,674)	(4,174)	(6,206)
Changes of assumptions	19,630	77,814	75,889	(26,515)
Benefit payments, including refunds of participant contributions	(6,537)	(2,136)	(2,037)	(1,926)
Net change in total OPEB liability	40,561	106,152	98,829	(851)
Total OPEB liability - beginning	$ 516,337	$ 410,185	$ 311,356	$ 312,207
Total OPEB liability - ending [2]	$ 556,898	$ 516,337	$ 410,185	$ 311,356
Covered-employee payroll	$ 10,894,626	$ 10,678,426	$ 10,185,912	$ 9,629,676
Fund's net position as a percentage of covered-employee payroll	5.11%	4.84%	4.03%	3.23%

Notes to schedule:

[1] 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.

[2] No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

City of Sachse, Texas

SCHEDULE OF CHANGES IN POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) LIABILITY AND RELATED RATIOS TEXAS MUNICIPAL RETIREMENT SYSTEM SUPPLEMENTAL DEATH BENEFITS PLAN (Page 2 of 2)

Years Ended December 31,

2017
$ 18,810
10,028
-
-
28,386
(1,791)
55,433
$ 256,774
$ 312,207
$ 8,956,953
3.49%

The City of
SACHSE

OTHER SUPPLEMENTARY INFORMATION

The City of
SACHSE

NONMAJOR GOVERNMENTAL FUNDS

STREET MAINTENANCE FUND

The street maintenance fund is used to account for a sales tax restricted for street maintenance within the City.

SPECIAL REVENUE FUND

The special revenue fund is used to account for proceeds of specific revenue sources that are legally restricted for use of specific purposes.

ARPA FUND

The special revenue fund is used to account for proceeds received from the American Rescue Plan Act Coronavirus Local Fiscal Recovery Funds.

HOTEL OCCUPANCY

This fund accounts for funds derived from hotel and motel occupancy taxes and is legally restricted to promote tourism within the City.

City of Sachse, Texas

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

September 30, 2022

	Street Maintenance	Special Revenue	ARPA	Hotel Occupancy
Assets				
Cash and cash equivalents	$ 1,276,660	$ 1,031,896	$ 6,468,026	$ 12,754
Receivables	121,723	6,506	-	-
Total Assets	$ 1,398,383	$ 1,038,402	$ 6,468,026	$ 12,754
Liabilities				
Accounts payable	$ 424	$ 94,407	$ -	$ -
Total Liabilities	424	94,407	-	-
Fund Balances				
Restricted for:				
Capital improvements	-	567,096	-	-
Street maintenance	1,397,959	-	-	-
Municipal court	-	376,899	-	-
Hotel occupancy	-	-	-	12,754
Grants	-	-	6,468,026	-
Total Fund Balances	1,397,959	943,995	6,468,026	12,754
Total Liabilities and Fund Balances	$ 1,398,383	$ 1,038,402	$ 6,468,026	$ 12,754

City of Sachse, Texas

COMBINING BALANCE SHEET NONMAJOR

GOVERNMENTAL FUNDS (Page 2 of 2)

September 30, 2022

Total Nonmajor Governmental
$ 8,789,336
128,229
$ 8,917,565
$ 94,831
94,831
567,096
1,397,959
376,899
12,754
6,468,026
8,822,734
$ 8,917,565

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended September 30, 2022

	Street Maintenance	Special Revenue	ARPA	Hotel Occupancy
Revenues				
Impact and development fees	$ -	$ 124,300	$ -	$ -
Sales taxes	687,508	-	-	-
Franchise and local taxes	-	20,605	-	12,731
Intergovernmental	-	-	3,239,671	-
Fines and forfeitures	-	60,939	-	-
Donations	-	3,922	-	-
Investment income	3,898	4,095	1,411	23
Other revenue	-	23,814	-	-
Total Revenues	691,406	237,675	3,241,082	12,754
Expenditures				
General government	-	299,914	-	-
Public safety	-	34,507	-	-
Capital outlay	175,679	-	-	-
Total Expenditures	175,679	334,421	-	-
Revenues Over (Under) Expenditures	515,727	(96,746)	3,241,082	12,754
Other Financing Sources (Uses)				
Transfers (out)	-	(870,000)	-	-
Total Other Financing Sources (Uses)	-	(870,000)	-	-
Net Change in Fund Balances	515,727	(966,746)	3,241,082	12,754
Beginning fund balances	882,232	1,910,741	3,226,944	-
Ending Fund Balances	$ 1,397,959	$ 943,995	$ 6,468,026	12,754

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended September 30, 2022

Total Nonmajor Governmental
$ 124,300
687,508
33,336
3,239,671
60,939
3,922
9,427
23,814
4,182,917
299,914
34,507
175,679
510,100
3,672,817
(870,000)
(870,000)
2,802,817
6,019,917
$ 8,822,734

City of Sachse, Texas

COMBINING BALANCE SHEET

TAX INCREMENT REINVESTMENT ZONES

September 30, 2022

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Assets			
Cash and cash equivalents	$ 31,874	$ 140,180	$ 172,054
Total Assets	$ 31,874	$ 140,180	$ 172,054
Liabilities			
Accounts payable accrued liabilities	$ -	$ 15	$ 15
Advances from other funds	188,000	-	188,000
Advances from component unit	504,000	-	504,000
Total Liabilities	692,000	15	692,015
Fund Balances			
Unassigned	(660,126)	140,165	(519,961)
Total Fund Balances	(660,126)	140,165	(519,961)
Total Liabilities and Fund Balances	$ 31,874	$ 140,180	$ 172,054

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TAX INCREMENT REINVESTMENT ZONES
For the Year Ended September 30, 2022

	PGBT Reinvestment Zone	Station Reinvestment Zone	Total Tax Increment Reinvestment Zones
Revenues			
Property taxes	$ 210,152	$ 115,236	$ 325,388
Investment income	297	395	692
Total Revenues	210,449	115,631	326,080
Expenditures			
General government	375	40,157	40,532
Total Expenditures	375	40,157	40,532
Revenues Over (Under) Expenditures	210,074	75,474	285,548
Net Change in Fund Balances	210,074	75,474	285,548
Beginning fund balances	(870,200)	64,691	(805,509)
Ending Fund Balances (Deficit)	$ (660,126)	$ 140,165	$ (519,961)

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEBT SERVICE FUND

For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 5,311,399	$ 5,401,808	$ 90,409
Investment income	4,000	12,573	8,573
Total Revenues	5,315,399	5,414,381	98,982
Expenditures			
Debt service:			
Principal	4,105,000	4,105,000	-
Interest	1,237,319	1,233,479	3,840
Bond issuance costs	29,369	-	29,369
Total Expenditures	5,371,688	5,338,479	33,209
Revenues Over (Under) Expenditures	(56,289)	75,902	65,773
Other Financing Sources (Uses)			
Transfers in	1,750,000	-	(1,750,000)
Transfers (out)	(1,720,631)	-	1,720,631
Total Other Financing Sources (Uses)	29,369	-	(29,369)
Net Change in Fund Balance	$ (26,920)	75,902	$ 102,822
Beginning fund balance		1,089,344	
Ending Fund Balance		$ 1,165,246	

Notes to Other Supplementary Information

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

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL STREET MAINTENANCE FUND

For the Year Ended September 30, 2022

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Sales tax	$ 487,500	$ 687,508	$ 200,008
Investment income	1,000	3,898	2,898
Total Revenues	488,500	691,406	202,906
Expenditures			
Capital outlay	530,000	175,679	354,321
Total Expenditures	530,000	175,679	354,321
Net Change in Fund Balance	$ (41,500)	515,727	$ 557,227
Beginning fund balance		882,232	
Ending Fund Balance		$ 1,397,959	

Notes to Other Supplementary Information

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

The City of
SACHSE

City of Sachse, Texas

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL SPECIAL REVENUE FUND

For the Year Ended September 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Impact and development fees	$ -	$ -	$ 124,300	$ 124,300
Franchise and local taxes	27,500	27,500	20,605	(6,895)
Donations	3,750	3,750	3,922	172
Fines and forfeitures	36,000	36,000	60,939	24,939
Investment income	1,500	1,500	4,095	2,595
Other revenue	-	-	23,814	23,814
Total Revenues	68,750	68,750	237,675	168,925
Expenditures				
General government	65,500	339,500	299,914	39,586
Public safety	-	-	34,507	(34,507)
Total Expenditures	65,500	339,500	334,421	5,079
Other Financing Sources (Uses)				
Transfers (out)	(870,000)	(870,000)	(870,000)	-
Total Other Financing Sources (Uses)	(870,000)	(870,000)	(870,000)	-
Net Change in Fund Balance	$ (866,750)	$ (1,140,750)	(966,746)	$ 174,004
Beginning fund balance			1,910,741	
Ending Fund Balance			$ 943,995	

Notes to Other Supplementary Information

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

City of Sachse, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2022

	Sachse EDC	Sachse MDD	Total
Assets			
Cash and cash equivalents	$ 3,679,851	$ 168,952	$ 3,848,803
Receivables, net	243,447	117,746	361,193
Assets held for sale	2,353,786	-	2,353,786
Total Current Assets	6,277,084	286,698	6,563,782
Noncurrent Assets			
Advances to primary government	504,000	-	504,000
Total Noncurrent Assets	504,000	-	504,000
Total Assets	6,781,084	286,698	7,067,782
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	7,914	113,297	121,211
Total Liabilities	7,914	113,297	121,211
Fund Balances			
Nonspendable for:			
Interfund advances	504,000	-	504,000
Restricted for:			
Economic development	6,269,170	-	6,269,170
Municipal development	-	173,401	173,401
Total Fund Balances	6,773,170	173,401	6,946,571
Total Liabilities and Fund Balances	$ 6,781,084	$ 286,698	$ 7,067,782

City of Sachse, Texas

RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2022

Fund Balances	$	6,946,571
Adjustments for the Statement of Net Position:		
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Compensated absences - Sachse EDC		(3,809)
Net Position of the Discretely Presented Component Units	$	6,942,762

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended September 30, 2022

	Sachse EDC	Sachse MDD	Total
Revenues			
Sales taxes	$ 1,374,945	$ 661,068	$ 2,036,013
Investment income	12,868	2,807	15,675
Other revenues	10,000	-	10,000
Total Revenues	1,397,813	663,875	2,061,688
Expenditures			
Economic development	453,253	-	453,253
Park development	-	1,508,575	1,508,575
Capital outlay	-	82,715	82,715
Total Expenditures	453,253	1,591,290	2,044,543
Excess of Revenues Over (Under) Expenditures	944,560	(927,415)	17,145
Net Change in Fund Balances	944,560	(927,415)	17,145
Beginning fund balances	5,828,610	1,100,816	6,929,426
Ending Fund Balances	$ 6,773,170	$ 173,401	$ 6,946,571

City of Sachse, Texas

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF THE DISCRETELY PRESENTED COMPONENT UNITS TO THE STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2022

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

Net changes in fund balances	$	17,145
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		3,619
Change in Net Position of the Discretely Presented Component Units	$	20,764

The City of
SACHSE

STATISTICAL SECTION

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

Contents **Page**

City of Sachse, Texas

NET POSITION BY COMPONENT (Page 1 of 2)

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
Governmental Activities				
Net investment in capital assets	$ 37,377,384	$ 48,982,879	$ 49,395,981	$ 52,071,872
Restricted	14,002,442	9,721,020	11,827,722	8,618,633
Unrestricted	3,436,221	(1,414,544)	(519,752)	4,049,157
Total Governmental Activities Net Position	$ 54,816,047	$ 57,289,355	$ 60,703,951	$ 64,739,662
Business-type Activities				
Net investment in capital assets	$ 16,169,507	$ 18,603,126	$ 18,802,635	$ 20,509,338
Unrestricted	2,600,084	2,586,599	4,232,573	7,450,081
Total Business-type Activities Net Position	$ 18,769,591	$ 21,189,725	$ 23,035,208	$ 27,959,419
Primary Government				
Net investment in capital assets	$ 53,546,891	$ 67,586,005	$ 68,198,616	$ 72,581,210
Restricted	14,002,442	9,721,020	11,827,722	8,618,633
Unrestricted	6,036,305	1,172,055	3,712,821	11,499,238
Total Primary Government Net Position	$ 73,585,638	$ 78,479,080	$ 83,739,159	$ 92,699,081

Source: City's Audited Financial Statements

City of Sachse, Texas

NET POSITION BY COMPONENT (Page 2 of 2)

Last Ten Fiscal Years

(accrual basis of accounting)

2017	2018	2019	2020	2021	2022
$ 50,617,047	$ 57,841,667	$ 58,662,282	$ 64,921,091	$ 67,797,822	$ 70,605,922
13,205,846	5,906,413	7,403,116	12,971,959	22,321,414	31,086,500
4,306,816	4,229,764	6,219,720	6,027,751	9,024,001	13,828,608
$ 68,129,709	$ 67,977,844	$ 72,285,118	$ 83,920,801	$ 99,143,237	$ 115,521,030
$ 20,802,006	$ 26,313,666	$ 24,199,778	$ 25,534,424	$ 26,549,371	$ 25,142,628
9,203,735	9,233,900	13,145,910	15,218,006	16,372,891	22,125,091
$ 30,005,741	$ 35,547,566	$ 37,345,688	$ 40,752,430	$ 42,922,262	$ 47,267,719
$ 71,419,053	$ 84,155,333	$ 82,862,060	$ 90,455,515	$ 94,347,193	$ 95,748,550
13,205,846	5,906,413	7,403,116	12,971,959	22,321,414	31,086,500
13,510,551	13,463,664	19,365,630	21,245,757	25,396,892	35,953,699
$ 98,135,450	$ 103,525,410	$ 109,630,806	$ 124,673,231	$ 142,065,499	$ 162,788,749

City of Sachse, Texas *CHANGES*

IN NET POSITION (Page 1 of 4)

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
Expenses				
Governmental activities:				
General government	$ 2,837,444	$ 2,332,316	$ 2,330,847	$ 2,500,102
Public safety	5,858,865	6,176,967	6,854,653	8,191,197
Public works	3,654,946	3,914,293	4,415,483	5,056,488
Leisure services	1,359,697	1,427,948	1,557,475	1,739,147
Development services	591,605	616,439	677,184	900,457
Interest and fiscal charges	1,829,322	1,802,117	2,022,071	2,105,723
Total governmental activities	16,131,879	16,270,080	17,857,713	20,493,114
Business-type activities:				
Water	6,241,148	6,590,497	7,238,771	8,128,858
Sewer	-	-	-	-
Stormwater drainage	-	-	-	-
Total business-type activities	6,241,148	6,590,497	7,238,771	8,128,858
Total primary government	$ 22,373,027	$ 22,860,577	$ 25,096,484	$ 28,621,972
Program Revenues				
Governmental activities:				
Charges for services:				
General government	$ 24,005	$ 13,702	$ 10,750	$ 720
Public safety	791,140	952,056	871,054	596,562
Public works	975,880	1,458,819	1,216,081	1,315,780
Leisure services	-	-	-	-
Development services	717,682	1,055,577	1,804,213	1,169,517
Operating grants and contri.	763,815	7,587	521,003	744,975
Capital grants and contri.	927,450	5,054,515	1,745,994	4,913,651
Total governmental activities	4,199,972	8,542,256	6,169,095	8,741,205
Business-type activities:				
Charges for services:				
Water	7,029,639	6,866,641	9,137,569	10,382,099
Sewer	-	-	-	-
Stormwater drainage	-	-	-	-
Capital grants and contri.	477,579	2,019,038	1,233,994	2,810,315
Total business-type activities	7,507,218	8,885,679	10,371,563	13,192,414
Total primary government	$ 11,707,190	$ 17,427,935	$ 16,540,658	$ 21,933,619
Net (Expense)/Revenue				
Governmental activities	$ (11,931,907)	$ (7,727,824)	$ (11,688,618)	$ (11,751,909)
Business-type activities	1,266,070	2,295,182	3,132,792	5,063,556
Total primary government	$ (10,665,837)	$ (5,432,642)	$ (8,555,826)	$ (6,688,353)

City of Sachse, Texas *CHANGES*

IN NET POSITION (Page 2 of 4)

Last Ten Fiscal Years

(accrual basis of accounting)

2017	2018	2019	2020	2021	2022
$ 2,526,665	$ 2,878,022	$ -	$ 3,342,715	$ 3,335,835	$ 3,562,190
9,144,006	9,736,773	3,358,995	11,201,666	11,477,436	10,885,495
5,639,697	5,489,736	10,237,626	6,147,260	5,353,283	5,610,919
1,903,914	1,969,689	5,975,519	2,333,491	2,269,214	3,084,547
833,629	835,209	1,946,985	715,773	892,271	1,124,278
1,193,484	1,563,657	806,203	1,347,849	1,315,797	1,620,664
21,241,395	22,473,086	22,325,328	25,088,754	24,643,836	25,888,093
8,946,369	9,342,633	6,799,081	7,586,871	7,813,426	8,566,726
-	-	2,743,508	2,282,485	2,786,830	3,173,551
-	-	119,957	38,484	25,950	156,406
8,946,369	9,342,633	9,662,546	9,907,840	10,626,206	11,896,683
$ 30,187,764	$ 31,815,719	$ 31,987,874	$ 34,996,594	$ 35,270,042	$ 37,784,776
$ -	$ -	$ 7,610	$ 9,900	$ 11,320	$ 11,485
845,462	1,136,924	1,079,089	1,058,301	1,263,222	1,522,293
739,151	539,258	1,005,214	1,737,126	2,935,326	2,472,726
264,852	205,363	-	-	-	-
1,189,194	1,223,216	691,080	-	249,256	303,077
20,832	18,879	453,212	2,240,037	219,956	11,315
2,754,486	839,290	2,274,863	7,163,304	9,114,448	11,100,582
5,813,977	3,962,930	5,511,068	12,208,668	13,793,528	15,421,478
11,384,202	13,532,977	7,619,612	8,098,664	7,974,914	9,664,072
-	-	4,673,480	4,881,913	5,455,163	6,114,257
-	-	209,459	209,636	210,802	220,706
1,047,236	82,530	564,030	1,385,442	1,427,866	1,356,145
12,431,438	13,615,507	13,066,581	14,575,655	15,068,745	17,355,180
$ 18,245,415	$ 17,578,437	$ 18,577,649	$ 26,784,323	$ 28,862,273	$ 32,776,658
$ (15,427,418)	$ (18,510,156)	$ (16,814,260)	$ (12,880,086)	$ (10,850,308)	$ (10,466,615)
3,485,069	4,272,874	3,404,035	4,667,815	4,442,539	5,458,497
$ (11,942,349)	$ (14,237,282)	$ (13,410,225)	$ (8,212,271)	$ (6,407,769)	$ (5,008,118)

City of Sachse, Texas

CHANGES IN NET POSITION (Page 3 of 4)

Last Ten Fiscal Years

(accrual basis of accounting)

	2013	2014	2015	2016
General Revenues				
Governmental activities:				
Taxes:				
Property taxes	$ 9,560,239	$ 9,951,685	$ 10,938,125	$ 12,296,608
Sales and other taxes	1,873,822	2,390,224	2,790,620	3,024,925
Investment earnings	30,518	30,724	33,900	50,842
Other income	80,843	280,569	51,290	268,740
Transfers, net	1,252,689	(263,672)	1,289,279	146,505
Total governmental activities	12,798,111	12,389,530	15,103,214	15,787,620
Business-type activities:				
Investment earnings	3,934	837	1,970	7,160
Other income	271,595	-	-	-
Transfers, net	(1,252,689)	263,672	(1,289,279)	(146,505)
Total business-type activities	(977,160)	264,509	(1,287,309)	(139,345)
Total primary government	$ 11,820,951	$ 12,654,039	$ 13,815,905	$ 15,648,275
Change in Net Position				
Governmental activities	$ 866,204	$ 4,661,706	$ 3,414,596	$ 4,035,711
Business-type activities	288,910	2,559,691	1,845,483	4,924,211
Total primary government	$ 1,155,114	$ 7,221,397	$ 5,260,079	$ 8,959,922

Source: City's Audited Financial Statements

City of Sachse, Texas *CHANGES IN NET POSITION (Page 4 of 4)*

Last Ten Fiscal Years

(accrual basis of accounting)

2017	2018	2019	2020	2021	2022
$ 13,982,042	$ 15,674,089	$ 16,746,511	$ 17,833,325	$ 19,000,362	$ 19,502,913
3,094,029	3,305,196	3,400,267	3,705,978	4,142,062	5,551,188
117,382	388,860	631,556	354,679	131,549	299,111
107,470	168,853	92,091	741,095	439,208	259,941
1,516,542	(947,605)	1,669,294	1,437,917	2,359,563	1,231,255
18,817,465	18,589,393	22,539,719	24,072,994	26,072,744	26,844,408
77,795	338,741	465,779	176,844	86,856	118,215
-	-	-	-	-	-
(1,516,542)	947,605	(1,669,294)	(1,437,917)	(2,359,563)	(1,231,255)
(1,438,747)	1,286,346	(1,203,515)	(1,261,073)	(2,272,707)	(1,113,040)
$ 17,378,718	$ 19,875,739	$ 21,336,204	$ 22,811,921	$ 23,800,037	$ 25,731,368
$ 3,390,047	$ 79,237	$ 5,725,459	$ 11,192,908	$ 15,222,436	$ 16,377,793
2,046,322	5,559,220	2,200,520	3,406,742	2,169,832	4,345,457
$ 5,436,369	$ 5,638,457	$ 7,925,979	$ 14,599,650	$ 17,392,268	$ 20,723,250

City of Sachse, Texas

FUND BALANCES, GOVERNMENTAL FUNDS (Page 1 of 2)

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	28,231	72,675	101,621	21,970
Assigned	-	450,000	54,000	186,340
Unassigned	4,631,243	5,568,904	6,546,528	7,723,757
Total general fund	$ 4,659,474	$ 6,091,579	$ 6,702,149	$ 7,932,067
All other governmental funds:				
Reserved for:				
Debt service	$	$ -	$ -	$ -
Unreserved, reported in:	-			
Special revenue funds	-	-	-	-
Capital projects funds	14,002,442	-	-	-
Restricted	-	10,226,460	11,827,722	13,093,851
Nonspendable	-	-	-	-
Assigned	(707,251)	-	-	186,340
Unassigned	-	(614,301)	(472,960)	(1,623,821)
Total all other governmental funds	$ 13,295,191	$ 9,612,159	$ 11,354,762	$ 11,656,370

Source: City's Audited Financial Statements

City of Sachse, Texas

FUND BALANCES, GOVERNMENTAL FUNDS (Page 2 of 2)

Last Ten Years

(modified accrual basis of accounting)

2017	2018	2019	2020	2021	2022
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
39,463	22,833	77,251	60,847	94,036	56,371
-	-	-	-	-	-
8,829,452	8,640,784	10,355,357	10,131,924	12,704,756	15,945,567
$ 8,868,915	$ 8,663,617	$ 10,432,608	$ 10,192,771	$ 12,798,792	$ 16,001,938
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
12,911,936	21,735,771	17,130,804	20,892,477	26,987,818	49,255,251
-	-	-	-	-	1,536,926
293,910	625,976	788,338	682,802	877,760	1,278,713
(1,551,439)	(1,477,110)	(1,377,540)	(1,202,037)	(805,509)	(519,961)
$ 11,654,407	$ 20,884,637	$ 16,541,602	$ 20,373,242	$ 27,060,069	$ 51,550,929

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (Page 1 of 2)

Last Ten Years

(modified accrual basis of accounting)

	2013	2014	2015	2016
Revenues				
Property taxes	$ 9,568,319	$ 9,944,708	$ 10,928,163	$ 12,260,047
Sales and other taxes	1,873,822	2,390,224	2,790,620	3,024,925
Licenses, permits, & fees	1,338,304	1,830,459	1,612,769	1,743,628
Grants and contributions	941,473	183,780	710,470	974,489
Fines and forfeitures	430,191	556,379	458,477	291,926
Impact and development fees	569,111	910,006	1,657,973	1,022,593
Investment income	30,518	30,669	33,900	50,842
Other revenue	80,843	280,569	51,290	271,595
Total Revenues	14,832,581	16,126,794	18,243,662	19,640,045
Expenditures				
General government	1,260,611	1,313,993	1,601,990	1,565,175
Public safety	5,470,231	5,278,726	6,274,349	7,466,728
Public works	1,470,995	1,344,008	1,781,872	1,882,251
Leisure services	1,140,846	1,114,822	1,269,794	1,455,952
Development services	588,698	569,864	673,506	831,719
Combined services	1,112,937	437,015	493,412	564,368
Debt service				
Principal	1,035,000	1,125,000	1,195,000	1,325,000
Interest	1,831,270	1,799,446	1,762,998	1,672,947
Bond issuance costs	-	-	177,355	372,256
Capital outlay	1,538,289	4,141,606	2,129,457	2,445,778
Total Expenditures	15,448,877	17,124,480	17,359,733	19,582,174
Revenues Over (Under) Expenditures	(616,296)	(997,686)	883,929	57,871
Other Financing Sources (Uses)				
Transfers in	2,739,122	1,708,777	1,289,279	1,841,302
Transfers (out)	(1,561,781)	(2,668,521)	-	(1,694,797)
Debt issued	-	-	9,470,000	21,225,000
Premium on bonds issued	-	-	458,338	2,204,516
Insurance recoveries	-	-	-	-
Payment to refunded escrow agent	-	-	(9,748,373)	(21,733,392)
Sale of capital assets	-	-	-	-
Total Other Financing Sources (Uses)	1,177,341	(959,744)	1,469,244	1,842,629
Net Change in Fund Balances	$ 561,045	$ (1,957,430)	$ 2,353,173	$ 1,900,500
Ratio of total debt service expenditures to noncapital	21%	23%	19%	17%

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS (Page 2 of 2)

Last Ten Years

(modified accrual basis of accounting)

2017	2018	2019	2020	2021	2022
$ 14,034,836	$ 15,676,744	$ 16,708,542	$ 17,788,498	$ 19,032,551	$ 19,505,419
3,094,029	3,305,196	3,400,267	3,705,978	4,142,062	5,551,188
1,598,993	1,814,494	1,577,873	2,300,683	3,678,567	3,442,197
321,583	18,879	860,091	2,413,891	4,352,068	3,773,551
252,614	270,817	303,725	246,140	249,589	303,005
883,250	95,100	504,323	2,049,753	3,388,825	3,343,731
117,228	387,954	631,556	354,679	131,549	299,111
92,796	968,855	72,938	70,748	386,419	89,254
20,395,329	22,538,039	24,059,315	28,930,370	35,361,630	36,307,456
1,425,250	1,510,028	2,511,481	3,434,072	2,806,360	3,157,022
8,293,828	8,963,876	9,154,685	9,988,757	10,702,217	10,728,655
2,626,166	2,263,665	2,350,290	2,115,492	1,836,357	1,949,985
1,564,719	1,631,189	1,557,954	1,921,627	1,681,738	2,597,672
828,351	827,741	1,027,065	678,081	886,903	1,156,736
669,168	769,629	376,041	341,900	375,683	383,897
2,325,000	2,330,000	3,040,000	3,420,000	3,655,000	4,139,428
1,186,303	1,435,602	1,440,823	1,337,324	1,280,824	1,237,008
-	105,000	-	34,490	49,775	248,793
2,072,876	3,722,165	6,863,467	6,395,449	7,788,488	4,549,048
20,991,661	23,558,895	28,321,806	29,667,192	31,063,345	30,148,244
(596,332)	(1,020,856)	(4,262,491)	(736,822)	4,298,285	6,159,212
3,948,013	5,089,835	3,553,012	9,896,810	8,871,496	4,765,910
(2,431,471)	(6,037,440)	(1,883,718)	(8,458,893)	(6,511,933)	(3,534,655)
-	10,590,000	-	2,070,000	2,635,000	18,490,000
-	318,393	-	-	-	1,642,852
-	-	-	-	-	45,954
-	-	-	-	-	-
14,675	85,000	19,153	820,708	-	124,733
1,531,217	10,045,788	1,688,447	4,328,625	4,994,563	21,534,794
$ 934,885	$ 9,024,932	$ (2,574,044)	$ 3,591,803	$ 9,292,848	$ 27,694,006
19%	19%	21%	20%	21%	21%

The City of SACHSE

City of Sachse, Texas

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2013	$ 1,320,191,067	$ 30,495,096	$ 101,886,747	$ 1,248,799,416	0.77082
2014	1,373,728,433	31,359,625	104,461,382	1,300,626,676	0.77082
2015	1,494,745,899	37,218,335	107,372,189	1,424,592,045	0.77082
2016	1,767,124,588	49,669,237	181,214,076	1,635,579,749	0.75728
2017	2,052,733,263	50,389,046	229,837,342	1,873,284,967	0.75728
2018	2,345,662,930	52,517,764	239,585,005	2,158,595,689	0.74728
2019	2,565,462,875	51,759,380	251,075,714	2,366,146,541	0.72000
2020	2,721,742,711	59,445,888	283,973,515	2,497,215,084	0.72000
2021	2,805,576,476	62,634,351	278,553,446	2,589,657,381	0.72000
2022	3,081,956,406	66,355,726	286,309,066	2,862,003,066	0.70073

Note: Tax rates per $100 of assessed valuation.

Source: City of Sachse Budget Document.
Dallas & Collin Central Appraisal Districts.

City of Sachse, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Page 1 of 2)

Last Ten Years

	2013	2014	2015	2016
Direct Rates:				
City of Sachse - Operating	0.59889	0.56889	0.55903	0.57228
City of Sachse - Debt Service	0.17193	0.20193	0.21179	0.18500
Total Direct Rate	0.77082	0.77082	0.77082	0.75728
Overlapping Rates:				
Garland Independent School District	1.25330	1.25330	1.25330	1.35330
Dallas County	0.62377	0.64341	0.65388	0.66275
Total Dallas County Entities	1.87707	1.89671	1.90718	2.01605
Wylie Independent School District	1.64000	1.64000	1.64000	1.64000
Collin County	0.32630	0.32630	0.31696	0.30696
Total Collin County Entities	1.96630	1.96630	1.95696	1.94696

Tax rates per $100 of assessed valuation.
Source: Dallas & Collin Central Appraisal Districts and City records.

City of Sachse, Texas

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (Page 2 of 2)

Last Ten Years

2017	2018	2019	2020	2021	2022
0.56200	0.55307	0.52579	0.52579	0.52579	0.50653
0.19528	0.19421	0.19421	0.19421	0.19421	0.19421
0.75728	0.74728	0.72000	0.72000	0.72000	0.70073
1.46000	0.14600	1.46000	1.39000	1.34630	1.25630
0.65470	0.65674	0.65650	0.64660	0.63984	0.61646
2.11470	0.80274	2.11650	2.03660	1.98614	1.87276
1.64000	1.64000	1.64000	1.53840	1.52050	1.45980
0.28962	0.27206	0.26201	0.25617	0.25375	0.24931
1.92962	1.91206	1.90201	1.79457	1.77425	1.70911

The City of
SACHSE

City of Sachse, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Tax Payer	2022 Taxable Assessed Value	2022 Rank	2022 % of Taxable Assessed Value	2013 Taxable Assessed Value	2013 Rank	2013 % of Taxable Assessed Value
7700 Cody Lane (TX) Owner LP	$ 65,346,274	1	2.28%	$ -	n/a	-
5300 The Station TX Owner LP	59,000,000	2	2.06%	-	n/a	-
Linden Ranch Gardens LP Etal	55,950,300	3	1.95%	-	n/a	-
CSL Sachse 2017 LLC	41,362,730	4	1.45%	-	n/a	-
Batsu Enterprises LLC	39,186,650	5	1.37%	-	n/a	-
Intergerman Woodbridge Villas LP	32,100,168	6	1.12%	-	n/a	-
PMB Station Developer LLC	18,640,387	7	0.65%	-	n/a	-
Meritage Homes of Texas LLC	18,494,720	8	0.65%	-	n/a	-
Lipt Oak Grove LLC	17,554,940	9	0.61%	-	n/a	-
Wal-Mart Real Estate Business Trust	11,985,218	10	0.42%	-	n/a	-
Woodbridge Villas LLC	-	n/a	-	12,776,057	1	1.02%
Realty Associates	-	n/a	-	8,233,728	2	0.66%
Oncor Electric Delivery Co	-	n/a	-	5,154,670	3	0.41%
Jackson Meadows Partners				3,843,990	4	
Wal-Mart Real Estate Business Trust	-	n/a	-	3,364,879	5	0.27%
Verizon	-	n/a	-	3,313,100	6	0.27%
Woodbridge Prop Inc	-	na	-	3,076,505	7	0.25%
Walgreens	-	n/a	-	2,843,950	8	0.23%
Shachse Self Storage LTD	-	n/a	-	2,778,830	9	0.22%
Woodbridge Shopping Ctr	-	n/a	-	2,640,083	10	0.21%
Total	$ 359,621,387		12.57%	$ 48,025,792		3.85%
Total Assessed Valuation	$ 2,862,003,066		100%	$ 1,248,799,416		100%

Source: Tax Office.

Note: Property is assessed as of January 1 and certified to the City by July 25 for taxable values.

City of Sachse, Texas

PROPERTY TAX LEVIES AND COLLECTIONS (Page 1 of 2)

Last Ten Years

	2013	2014	2015	2016
Tax levy	$ 9,599,026	$ 9,864,675	$ 10,773,241	$ 12,186,445
Current tax collected	$ 9,444,279	$ 9,765,245	$ 10,649,420	$ 12,107,169
Percent of current tax collections	98.39%	98.99%	98.85%	99.3%
Delinquent tax collections	$ 153,515	$ 97,993	$ 128,710	$ 81,974
Total tax collections	$ 9,597,794	$ 9,863,238	$ 10,778,130	$ 12,189,143
Total collections as a percentage of levy	100.0%	100.0%	100.0%	100.0%

Source: Dallas and Collin County reports.

City of Sachse, Texas

PROPERTY TAX LEVIES AND COLLECTIONS (Page 2 of 2)

Last Ten Years

2017	2018	2019	2020	2021	2022
$ 13,926,966	$ 15,368,350	$ 16,686,912	$ 17,639,496	$ 18,705,097	$ 19,436,737
$ 13,844,380	$ 15,345,295	$ 16,606,826	$ 17,529,121	$ 18,624,346	$ 19,404,464
99.4%	99.8%	99.5%	99.4%	99.6%	99.8%
$ 41,390	$ 12,154	$ 66,990	$ 89,578	$ 37,549	$ -
$ 13,885,770	$ 15,357,449	$ 16,673,816	$ 17,618,699	$ 18,661,895	$ 19,404,464
99.7%	99.9%	99.9%	99.9%	99.8%	99.8%

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE (Page 1 of 2)

Last Ten Years

	2013	2014	2015	2016
Governmental activities:				
General Obligation Bonds	$ 37,595,000	$ 36,575,000	$ 36,915,000	$ 35,665,000
Premium	-	-	434,215	2,614,608
Discounts	(16,572)	(14,463)	(14,354)	(4,829)
Certificates of Obligation	575,000	470,000	-	-
Tax Notes	-	-	-	1,200,000
Lease liabilities	-	-	-	-
Business-type activities:				
General Obligation Bonds	$ -	$ -	$ -	$ 620,000
Certificates of Obligation	1,030,000	935,000	835,000	110,000
Premium	-	-	-	66,671
Total primary government	$ 39,183,428	$ 37,965,537	$ 38,169,861	$ 40,271,450
Percentage of personal income (1)	6.00%	5.09%	4.50%	4.48%
Per capita (1)	$ 1,836	$ 1,559	$ 1,553	$ 1,526

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
(1) Personal income and population data is disclosed on page 137.

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE (Page 2 of 2)

Last Ten Years

2017	2018	2019	2020	2021	2022
$ 33,500,000	$ 31,575,000	$ 28,970,000	$ 27,315,000	$ 26,490,000	$ 41,360,000
2,848,622	2,666,428	2,467,981	2,269,534	2,071,087	3,488,111
(3,720)	(2,611)	(2,437)	(1,264)	-	-
-	10,350,000	10,080,000	9,800,000	9,505,000	9,200,000
1,040,000	875,000	710,000	1,295,000	1,395,000	1,215,000
-	-	-	-	70,576	36,148
$ 12,670,000	$ 12,490,000	$ 12,265,000	$ 12,035,000	$ 11,795,000	$ 11,545,000
620,000	500,000	380,000	255,000	130,000	-
495,643	456,686	427,845	399,004	370,164	346,382
$ 51,170,545	$ 58,910,503	$ 55,298,389	$ 53,367,274	$ 51,826,827	$ 67,190,641
5.10%	5.92%	5.11%	5.64%	5.48%	5.59%
$ 1,905	$ 2,237	$ 2,205	$ 2,121	$ 2,044	$ 2,361

City of Sachse, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING (Page 1 of 2)

Last Ten Years

	2013	2014	2015	2016
NET TAXABLE ASSESSED VALUE				
All property	$ 1,248,799,416	$ 1,300,626,676	$ 1,424,592,045	$ 1,635,579,749
NET BONDED DEBT (1)				
Gross bonded debt	39,183,428	37,965,537	38,169,861	40,271,450
Less: available debt service funds	-	-	336,024	319,601
Net Bonded Debt	$ 39,183,428	$ 37,965,537	$ 37,833,837	$ 39,951,849
RATIO OF NET BONDED DEBT TO ASSESSED VALUE	3.14%	2.92%	2.66%	2.44%
POPULATION	20,780	23,756	23,756	24,554
NET BONDED DEBT PER CAPITA	$ 1,886	$ 1,598	$ 1,593	$ 1,627

Note: Details regarding the City's oustanding debt can be found in the notes to the financial statements.
(1) This is the general bonded debt of both
governmental and business-type activities, net of

City of Sachse, Texas

RATIO OF GENERAL BONDED DEBT OUTSTANDING (Page 2 of 2)

Last Ten Years

2017	2018	2019	2020	2021	2022
$ 1,873,284,967	$ 2,158,595,689	$ 2,366,146,541	$ 2,497,215,084	$ 2,589,657,381	$ 2,862,003,066
51,170,545	58,910,503	55,298,389	53,367,274	51,826,827	67,190,641
460,734	776,042	831,218	890,680	1,089,344	1,165,246
$ 50,709,811	$ 58,134,461	$ 54,467,171	$ 52,476,594	$ 50,737,483	$ 66,025,395
2.71%	2.69%	2.30%	2.10%	1.96%	2.31%
24,777	24,720	24,910	25,040	25,289	28,453
$ 2,047	$ 2,352	$ 2,187	$ 2,096	$ 2,006	$ 2,321

City of Sachse, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2022

Governmental Unit	Gross Bonded Debt Outstanding (a)	Estimated Percentage Applicable (b)	Estimated Share of Overlapping Debt (a * b)
Debt repaid with property taxes			
Wylie I.S.D	$ 397,741,699	13.19%	$ 52,462,130
Garland I.S.D	397,888,940	6.66%	26,499,403
Collin County	543,645,000	0.66%	3,588,057
Dallas County	236,605,000	0.52%	1,230,346
Dallas County Hospital District	556,450,741	0.52%	2,893,544
Collin County Community College District	498,565,000	0.66%	3,290,529
Dallas County Community College District	88,385,000	0.52%	459,602
Subtotal, overlapping debt			90,423,611
City direct debt			55,299,259
Total direct and overlapping debt			$ 145,722,870

Sources: Taxing Entities and City, Dallas Central Appraisal District, and the Collin County Appraisal District.

* For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

City of Sachse, Texas

DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Year	Estimated Population	Personal Income	Per Capita Personal Income	School Enrollment		Unemployment Rate
				Garland ISD	Wylie ISD	
2013	20,780	$ 652,803,700	$ 31,415	58,059	13,305	5.3%
2014	23,756	746,294,740	31,415	57,704	13,902	4.2%
2015	23,756	837,779,096	35,266	57,436	14,557	3.6%
2016	24,554	839,648,584	34,196	58,059	14,280	3.6%
2017	24,777	937,214,802	37,826	58,059	15,138	3.2%
2018	24,720	942,870,270	38,142	57,517	16,466	3.0%
2019	24,910	1,082,065,490	43,439	56,471	17,252	3.0%
2020	25,040	946,587,120	37,803	55,848	17,392	5.4%
2021	25,289	945,328,109	37,381	53,834	18,159	3.8%
2022	28,453	1,202,822,122	42,274	52,662	18,703	2.8%

Sources: Estimated population provided by the North Central Texas Council of Governments.
Per Capita Income provided by https://texas.hometownlocator.com/tx/dallas/sachse.cfm.
Garland & Wylie Independent School Districts.
Unemployment information provided by the Texas Labor Market Information.

City of Sachse, Texas

PRINCIPAL EMPLOYERS

Current Fiscal Year and Nine Years Ago

	2022			2013		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Garland ISD	478	1	3.08%	430	1	4.26%
Wal-Mart Supercenter	379	2	2.44%	-	n/a	-
City of Sachse	187	3	1.20%	164	2	1.63%
Wylie ISD	145	5	0.93%	117	4	1.16%
Kroger	134	4	0.86%	140	3	1.39%
Trinity Regional Hospital	110	6	0.71%	-	n/a	-
Ariel Pointe of Sachse	100	7	0.64%	-	n/a	-
Wal-Mart Market	84	8	0.54%	-	n/a	-
Northplace Church	66	9	0.42%	-	n/a	-
Golden Chick	55	10	0.35%	-	n/a	0.00%
Steak Kountry	-	n/a	-	46	5	0.46%
Whataburger	-	n/a	-	40	6	0.40%
McDonalds	-	n/a	-	26	7	0.26%
Sachse Veterinary Clinic	-	n/a	-	25	8	0.25%
Taco Bueno	-	n/a	-	20	9	0.20%
Discount Tire	-	n/a	-	18	10	0.18%
Total	1,738		11.18%	1,026		10.18%
Total City Employment	15,542			10,083		

Source: Top ten employers and employee count provided by Sachse Economic Development Corporation.

City of Sachse, Texas

FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government and adminstration	11	11	11	11	11	11	11	14	14	19
Public safety	79	80	85	85	88	89	92	89	89	90
Public works	11	11	10	10	11	11	11	10	10	14
Leisure services	16	16	15	15	16	16	17	17	17	23
Utility	20	20	21	21	21	22	22	24	24	15
Development services	11	11	11	12	11	11	11	10	10	9
Economic development	1	1	2	2	2	3	3	3	3	2
Total	149	150	155	156	160	163	166	166	166	172

Sources: Various City departments.

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM (Page 1 of 2)

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
Public safety				
Police				
Number of employees	44	50	50	52
Number of violations (citations)	1,260	2,246	3,846	1,879
Fire				
Number of employees	34	34	35	35
Number of volunteers	0	0	0	0
Number of fire runs	456	272	394	600
Number of EMS runs	766	802	909	1,187
Public works				
Streets (miles)	130	135	135	135
Building permits issued	135	246	275	289
Cultural and recreational				
Parks and recreation				
Participants in parks programs	5,109	5,186	5,480	9,600
Participants in senior program	18,455	19,500	20,445	23,455
Community Center Memberships	0	0	0	0
Community Center Check-Ins	0	0	0	0
Library				
Volumes in collection	40,169	43,935	41,203	41,470
Utility				
Number of water connections	7,239	7,370	7,950	8,239
Number of sewer connections	6,999	7,113	7,468	7,384
Average daily water consumption[a]	2,509	2,776	2,412	2,573
Maximum storage capacity[a]	6.9	6.9	6.9	6.9

Sources: Various City departments.

[a] Millions of gallons

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM (Page 2 of 2)

Last Ten Fiscal Years

2017	2018	2019	2020	2021	2022
51	51	51	51	51	53
2,155	2,272	5,360	1,710	1,618	1,818
36	37	37	35	36	39
0	0	0	0	0	0
705	819	831	769	847	938
1,359	1,359	1,689	1,554	1,832	2,092
137	137	130	130	128	163
291	219	190	124	451	248
9,750	10,043	10,546	7,400	11,400	15,500
26,600	39,853	37,674	17,614	3,600	5,200
0	0	0	900	578	1,341
0	0	0	4,700	13,199	22,406
41,948	42,750	44,524	35,869	37,179	37,688
8,472	8,507	9,195	8,795	9,101	9,378
7,972	8,105	8,761	8,207	8,317	8,685
2,386	2,814	2,757	2,944	2,634	3
6.9	6.9	8.2	8.2	8.2	8.5

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (Page 1 of 2)

Last Ten Years

Function/Program	2013	2014	2015	2016
Public safety				
Police stations	1	1	1	1
Police patrol units	25	25	27	27
Fire stations	2	2	2	2
Police motorcycle units	2	2	2	2
Public works				
Streets-paved (miles)	130	135	135	135
Cultural and recreational				
Parks (acres)	149	154	155	155
Playgrounds (1)	5	5	6	6
Library	1	1	1	1
Senior center	1	1	1	1
Utility				
Fire hydrants	865	933	970	935
Ground storage facilities	2	4	4	4
Elevated storage facilities	2	2	2	2
Lift stations	4	4	4	4

Sources: Various City departments.

(1) Does not include HOA playgrounds.

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM (Page 2 of 2)

Last Ten Years

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
27	27	25	26	27	27
2	2	2	2	2	2
2	2	2	2	2	2
137	137	130	122	130	140
156	156	149	160	160	165
6	6	6	6	7	9
1	1	1	1	1	1
1	1	1	1	1	1
970	970	1,011	996	1,025	1,248
4	4	4	4	4	4
2	2	3	3	3	3
4	4	5	6	6	6

The City of
SACHSE