Monday, March 4, 2024
City Council Regular Meeting

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

Sachse City Council meetings are streamed live online or available on-demand (https://sachsetx.swagit.com/live).

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 meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular 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 4, 2024, at 6:30 p.m. to consider the following items of business:

2. Invocation and Pledges of Allegiance.

B. Public Comment

1. The public is invited to address Council regarding any topic not already on the regular agenda. Comments regarding the Consent Agenda may be addressed during Public Comment. The time limit is 3 minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.

C. Council/Staff Reports and Updates

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

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 so requests.

1. Approve the February 17, 2024, special retreat meeting minutes.

2. Approve the February 19, 2024, regular meeting minutes.

3. Accept the monthly revenue and expenditure report for the period ending January 31, 2024.

4. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2023.

E. Regular Agenda Items

1. Receive the City's Annual Comprehensive Financial Report (ACFR) and Federal Single Audit Report for the fiscal year ending September 30, 2023.

2. Discuss and consider an Ordinance adopting the City of Sachse Engineering Design Manual; providing a repealing clause; providing a severability clause; and providing for an effective date.

3. 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: 03/01/2024 by 5pm Removed: ____________________________

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Lauren Rose, ADA Coordinator, via phone at 469-429-0415, via email at lrose@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

B. Public Comment

Subject	**1. The public is invited to address Council regarding any topic not already on the regular agenda. Comments regarding the Consent Agenda may be addressed during Public Comment. The time limit is 3 minutes per speaker. A Public Comment Card should be presented to the City Secretary prior to the meeting. According to the Texas Open Meetings Act, Council is prohibited from discussing any item not posted on the agenda but will take comments under advisement.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Information

Those who wish to speak may fill out a form or email the City Secretary prior to the meeting.

C. Council/Staff Reports and Updates

Subject	**1. Mayor and City Council announcements regarding special events, current activities, and local achievements.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Information

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 so requests.

Subject	**1. Approve the February 17, 2024, special retreat meeting minutes.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the February 17, 2024, special retreat meeting minutes.
Minutes	View Minutes for Feb 17, 2024 - City Council Strategic Planning Retreat

BACKGROUND
Minutes from the February 17, 2024, special retreat meeting.

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

RECOMMENDATION
Approve the February 17, 2024, special retreat meeting minutes.

File Attachments
D1. CityCouncil_Special-Retreat_Minutes_02.17.2024.pdf (82 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
STRATEGIC PLANNING RETREAT MINUTES
FEBRUARY 17, 2024

The City Council of the City of Sachse held a special meeting for a Strategic Planning Retreat on Saturday, February 17, 2024, at 8 a.m. at the Stephen G. Terrell Recreation Center, 1680 W. Exchange Parkway, Allen, Texas 75013. Councilmembers present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg.

RETREAT AGENDA

1. Call to Order

Mayor Bickerstaff called the meeting to order at 8 a.m.

2. Discussion regarding leadership development, strategic planning, and the development of goals and objectives for the City of Sachse's Strategic Plan which include planning, Economic Development, and transportation.

City Manager Gina Nash explained that the first half of the day would be focused on leadership development and the second half of the day would be focused on strategic planning. For any team to function at a high level, they have to understand themselves and each other.

Chad Wright, founder of Forward Partners, stated that for a city to thrive, the Council as a team and individuals need to thrive. He led a review and in-depth discussion of styles and team work, noting that agreeing and working as a unified team are not the same thing.

Jon Stigliano, founder of Strategic Solutions Group, took the Council through exercises to uncover trends in the city, primary concerns, as well as organizational strengths, challenges, and opportunities. The Council discussed goals and priority areas for attention.

Ms. Nash rounded out the day with a discussion on strategies to move forward with the Public Works building and Parks building.

3. Adjournment.

Mayor Bickerstaff adjourned the meeting at 2:57 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 so requests.

Subject	**2. Approve the February 19, 2024, regular meeting minutes.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Action (Consent), Minutes
Recommended Action	Approve the February 19, 2024, regular meeting minutes.
Minutes	View Minutes for Feb 19, 2024 - City Council Regular Meeting

BACKGROUND
Minutes from the February 19, 2024, Council regular meeting.

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

RECOMMENDATION
Approve the February 19, 2024, regular meeting minutes.

File Attachments
D2. CityCouncil_Regular_Minutes_02.19.2024.pdf (130 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 19, 2024

The City Council of the City of Sachse held a regular meeting on Monday, February 19, 2024, at 6:30 p.m. at Sachse City Hall, 3815-B Sachse Road. Councilmembers present were Mayor Jeff Bickerstaff; Mayor Pro Tem Brett Franks; Councilmembers Michelle Howarth, Frank Millsap, Chance Lindsey, Lindsay Buhler, and Matt Prestenberg.

MEETING OPENING

1. Call to Order

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

2. Invocation and Pledges of Allegiance.

Mayor Bickerstaff offered the invocation and Webelos Arrow of Light Den, Cub Scout Pack 243 presented the Colors and led the pledges. Afterwards, the Mayor presented the troop members with a Mayor's Award of Excellence for their honorable service to the community through the Scouts.

PUBLIC COMMENT:

Resident, Matthew Holboke, addressed Council regarding rules for speaking, High Ridge Alley, and taxes.

Councilmember Matt Prestenberg arrived at 6:38 p.m.

COUNCIL/STAFF REPORTS AND UPDATES:

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

Mayor Pro Tem Franks announced a Glow in the Dark Dodge Ball tournament at the Michael J. Felix Community Center on March 1.

Mayor Bickerstaff's announcements:

- The 2024 Sachse Scholarship is still open for applicants. Sachse residents in their senior year of high school are encouraged to apply through the City website.
- The Primary Election is coming up. This is to determine the candidate for political parties in the County, State, and Federal elections. No local items will be on this ballot. Early voting for the Primary Election is February 20 – March 1, and Election Day is March 5. See county election websites for details.
- The candidate filing period for City Council Places 1 and 2 has closed. The Drawing for the Order on the Ballot will be at 5 p.m. in Council Chambers on Thursday, February 22. Details about the election are on the website or you may contact City Secretary Leah Granger with questions.
- Heritage Park will be the site of the first Pop-Up Park experience on March 6 from 4:30 – 6 p.m. The City has outfitted a trailer with games, equipment, and fun activities. It will be brought to parks around Sachse for kids to enjoy for a couple of hours. No registration required.

- There are several Easter Egg hunts happening on Saturday, March 23. Check out the Parks and Recreation Special Events page for details.
- The Police Department will be hosting a Senior Fraud and Scam Prevention seminar at the Senior Activity Center from 1 – 2 p.m. on Tuesday March 12. All are welcome to attend.
- City offices will be closed on March 29 in observance of Good Friday.

CONSENT AGENDA:

1. **Approve the February 5, 2024, regular meeting minutes.**
2. **Authorize the City Manager to execute a renewal of the Microsoft Enterprise Agreement for three years in the amount of $104,050.86 per year, through SHI Government Solutions, Inc., using the Texas Department of Information Resources (DIR) purchasing cooperative.**

Councilmember Howarth made a motion to approve the Consent Agenda as presented. Councilmember Buhler seconded the motion, and it carried unanimously.

REGULAR AGENDA ITEMS:

1. **Receive a briefing regarding the update to the contract with Community Waste Disposal, the City's solid waste and recycling provider.**

Assistant City Manager Lauren Rose reviewed the contract proposal from Community Waste Disposal (CWD) that was presented at the September 5, 2023, Council meeting. At that time, Council confirmed some preferences. However, members of Council asked for a comparison of prices between one 10-cubic yard bulk trash pick up per month and two 6-cupic yard bulk trash pickups per month. A commercial franchise with CWD for the city would provide a valuable discount for all residents. After working hard over the last year to gain compliance on the current once a month pick up, staff recommends the commercial franchise and the once per month 10-cubic yard pick up. Staff also recommended a six month notice to commercial businesses before an effective date of October 1.

Councilmember Prestenberg asked if the City has the authority to cancel a contract between two other parties and how this will affect commercial businesses that would need to change vendors. City Attorney Joe Gorfida responded that the City's Home Rule Charter gives the City the authority to mandate a solid waste user for businesses within Sachse. Under the new terms, the old provider would no longer have the authority to implement that contract and it would become void. Ms. Rose added that of the comparison cities, Garland is the only other city that did not have a commercial franchise and CWD costs are within the midpoint of the remaining comparator cities. Later, Councilmember Prestenberg expressed preference for the 10-cubic yard per month pick up.

Mayor Pro Tem Brett Franks expressed his concern that neither of the two new options fix the City's problem with bulk sitting out on curbs too long. He would like to see a new approach to education and enforcement. He later clarified that he preferred no change to the bulk pick up. He also expressed some concern over the calendar being confusing. Jason Roemer, CWD Vice President, noted that the company is working on an app that would provide reminder notifications to residents to help cut down on confusion. It is still in the development phase.

Councilmember Buhler wanted to make sure that businesses would not be not penalized. Ms. Rose noted that businesses would benefit from an assured rate rather than comparing the open market. Councilmember Buhler preferred the twice a month, 6-cubic yard pick up as it would remove the violating placements more often. This option would also still be a beneficial savings for residents.

Councilmember Howarth stated that she would prefer to keep the bulk pick up as it is currently and just incorporate the rate deduction for the commercial franchise. She would like to see more enforcement and education for residents. Later, she also asked about large businesses that are currently serviced much too early and disturbing residents. Mr. Roemer commented that they could work with businesses to stop that with a commercial franchise.

Councilmember Lindsey initially preferred the twice a month pick up thinking that the problem would go away faster by picking bulk up more often. He is not convinced that a larger size allowance would make a big difference since the violators tend to have far too much bulk at once. Neighborhood Services Manager Ray Mendez responded that he did not think the size increase would not make as much of a difference. He noted that sizing issues have gotten better and timing is the bigger issue. Councilmember Lindsey registered his opinion to go with the commercial franchise and keep the pick up as it is, since it will help businesses and residents.

Councilmember Millsap was in favor of the 10-cubic yard pick up once a month because the cost/benefit of the increased size and commercial discount was a good deal. He noted that more attention may be needed for older neighborhoods with older trees that produce more brush.

Councilmember Buhler asked if there was a plan to help educate the public more effectively. She asked about signs in neighborhoods to help raise awareness of proper placement timing. Ms. Rose recalled a successful campaign in a neighborhood that helped change the schedule. She felt a similar approach in other neighborhoods would be very beneficial. It was also noted that the school districts have a different arrangement and may not fall under the commercial franchise.

Matthew Holboke, Sachse resident, asked about CWD's share of the market; vendors for large businesses; consultation with the Chamber of Commerce or Economic Development Corporation (EDC); and how much of a benefit is CWD getting from the arrangement.

Ms. Rose clarified that CWD currently has 50 percent of the share of the market. This is not based on dollar amount since the City could not quantify other commercial contracts. The City does not have the information on what vendors other businesses use, but residents could obtain that information from the source. The matter at hand is a contractual relationship between CWD and the City, so the Chamber is not an involved party.

Mayor Bickerstaff explained that he liked the commercial franchise deduction for residents more than the increased size and would prefer to keep pick up as it is. He also noted that he liked staff's plan to address education to reduce confusion.

Councilmember Howarth added that the EDC is not involved in negotiations between the City and vendors. However, with the possibility of a commercial franchise, incentive contracts have been including a clause with CWD as the exclusive solid waste provider.

Ms. Rose summarized that these changes will bring a great benefit to Sachse residents and businesses. Staff will incorporate the direction provided and come back with an amended contract on March 18 that will go into effect on April 1. It will include a six month notice period for businesses, and CWD will become the commercial provider for Sachse on October 1, 2024.

2. Receive the Sachse Police Department's 2023 year-end review presentation.

Police Chief Bryan Sylvester provided a comprehensive overview of the activities of the Police Department in 2023 and crime statistics. Notably, 94.8 percent of the vehicle burglaries and theft were perpetrated on unlocked cars. He encouraged the public to always secure vehicles and do not leave anything of value. Shoplifting is up and higher awareness at stores may be helping apprehend these violators. Building burglaries are primarily at construction sites. Traffic stops have increased by two percent over the last year and increased by 21 percent over the last two years, though enforcement has not been aggressive. Chief Sylvester noted that it is good for officers to be visible to residents and visitors to help people feel secure and to change undesirable behavior. He explained that with the increased development and number of residents, calls for service increased 21 percent in 2023. However, since Council had the foresight to increase the number of officers in the last budget cycle, the department has been able to maintain good response times. The Chief also touched on the level of training for staff and community outreach. Finally, he was pleased to announce that the Animal Shelter construction project is currently on time and on budget.

After some questions, Council expressed appreciation for the service the department provides the city.

3. Adjournment.

Mayor Bickerstaff adjourned the meeting at 8:01 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 so requests.

Subject	**3. Accept the monthly revenue and expenditure report for the period ending January 31, 2024.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Action (Consent)
Recommended Action	Accept the monthly revenue and expenditure report for the period ending January 31, 2024.
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

City Charter section 7.16(4) says the City Manager shall submit to the City Council each month a report covering revenues and expenditures of the City in such a form as requested by City Council.

RECOMMENDATION

Accept the monthly revenue and expenditure report for the period ending January 31, 2024.

File Attachments
D3.1 All Funds January 2024.pdf (125 KB)
D3.2 Sales Tax Report February 2024.pdf (159 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, 2024 (Unaudited)

GENERAL FUND

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Property Tax	$ 16,716,996	$ 5,030,262	$ 14,775,118	88%	**A**
Sales Tax	2,875,000	241,692	981,225	34%	
Franchise Fees	2,211,000	245,179	742,795	34%	
Licenses and Permits	1,076,000	40,141	211,822	20%	**B**
Service Fees	1,590,300	225,807	377,296	24%	**C**
Fines	250,000	21,279	76,620	31%	
Interest Income	420,000	95,998	294,461	70%	**D**
Miscellaneous Income	561,443	66,596	195,095	35%	
Intergovernmental Revenue	1,543,687	128,640	514,560	33%	
Total Revenue	**$ 27,244,426**	**$ 6,095,594**	**$ 18,168,991**	**67%**	
Expenditure Summary					
Animal Services	$ 308,337	$ 24,501	$ 109,072	35%	
City Manager	860,709	77,694	262,233	30%	
City Secretary	268,759	20,837	73,815	27%	**E**
Combined Services	237,913	21,865	318,682	134%	**F**
Development Services	1,252,555	60,540	274,033	22%	**G**
Engineering	398,536	35,911	135,058	34%	
Facilities Maintenance	697,806	65,865	296,579	43%	**H**
Finance	901,786	106,715	360,940	40%	**I**
Fire-Rescue	6,933,133	603,552	2,450,818	35%	
Human Resources	588,166	42,123	160,025	27%	**J**
Information Technology	1,127,676	74,408	326,911	29%	
Library	893,431	68,741	260,070	29%	
Municipal Court	296,512	23,777	98,141	33%	
Neighborhood Services	1,173,903	93,298	383,528	33%	
Parks	4,235,847	348,405	1,388,972	33%	
Police	7,423,031	562,475	2,496,448	34%	
Recreation	821,719	63,638	275,808	34%	
Senior Activity Center	219,318	15,378	62,234	28%	**K**
Streets	5,609,867	436,954	1,812,062	32%	
Total Expenditures	**$ 34,249,004**	**$ 2,746,676**	**$ 11,545,426**	**34%**	
Revenue Over/(Under) Expenses	**$ (7,004,578)**	**$ 3,348,918**	**$ 6,623,566**		
Beginning Fund Balance October 1, 2023 (unaudited)			**$ 17,100,000**		

See following page for explanation of major variances

Explanation of General Fund Major Variances:

A Property Tax receipts peak in December and January

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

C Developer and Plan review activity trending lower due to timing of anticipated residential and commercial construction

D Interest revenue trending strong due to favorable interest rates

E Election expense timing decreases YTD % of Budget spent trend

F Insurance expense timing increases YTD % of Budget spent trend. Adjustments for vacancy savings through-out the year will decrease percent of budget spent

G Professional Services timing decreases YTD % of Budget spent trend

H Expenses exceed "YTD Actuals % of Budget" spend primarily due to Building Repairs and Maintenance expense timing

I Expenses exceed "YTD Actuals % of Budget" spend primarily due to Software Licensing and Professional Services expense timing

J Vacancy savings decreases YTD % of Budget spent trend.

K Expenses exceed "YTD Actuals % of Budget" spend primarily due to Employee Training expense timing

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2024 (Unaudited)

UTILITY FUND

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Water Revenue	$ 9,575,500	$ 526,825	$ 2,625,350	27%	**A**
Sewer Revenue	6,500,000	560,547	2,248,293	35%	
Drainage Revenue	230,000	19,447	78,153	34%	
Fees	206,000	14,092	66,129	32%	
Interest Income	290,000	92,936	383,895	132%	**B**
Intergovernmental Revenue	2,000,000	166,667	666,668	33%	
Miscellaneous Revenue	25,000	(46)	13,330	53%	**C**
Total Revenue	**$ 18,826,500**	**$ 1,380,467**	**$ 6,081,818**	**32%**	
Expenditure Summary					
Utility Administration	$ 572,725	$ 50,057	$ 246,420	43%	**D**
Water Operations	11,298,506	901,347	3,617,535	32%	
Sewer Operations	17,990,613	522,465	2,946,608	16%	**E**
Stormwater Projects	700,000	42,040	169,502	24%	**F**
Total Expenditures	**$ 30,561,844**	**$ 1,515,909**	**$ 6,980,065**	**23%**	
Beginning Fund Balance October 1, 2023 (unaudited)			**$ 23,500,000**		
Revenue Over/(Under) Expenses	**$ (11,735,344)**	**$ (135,442)**	**$ (898,247)**		**G**

Explanation of Major Variances:

A Water Revenue collections variance at current point in the year is due to seasonality

B Interest revenue trending strong due to favorable interest rates

C Miscellaneous Revenue trending high due to timing of replaced vehicle auction proceeds

D Expenses exceed "YTD Actuals % of Budget" spend due to timing of Professional Services, Software Licensing and Credit Card Processing Fees

E Expenses below "YTD Actuals % of Budget" spend due to timing of capital project expenses

F Expenses below "YTD Actuals % of Budget" spend due to timing of stormwater utility rate study expenses

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

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2024 (Unaudited)

SACHSE ECONOMIC DEVELOPMENT CORPORATION

	Annual Budget	Current Month Actual	YTD Actuals	33% of Year Completed YTD Actuals % of Budget	Note
Revenue Summary					
Sales Tax	$ 1,430,000	$ 116,901	$ 478,779	33%	
Other Income	10,000	-	-	0%	**A**
Interest Income	100,000	22,014	85,275	85%	**B**
Total Revenue	**$ 1,540,000**	**$ 138,915**	**$ 564,055**	**37%**	
Expenditure Summary					
Expenditures	$ 909,632	$ 62,138	$ 247,407	27%	**C**
Total Expenditures	**$ 909,632**	**$ 62,138**	**$ 247,407**	**27%**	
Revenue Over/(Under) Expenses	**$ 630,368**	**$ 76,777**	**$ 316,648**		
Beginning Fund Balance October 1, 2023 (unaudited)			**$ 7,200,000**		

Explanation of Major Variances:

A Garland ISD grant for Fiscal Year 2022-2023 received in November and applied to prior fiscal year

B Interest revenue trending strong due to favorable interest rates

C Professional Services expense timing decreases YTD % of Budget spent trend

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2024 (Unaudited)

DEBT SERVICE FUND

							33% of Year Completed	
	Annual Budget		Current Month Actual		YTD Actuals		YTD Actuals % of Budget	Note
Revenue Summary								
Property Tax	$	7,111,584	$	2,141,234	$	6,289,144	88%	**A**
Interest Income		50,000		32,399		68,218	136%	**B**
Total Revenue	**$**	**7,161,584**	**$**	**2,173,633**	**$**	**6,357,362**	**89%**	
Expenditure Summary								
Fees	$	548,016	$	-	$	1,980	0%	**C**
Principal		4,740,000		-		-	0%	**D**
Interest		1,744,018		-		-	0%	**E**
Total Expenditures	**$**	**7,032,034**	**$**	**-**	**$**	**1,980**	**0%**	
Revenue Over/(Under) Expenses	**$**	**129,550**	**$**	**2,173,633**	**$**	**6,355,382**		
Beginning Fund Balance October 1, 2023 (unaudited)					**$**	**1,400,000**		

Explanation of Major Variances:

A Property Tax receipts peak in December and January

B Interest revenue trending strong due to favorable interest rates

C Expenses below "YTD Actuals % of Budget" spend due to timing of Agent Fees and Financing Costs

D Principal payments are primarily due in February

E Interest payments are primarily due in February and August

City of Sachse

Monthly Revenue and Expenditure Report

January 31, 2024 (Unaudited)

MUNICIPAL DEVELOPMENT DISTRICT

	Annual Budget	Current Month Actual	YTD Actuals	YTD Actuals % of Budget (33% of Year Completed)	Note
Revenue Summary					
Sales Tax	$ 750,000	$ 57,430	$ 233,426	31%	
Interest Income	1,000	1,598	4,881	488%	**A**
Total Revenue	**$ 751,000**	**$ 59,027**	**$ 238,307**	**32%**	
Expenditure Summary					
Expenditures	$ 886,500	$ -	$ -	0%	**B**
Total Expenditures	**$ 886,500**	**$ -**	**$ -**	**0%**	
Revenue Over/(Under) Expenses	**$ (135,500)**	**$ 59,027**	**$ 238,307**		
Beginning Fund Balance October 1, 2023 (unaudited)			**$ 270,000**		

Explanation of Major Variances:

A Interest revenue trending strong due to favorable interest rates

B No J.K. Sachse Park construction expenditures in current reporting period

CITY OF SACHSE
2023/2024 SALES TAX REPORT

	FY 2024								FY 2023	
	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	$110,567	$53,734	$55,283	$221,133	$221,133	8%	-2%	$440,717	$224,603	$447,710
November	137,846	66,508	68,923	275,692	496,825	18%	2%	548,968	486,894	522,100
December	113,465	55,754	56,733	226,931	723,756	26%	1%	452,883	713,752	452,381
January	116,901	57,430	58,451	233,803	957,558	34%	0%	466,585	961,683	494,146
February	159,640	77,520	79,820	319,281	1,276,839	45%	0%	636,261	1,275,400	624,980
March									1,477,638	402,980
April									1,668,624	380,762
May									1,924,897	510,577
June									2,136,770	422,369
July									2,369,100	462,992
August									2,662,303	584,425
September									2,914,309	502,377
TOTAL	$638,420	$310,945	$319,210	$1,276,839				$2,545,414		$5,807,801
BUDGET	**$1,430,000**	**$750,000**	**$725,000**	**$2,825,000**				**$5,730,000**	**$2,630,000**	**$5,355,000**

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 so requests.

Subject	**4. Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2023.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Action (Consent)
Recommended Action	Accept the Quarterly Budget and Investment Reports for the quarter ending December 31, 2023.
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

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, Streets 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, 2023.

POLICY CONSIDERATIONS

Sachse Comprehensive Financial Management Policy Section VI.E. Capital Improvements/Project Reporting requires, not less than quarterly, the investment officer prepare and submit a written report of investment transactions for all funds conveyed 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 cash flow demands of Sachse and conforming to the PFIA, and 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, 2023.

File Attachments
D4.1 Quarterly Budget Report FY 2024 Q1 2023.12.31.pdf (1,411 KB)
D4.2 Quarterly Investment Report FY 2024 Q1 2023.12.31.pdf (1,636 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.

Finance Department

TO: Gina Nash, City Manager
FROM: David Baldwin, Finance Director
SUBJ: Quarterly Budget Report For 1st Quarter Ending December 31, 2023
DATE: March 4, 2024
CC: Mayor and City Council

Attached is the unaudited 1st Quarter Budget Report for the 2024 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 2023.

Overall, the City has received $21.8 million through the 1st quarter, representing 39.2% of budgeted revenues.

CITY-WIDE REVENUES			
Fund	*Budget*	*YTD*	*% Collected*
General Fund	$ 27,244,426	$ 12,073,447	44.3%
Utility Fund	18,826,500	4,701,352	25.0%
Debt Service Fund	7,161,584	4,183,729	58.4%
Special Revenue Fund	225,475	29,148	12.9%
Impact Fee Fund	1,225,000	546,331	44.6%
Street Maintenance Tax Fund	750,000	203,978	27.2%
Health Insurance Fund	40,000	14,990	37.5%
Total	$ 55,472,985	$ 21,752,975	39.2%

Year-to-date expenditures totaled $14.8 million for the 1st quarter, representing 19.5% of budgeted expenditures.

CITY-WIDE OPERATING EXPENDITURES			
Fund	*Budget*	*YTD*	*% Collected*
General Fund	$ 34,522,916	$ 8,798,749	25.5%
Utility Fund	30,561,844	5,464,156	17.9%
Debt Service Fund	7,032,034	1,980	0.0%
Special Revenue Fund	174,000	13	0.0%
Impact Fee Fund	2,120,000	530,001	25.0%
Street Maintenance Tax Fund	1,450,000	-	0.0%
Health Insurance Fund	80,000	20,425	25.5%
Total	$ 75,940,794	$ 14,815,324	19.5%

Revenue

- Total General Fund revenues are $12,073,447 or 44.3% of expected collections. Total revenues increased $2,753,619 compared to the same period last fiscal year.
- Sales tax revenues are 25.7% of expected collections, at $739,532 collected.
- Franchise fees are at $497,616, or 22.5% of budget; a decrease of $23,929 from last year through the same period.
- General Fund current ad valorem tax revenues are 58.3% collected at $9,744,857; a $1,421,413 increase over last fiscal year through the same period.
- Collections for Licenses & Permits are a total of $171,681, or 16% of expected collections, an increase of $58,396 from last year through the same period.
- Fees and Service Charges are $150,199, or 9.4% of budget; a decrease of $81,070 compared to the same period last fiscal year.
- Court fine revenues are $55,341 or 22.1% of anticipated collections.
- Utility Fund revenues are $4,701,352 or 25% of budget.
- Special Revenue Fund revenues are $29,148 or 12.9% of budget.
- Impact Fee revenues are $546,331 or 44.6% of the year's budget.
- Sales tax revenue in the Street Maintenance Tax Fund is $180,939 or 25% of budgeted collections for the current fiscal year.

Expenditures

- Total General Fund expenditures are $8,798,749 or 25.5% expended.
- Utility Fund expenditures are $5,464,156, or 17.9% of budget; an increase of $1,774,798 from the prior fiscal year.
- Capital Project expenditures total $4,876,289 year-to-date. This includes $2,012,453 of projects in the Utility Fund.

Component Units

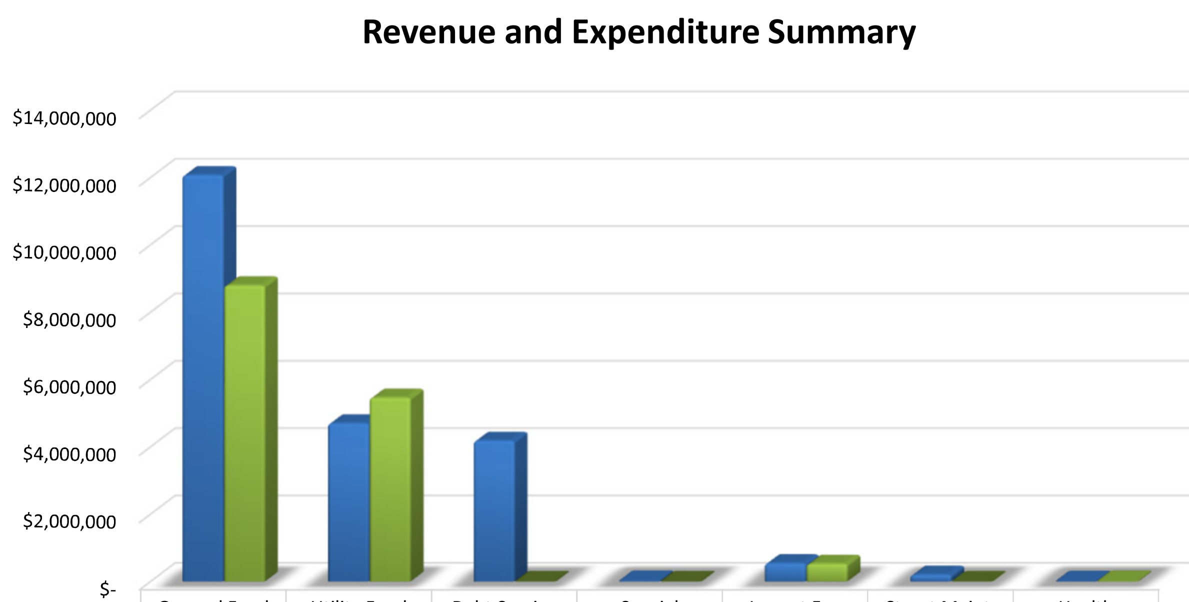
- Sales tax revenue in the Municipal Development District Fund is $175,996 or 23.5% of budget, an increase of $2,871 over the previous fiscal year.
- Sachse Economic Development Corporation had expenditures totaling $185,268 or 20.4% of budget.

CITY OF SACHSE

REVENUE AND EXPENDITURE SUMMARY
AND CHANGES IN FUND BALANCE RESERVES

QUARTER ENDED 12/31/2023 - 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	$ 27,244,426	$ 18,826,500	$ 7,161,584	$ 225,475	$ 1,225,000	$ 750,000	$ 40,000	$ 55,472,985
YTD Actual	12,073,447	4,701,352	4,183,729	29,148	546,331	203,978	14,990	21,752,975
Budget Remaining	$ 15,170,979	$ 14,125,148	$ 2,977,855	$ 196,327	$ 678,669	$ 546,022	$ 25,010	$ 33,720,011
% of Budget	44.32%	24.97%	58.42%	12.93%	44.60%	27.20%	37.47%	39.21%
Expenditures								
Budget	$ 34,522,916	$ 30,561,844	$ 7,032,034	$ 174,000	$ 2,120,000	$ 1,450,000	$ 80,000	$ 75,940,795
YTD Actual	8,798,749	5,464,156	1,980	13	530,001	-	20,425	14,815,324
Budget Remaining	$ 25,724,167	$ 25,097,688	$ 7,030,054	$ 173,987	$ 1,589,999	$ 1,450,000	$ 59,575	$ 61,125,470
% of Budget	25.49%	17.88%	0.03%	0.01%	25.00%	0.00%	25.53%	19.51%
Net Over/(Under)	**$ 3,274,698**	**$ (762,805)**	**$ 4,181,749**	**$ 29,135**	**$ 16,330**	**$ 203,978**	**$ (5,435)**	**$ 6,937,651**



	General Fund	Utility Fund	Debt Service	Special Revenue	Impact Fee	Street Maint. Tax	Health Insurance
Revenue	$12,073,447	$4,701,352	$4,183,729	$29,148	$546,331	$203,978	$14,990
Expenditures	$8,798,749	$5,464,156	$1,980	$13	$530,001	$-	$20,425

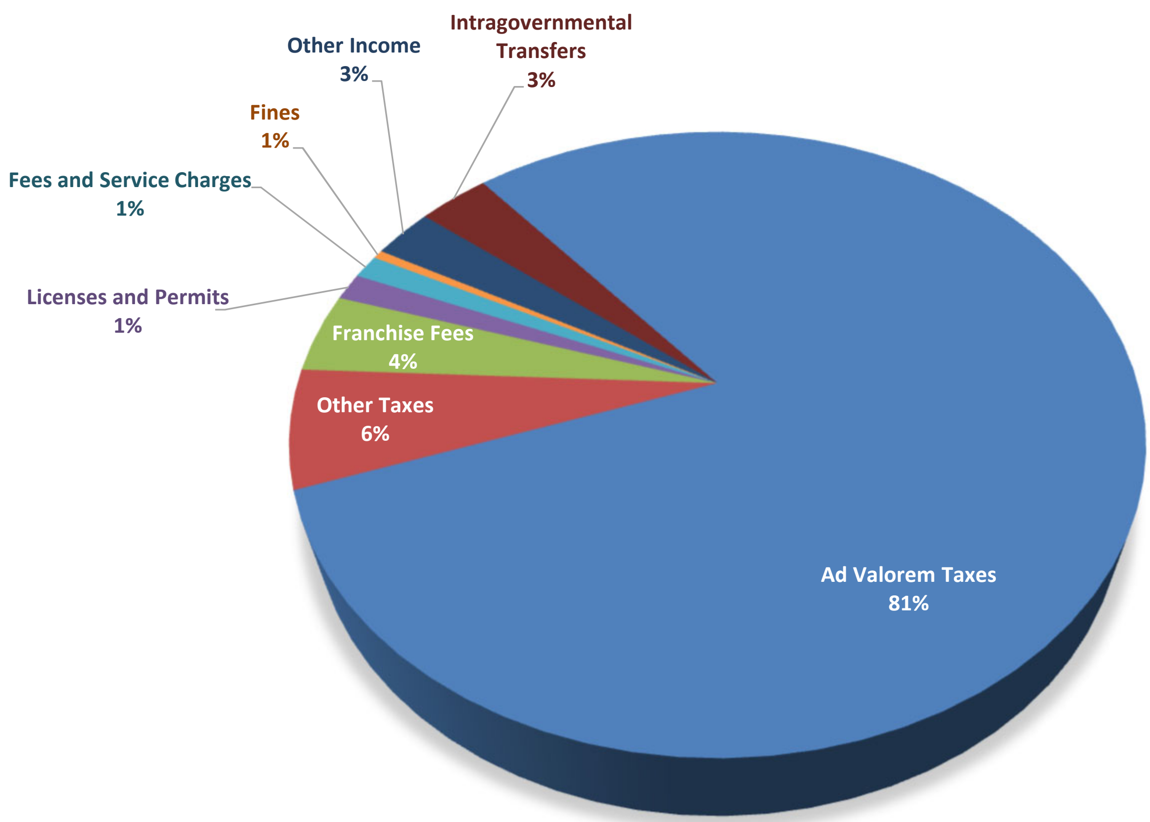
CITY OF SACHSE

GENERAL FUND REVENUES

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Ad Valorem Taxes	$ 14,734,419	$ 8,323,443	$ 16,716,996	$ 9,744,857	$ 6,972,140	58.29%
Other Taxes	2,670,000	732,936	2,875,000	739,532	2,135,468	25.72%
Franchise Fees	1,946,750	521,546	2,211,000	497,616	1,713,384	22.51%
Licenses and Permits	1,963,600	113,285	1,076,000	171,681	904,319	15.96%
Fees and Service Charges	1,539,800	231,268	1,590,300	150,199	1,440,101	9.44%
Fines	205,000	58,325	250,000	55,341	194,659	22.14%
Other Income	430,150	201,333	981,443	328,301	653,142	33.45%
Intragovernmental Transfers	1,733,328	376,728	1,543,687	385,920	1,157,767	25.00%
TOTAL REVENUES	**$ 25,223,047**	**$ 10,558,865**	**$ 27,244,426**	**$ 12,073,447**	**$ 15,170,979**	**44.32%**

General Fund Year-To-Date Revenue



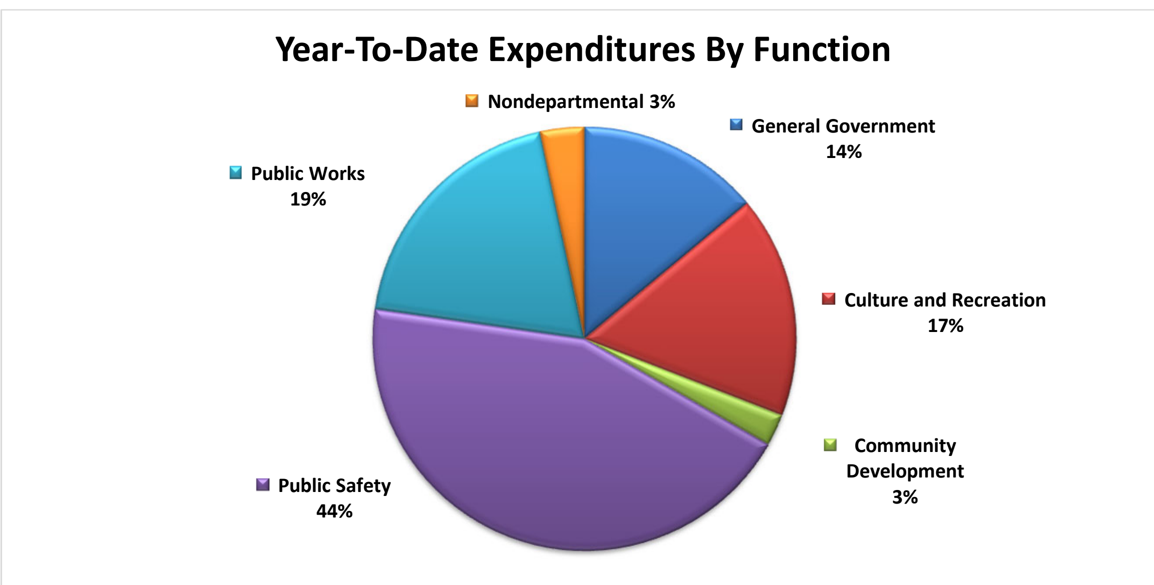
CITY OF SACHSE

GENERAL FUND EXPENDITURES

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
General Government						
City Manager	$ 880,103	$ 179,184	$ 969,434	$ 184,539	$ 784,895	19.04%
City Secretary	230,338	65,366	268,759	52,978	215,781	19.71%
Finance	864,221	193,224	901,786	254,225	647,561	28.19%
Human Resources	594,270	119,002	588,166	117,902	470,264	20.05%
Information Technology	996,487	258,013	1,127,676	252,503	649,306	22.39%
Municipal Court	277,808	67,221	296,512	74,364	222,148	25.08%
Neighborhood Services	258,846	47,048	1,173,903	290,230	883,673	24.72%
	4,102,073	929,057	5,326,236	1,226,741	3,873,629	23.03%
Leisure Services						
Library Services	680,936	160,509	893,431	191,328	702,103	21.42%
Parks	1,192,255	313,042	4,235,847	1,040,567	3,195,280	24.57%
Recreation	536,429	146,300	821,719	212,170	609,549	25.82%
Senior Activity Center	257,343	52,400	219,318	46,855	172,463	21.36%
	2,666,963	672,251	6,170,315	1,490,921	4,679,394	24.16%
Public Safety						
Animal Services	280,041	66,909	308,337	84,571	223,766	27.43%
Fire-Rescue	6,216,501	1,446,604	7,098,320	1,847,265	5,251,055	26.02%
Police	6,634,829	1,568,614	7,423,031	1,933,972	5,489,059	26.05%
	13,131,371	3,082,126	14,829,688	3,865,808	10,963,880	26.07%
Public Works						
Engineering	529,947	86,014	398,536	99,147	299,389	24.88%
Facilities Maintenance	675,762	162,613	697,806	230,714	467,092	33.06%
Streets	2,156,182	586,680	5,609,867	1,375,108	4,234,759	24.51%
	3,361,891	835,307	6,706,209	1,704,969	5,001,240	25.42%
Development Services	1,426,383	237,415	1,252,555	213,493	1,039,062	17.04%
Non-Departmental	559,225	288,974	237,913	296,817	(58,904)	124.76%
TOTAL EXPENDITURES	**$ 25,247,906**	**$ 6,045,130**	**$ 34,522,916**	**$ 8,798,749**	**$ 25,724,167**	**25.49%**

Note - FY 2024 budget includes City Council-approved budget amendment - Ordinance 4218 adopted on November 6, 2023.
Note - FY 2023 budget includes City Council-approved budget amendments - Ordinance 4103 adopted on April 3, 2023; Ordinance 4122 adopted on September 18, 2023.

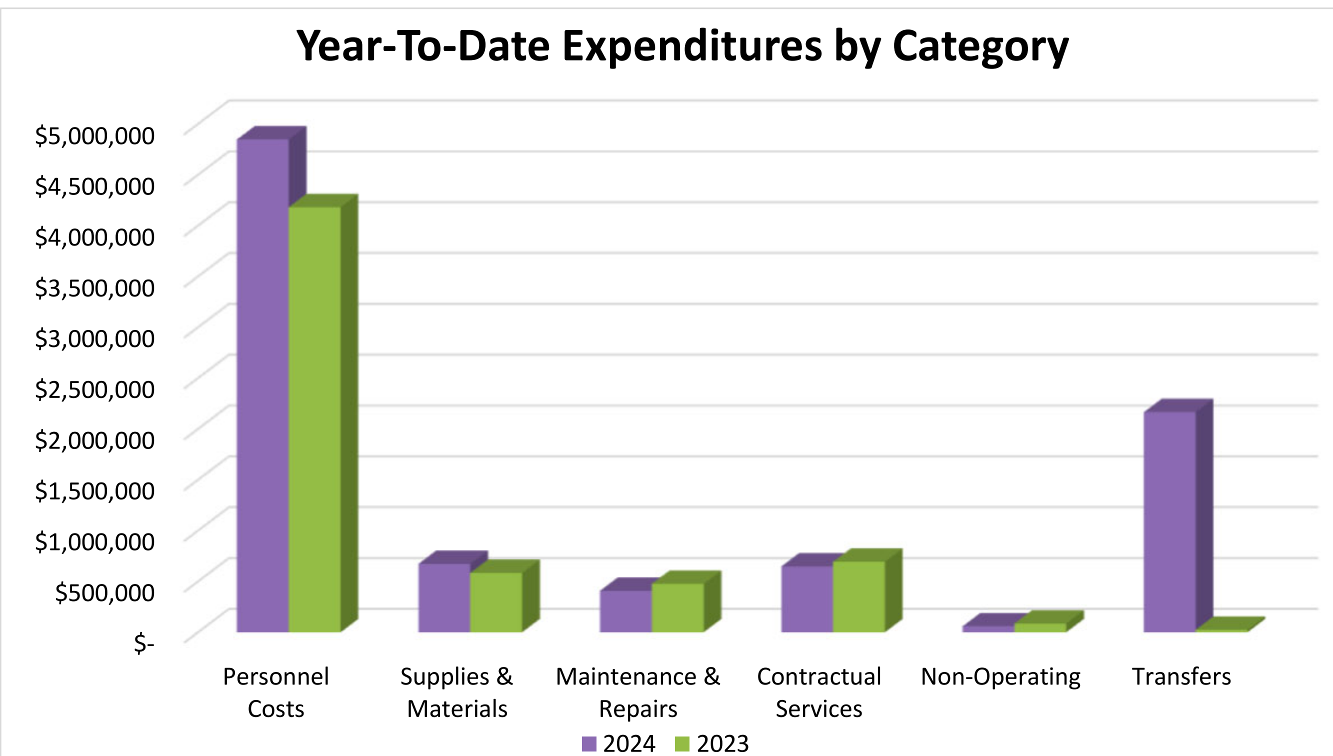


CITY OF SACHSE

GENERAL FUND EXPENDITURES BY CATEGORY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2024	$ 19,564,445	$ 4,846,913	$ 14,717,532	24.77%
	2023	17,784,036	4,181,506	13,602,530	23.51%
Supplies and Materials	2024	2,783,639	672,441	2,111,198	24.16%
	2023	2,180,103	583,427	1,596,676	26.76%
Maintenance and Repairs	2024	1,121,550	407,521	714,029	36.34%
	2023	1,547,642	476,257	1,071,385	30.77%
Contractual Services	2024	2,069,510	647,992	1,421,518	31.31%
	2023	2,305,421	693,869	1,611,552	30.10%
Non-Operating	2024	258,696	58,876	199,820	22.76%
	2023	462,439	86,272	376,167	18.66%
Intragovernmental	2024	8,725,076	2,165,007	6,560,069	24.81%
Transfers	2023	968,265	23,799	944,466	2.46%
TOTAL EXPENDITURES	2024	34,522,916	8,798,749	25,724,167	25.49%
	2023	25,247,906	6,045,130	19,202,776	23.94%



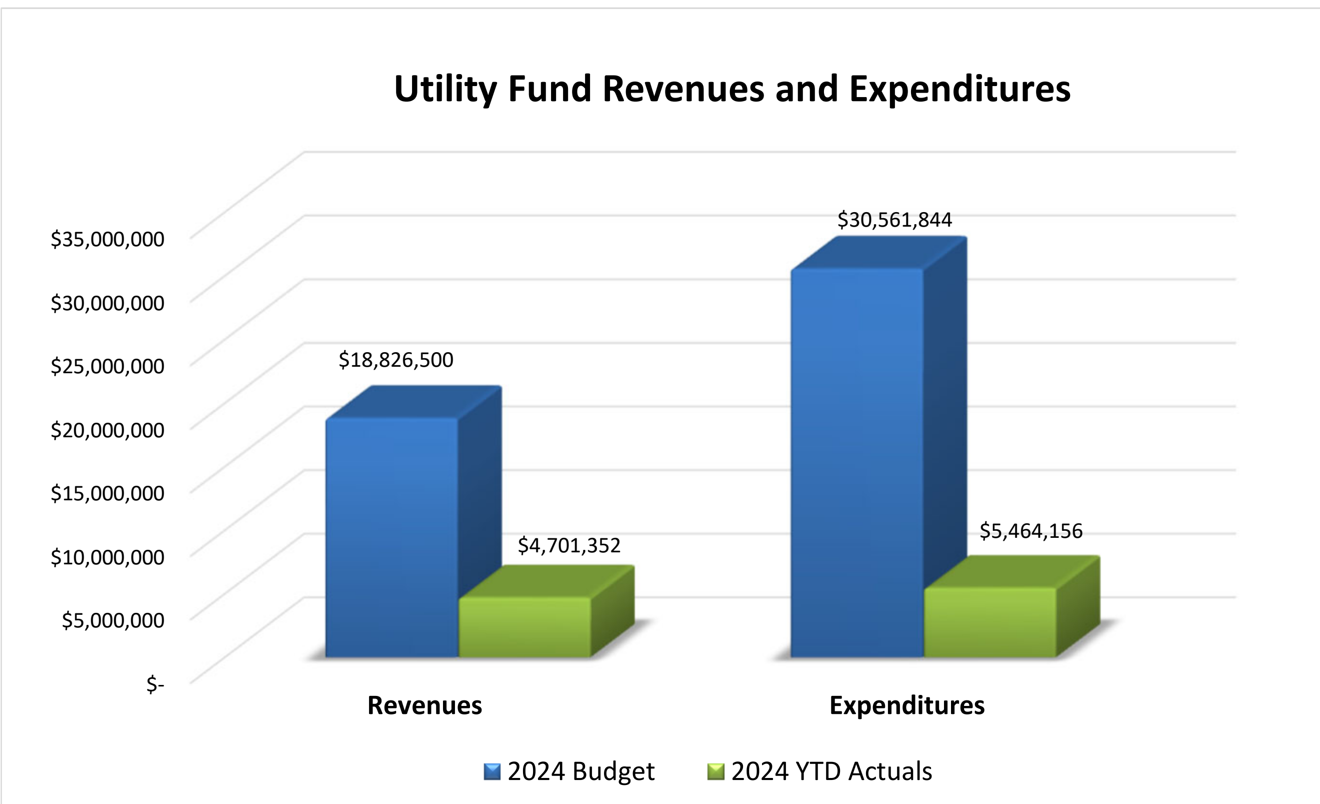
CITY OF SACHSE

UTILITY FUND SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Water Revenue	$ 8,300,000	$ 1,728,326	$ 9,500,000	$ 2,062,824	$ 7,437,176	21.71%
Sewer Revenue	5,900,000	1,615,746	6,500,000	1,687,746	4,812,254	25.97%
Drainage Fee Revenue	222,000	56,420	230,000	58,706	171,294	25.52%
Fees and Service Charges	270,500	49,347	250,500	80,017	170,483	31.94%
Other Gov't s & Sources	26,500	7,269	30,000	7,442	22,558	24.81%
Other Income	73,375	138,806	2,316,000	804,616	1,511,384	34.74%
TOTAL REVENUES	**$ 14,792,375**	**$ 3,595,914**	**$ 18,826,500**	**$ 4,701,352**	**$ 14,125,148**	**24.97%**
EXPENDITURES						
Utility Administration	$ 525,059	$ 147,757	$ 572,725	$ 196,363	$ 376,362	34.29%
Water Operations	8,303,590	1,942,833	11,298,506	2,716,188	8,582,318	24.04%
Sewer Operations	9,300,721	1,588,771	17,990,613	2,424,143	15,566,470	13.47%
Stormwater Drainage	80,000	9,997	700,000	127,462	572,538	18.21%
TOTAL EXPENDITURES	**$ 18,209,370**	**$ 3,689,358**	**$ 30,561,844**	**$ 5,464,156**	**$ 25,097,688**	**17.88%**

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4122 adopted on September 18, 2023.

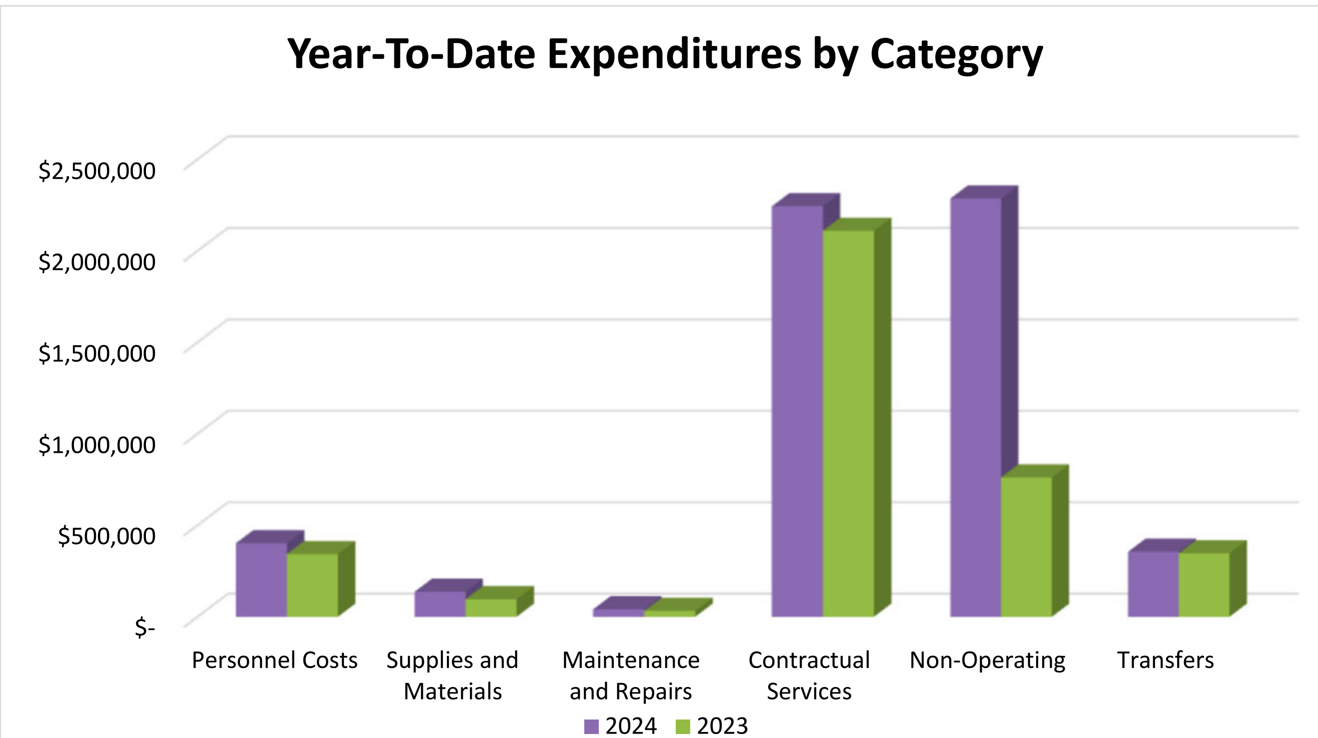


CITY OF SACHSE

UTILITY FUND EXPENDITURES BY CATEGORY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FISCAL YEAR	BUDGET	YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
Personnel Costs	2024	$ 1,791,512	$ 401,866	$ 1,389,646	22.43%
	2023	1,564,411	342,754	1,221,657	21.91%
Supplies and Materials	2024	335,747	136,577	199,170	40.68%
	2023	354,173	95,920	258,253	27.08%
Maintenance and Repairs	2024	389,465	41,129	348,336	10.56%
	2023	259,470	32,090	227,380	12.37%
Contractual Services	2024	8,720,907	2,243,551	6,477,356	25.73%
	2023	8,113,242	2,109,420	6,003,822	26.00%
Non-Operating	2024	17,903,321	2,285,812	15,617,509	12.77%
	2023	6,529,955	762,147	5,767,808	11.67%
Intragovernmental	2024	1,420,892	355,221	1,065,671	25.00%
Transfers	2023	1,388,119	347,028	1,041,091	25.00%
TOTAL EXPENDITURES	2024	30,561,844	5,464,156	25,097,688	17.88%
	2023	18,209,370	3,689,358	14,520,012	20.26%

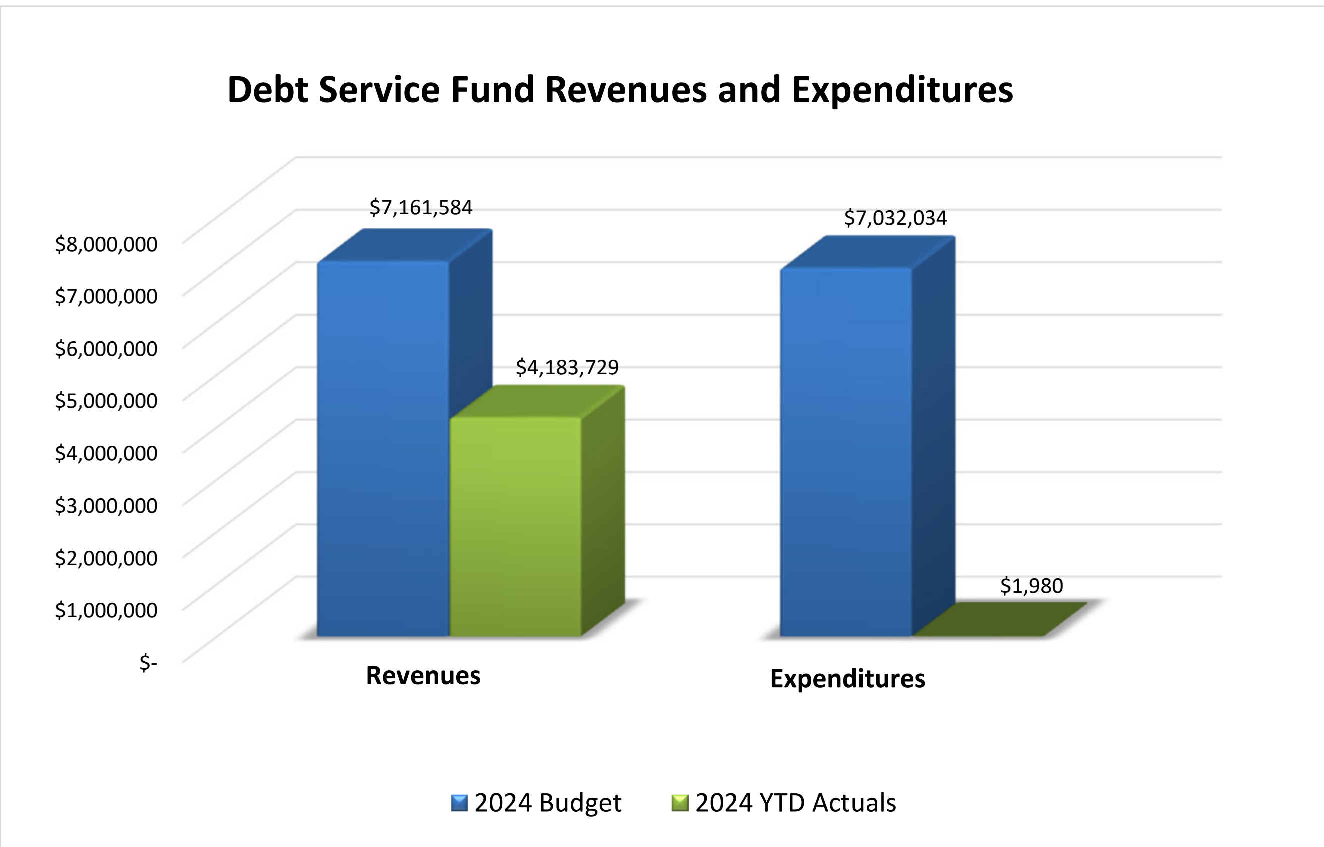


CITY OF SACHSE

DEBT SERVICE FUND SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Ad Valorem Taxes	$ 6,263,477	$ 3,542,917	$ 7,111,584	$ 4,147,910	$ 2,963,674	58.33%
Other Income	5,500	19,875	50,000	35,819	14,181	71.64%
TOTAL REVENUES	**$ 6,268,977**	**$ 3,562,792**	**$ 7,161,584**	**$ 4,183,729**	**$ 2,977,855**	**58.42%**
EXPENDITURES						
Principal	$ 4,185,000	$ -	$ 4,740,000	$ -	$ 4,740,000	0.00%
Interest	2,001,422	-	1,744,018	-	1,744,018	0.00%
Paying Agent Fees	3,000	1,000	3,000	1,980	1,020	66.00%
Financing Costs	-	-	545,016	-	545,016	0.00%
TOTAL EXPENDITURES	**$ 6,189,422**	**$ 1,000**	**$ 7,032,034**	**$ 1,980**	**$ 7,030,054**	**0.03%**

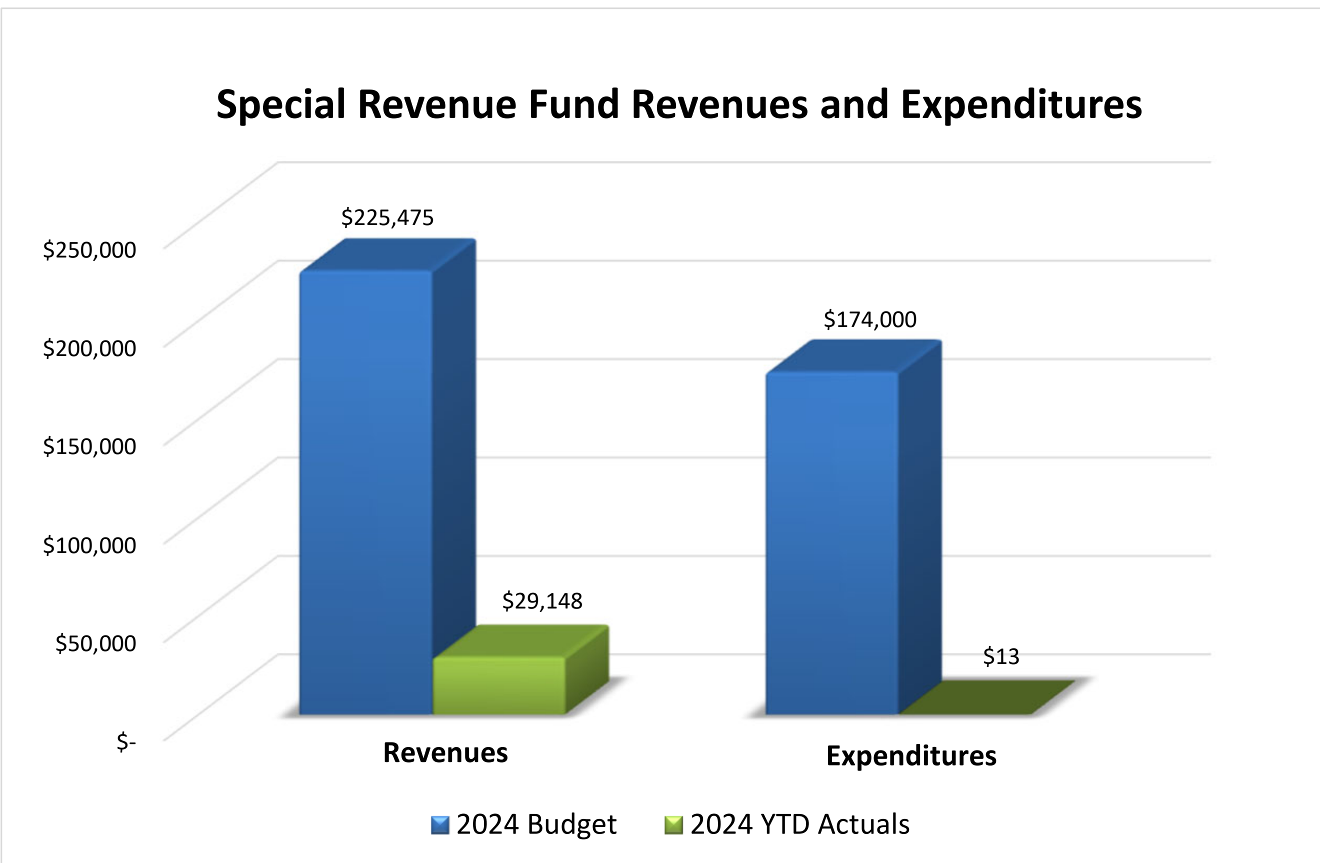


CITY OF SACHSE

SPECIAL REVENUE FUND SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Fees	$ 565,475	$ 13,249	$ 202,975	$ 18,260	$ 184,715	9.00%
Other Income	2,500	5,764	20,000	10,629	9,371	53.15%
Grants and Donations	2,500	393	2,500	258	2,242	10.32%
TOTAL REVENUES	**$ 570,475**	**$ 19,406**	**$ 225,475**	**$ 29,148**	**$ 196,327**	**12.93%**
EXPENDITURES						
Municipal Court	$ 27,500	$ 11,578	$ 26,500	$ -	$ 26,500	0.00%
Library	500	1,444	500	-	500	0.00%
Police	42,000	1,456	42,000	13	41,987	0.03%
Animal Services	10,000	-	60,000	-	60,000	0.00%
CARES Act	382,697	30,765	-	-	-	-
Police	-	-	45,000	-	45,000	0.00%
TOTAL EXPENDITURES	**$ 462,697**	**$ 45,243**	**$ 174,000**	**$ 13**	**$ 173,987**	**0.01%**



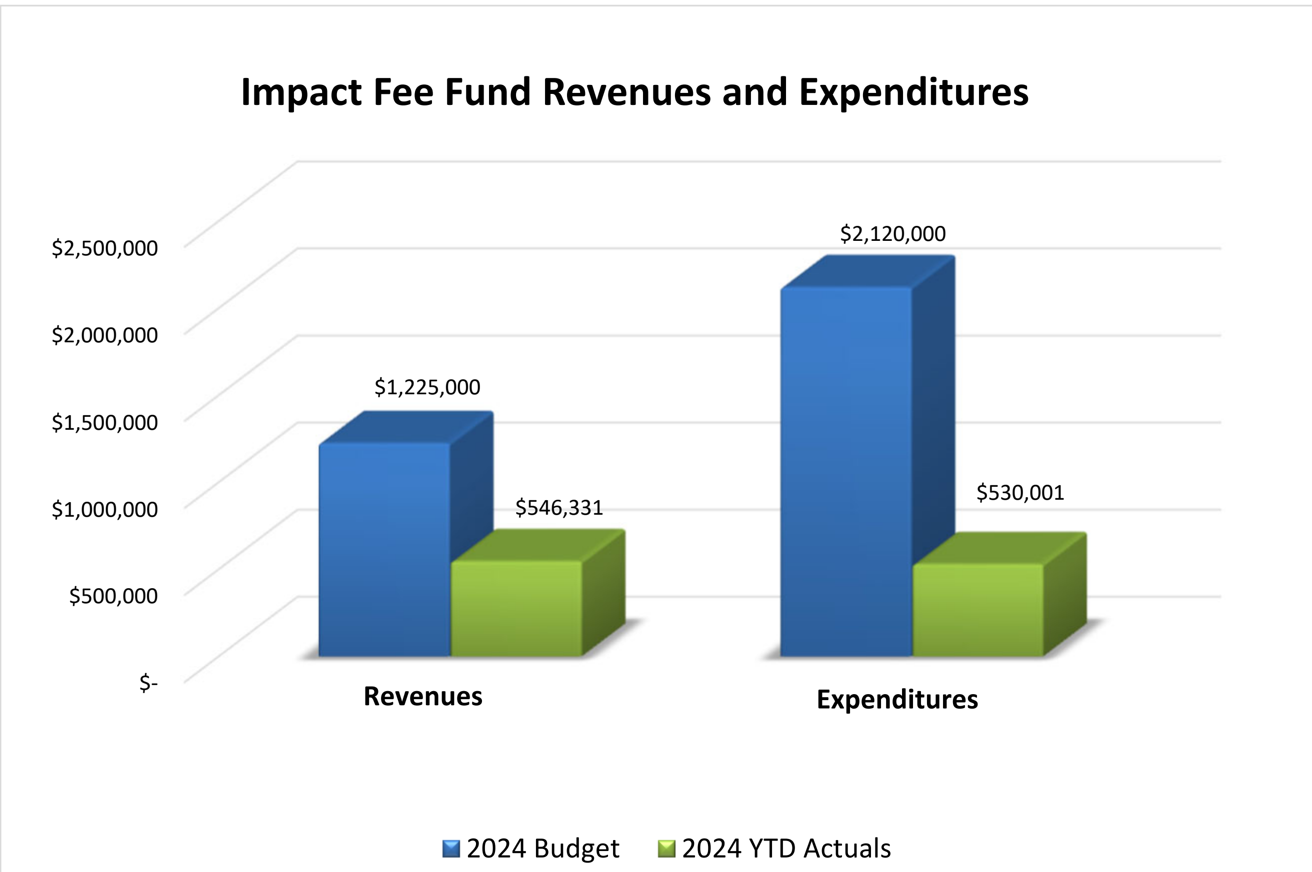
CITY OF SACHSE

IMPACT FEE FUND SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Impact Fees	$ 2,750,000	$ 47,648	$ 1,075,000	$ 434,066	$ 640,934	40.38%
Other Income	15,000	57,221	150,000	112,265	37,735	74.84%
TOTAL REVENUES	**$ 2,765,000**	**$ 104,869**	**$ 1,225,000**	**$ 546,331**	**$ 678,669**	44.60%
EXPENDITURES						
Development Agreements	$ -	$ -	$ -	$ -	$ -	-
Intragovernmental Transfers	808,175	-	2,120,000	530,001	1,589,999	25.00%
TOTAL EXPENDITURES	**$ 808,175**	**$ -**	**$ 2,120,000**	**$ 530,001**	**$ 1,589,999**	25.00%

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4103 adopted on April 3, 2023.



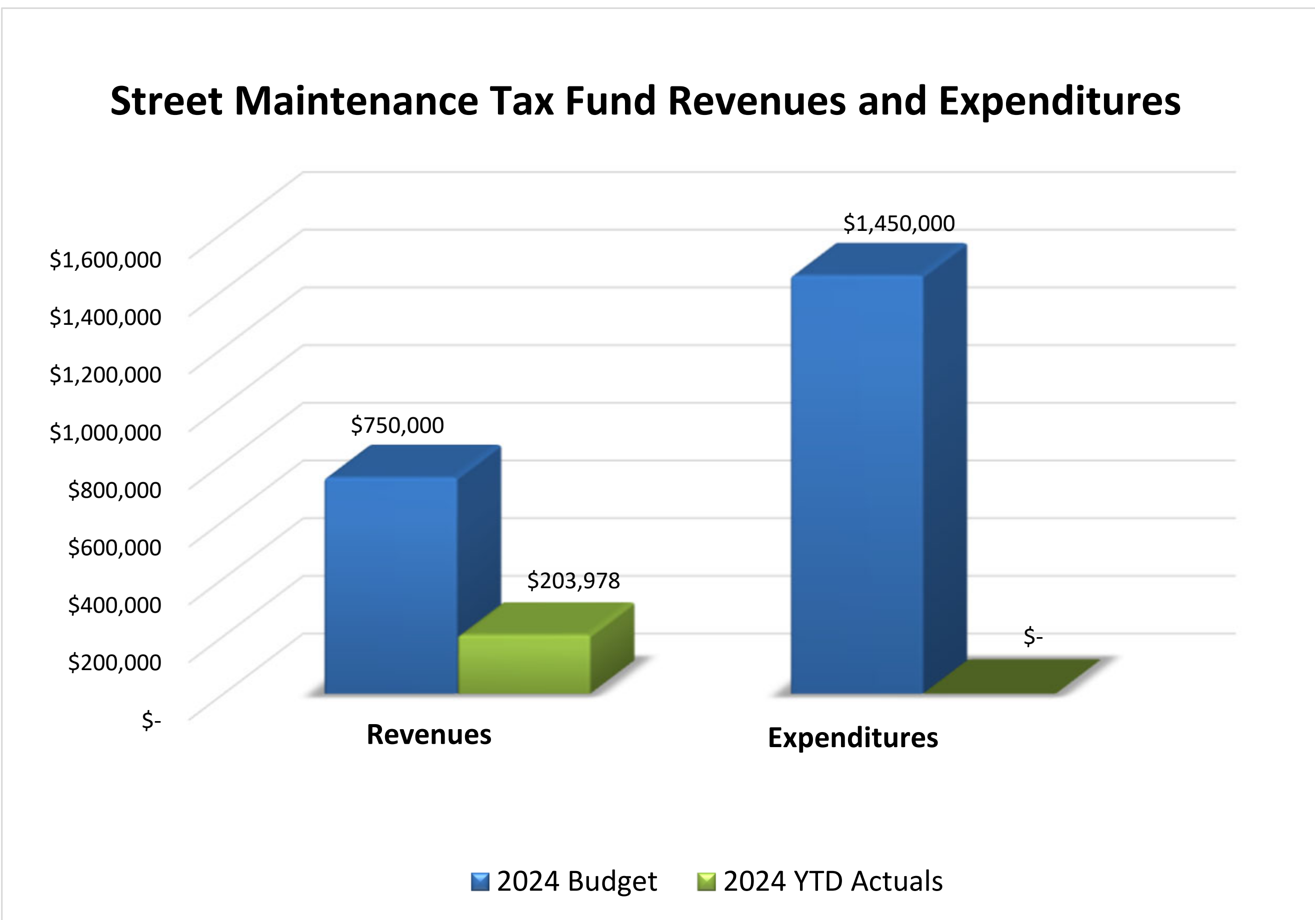
CITY OF SACHSE

STREET MAINTENANCE TAX FUND

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 650,000	$ 178,438	$ 725,000	$ 180,939	$ 544,061	24.96%
Other Income	2,500	10,285	25,000	23,040	1,960	92.16%
TOTAL REVENUES	**$ 652,500**	**$ 188,723**	**$ 750,000**	**$ 203,978**	**$ 546,022**	**27.20%**
EXPENDITURES						
Street Maintenance	$ 1,000,000	$ -	$ 1,450,000	$ -	$ 1,450,000	0.00%
TOTAL EXPENDITURES	**$ 1,000,000**	**$ -**	**$ 1,450,000**	**$ -**	**$ 1,450,000**	**0.00%**

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4103 adopted on April 3, 2023.

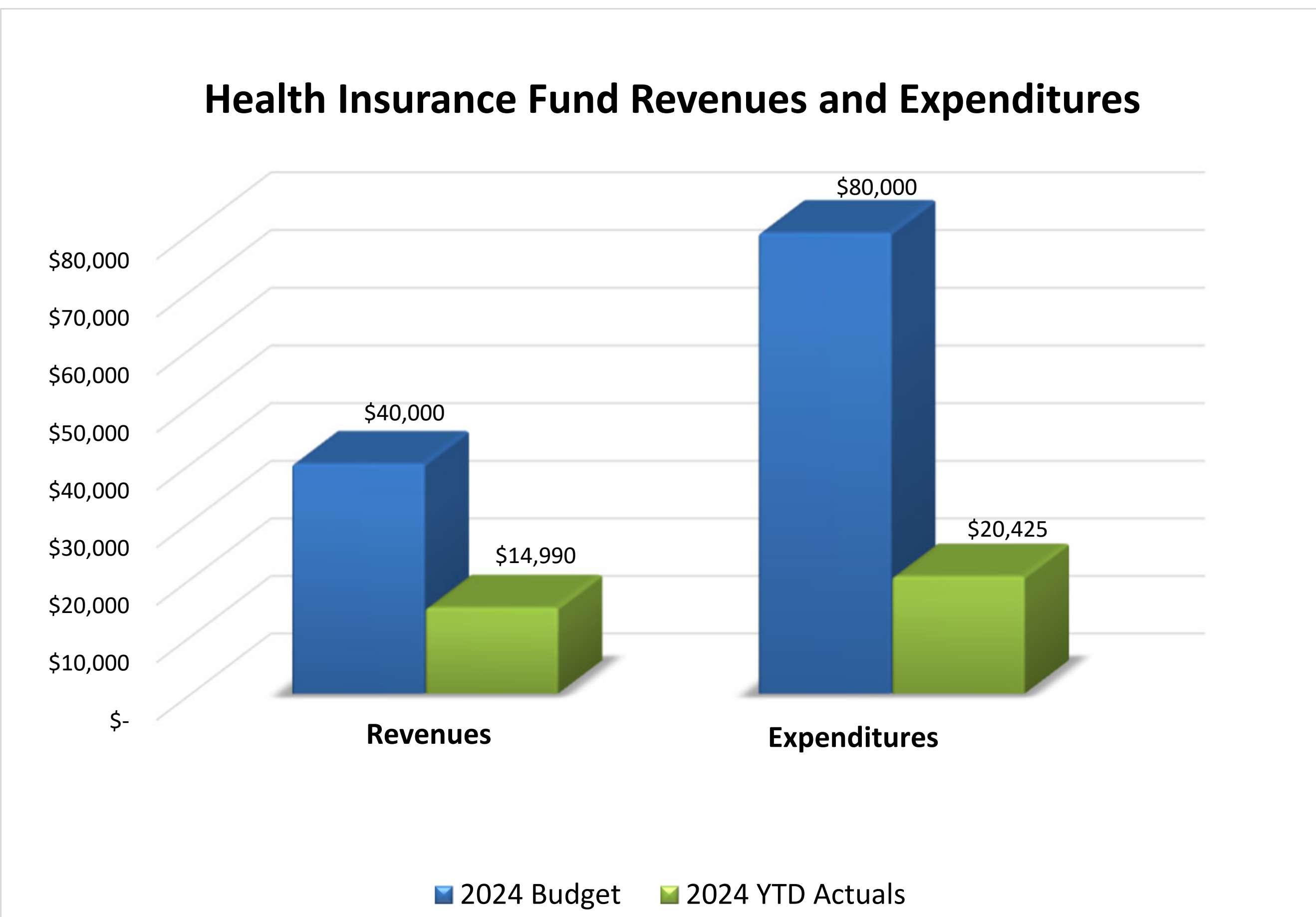


CITY OF SACHSE

HEALTH INSURANCE FUND SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Other Income	$ 2,000	$ 7,923	$ 40,000	$ 14,990	$ 25,010	37.47%
Transfers In - General Fund	2,100,474	525,117	-	-	-	-
Transfers In - Utility Fund	215,760	53,940	-	-	-	-
Transfers In - EDC	27,316	6,828	-	-	-	-
TOTAL REVENUES	**$ 2,345,550**	**$ 593,808**	**$ 40,000**	**$ 14,990**	**$ 25,010**	**37.47%**
EXPENDITURES						
Health Insurance	$ 2,202,937	$ 392,188	$ -	$ 2,085	$ (2,085)	-
Dental Insurance	70,307	14,173	-	169	(169)	-
H.R.A. Deductible Reimb.	76,000	18,047	76,000	3,891	72,109	5.12%
H.S.A. Contribution	56,500	12,823	-	-	-	-
Life and LTD Insurance	23,436	5,071	-	10,394	(10,394)	-
Employee Assistance	4,000	1,202	4,000	1,330	2,670	33.26%
Professional Services	-	-	-	2,556	(2,556)	-
TOTAL EXPENDITURES	**$ 2,433,180**	**$ 443,504**	**$ 80,000**	**$ 20,425**	**$ 59,575**	**25.53%**



CITY OF SACHSE

CAPITAL PROJECT SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

CIP NO.	PROJECT	BUDGET THRU FY 2023	FY 2024 BUDGET	BUDGET THRU FY 2024	FY 2024 YEAR-TO-DATE	PRIOR YEAR EXPENDITURES	PROJECT-TO-DATE	REMAINING PROJECT BUDGET
Roadway								
R-12-13	Merritt Rd Re-alignment & Widening	6,000,000	500,000	6,500,000	24,003	3,563,423	3,587,426	2,912,574
R-13-03	Pleasant Valley Rd	300,000	-	300,000	-	54,296	54,296	245,704
IF-21-01	Roadway Impact Fee Study	150,000	-	150,000	9,387	38,646	48,032	101,968
R-21-02	Hudson Drive	3,000,000	-	3,000,000	-	2,113,483	2,113,483	886,517
R-21-04	Bunker Hill (The Station Blvd.)	1,650,000	-	1,650,000	-	-	-	1,650,000
R-22-05	5th Street Project	3,002,000	-	3,002,000	1,043,622	1,302,902	2,346,523	655,477
R-23-02	6th Street Alley and Street Repair	350,000	-	350,000	-	-	-	350,000
R-23-03	Miscellaneous Concrete Street Repair	300,000	-	300,000	-	-	-	300,000
R-24-01	Eastview Drive - Pleasant Valley to End	-	450,000	450,000	-	-	-	450,000
R-24-02	Hilltop Trail & Meadow Lane Rehabilitation	-	600,000	600,000	-	-	-	600,000
R-24-03	Woodbridge Parkway	-	2,600,000	2,600,000	-	-	-	2,600,000
R-24-04	Traffic Signal Maintenance and Upgrades	-	120,000	120,000	-	-	-	120,000
R-24-05	Dewitt Street and Sachse Street - Ben Davis to 3rd St	-	200,000	200,000	-	-	-	200,000
R-24-06	Highridge Alley Repairs	-	200,000	200,000	-	-	-	200,000
R-OG-01	Street and Alley Maintenance (on-going)	-	450,000	450,000	25,852	-	25,852	424,148
	Subtotal Roadway	**$ 14,752,000**	**$ 5,120,000**	**$ 19,872,000**	**$ 1,102,863**	**$ 7,072,749**	**$ 8,175,613**	**$ 11,696,387**
Parks & Trails								
P-22-04	J.K. Sachse Park Construction	2,804,750	836,500	3,641,250	-	2,527,806	2,527,806	1,113,444
F-24-07	Heritage Park Expansion Projects	-	1,700,000	1,700,000	-	-	-	1,700,000
P-24-08	Joe Stone Park Restroom	-	150,000	150,000	-	-	-	150,000
T-24-09	Joe Stone Loop Trail	-	90,000	90,000	-	-	-	90,000
	Subtotal Parks & Trails	**$ 2,804,750**	**$ 2,776,500**	**$ 5,581,250**	**$ -**	**$ 2,527,806**	**$ 2,527,806**	**$ 3,053,444**
Facilities/Other								
F-23-05	Outdoor Warning Sirens	120,000	-	120,000	-	-	-	120,000
F-24-10	Opticom Traffic Signal Upgrades	-	200,000	200,000	-	-	-	200,000
F-24-11	City Facility Maintenance and Repairs	-	300,000	300,000	8,163	-	8,163	291,838
F-24-12	Public Works/Parks Facility	-	6,000,000	6,000,000	-	-	-	6,000,000
F-24-13	Comprehensive Plan Update	-	300,000	300,000	-	-	-	300,000
	Subtotal Facilities	**$ 120,000**	**$ 6,800,000**	**$ 6,920,000**	**$ 8,163**	**$ -**	**$ 8,163**	**$ 6,911,838**
Neighborhood Services								
NS-23-08	Hudson Crossing Screening Wall Replacement	$ 60,000	$ 820,000	$ 880,000	$ 638,531	$ 54,515	$ 693,046	$ 186,954
	Subtotal Neighborhood Services	**$ 60,000**	**$ 820,000**	**$ 880,000**	**$ 638,531**	**$ 54,515**	**$ 693,046**	**$ 186,954**
Bond Proposition 2021								
BP-21-A01	Sachse Rd Phase 2	$ 1,700,000	$ -	$ 1,700,000	$ -	$ 352	$ 352	$ 1,699,648
BP-21-B01	Streets & Roads - Bailey-Hooper Road	10,660,000	-	10,660,000	108,004	608,022	716,026	9,943,974
BP-21-C01	Neighborhood Package	675,000	-	675,000	-	352	352	674,648
BP-21-D01	Animal Shelter	5,000,000	-	5,000,000	1,006,276	1,562,112	2,568,389	2,431,611
	Subtotal Bond Proposition 2021	**$ 18,035,000**	**$ -**	**$ 18,035,000**	**$ 1,114,280**	**$ 2,170,839**	**$ 3,285,119**	**$ 14,749,881**
Water								
W-14-01	Maxwell Creek Pump Station	5,765,000	-	5,765,000	868,971	2,740,691	3,609,663	2,155,337
W-14-02	Pleasant Valley Water Line Design	450,000	-	450,000	-	26,015	26,015	423,985
W-14-07	8-inch WL 3rd Street from SH 78 to Ingram	80,000	-	80,000	-	-	-	80,000
W-14-08	8-inch WL Cartwright from 3rd Street to Big Valley	50,000	-	50,000	-	-	-	50,000
W-21-05	Public Works Pump Station Generator	680,000	-	680,000	170,000	302,327	472,327	207,673
W-21-07	5th Street District Improvements	450,000	-	450,000	151,275	113,033	264,308	185,692
W-21-08	Hilltop Trail/Meadow Lane Utility Rehab	450,000	-	450,000	-	147,100	147,100	302,900
W-24-14	3rd Street - SH 78 to Ingram	-	130,000	130,000	-	-	-	130,000
W-24-15	Tank Maintenance and Cleaning	-	65,000	65,000	-	-	-	65,000
W-24-16	Public Works Pump Station - Installation/Upgrades	-	800,000	800,000	-	-	-	800,000
	Subtotal Water	**$ 7,925,000**	**$ 995,000**	**$ 8,920,000**	**$ 1,190,246**	**$ 3,329,167**	**$ 4,519,413**	**$ 4,400,587**
Sewer								
SS-12-09	SE Sewer Exp: Trunk Line - Sachse Rd to SE Lift Station	$ 5,000,000	$ -	$ 5,000,000	$ -	$ 163,559	$ 163,559	4,836,441
SS-18-01	Ingram Rd Sewer Relief	200,000	-	200,000	-	-	-	200,000
SS-21-10	Sable Hills Lift Station Expansion	$ 1,101,000	$ -	$ 1,101,000	$ 32,650	$ 909,663	$ 942,313	158,687
SS-21-11	Hilltop Trail/Meadow Lane Utility Rehab	2,450,000	-	2,450,000	44,450	-	44,450	2,405,550
SS-21-12	Sewer Rehab Hwy 78 at old City Hall	$ 249,000	$ -	$ 249,000	$ -	$ -	$ -	249,000
SS-24-18	SE Sewer Expansion: Trunk Line A - Sachse Rd to SE Lift Station	-	11,865,000	11,865,000	-	-	-	11,865,000
SS-24-19	Sewer Manhole Odor and Gas Remediation	-	200,000	200,000	-	-	-	200,000
	Subtotal Sewer	**$ 9,000,000**	**$ 12,065,000**	**$ 21,065,000**	**$ 77,100**	**$ 1,073,223**	**$ 1,150,323**	**$ 19,914,677**
Drainage								
D-17-15	Vickburg Drainage Easement	$ 451,409	$ -	$ 451,409	$ -	$ 63,519	$ 63,519	387,890
D-22-02	Third Garland Connection Creek Stabilization	1,615,000	120,000	1,735,000	745,106	861,386	1,606,492	128,508
D-22-03	Sachse South Drainage Study	75,000	-	75,000	-	58,050	58,050	16,950
D-23-04	Small Drainage Projects	80,000	-	80,000	-	-	-	80,000
D-24-20	Stormwater Utility Rate Study	-	200,000	200,000	-	-	-	200,000
	Subtotal Drainage	**$ 2,221,409**	**$ 320,000**	**$ 2,541,409**	**$ 745,106**	**$ 982,955**	**$ 1,728,062**	**$ 813,347**
	TOTAL CAPITAL PROJECTS	**$ 54,918,159**	**$ 28,896,500**	**$ 83,814,659**	**$ 4,876,289**	**$ 17,211,254**	**$ 22,087,543**	**$ 61,727,116**

(C) - Project closed

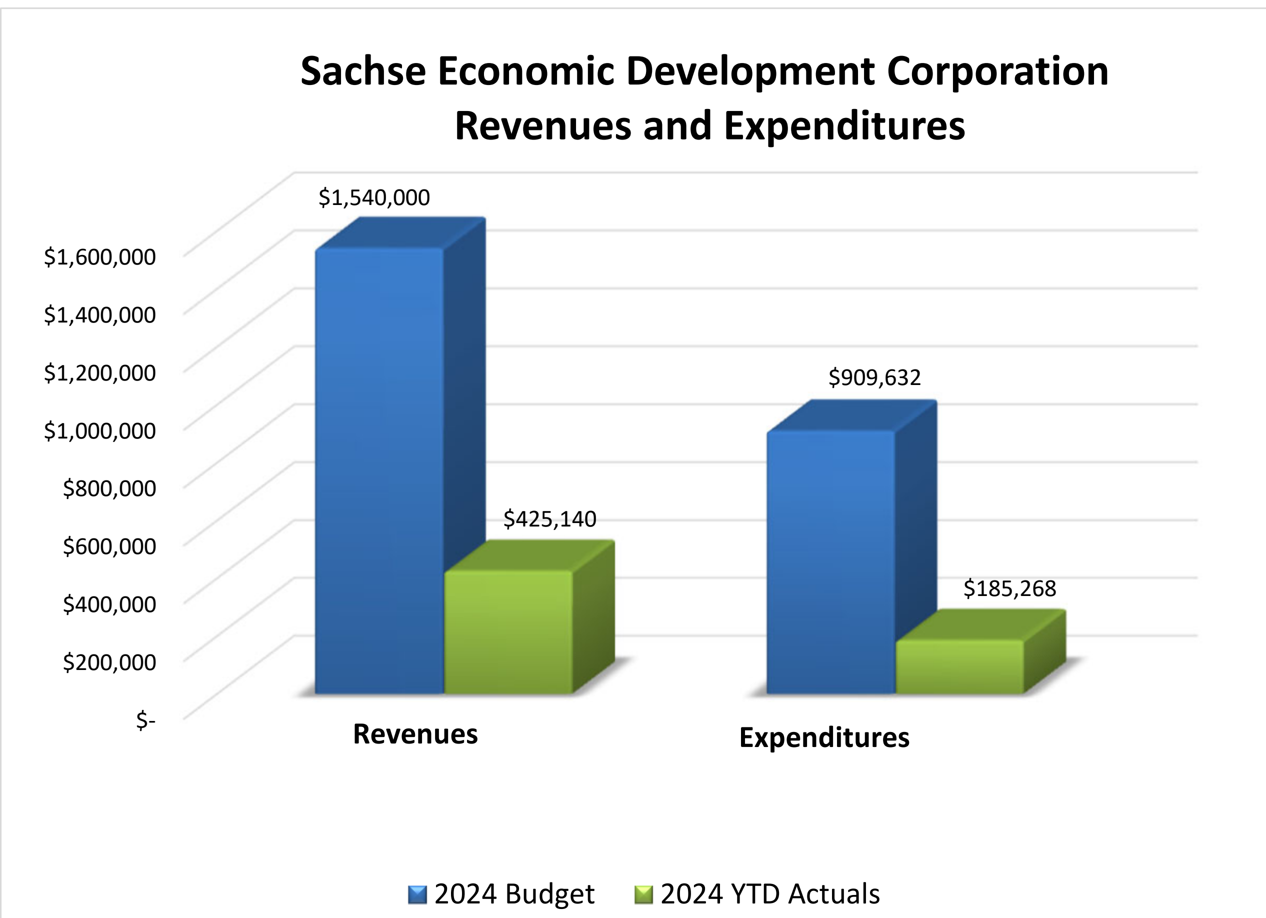
CITY OF SACHSE

SACHSE ECONOMIC DEVELOPMENT CORPORATION SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 1,300,000	$ 356,876	$ 1,430,000	$ 361,878	$ 1,068,122	25.31%
Other Income	17,000	38,023	110,000	63,262	46,738	57.51%
TOTAL REVENUES	**$ 1,317,000**	**$ 394,899**	**$ 1,540,000**	**$ 425,140**	**$ 1,114,860**	**27.61%**
EXPENDITURES						
Personnel	$ 220,175	$ 32,362	$ 211,618	$ 50,610	$ 161,008	23.92%
Supplies and Materials	123,954	39,944	85,334	14,697	70,637	17.22%
Maintenance and Repairs	1,000	18	53,020	35,221	17,799	66.43%
Contractual Services	172,425	21,002	186,865	16,541	170,324	8.85%
Capital Outlays and Projects	-	-	150,000	37,500	112,500	25.00%
Business Grant Program	703,883	-	100,000	-	100,000	0.00%
Operating Transfer Out - GF	118,803	29,700	122,795	30,699	92,096	25.00%
Business Grant Program	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 1,340,240**	**$ 123,026**	**$ 909,632**	**$ 185,268**	**$ 724,364**	**20.37%**

Note - FY 2023 budget includes City Council-approved budget amendment - Ordinance 4122 adopted on September 18, 2023.

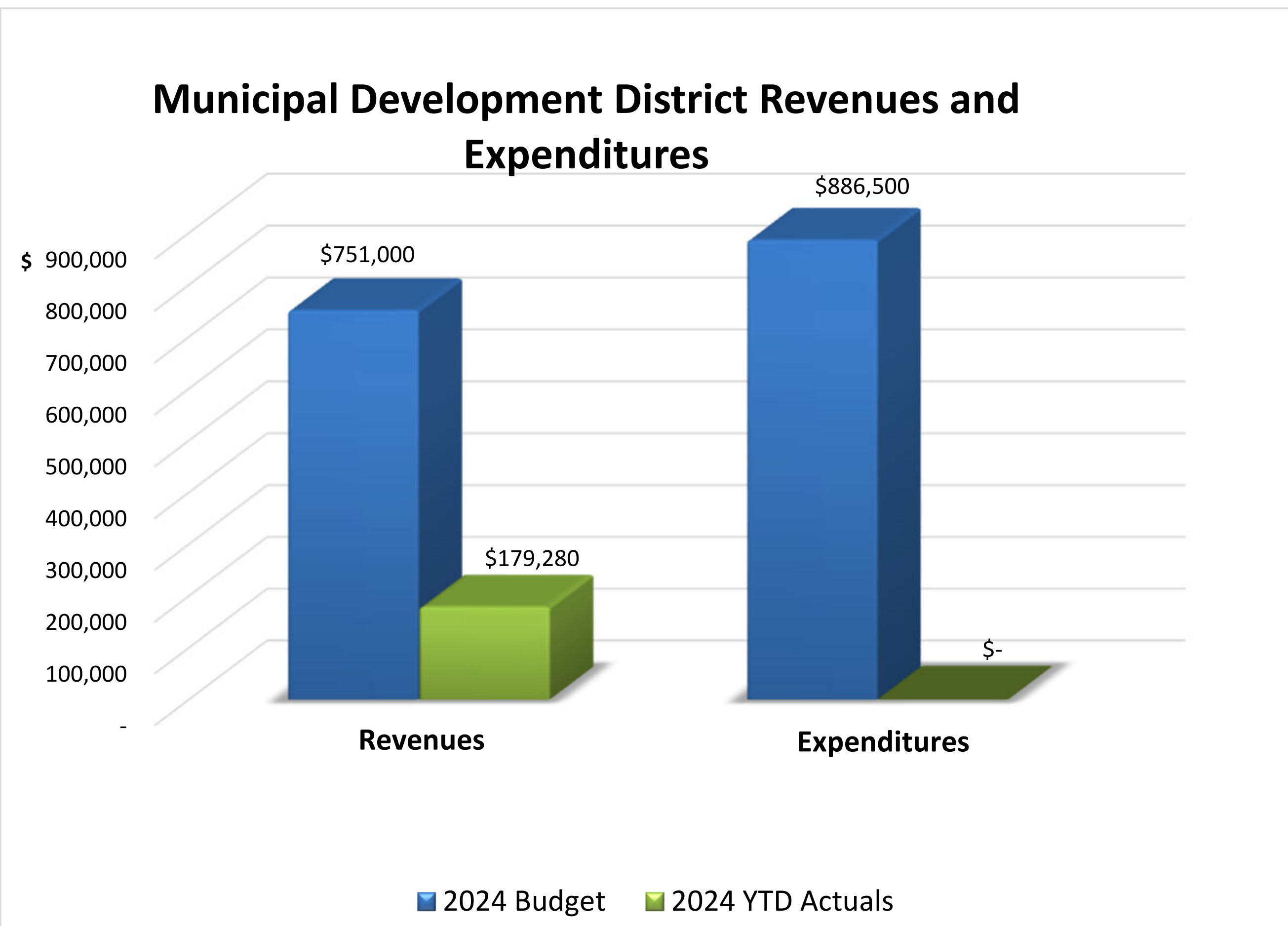


CITY OF SACHSE

MUNICIPAL DEVELOPMENT DISTRICT SUMMARY

QUARTER ENDED 12/31/2023 - 25% OF YEAR COMPLETE (UNAUDITED)

	FY 2023 BUDGET	FY 2023 YEAR-TO-DATE	FY 2024 BUDGET	FY 2024 YEAR-TO-DATE	BUDGET REMAINING	% OF BUDGET
REVENUES						
Sales Tax	$ 775,000	$ 173,125	$ 750,000	$ 175,996	$ 574,004	23.47%
Interest Income	-	617	1,000	3,284	(2,284)	328.36%
Other Agency Grants	-	-	-	-	-	-
Transfers In - Utility Fund	-	-	-	-	-	-
TOTAL REVENUES	**$ 775,000**	**$ 173,742**	**$ 751,000**	**$ 179,280**	**$ 571,720**	**23.87%**
EXPENDITURES						
Park Repairs and Maintenance	$ -	$ -	$ 50,000	$ -	$ 50,000	0.00%
Professional Services	-	2,392	-	-	-	-
Park Improvements	-	-	-	-	-	-
J.K. Sachse Park	778,250	494,497	836,500	-	836,500	0.00%
Building Renovations	-	-	-	-	-	-
TOTAL EXPENDITURES	**$ 778,250**	**$ 496,888**	**$ 886,500**	**$ -**	**$ 886,500**	**0.00%**



Finance Department Memo

To: **Gina Nash, City Manager**

From: David Baldwin, Director of Finance

Ryan Bredehoeft, Assistant Director of Finance

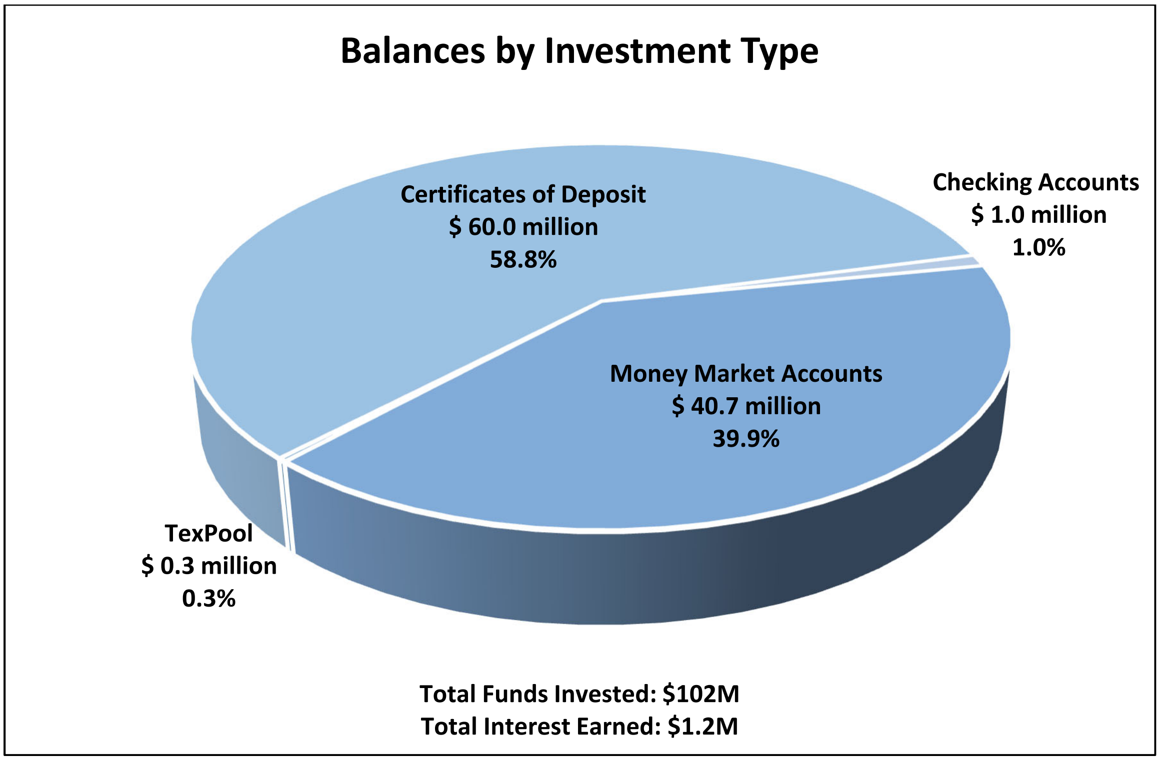
Katelyn Ellis, Senior Accountant

CC: Mayor and City Council

Date: March 4, 2024

Re: **Investment Report for the quarter ending December 31, 2023**

Attached is the Quarterly Investment Report for the quarter ending December 31, 2023. 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	5.56%
TexPool	5.37%
Certificates of Deposit	5.17%

Average interest rate yield	5.27%
TexPool (benchmark)	5.37%

QUARTERLY INVESTMENT REPORT

For the Quarter Ended

December 31, 2023

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, 2023 Book Value	September 30, 2023 Market Value	December 31, 2023 Book Value	December 31, 2023 Market Value	Ave. Yield
Demand Deposit/ Money Market/Pool	$ 34,589,332	$ 34,589,332	$ 42,056,757	$ 42,056,757	5.42%
CDs/Securities	59,445,297	59,445,297	60,028,446	60,028,446	5.17%
Totals	**$ 94,034,629**	**$ 94,034,629**	**$ 102,085,203**	**$ 102,085,203**	5.27%

Current Quarter Average Yield ***(1)***		**Fiscal Year-to-Date Average Yield** ***(2)***	
Total Portfolio	5.27%	Total Portfolio	5.27%
Weighted Average Maturity	118 days		
Rolling Three Month Treasury	5.53%	Rolling Three Month Treasury	5.53%
Rolling Six Month Treasury	5.49%	Rolling Six Month Treasury	5.49%
TexPool	5.37%	TexPool	5.37%

Interest Earnings (Approximate)

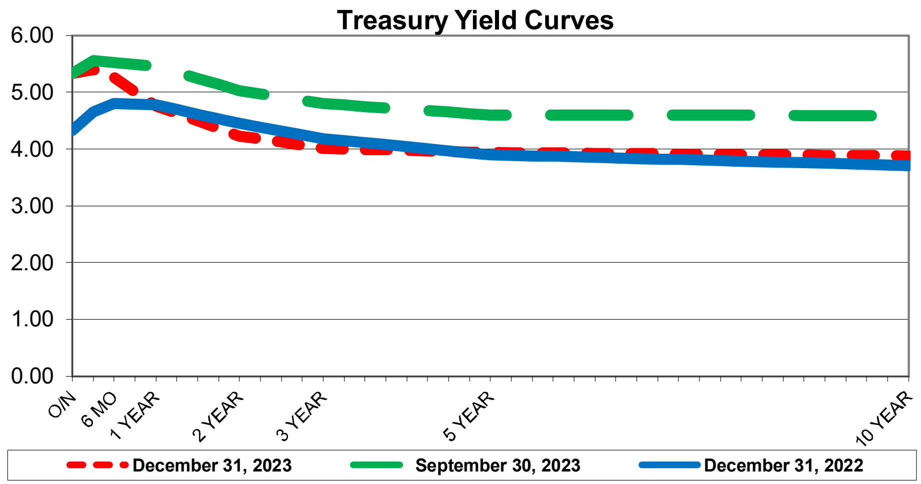
	City	EDC
Interest Earnings QTR	$ 1,131,099	$ 63,767
Interest Earnings YTD	$ 1,131,099	$ 63,767

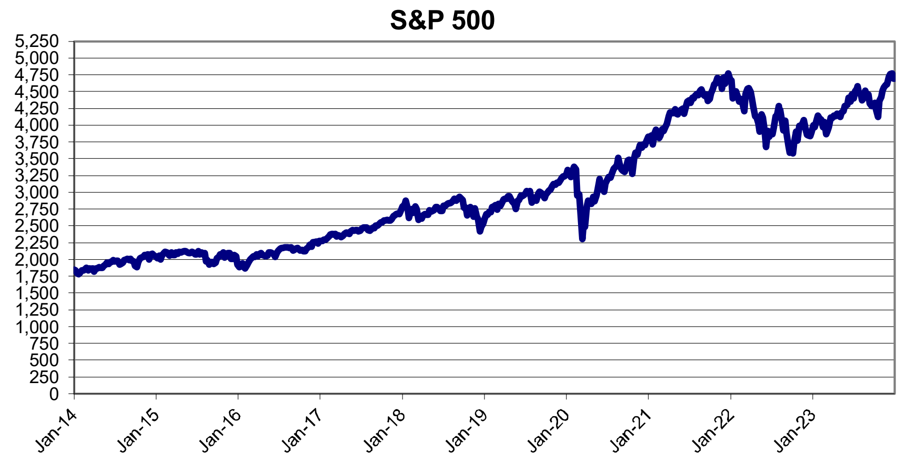
(1) Current Quarter Weighted Average Yield - calculated using quarter end report yields and adjusted book values and does not reflect a total return analysis; realized and unrealized gains/losses and investment advisory fees are not considered. The yield for the reporting month is used for bank, pool,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

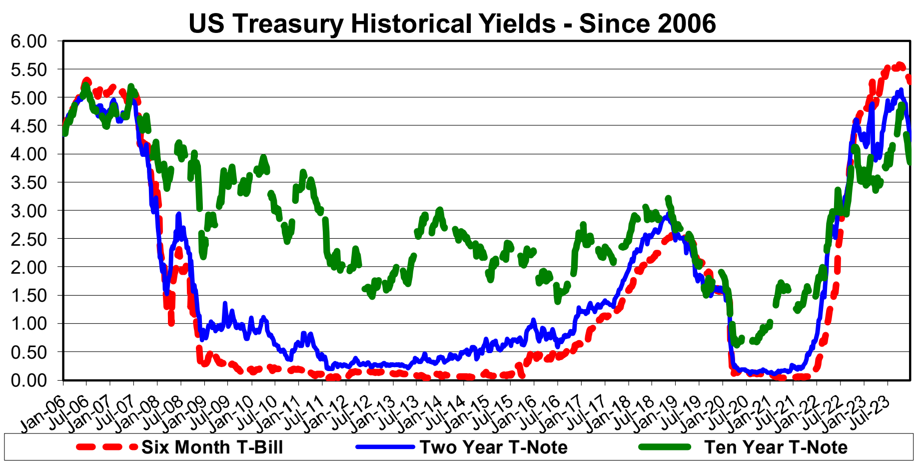
Economic Overview

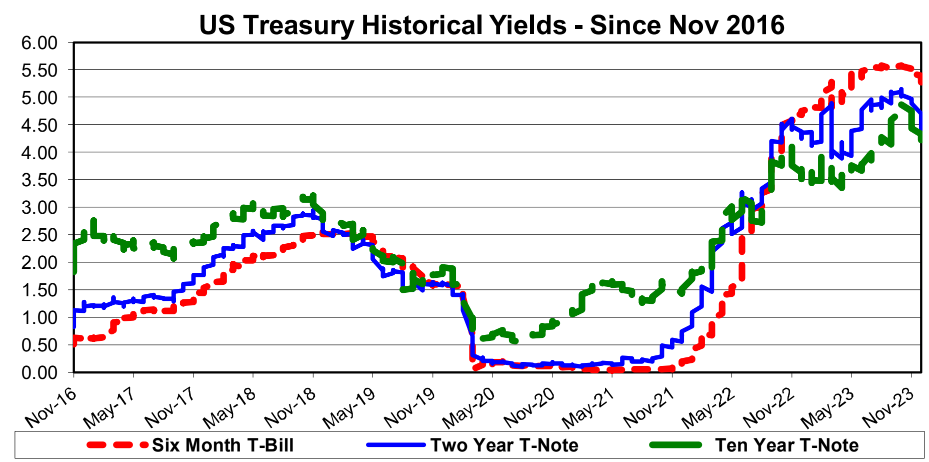
12/31/2023

The Federal Open Market Committee (FOMC) maintained the Fed Funds target range 5.25% - 5.50% (Effective Fed Funds are trading +/-5.33%). Any additional actions, up or down, will be data-dependent. Final Third Quarter 2023 GDP revised downward to 4.9%, but still robust growth. December Non-Farm Payroll posted 216k new jobs (above the estimated 170k). The Three Month Rolling Average declined to 165k. The S&P 500 Stock Index reached a new peak trading over 4,770 (exceeding 4,766 in Dec 2021). The yield curve shifted lower anticipating future FOMC target reductions. Crude Oil stabilized at +/-$73 per barrel. Inflation continued to decline but still remained above the FOMC 2% target (Core PCE +/-3.2% and Core CPI +/-4.0%). Reduced global economic outlooks and ongoing/expanding military conflicts increase uncertainty.









Investment Holdings
December 31, 2023

Description	Rating	Coupon/ Discount	Maturity Date	Settlement Date	Book Value	Market Price	Market Value	Life (days)	Yield
Checking Accounts									
American Nat'l Bank of Texas Checking		0.00%	01/01/24	12/31/23	$ 1,014,755	1.00	$ 1,014,755	1	0.00%
Money Market Accounts									
American Nat'l Bank of Texas		3.92%	01/01/24	12/31/23	452,500	1.00	452,500	1	3.92%
NexBank IntraFi		5.60%	01/01/24	12/31/23	29,690,709	1.00	29,690,709	1	5.60%
Texas Bank		5.50%	01/01/24	12/31/23	10,604,470	1.00	10,604,470	1	5.50%
Local Government Investment Pools									
TexPool	AAAm	5.37%	01/01/24	12/31/23	294,323	1.00	294,323	1	5.37%
Certificates of Deposit									
Veritex Community Bank 5162		4.87%	01/09/24	01/09/23	3,142,498	100.00	3,142,498	9	4.87%
Veritex Community Bank 5165		4.84%	01/23/24	01/23/23	7,317,451	100.00	7,317,451	23	4.84%
American Nat'l Bank & Trust 7350		4.25%	03/07/24	10/07/22	5,253,807	100.00	5,253,807	67	4.33%
East West Bank 3409		5.47%	03/12/24	06/12/23	3,092,662	100.00	3,092,662	72	5.62%
East West Bank 0248		5.57%	04/05/24	07/05/23	5,139,235	100.00	5,139,235	96	5.73%
East West Bank 1557		5.31%	06/13/24	06/13/23	5,149,104	100.00	5,149,104	165	5.45%
East West Bank 3829		5.48%	07/05/24	07/05/23	5,136,955	100.00	5,136,955	187	5.63%
American Nat'l Bank & Trust 7787		4.50%	07/24/24	01/24/23	6,251,745	100.00	6,251,745	206	4.59%
East West Bank 6187		5.61%	10/07/24	10/05/23	7,390,773	100.00	7,390,773	281	5.77%
Texas Bank 0374		4.94%	12/19/24	12/21/23	6,008,932	100.00	6,008,932	354	5.06%
BOK Financial 3645		4.93%	06/12/25	06/15/23	1,027,363	100.00	1,027,363	529	5.05%
BOK Financial 2643		4.93%	07/03/25	07/06/23	512,228	100.00	512,228	550	5.05%
BOK Financial 3602		4.93%	07/10/25	07/13/23	4,605,694	100.00	4,605,694	557	5.05%
					$ 102,085,203		**$ 102,085,203**	**118**	**5.27%**
								(1)	**(2)**

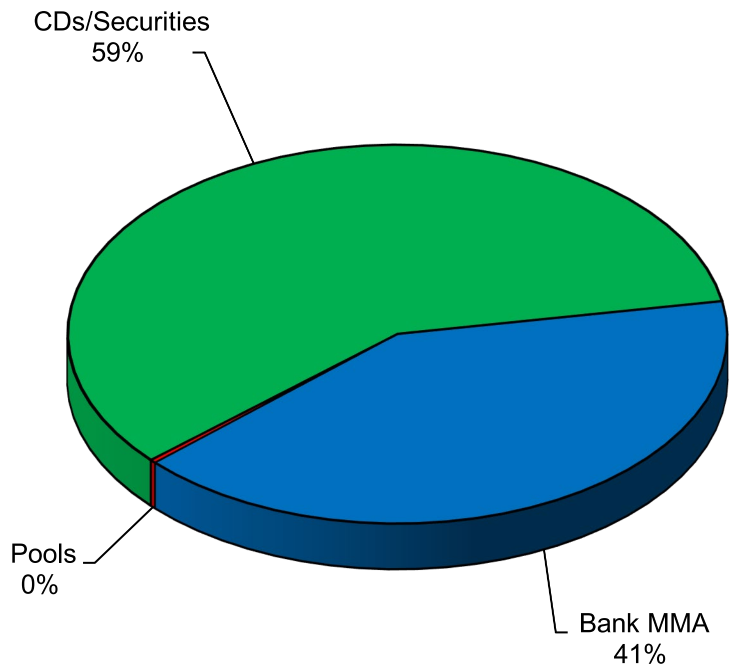
(1) Weighted average life - For purposes of calculating weighted average life, pool investments are assumed to have a one day maturity.

(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.

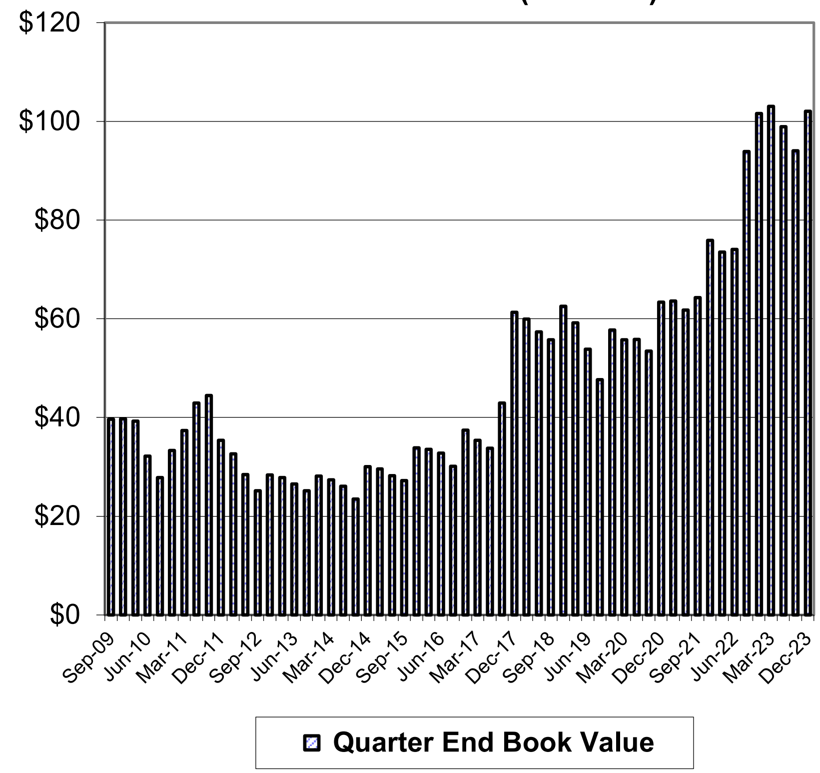
Book & Market Value Comparison

Issuer/Description	Yield	Maturity Date	Book Value 09/30/23	Increases	Decreases	Book Value 12/31/23	Market Value 09/30/23	Change in Market Value	Market Value 12/31/23
Checking Accounts									
American Nat'l Bank of Texas	0.00%	01/01/24	$ 485,666	$ 529,089	$ –	$ 1,014,755	$ 485,666	$ 529,089	$ 1,014,755
Money Market Accounts									
American Nat'l Bank of Texas	3.92%	01/01/24	448,185	4,316	–	452,500	448,185	4,316	452,500
NexBank IntraFi	5.60%	01/01/24	22,906,296	6,784,413	–	29,690,709	22,906,296	6,784,413	29,690,709
Texas Bank	5.50%	01/01/24	10,458,809	145,662	–	10,604,470	10,458,809	145,662	10,604,470
Local Government Investment Pools									
TexPool	5.37%	01/01/24	290,377	3,946	–	294,323	290,377	3,946	294,323
Certificates of Deposit									
East West Bank 6187	4.16%	10/05/23	7,288,230	–	(7,288,230)	–	7,288,230	(7,288,230)	–
East West Bank 9276	5.79%	12/12/23	3,051,802	–	(3,051,802)	–	3,051,802	(3,051,802)	–
East West Bank 1060	5.97%	12/12/23	3,052,380	–	(3,052,380)	–	3,052,380	(3,052,380)	–
Veritex Community Bank 5162	4.87%	01/09/24	3,105,672	36,825	–	3,142,498	3,105,672	36,825	3,142,498
Veritex Community Bank 5165	4.84%	01/23/24	7,232,055	85,396	–	7,317,451	7,232,055	85,396	7,317,451
American Nat'l Bank & Trust 7350	4.33%	03/07/24	5,198,529	55,278	–	5,253,807	5,198,529	55,278	5,253,807
East West Bank 3409	5.62%	03/12/24	3,050,318	42,344	–	3,092,662	3,050,318	42,344	3,092,662
East West Bank 0248	5.73%	04/05/24	5,067,593	71,642	–	5,139,235	5,067,593	71,642	5,139,235
East West Bank 1557	5.45%	06/13/24	5,080,651	68,452	–	5,149,104	5,080,651	68,452	5,149,104
East West Bank 3829	5.63%	07/05/24	5,066,494	70,462	–	5,136,955	5,066,494	70,462	5,136,955
American Nat'l Bank & Trust 7787	4.59%	07/24/24	6,182,127	69,618	–	6,251,745	6,182,127	69,618	6,251,745
East West Bank 6187	5.77%	10/07/24	–	7,390,773	–	7,390,773	–	7,390,773	7,390,773
Texas Bank 0374	5.06%	12/19/24	–	6,008,932	–	6,008,932	–	6,008,932	6,008,932
BOK Financial 3645	5.05%	06/12/25	1,014,684	12,679	–	1,027,363	1,014,684	12,679	1,027,363
BOK Financial 2643	5.05%	07/03/25	505,906	6,321	–	512,228	505,906	6,321	512,228
BOK Financial 3602	5.05%	07/10/25	4,548,855	56,839	–	4,605,694	4,548,855	56,839	4,605,694
TOTAL / AVERAGE	**5.27%**		**$ 94,034,629**	**$ 21,442,987**	**$ (13,392,413)**	**$ 102,085,203**	**$ 94,034,629**	**$ 8,050,574**	**$ 102,085,203**

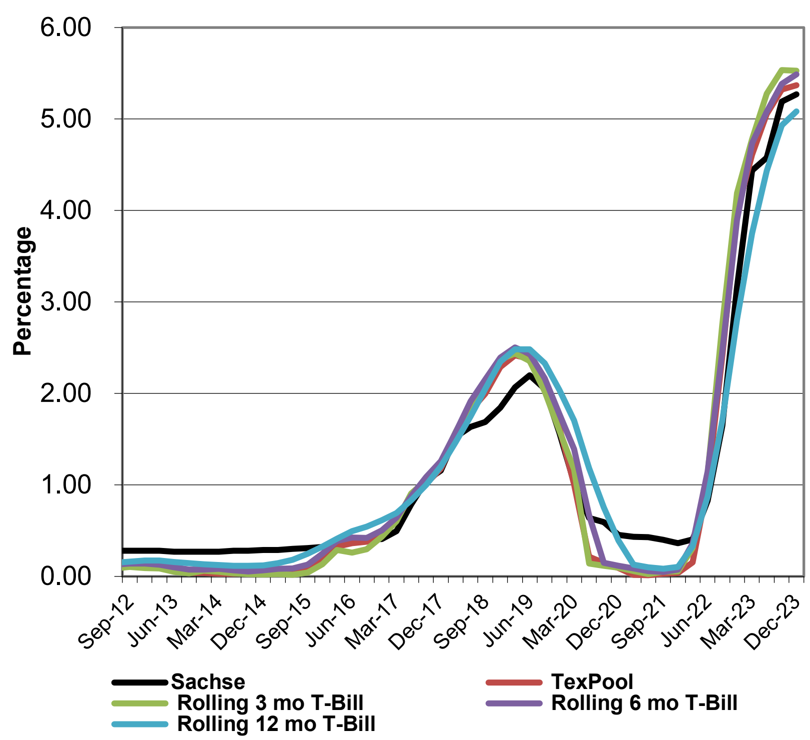
Portfolio Composition



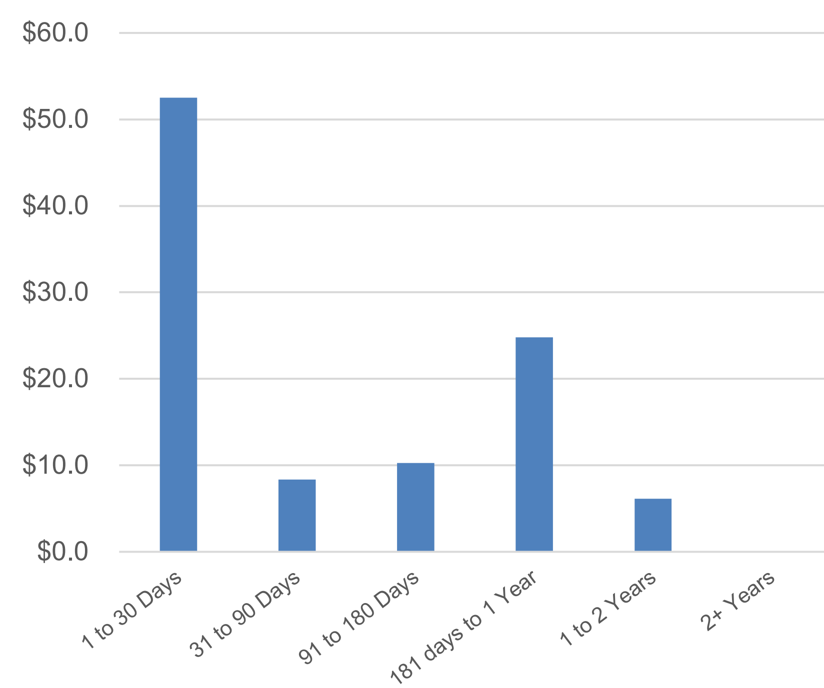
Total Portfolio (Millions)



Total Portfolio Performance



Distribution by Maturity (Millions)



FUND EQUITY IN POOLED CASH AND INVESTMENT

FUND	FUND NAME	9/30/2023	12/31/2023	Percent	Quarterly Change
01	General Fund	$ 16,859,000	$ 19,727,742	19.33%	$ 2,868,741
02	Utility Fund	23,275,918	22,820,568	22.36%	(455,350)
03	Debt Service	1,416,090	5,597,589	5.48%	4,181,499
04	Capital Projects	8,702,338	11,846,895	11.60%	3,144,557
05	Special Revenue Fund	847,919	853,502	0.84%	5,583
06	Sachse Economic Development (EDC)	4,927,905	5,181,153	5.08%	253,248
09	TIRZ 1 - PGBT	11,015	10,150	0.01%	(865)
10	Impact Fees	9,010,239	9,015,791	8.83%	5,551
11	Street Maintenance	1,727,164	1,930,974	1.89%	203,810
12	Vehicle Equipment Replacement Fund (VERF)	2,314,324	2,492,391	2.44%	178,067
13	Sachse Municipal Development District (MDD)	149,890	329,177	0.32%	179,288
14	TIRZ 2 - The Station	679,046	170,255	0.17%	(508,791)
15	Health Insurance	1,737,789	950,459	0.93%	(787,330)
16	Station O&M PID	21,629	119,685	0.12%	98,056
17	American Rescue Plan Act (ARPA)	4,708,972	4,167,657	4.08%	(541,316)
18	Hotel Occupancy Tax	26,892	34,284	0.03%	7,393
19	TIRZ 3 - Highway 78	528,090	534,591	0.52%	6,501
21	2022 Bond Construction Fund	17,090,409	16,302,342	15.97%	(788,067)
	TOTAL POOLED CASH AND INVESTMENTS	**$ 94,034,629**	**$ 102,085,203**	**100.00%**	**$ 8,050,574**

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 (although may be subject to an early withdrawal penalty). The City's funds are swept into the above accounts and are withdrawn as needed for operational cash flow requirements.

E. Regular Agenda Items

Subject	**1. Receive the City's Annual Comprehensive Financial Report (ACFR) and Federal Single Audit Report for the fiscal year ending September 30, 2023.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Reports
Goals	Be a model of financial stewardship through growth management, responsible investment, and financial transparency.

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. Additionally, a Single Audit is required when the City expends $750,000 or more in federal award funds during the fiscal year. A Single Audit Report 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, 2023, and has issued an unmodified or "clean" opinion. Additionally, BWC has audited the City's compliance with requirements identified as subject to audit in the OMB Compliance Supplement for the fiscal year ending September 30, 2023, and has issued an unmodified or "clean" opinion with no findings.

Louis Breedlove of BWC will provide highlights and comments on the ACFR, the Single Audit Report, and the 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) and the Federal Single Audit Report for the fiscal year ending September 30, 2023. No action is necessary with this item.

File Attachments
E1.1 Presentation_Audit_Sachse FY23.pdf (669 KB)
E1.2 Sachse FY23 ACFR.pdf (8,368 KB)
E1.3 Sachse FY23 Single Audit Report.pdf (940 KB)

Sachse, Texas
Audit Presentation
September 30, 2023

Presented By: Louis Breedlove, Senior Audit Manager

BW&C
CERTIFIED PUBLIC ACCOUNTANTS

OVERVIEW OF THE AUDIT PROCESS

Audit Standards: The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS) & Generally Accepted Government Auditing Standards (GAGAS).

City processes and controls are evaluated and examined as part of audit assessment procedures.

We use a risk-based approach in which we identified potential areas of risk that could lead to material misstatement of the financial statements.

Performed testing over the City's compliance with provisions with laws, regulations, contracts and grant agreements, including items such as compliance with Public Funds Investment Act (PFIA).

Balances are agreed to underlying reports, and testing is performed to assure those balances are materially accurate.

The results of testing procedures are evaluated. The report is prepared, in addition to the required letters of communication.

Assessment
Processes and controls are evaluated

Risk-Based Approach
Potential areas of risk are identified

Compliance Testing
Test compliance with laws and regulations

Fieldwork
Test accuracy of financial information

Conclusion & Reporting
Evaluation and communication of results

COMPONENTS OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

- Introductory
- Financial
  - Auditor's Opinion (unmodified)
  - Management's Discussion and Analysis
  - Financial Statements
  - Notes to the Financial Statements
  - Supplementary Information
- Statistical Section

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, 2022

Christopher P. Morrill

Executive Director/CEO

Opinion Types

- Unmodified
- Qualified
- Disclaimed
- Adverse

Unmodified/Clean

Highest level of assurance

BW&C

Financial Highlights

Governmental Fund Balances

	9/30/2022	9/30/2023	$ Change
General Fund	$16,001,938	$ 16,236,682	$ 234,744
Debt Service Fund	$ 1,165,246	$ 1,415,879	$ 250,633
Capital Projects	$34,270,671	$ 28,833,942	$(5,436,729)
Impact Fee	$ 7,812,239	$ 8,999,460	$ 1,187,221
TIRZ	$ (519,961)	$ 763,940	$ 1,283,901
Other Nonmajor Fund	$ 8,822,734	$ 7,064,173	$(1,758,561)
TOTAL GOVERNMENTAL FUNDS	**$67,552,867**	**$ 63,314,076**	$(4,238,791)

General Fund Balance

- POLICY: It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund equal to 25% to 35% of expenditures.
    - Fiscal Year 2023 – 70%

- FY 2023 Budget Results:

	Budgeted	Actual	Variance
Revenues	$ 23,608,522	$ 23,544,114	$ (64,408)
Expenditures	$ 24,474,841	$ 23,248,486	$ 1,226,355
Other Sources and (Uses)	$ 841,460	$ (60,884)	$ (902,344)
Net Change	$ (24,859)	$ 234,744	$ 259,603

See ACFR pg 90 and 91

BW&C

Financial Highlights

Proprietary Fund

	9/30/2023
<u>Utility Fund</u>	
Net Operating Income (Loss)	$ 4,743,497
Change in Net Position	$ 6,147,014
Net Position	$ 53,414,733
Net Investment in capital assets	$ 30,097,903
Unrestricted	$ 23,316,830

Single Audit
Schedule of Findings and Questioned Costs

Financial Statements

Type of auditor's report issued:

The auditor's report on the basic financial statements of the City expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

The auditor's report on compliance for major federal programs expresses an unmodified opinion.

Internal control over major program compliance:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No

Reference Single Audit Report

Single Audit

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-through Agency/Program Name	Program/Grant/ Project Number	Federal Assistance Listing Number	Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Award			
Bulletproof Vest Partnership Program	BVP 2022	16.607	$ 897
		Total U.S. Department of Justice	897
U.S. DEPARTMENT OF TREASURY			
Pass-through Texas Division of Emergency Management			
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	TX1914	21.027	2,355,720
		Total U.S. Department of Treasury	2,355,720
		TOTAL PROGRAMS	$ 2,356,617

Reference Single Audit Report

BW&C

Communication Letters

- **Communication with Those Charged with Governance**
  - Audit was conducted in compliance with all ethics requirements regarding independence
  - No difficulties were encountered in dealing with management.
  - Audit Adjustments identified were corrected by management.

- **Communication Regarding Internal Controls**
  - No deficiencies in internal control considered to be a *material weakness* were identified.

Questions?

Contact Info:

Louis Breedlove, Senior Audit Manager

Phone 281.907.9188 | Fax 888.875.0587

14950 Heathrow Forest Pkwy | Ste 530

Houston, TX 77032

LBreedlove@BrooksWatsonCPA.com

BW&C

CERTIFIED PUBLIC ACCOUNTANTS

We know your questions don't end when the audit does.

We remain available throughout the year.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended September 30, 2023

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, 2023

The City of
SACHSE

Other Supplementary Information

Statistical Section

The City of
SACHSE

INTRODUCTORY SECTION

The City of
SACHSE

February 23, 2024

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, 2023. 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, 2023. 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 29,314 according to the 2023 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, municipal court, library, parks, recreation, water/sewer, engineering, streets/drainage, community development (planning and zoning), and general administrative services. Sanitation collection services are billed by the City on behalf of a private contractor that provides those services. The City of Sachse is served by two school districts (Garland ISD and Wylie ISD).

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 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, General Capital Projects Fund, Vehicle/Equipment Replacement Fund, Special Revenue Fund, Impact Fee Fund, Street Maintenance Tax Fund, Health Insurance Fund, 2022 Bond Construction Fund, American Rescue Plan Act Fund, 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, or Hotel Occupancy Tax 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 $715,739,701 (25%) with $282,580,717 in new property and $433,158,984 in existing property, from tax year 2021 to tax year 2022. During the last five years, assessed taxable property values have increased 66% (from $2,158,595,689 in tax year 2017 to $3,577,742,767 in tax year 2022). Property taxes account for 61% of General Fund revenue. With a well-educated populace and an average household income of $146,668, 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 2023 fiscal year 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 six-year plan (including the budget year) 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 2023 HIGHLIGHTS

The City has seen significant activity across its departments this fiscal year. In Fall 2022, Sachse launched its inaugural statistically significant resident survey through Polco. This instrument measured many facets of life in the community, including perceptions of safety, customer service from City employees, and quality of City programming. Of note, Sachse residents expressed a strong interest in making the Leisure Services programming more robust, specifically requesting expanded programs and hours of operation at both the Michael J. Felix Community Center and the Sachse Public Library, as well as a desire to have more special events. Staff responded to this request by presenting budget packages to match the sentiments expressed in the Community Survey, and Council approved those requests. With Council support, Leisure Services has set in motion significant programmatic enhancements for residents including a brand-new summer concert series, a Mother/Son event as a counterpart to the existing Daddy/Daughter Dance, expansion of the existing “Pumpkin Prowl” fall event, and a brand-new mobile on-demand recreation trailer. To complement the programming activity, Leisure Services also successfully opened J.K. Sachse Park, the first municipal park in the Collin County portion of Sachse. The first phase of the park, supported through funding from the Municipal Development District and a grant from Collin County, features Sachse’s inaugural splash pad, sand volleyball courts, food truck parking, restrooms, and a trail. Planning and construction for additional phases of the park are underway and it will soon boast outdoor pickleball courts as well as a new playground. Construction on the City’s largest park, Heritage Park, saw significant progress in Fiscal Year 2023. Grading, drainage, and other significant earth work have been completed to make way for an amphitheater, an events lawn, large playground areas, the City’s second splash pad, and miles of extended walking trails. This park will support the existing residential and retail activity occurring at The Station, anchoring the development with a key quality of life space.

The November 2021 Bond Program continues to make considerable progress. Design for the first major road project from the package, Bailey-Hooper Road, is nearing completion after a robust public engagement session. The City anticipates that the road project will be bid and start construction in early 2024. The Sachse Animal Shelter commenced construction in July 2023 and is on schedule to reach substantial completion by Fall 2024. The second major road project, Sachse Road Phase II, is in its design phase. This project will match the reconstruction of the first phase of Sachse Road.

The Public Works team also delivered on major capital projects including the southeast elevated water tank lighting project, showcasing Sachse along the President George Bush Turnpike. In addition, construction also commenced on the City’s first Neighborhood Partnership project, the Hudson Crossing screening wall. After many years of discussion and deterioration of the wall, the City ultimately agreed to take on the project and replace the existing masonry screening wall with a fortified pre-cast wall that will remain intact for years to come. This project is a major enhancement the City’s Miles Road corridor.

Development activity increased across the City’s catalytic areas in FY 2023. The City welcomed several new businesses to the community and watched interest grow in the City’s Woodbridge Corners development and The Station. Evolve Biologics, the City’s first international bio-tech recruit, made progress on their first U.S. manufacturing facility. Evolve will bring 300 new, high-quality jobs to the City of Sachse upon the completion of the facility, which is anticipated in 2025.

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, 2022. This was the twenty-fourth 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 2022-2023 Fiscal Year Budget received the GFOA Distinguished Budget Presentation Award. This was the eleventh consecutive year the City’s Budget has been so recognized. The 2023-2024 Fiscal Year Budget has been 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

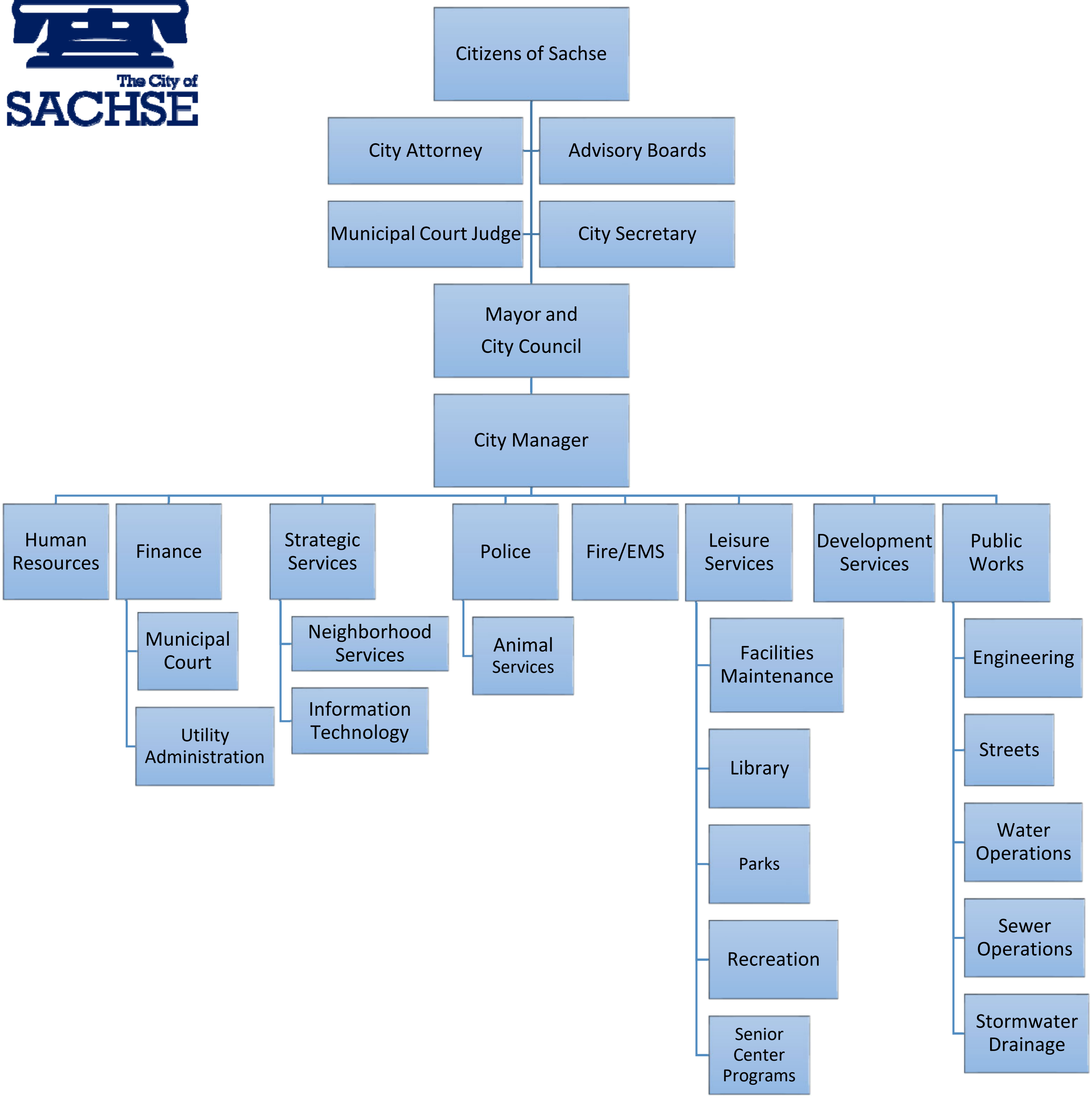
City of Sachse
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

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
Strategic Services
Police
Fire/EMS
Leisure Services
Development Services
Public Works
Municipal Court
Utility Administration
Neighborhood Services
Information Technology
Animal Services
Facilities Maintenance
Library
Parks
Recreation
Senior Center Programs
Engineering
Streets
Water Operations
Sewer Operations
Stormwater Drainage

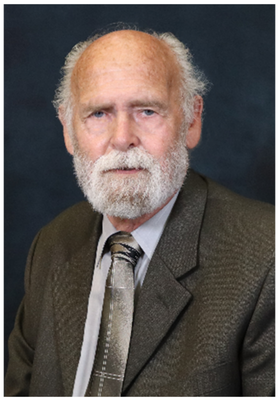
CITY OF SACHSE, TEXAS

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, 2023, 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, 2023, and the respective changes in financial position and, when applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of 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

14950 Heathrow Forest Pkwy | Suite 530 | Houston, TX 77032 | Tel: 281.907.8788 | Fax: 888.875.0587 | www.BrooksWatsonCPA.com

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 fro m 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.H. to the financial statements, due to corrections to the reporting of land in the prior year, the Discretely Presented Component Unit restated beginning fund balance. 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.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

BrooksWatson & Co.

BrooksWatson & Co.
Certified Public Accountants
Houston, Texas
February 23, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of
SACHSE

City of Sachse, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2023

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, 2023. 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, 2023 by $178,033,898. Of this amount, $38,740,308 (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 $15,245,149. 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 $63,314,076 at September 30, 2023, a decrease of $4,238,791 from the prior fiscal year; this includes an increase of $234,744 in the general fund, an increase of $250,633 in the debt service fund, an decrease of $5,436,729 in the capital projects fund, an increase of $1,187,221 in the impact fee fund, an increase of $1,283,901 in the tax increment reinvestment zones, and a decrease of $1,758,561 in the nonmajor governmental funds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $16,183,805 or 70% of total general fund expenditures.

- The City's total long-term bonds, tax notes, and lease liabilities reflected a net decrease (including premiums) of $4,746,852. The total governmental long-term debt at the close of the fiscal year was $50,970,326. Self-supporting debt of the proprietary fund was $11,473,463.

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 eleven 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, 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, capital projects fund, impact fee fund, street maintenance, PGBT reinvestment zone tax increment fund, American Rescue Plan Act Fund, and special revenue fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

<u>Proprietary Funds</u>

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.

<u>Fiduciary Funds</u>

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, the Station Reinvestment Zone, and Highway 78 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 $178,033,898 as of September 30, 2023 in the primary government.

The largest portion of the City's net position, $109,870,081, 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 capital assets as of September 30, 2023 and 2022 were $155,730,012 and $141,921,547, respectively. The increase of $13,808,465 was primarily attributable to new capital contributions for park improvements, street and road improvements, and utility infrastructure in the current year.

Total other liabilities as of September 30, 2023 and 2022 were $11,222,901 and $9,074,429, respectively. The increase of $2,148,472 was primarily due to greater debt obligations due within one year, resulting from debt approaching maturity. In addition accounts payable for both governmental and business-type activities increased from the prior year.

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

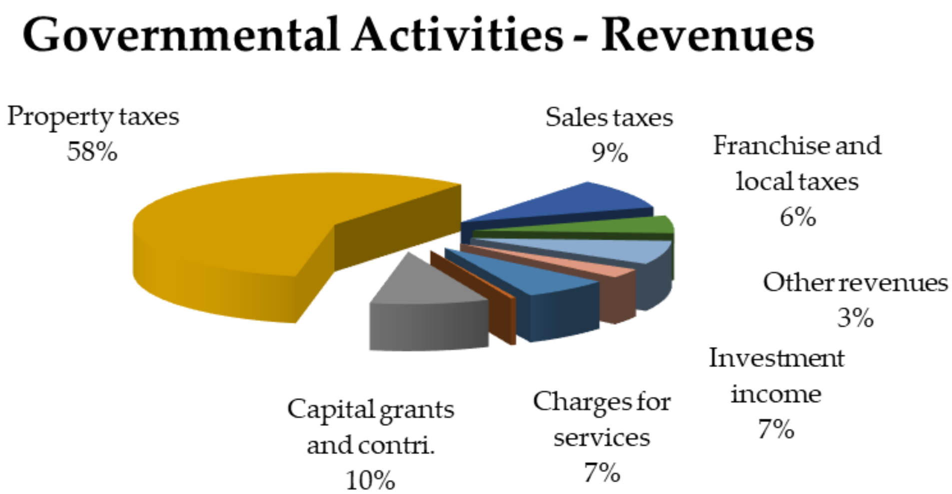
	2023			2022		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 68,788,810	$ 25,699,007	$ 94,487,817	$ 71,917,275	$ 23,532,181	$ 95,449,456
Capital assets, net	114,060,672	41,669,340	155,730,012	104,887,539	37,034,008	141,921,547
Total Assets	182,849,482	67,368,347	250,217,829	176,804,814	60,566,189	237,371,003
Total Deferred Outflows	5,652,103	305,092	5,957,195	3,059,380	96,229	3,155,609
Other liabilities	8,606,583	2,616,318	11,222,901	7,526,157	1,548,272	9,074,429
Long-term liabilities	54,265,177	11,633,327	65,898,504	53,977,560	11,665,662	65,643,222
Total Liabilities	62,871,760	14,249,645	77,121,405	61,503,717	13,213,934	74,717,651
Total Deferred Inflows	1,010,660	9,061	1,019,721	2,839,447	180,765	3,020,212
Net Position:						
Net investment in capital assets	79,772,178	30,097,903	109,870,081	70,605,922	25,142,628	95,748,550
Restricted	29,423,509	-	29,423,509	31,086,500	-	31,086,500
Unrestricted	15,423,478	23,316,830	38,740,308	13,828,608	22,125,091	35,953,699
Total Net Position	$ 124,619,165	$ 53,414,733	$ 178,033,898	$ 115,521,030	$ 47,267,719	$ 162,788,749

Statement of Activities:

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

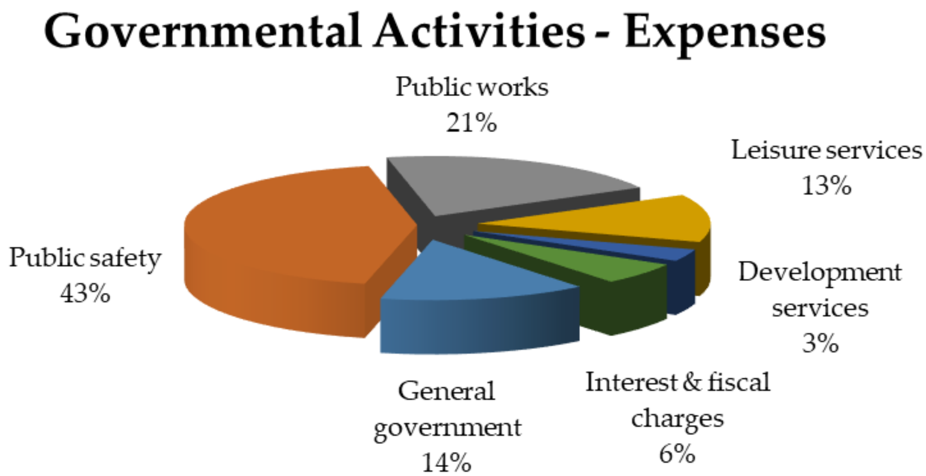
	For the Year Ended September 30, 2023			For the Year Ended September 30, 2022		
	Governmental Activities	Business-Type Activities	Total Primary Government	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues						
Program revenues:						
Charges for services	$ 2,701,560	$ 17,000,447	$ 19,702,007	$ 4,309,581	$ 15,999,035	$ 20,308,616
Operating grants/contri.	256,220	-	256,220	11,315	-	11,315
Capital grants/contri.	4,437,327	1,378,955	5,816,282	11,100,582	1,356,145	12,456,727
General revenues:						
Property taxes	22,542,983	-	22,542,983	19,502,913	-	19,502,913
Sales taxes	3,699,011	-	3,699,011	3,418,757	-	3,418,757
Franchise and local taxes	2,148,503	-	2,148,503	2,132,431	-	2,132,431
Investment income	2,879,990	874,543	3,754,533	299,111	118,215	417,326
Other revenues	358,441	-	358,441	259,941	-	259,941
Total Revenues	39,024,035	19,253,945	58,277,980	41,034,631	17,473,395	58,508,026
Expenses						
General government	4,369,618	-	4,369,618	3,562,190	-	3,562,190
Public safety	13,163,847	-	13,163,847	10,885,495	-	10,885,495
Public works	6,477,102	-	6,477,102	5,610,919	-	5,610,919
Leisure services	3,641,473	-	3,641,473	3,084,547	-	3,084,547
Development services	956,514	-	956,514	1,124,278	-	1,124,278
Interest & fiscal charges	1,809,107	358,220	2,167,327	1,620,664	403,641	2,024,305
Utility	-	12,256,950	12,256,950	-	11,493,042	11,493,042
Total Expenses	30,417,661	12,615,170	43,032,831	25,888,093	11,896,683	37,784,776
Change in Net Position Before Transfers	8,606,374	6,638,775	15,245,149	15,146,538	5,576,712	20,723,250
Transfers	491,761	(491,761)	-	1,231,255	(1,231,255)	-
Total	491,761	(491,761)	-	1,231,255	(1,231,255)	-
Change in Net Position	9,098,135	6,147,014	15,245,149	16,377,793	4,345,457	20,723,250
Beginning Net Position	115,521,030	47,267,719	162,788,749	99,143,237	42,922,262	142,065,499
Ending Net Position	$ 124,619,165	$ 53,414,733	$ 178,033,898	$ 115,521,030	$ 47,267,719	$ 162,788,749

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



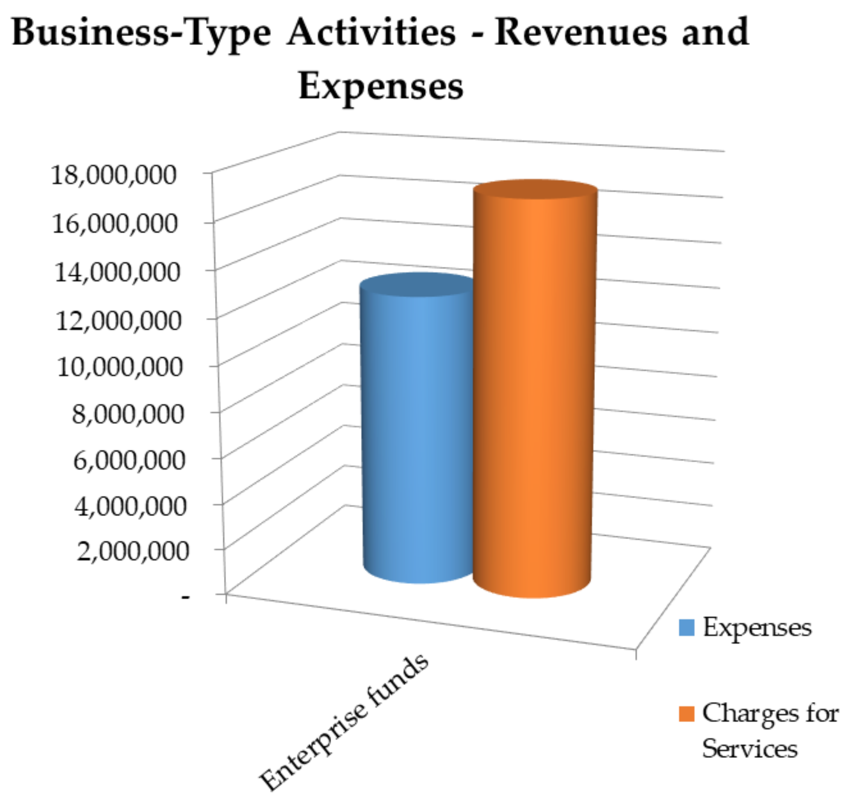
For the year ended September 30, 2023, revenues from governmental activities totaled $39,024,035. Property taxes and capital grants/contributions are the City's largest general revenue sources. Overall revenue decreased $2,010,606 or 5%. Property taxes increased by $3,040,070 or 16% during the current year. The increase is primarily due to greater appraised values in the current year as a result of continued growth and development throughout the community. Operating grants and contributions increased by $244,905 or over 100% primarily due to nonrecurring reimbursements for capital projects received in the current year. Capital grants and contributions decreased by $6,663,265 or 60% due to nonrecurring capital contributions for public works and park improvements in the prior year. Charges for services decreased by $1,608,021 or 37% primarily due to nonrecurring building permits in the prior year. Sales taxes increased by $280,254 or 8% due to continued economic growth fueled by local purchases. Investment income increased by $2,580,879 or over 100% due primarily to the city earning interest from a new lease receivable, higher interest rates, and higher interest bearing account balances in the current year. Other revenues increased by $98,500 or over 100% primarily as a result of nonrecurring sale of assets in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2023, expenses for governmental activities totaled $30,417,661. This represents an increase of $4,529,558 or 17% from the prior year. The City's largest functional expense is public safety of $13,163,847, a 21% increase from prior year, which is primarily due to greater personnel expenses and vehicle maintenance and repair cost in the current year. General government increased by $800,963 or 22% primarily due to greater personnel cost, which is directly related to an increase in wages and compensation. Public works expenses increased by $872,638 or 16% primarily due to greater repairs/maintenance and depreciation expenses. Leisure services expenses increased by $556,926 or 18% primarily due to greater personnel expenses directly related to wage and compensation increase. In addition, the increase is due to new equipment and related instillation costs incurred during the year. Development services decreased by $167,764 or 15% primarily due to nonrecurring professional services related to inspection fees for the PMB Station district and 3225 Switch Street in the prior year. Interest and fiscal charges increased by $188,443 or 12% primarily due to interest being paid on the 2022 General Obligation Refunding Bond in the current year and no interest paid on these bonds in the prior 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, 2023, charges for services by business-type activities totaled $17,000,447. This is an increase of $1,001,412 or 6% from the previous year. This increase directly relates to the City's growth and increase in consumption during the current year. Investment income increased by $756,328 or over 100% primarily due to new investment accounts and realization of higher interest rates during the current year.

Total expenses increased $718,487 to a total of $12,615,170, due primarily to an increased volume of wastewater treated by the City of Garland, Texas, the City's wastewater treatment provider, as well as increased volume of water treated by North Texas Municipal Water District. In addition, the City incurred greater personnel costs, repairs and maintenance costs related to elevated storage tanks, sewer lines, and lift stations 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.

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

At September 30, 2023, the City's governmental funds reported combined fund balances of $63,314,076, an decrease of $4,238,791 in comparison with the prior year. Approximately 25% of this amount, $15,770,145, 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, $938,695, 2) assigned for particular purpose, $2,100,748, or 3) restricted for particular purposes, $44,504,488.

As of the end of the year the general fund reflected a total fund balance of $16,236,682. Of this, $52,877 is considered nonspendable and $16,183,805 is unassigned. The general fund balance decreased by $-234,744 compared to the budgeted decrease of $. The fund's increase was primarily due to less than anticipated expenditures.

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 70% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $16,183,805 is 70% of total general fund expenditures.

The debt service fund had an ending fund balance of $1,415,879 at September 30, 2023, an increase of $250,633. 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 $28,833,942, a decrease of $5,436,729. The decrease is primarily due to new projects and related costs during the current year. During the year, the City expended $10,368,685 on various projects, utilizing funds designated for capital projects. Capital outlay expenses increased 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 $8,999,460, an increase of $1,187,221. The increase is primarily a result of continued local commercial and residential development. In addition, investment income increased primarily due to new investment accounts earning interest during the current year. The fund also had no transfers out during the current year.

The tax increment reinvestment zones (includes three funds) are used to track property tax collected for development. During the year, the funds received $1,291,349 in property taxes. The combined fund balance increased by $1,283,901 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.

Proprietary Funds - 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 $53,414,733. Unrestricted net position of the enterprise fund at the close of the fiscal year amounted to $23,316,830. Total net position increased $6,147,014. The fund had a net investment in capital assets of $30,097,903. 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 $1,378,955 consisting of utility infrastructure.
- The City received capital contributions of $2,355,720 from governmental activities.
- Operational expenses excluding depreciation and amortization were $10,033,318.
- Cash and cash equivalents in the utility fund were $8,595,327 at fiscal yearend.
- Investment balances in the utility fund were $14,773,537 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 $955,180 to be retained for future risk.

GENERAL FUND BUDGETARY HIGHLIGHTS

There was a negative variance of $64,408 under budgeted general fund revenues. There was a total positive variance of $1,226,355 in budgeted expenditure appropriations. $1,161,947 was the budget surplus of revenues over expenditures before other financing sources (uses). There was a total net increase in fund balance of $234,744.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $155,730,012 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $41,669,340 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 $13,808,465, net of depreciation.

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

- Renovated the City Hall Rotunda acoustics for $30,765.
- Purchase of new vehicles for governmental activities totaling $1,154,674.
- Investment in machinery and equipment for governmental activities amounting to $140,171.
- Purchase of new office equipment totaling $292,344.
- Capital contributions from developers for governmental activities totaling $1,560,559.
- Contribution of utility system infrastructure assets by developers totaling $1,809,359.
- New software and IT leases totaling $142,234.
- Leased a new copier for $102,209.
- Purchased three new vehicles for business-type activities totaling $141,785.
- Purchased new meters for $75,882.
- Maxwell Creek Pump Station improvements totaling $2,355,720.
- Multiple road improvement projects totaling $4,394,297.
- J.K. Sachse Park improvements totaling $1,035,228.
- 5th Street District Phase 1 improvements totaling $1,264,476.
- Construction to the animal shelter for $1,498,129.
- Improvements to Sable Hills Lift Station for $820,891.
- Third Garland Creek stabilization for $789,516.
- Hilltop Trail/Meadow Lane utility rehab totaling $147,100.
- Purchased a new backup generator for $255,294.

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 debt obligations (including premiums) of $62,443,789. Of this amount, $11,473,463 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. The City entered into two leases during the current year totaling $201,301. 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 2023-2024 Fiscal Year Budget was approved by City Council on September 18, 2023. The tax rate adopted that same day was $0.650416 per $100 assessed value, same as the previous year. There was an increase in taxable values of $560.4 million (15.7%) from the previous year, resulting in an overall increase in budgeted ad valorem taxes of $4.9 million to be allocated across the General, Debt Service, and both Tax Increment Financing Funds. Overall, budgeted revenue for the General Fund increased by $2.0 million to a total of $27.2 million. Budgeted expenditures increased by $9.0 million over the amended 2022-2023 budget to a total of $34.3 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 $4.0 million to $18.8 million, and expenditures increased $18.2 million.

The City's capital budget includes $28.9 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 $14.7 million from the Utility Fund, $7.6 million from general fund, $2.0 million from utility impact fees, $0.1 million from roadway impact fees, $1.5 million in street maintenance taxes, $0.8 million from Municipal Development District sales tax revenue, $0.9 million from capital project fund, $1.2 million from American Rescue Plan Act (ARPA) funds, and $0.1 million from Economic Development Corporation sales tax revenue. Projects for the next year include Merritt Road Re-alignment and widening, Maxwell Creek Pump Station, Woobridge Parkway, Heritage Park Expansion, public works/parks facility, Hudson Crossing Screening wall replacement, and Southeast Sewer expansion.

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

September 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Sachse EDC	Sachse MDD
Assets					
Current assets:					
Cash and cash equivalents	$ 24,081,449	$ 8,595,327	$ 32,676,776	$ 1,815,828	$ 55,128
Investments	41,380,111	14,773,537	56,153,648	3,121,185	94,760
Receivables, net	1,498,284	2,226,484	3,724,768	258,412	120,250
Lease receivables	16,491	-	16,491	-	-
Inventory	-	103,659	103,659	-	-
Prepaids	938,695	-	938,695	-	-
Total Current Assets	67,915,030	25,699,007	93,614,037	5,195,425	270,138
Advances to primary government	-	-	-	424,000	-
Lease receivables, noncurrent	873,780	-	873,780	-	-
Capital assets:					
Non-depreciable	34,263,924	5,938,266	40,202,190	1,649,893	-
Net depreciable capital assets	79,796,748	35,731,074	115,527,822	2,682	-
Noncurrent Assets	114,934,452	41,669,340	156,603,792	2,076,575	-
Total Assets	182,849,482	67,368,347	250,217,829	7,272,000	270,138
Deferred Outflows of Resources					
Pension contributions	1,392,549	104,815	1,497,364	-	-
Pension differences in experience	125,604	9,454	135,058	-	-
Pension investment returns	2,528,375	190,308	2,718,683	-	-
OPEB contributions	6,841	515	7,356	-	-
Deferred charge on refunding	1,598,734	-	1,598,734	-	-
Total Deferred Outflows of Resources	$ 5,652,103	$ 305,092	$ 5,957,195	$ -	$ -
Liabilities					
Current liabilities:					
Accounts payable and accrued liabilities	$ 2,786,668	$ 1,829,553	$ 4,616,221	$ 14,993	$ -
Accrued interest payable	234,759	47,394	282,153	-	-
Customer deposits	-	256,545	256,545	-	-
Compensated absences, current	808,386	66,690	875,076	8,256	-
Long term debt due within one year	4,776,770	416,136	5,192,906	568	-
Current Liabilities	8,606,583	2,616,318	11,222,901	23,817	-
Noncurrent liabilities:					
Advances from component unit	424,000	-	424,000	-	-
Compensated absences, noncurrent	89,821	7,410	97,231	918	-
Long-term debt due in more than one year	46,193,556	11,057,327	57,250,883	2,135	-
Uneared revenue	3,684	-	3,684	-	-
OPEB liability	344,173	25,905	370,078	-	-
Net pension liability	7,209,943	542,685	7,752,628	-	-
Noncurrent Liabilities	54,265,177	11,633,327	65,898,504	3,053	-
Total Liabilities	62,871,760	14,249,645	77,121,405	26,870	-
Deferred Inflows of Resources					
OPEB difference in experience	24,890	1,873	26,763	-	-
OPEB assumption changes	95,499	7,188	102,687	-	-
Lease related	890,271	-	890,271	-	-
Total Deferred Inflows of Resources	1,010,660	9,061	1,019,721	-	-
Net Position					
Net investment in capital assets	79,772,178	30,097,903	109,870,081	1,652,575	-
Restricted for:					
Debt service	1,414,899	-	1,414,899	-	-
Capital improvements	20,237,798	-	20,237,798	-	-
Municipal court	357,826	-	357,826	-	-
Street maintenance	1,851,204	-	1,851,204	-	-
Grants	4,357,293	-	4,357,293	-	-
Hotel occupancy	26,889	-	26,889	-	-
TIRZ activities	1,177,600	-	1,177,600	-	-
Economic development	-	-	-	5,592,555	-
Municipal development	-	-	-	-	270,138
Unrestricted	15,423,478	23,316,830	38,740,308	-	-
Total Net Position	$ 124,619,165	$ 53,414,733	$ 178,033,898	$ 7,245,130	$ 270,138

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position				
					Primary Government			Component Units	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total**	**Sachse EDC**	**Sachse MDD**
Primary Government									
Governmental Activities									
General government	$ 4,363,153	$ 12,325	$ 169,605	$ -	$ (4,181,223)	$ -	$ (4,181,223)	$ -	$ -
Public safety	13,163,847	1,579,109	-	-	(11,584,738)	-	(11,584,738)	-	-
Public works	6,483,557	841,947	-	3,485,714	(2,155,896)	-	(2,155,896)	-	-
Leisure services	3,641,473	-	86,615	-	(3,554,858)	-	(3,554,858)	-	-
Development services	956,514	268,179	-	951,603	263,268	-	263,268	-	-
Interest and fiscal charges	1,809,107	-	-	-	(1,809,107)	-	(1,809,107)	-	-
Total Governmental Activities	30,417,651	2,701,560	256,220	4,437,317	(23,022,554)	-	(23,022,554)	-	-
Business-Type Activities									
Water	8,853,465	10,166,120	-	1,378,955	-	2,691,610	2,691,610	-	-
Sewer	3,720,183	6,605,081	-	-	-	2,884,898	2,884,898	-	-
Stormwater drainage	41,522	229,246	-	-	-	187,724	187,724	-	-
Total Business-Type Activities	12,615,170	17,000,447	-	1,378,955	-	5,764,232	5,764,232	-	-
Total Primary Government	$ 43,032,821	$ 19,702,007	$ 256,220	5,816,272	(23,022,554)	5,764,232	(17,258,322)	-	-
Component Unit									
Sachse Economic									
Development Corporation	$ 1,191,681	$ -	$ -	$ -				(1,191,681)	-
Municipal Development District	775,867	-	161,294	-				-	(614,573)
Total Component Units	$ 1,967,548	$ -	$ 161,294	$ -				(1,191,681)	(614,573)
General Revenues:									
Taxes									
Property taxes					22,542,983	-	22,542,983	-	-
Sales taxes					3,699,011	-	3,699,011	1,462,120	710,256
Franchise and local taxes					2,148,503	-	2,148,503	-	-
Investment income					2,879,990	874,543	3,754,533	185,330	1,054
Other revenues					358,441	-	358,441	20,000	-
Transfers					491,761	(491,761)	-	-	-
Total General Revenues and Transfers					32,120,689	382,782	32,503,471	1,667,450	711,310
Change in Net Position					9,098,135	6,147,014	15,245,149	475,769	96,737
Beginning Net Position					115,521,030	47,267,719	162,788,749	6,769,361	173,401
Ending Net Position					$ 124,619,165	$ 53,414,733	$ 178,033,898	$ 7,245,130	$ 270,138

See Notes to Financial Statements.

City of Sachse, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

September 30, 2023

	General	Debt Service	Capital Projects	Impact Fee	Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	$ 6,025,740	$ 520,476	$ 10,748,115	$ 3,313,956	$ 437,245	$ 2,684,081	$ 23,729,613
Investments	10,312,825	894,634	18,515,942	5,696,283	751,574	4,604,090	40,775,348
Receivables, net	2,201,534	57,064	-	-	-	129,957	2,388,555
Prepaids	52,877	980	884,838	-	-	-	938,695
Total Assets	$ 18,592,976	$ 1,473,154	$ 30,148,895	$ 9,010,239	$ 1,188,819	$ 7,418,128	$ 67,832,211
Liabilities							
Accounts payable and accrued liabilities	$ 1,104,433	$ 250	$ 1,314,953	$ 10,779	$ 879	$ 353,955	$ 2,785,249
Advances from component unit	-	-	-	-	424,000	-	424,000
Unearned revenue	3,684	-	-	-	-	-	3,684
Total Liabilities	1,108,117	250	1,314,953	10,779	424,879	353,955	3,212,933
Deferred Inflows of Resources							
Unavailable revenue -							
Property taxes	108,467	57,025	-	-	-	-	165,492
Fines receivable, net	4,563	-	-	-	-	-	4,563
Lease related	890,271	-	-	-	-	-	890,271
Ambulance	244,876	-	-	-	-	-	244,876
Total Deferred Inflows	1,248,177	57,025	-	-	-	-	1,305,202
Fund Balances							
Nonspendable for:							
Prepaids	52,877	980	884,838	-	-	-	938,695
Restricted for:							
Debt service	-	1,414,899	-	-	-	-	1,414,899
Capital improvements	-	-	25,848,356	8,999,460	-	470,961	35,318,777
Municipal court	-	-	-	-	-	357,826	357,826
Street maintenance	-	-	-	-	-	1,851,204	1,851,204
Grants	-	-	-	-	-	4,357,293	4,357,293
Hotel occupancy	-	-	-	-	-	26,889	26,889
TIRZ activities	-	-	-	-	1,177,600	-	1,177,600
Assigned for:							
Vehicle replacement	-	-	2,100,748	-	-	-	2,100,748
Unassigned	16,183,805	-	-	-	(413,660)	-	15,770,145
Total Fund Balances	16,236,682	1,415,879	28,833,942	8,999,460	763,940	7,064,173	63,314,076
Total Liabilities, Deferred Inflows, and Fund Balances	$ 18,592,976	$ 1,473,154	$ 30,148,895	$ 9,010,239	$ 1,188,819	$ 7,418,128	$ 67,832,211

See Notes to Financial Statements.

City of Sachse, Texas

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

September 30, 2023

Fund Balances - Total Governmental Funds	$	63,314,076
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		34,263,924
Capital assets - net depreciable		79,796,748
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		
Property tax receivable		165,492
Fines receivable		4,563
Ambulance receivables		244,876
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 an outflow (inflow) of resources (expense/expenditure) (revenues) until then.		
Deferred charge on refunding		1,598,734
Pension contributions		1,392,549
OPEB contributions		6,841
Pension investment returns		2,528,375
Pension differences in experience		125,604
OPEB assumption changes		(95,499)
OPEB difference in experience		(24,890)
Internal service funds are used by management to charge the cost of equipment services and replacement to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
Net position - governmental activities		955,180
Some liabilities, including bonds payable and deferred charges are not reported as liabilities in the governmental funds.		
Accrued interest		(234,759)
Bond premium		(3,211,455)
Compensated absences		(898,207)
Non-current liabilities due in one year		(4,776,770)
Non-current liabilities due in more than one year		(42,982,101)
Net pension liability		(7,209,943)
OPEB liability		(344,173)
Net Position of Governmental Activities	$	124,619,165

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	General	Debt Service	Capital Projects	Impact Fee	Tax Increment Reinvestment Zones	Nonmajor Governmental Funds	Total Governmental Funds
Revenues							
Property tax	$ 14,906,120	$ 6,337,159	$ -	$ -	$ 1,291,349	$ -	$ 22,534,628
Sales tax	2,967,951	-	-	-	-	731,060	3,699,011
Franchise and local taxes	2,110,235	-	-	-	-	38,268	2,148,503
License, permits and fees	1,803,024	-	-	-	-	-	1,803,024
Intergovernmental	504,838	-	169,605	-	-	-	674,443
Grants and donations	82,698	-	-	-	-	3,917	86,615
Fines and forfeitures	255,440	-	-	-	-	63,835	319,275
Impact and development fees	-	-	-	840,503	-	111,100	951,603
Investment income	796,583	102,365	1,259,944	346,718	30,752	343,628	2,879,990
Other revenue	117,225	-	79,085	-	-	-	196,310
Total Revenues	23,544,114	6,439,524	1,508,634	1,187,221	1,322,101	1,291,808	35,293,402
Expenditures							
Current:							
General government	3,398,033	-	1,796	-	38,200	1,135	3,439,164
Public safety	12,131,656	-	55,262	-	-	26,120	12,213,038
Public works	2,512,189	-	-	-	-	-	2,512,189
Leisure services	3,110,023	-	-	-	-	1,444	3,111,467
Development services	925,731	-	-	-	-	-	925,731
Combined services	438,371	-	-	-	-	-	438,371
Debt Service:							
Principal	32,429	4,185,000	36,149	-	-	-	4,253,578
Interest and fiscal charges	1,850	2,003,891	1,807	-	-	-	2,007,548
Capital outlay	698,204	-	10,368,685	-	-	2,775,131	13,842,020
Total Expenditures	23,248,486	6,188,891	10,463,699	-	38,200	2,803,830	42,743,106
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 295,628	$ 250,633	$ (8,955,065)	$ 1,187,221	$ 1,283,901	$ (1,512,022)	$ (7,449,704)
Other Financing Sources (Uses)							
Transfers in	1,634,658	-	3,458,427	-	-	-	5,093,085
Transfers (out)	(1,999,065)	-	-	-	-	(246,539)	(2,245,604)
Sale of general capital asset	-	-	59,909	-	-	-	59,909
Lease issuance	93,289	-	-	-	-	-	93,289
Subscription issuance	108,012	-	-	-	-	-	108,012
Insurance recoveries	102,222	-	-	-	-	-	102,222
Total Other Financing Sources (Uses)	(60,884)	-	3,518,336	-	-	(246,539)	3,210,913
Net Change in Fund Balances	234,744	250,633	(5,436,729)	1,187,221	1,283,901	(1,758,561)	(4,238,791)
Beginning fund balances	16,001,938	1,165,246	34,270,671	7,812,239	(519,961)	8,822,734	67,552,867
Ending Fund Balances (Deficit)	$ 16,236,682	$ 1,415,879	$ 28,833,942	$ 8,999,460	$ 763,940	$ 7,064,173	$ 63,314,076

See Notes to Financial Statements.

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, 2023

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

Net changes in fund balances - total governmental funds	$	(4,238,791)
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		13,581,528
Depreciation expense		(5,538,389)
Capital contributions		3,485,714
Adjustment for transfer of capital assets		(2,355,720)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		82,778
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		65,632
Accrued interest		103,951
Pension expense		(177,562)
OPEB expense		(21,407)
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.		
Lease issuance		(93,289)
Subscription issuance		(108,012)
Amortization of debt premium		276,656
Amortization of deferred charge on refunding		(182,166)
Principal payments on long-term debt		4,253,578
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.		(36,366)
Change in Net Position of Governmental Activities	$	9,098,135

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
September 30, 2023

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Assets		
Current Assets		
Cash and cash equivalents	$ 8,595,327	$ 351,836
Investments	14,773,537	604,763
Receivables, net	2,226,484	-
Inventory	103,659	-
Total Current Assets	25,699,007	956,599
Noncurrent Assets		
Capital assets:		
Non-depreciable	5,938,266	-
Net depreciable capital assets	35,731,074	-
Total Noncurrent Assets	41,669,340	-
Total Assets	67,368,347	956,599
Deferred Outflows of Resources		
Pension contributions	104,815	-
Pension difference in experience	9,454	-
Pension investment returns	190,308	-
OPEB contributions	515	-
Total Deferred Outflows	$ 305,092	$ -
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,829,553	$ 1,419
Accrued interest	47,394	-
Customer deposits	256,545	-
Compensated absences - current	66,690	-
Long-term debt - current	416,136	-
Total Current Liabilities	2,616,318	1,419
Noncurrent Liabilities		
Compensated absences, noncurrent	7,410	-
Long-term debt - noncurrent	11,057,327	-
OPEB liability	25,905	-
Net pension liability	542,685	-
Total Noncurrent Liabilities	11,633,327	-
Total Liabilities	14,249,645	1,419
Deferred Inflows of Resources		
OPEB assumption changes	7,188	-
OPEB difference in experience	1,873	-
Total Deferred Inflows	9,061	-
Net Position		
Net investment in capital assets	30,097,903	-
Unrestricted	23,316,830	955,180
Total Net Position	$ 53,414,733	$ 955,180

See Notes to Financial Statements.

City of Sachse, Texas

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

For the Year Ended September 30, 2023

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Operating Revenues		
Water revenue	$ 9,803,148	$ -
Sewer revenue	6,605,081	-
Drainage fee revenue	229,246	-
Connection and tap charges	108,808	-
Benefit management	-	1,562,360
Other revenue	254,164	-
Total Operating Revenues	17,000,447	1,562,360
Operating Expenses		
Administration	430,750	-
Personnel	1,034,610	1,658,926
Cost of water operations	5,529,990	-
Cost of sewer operations	2,995,809	-
Cost of stormwater drainage operations	41,522	-
Depreciation	2,224,269	-
Total Operating Expenses	12,256,950	1,658,926
Operating Income	4,743,497	(96,566)
Nonoperating Revenues (Expenses)		
Investment income	874,543	60,200
Interest expense	(358,220)	-
Total Nonoperating Revenues (Expenses)	516,323	60,200
Income Before Capital Contributions and Transfers	5,259,820	(36,366)
Contributions from governmental activities	2,355,720	-
Capital contributions	1,378,955	-
Transfers (out)	(2,847,481)	-
Change in Net Position	6,147,014	(36,366)
Beginning net position	47,267,719	991,546
Ending Net Position	$ 53,414,733	$ 955,180

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, 2023

	Business-type Activities	Governmental Activities
	Utility Fund	Internal Service Fund
Cash Flows from Operating Activities		
Receipts from customers	$ 16,570,500	$ -
Receipts from interfund charges for benefit management	-	1,562,360
Payments to suppliers	(7,276,458)	(1,691,294)
Payments to employees	(1,438,594)	-
Net Cash Provided (Used) by Operating Activities	7,855,448	(128,934)
Cash Flows from Noncapital Financing Activities		
Transfers (out)	(2,847,481)	-
Net Cash (Used for) Noncapital Financing Activities	(2,847,481)	-
Cash Flows from Capital and Related Financing Activities		
Capital purchases	(4,503,881)	-
Capital contributions	1,378,955	-
Proceeds from debt issuance	6,160	-
Principal paid on debt	(405,354)	-
Interest paid on debt	(379,015)	-
Net Cash (Used for) Capital and Related Financing Activities	(3,903,135)	-
Cash Flows from Investing Activities		
Purchase of investments	(5,712,814)	(604,763)
Interest on investments	874,543	60,200
Net Cash Provided (Used) by Investing Activities	(4,838,271)	(544,563)
Net (Decrease) Increase in Cash and Cash Equivalents	(3,733,439)	(673,497)
Beginning cash and cash equivalents	12,328,766	1,025,333
Ending Cash and Cash Equivalents	$ 8,595,327	$ 351,836

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, 2023

	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	$	4,743,497	$	(96,566)
Adjustments to reconcile operating income to net cash provided:				
Depreciation		2,224,269		-
Changes in Operating Assets and Liabilities:				
(Increase) Decrease in:				
Accounts receivable		(387,822)		-
Inventory		12,371		-
Advances		188,000		-
Increase (Decrease) in:				
Accounts payable and accrued liabilities		1,090,492		(32,368)
Compensated absences		11,792		-
Customer deposits		(42,125)		-
Deferred outflows - pension liability		(16,068)		-
Deferred outflows - OPEB liability		6,967		-
Deferred inflows - pension liability		(379,187)		-
Deferred inflows - OPEB liability		7,721		-
OPEB liability		(13,078)		-
Net pension liability		408,619		-
Net Cash Provided (Used) by Operating Activities	$	7,855,448	$	(128,934)

Schedule of Noncash Capital and Related Financing Activities:				
Capital assets tranferred from govt. activities	$	2,355,720	$	-
	$	2,355,720	$	-

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

September 30, 2023

		PID
Assets		
Cash and cash equivalents		$ 8,113,112
Special assessment receivable		26,322,000
	Total Assets	34,435,112
Liabilities		
Accounts payable		1,033
Long-term debt		26,322,000
	Total Liabilities	26,323,033
Net Position		
Restricted for public improvement district		8,112,079
	Total Net Position	$ 8,112,079

See Notes to Financial Statements.

City of Sachse, Texas

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

For the Year Ended September 30, 2023

		PID
Additions		
Property owner assessments	$	11,450,117
Impact fee recoveries		2,471,272
Investment earnings		653,252
Total Additions		14,574,641
Deductions		
Payment to developer		7,530,509
Administrative expenses		714,607
Bond issuance costs		335,286
Interest expenses		1,298,460
Total Deductions		9,878,862
Change in Net Position		4,695,779
Beginning net position		3,416,300
Ending Net Position	$	8,112,079

See Notes to Financial Statements.

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

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*.

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.

15. Subscription Based Information Technology Arrangements

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

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.

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 and investments at year end:

Description	**Value**	**Weighted Average Maturity**	**Credit Rating**
Bank deposits	$ 487,496	-	-
Money market accounts	33,770,228	-	-
Certificates of deposits	59,369,594	0.71	-
External investment pools			
TexPool	290,007	0.08	AAAm
Total fair value	$ 93,917,325		

As of September 30, 2023, the primary government had the following deposits and investments:

Description	**Value**	**Weighted Average Maturity**
Bank deposits	$ 461,523	0
Money market accounts	31,940,955	0
Certificates of Deposit	56,153,648	0.71
External investment pools		
TexPool	274,298	0.08
Total fair value	$ 88,830,424	0.40

As of September 30, 2023, the City's discretely presented component units had the following deposits and investments:

Description	**Value**	**Weighted Average Maturity**
Bank deposits	$ 25,973	
Money market accounts	1,829,273	
Certificates of Deposit	3,215,946	0.71
External investment pools		
TexPool	15,709	0.08
Total fair value	$ 5,086,901	0.40

As of September 30, 2023, the City's fiduciary fund had the following cash equivalents:

Description	**Value**	**Weighted Average Maturity**
External investment pools		
TexPool	$ 370	0.08
Total fair value	$ 370	0.08

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, 2023, 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, 2023, 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	$ 132,267	$ 57,064	$ -	$ -	$ 189,331
Sales tax	508,058	-	124,206	-	632,264
Franchise taxes	274,100	-	-	-	274,100
Fines	178,751	-	-	-	178,751
EMS	986,392	-	-	-	986,392
Accounts	-	-	-	2,235,080	2,235,080
Leases	890,271	-	-	-	890,271
Grants	2,500	-	-	-	2,500
Other	95,777	-	5,751	70,257	171,785
Allowance	(866,582)	-	-	(78,853)	(945,435)
Total	$ 2,201,534	$ 57,064	$ 129,957	$ 2,226,484	$ 4,615,039

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

	Sachse EDC	Sachse MDD	Total
Sales tax	$ 248,412	$ 120,250	$ 368,662
Other	10,000	-	10,000
	$ 258,412	$ 120,250	$ 378,662

3. The City is the lessor of three contracts in which the City receives lease payments 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, 2023, the lease receivable is $890,271, which is fully deferred.

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

Year ending	Governmental Activities	
September 30,	Principal	Interest (5%)
2024	$ 16,491	$ 24,191
2025	17,306	23,376
2026	8,364	22,663
2027	3,739	22,461
2028	4,392	22,301
Thereafter	839,979	513,056
	$ 890,271	$ 628,048

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	$ 703,893	$ -	$ 10,657,723
Construction in progress	16,352,197	12,518,902	(5,264,898)	23,606,201
Total capital assets not being depreciated	26,306,027	13,222,795	(5,264,898)	34,263,924
Capital assets, being depreciated:				
Buildings and improvements	28,133,645	30,765	-	28,164,410
Vehicles and equipment	13,173,668	1,587,189	(552,198)	14,208,659
Right to use assets	70,576	235,524	42,720	348,820
Infrastructure	141,097,617	1,990,969	2,866,458	145,955,044
Total capital assets being depreciated	182,475,506	3,844,447	2,356,980	188,676,933
Less accumulated depreciation				
Buildings and improvements	12,218,010	1,164,738	-	13,382,748
Vehicles and equipment	7,961,929	899,780	(552,198)	8,309,511
Right to use assets	35,287	67,504	-	102,791
Infrastructure	83,678,768	3,406,367	-	87,085,135
Total accumulated depreciation	103,893,994	5,538,389	(552,198)	108,880,185
Net capital assets being depreciated	78,581,512	(1,693,942)	2,909,178	79,796,748
Total Capital Assets	$ 104,887,539	$ 11,528,853	$ (2,355,720)	$ 114,060,672

Depreciation was charged to governmental functions as follows:

General government	$	437,530
Public safety		866,324
Public works		3,657,820
Leisure services		555,880
Development services		20,835
Total Governmental Activities Depreciation Expense	$	5,538,389

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	2,085,744	2,896,664	75,183	5,057,591
Total capital assets not being depreciated	2,966,419	2,896,664	75,183	5,938,266
Capital assets, being depreciated:				
Buildings and improvements	281,308	-	-	281,308
Vehicles and equipment	4,653,772	145,983	(44,478)	4,755,277
Infrastructure	68,539,934	1,454,837	2,067,542	72,062,313
Right-of-use assets	-	6,397	-	6,397
Total capital assets being depreciated	73,475,014	1,607,217	2,023,064	77,105,295
Less accumulated depreciation				
Buildings and improvements	230,076	2,814	-	232,890
Vehicles and equipment	1,049,782	122,920	(257,473)	915,229
Infrastructure	38,127,567	2,097,895	-	40,225,462
Right-of-use assets	-	640	-	640
Total accumulated depreciation	39,407,425	2,224,269	(257,473)	41,374,221
Net capital assets being depreciated	34,067,589	(617,052)	2,280,537	35,731,074
Total Capital Assets	$ 37,034,008	$ 2,279,612	$ 2,355,720	$ 41,669,340

Depreciation was charged to business-type activities as follows:

Water	$	1,150,538
Sewer		1,073,732
Total Business-Type Activities Depreciation Expense	$	2,224,270

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

	Beginning Balances	Increases	Decreases/ Reclassifications	Ending Balances
Capital assets, not being depreciated:				
Land	$ 2,353,786		(703,893)	$ 1,649,893
Total capital assets not being depreciated	2,353,786	-	(703,893)	1,649,893
Capital assets, being depreciated:				
Right-of-use assets	$ -	$ 2,980	$ -	$ 2,980
Total capital assets being depreciated	-	2,980	-	2,980
Less accumulated depreciation				
Right-of-use assets	-	298	-	298
Total accumulated depreciation	-	298	-	298
Net capital assets being depreciated	-	2,682	-	2,682
Total Capital Assets	$ 2,353,786	$ 2,682	$ (703,893)	$ 1,652,575

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	$ 963,839	$ 538,730	$ (604,362)	$ 898,207	$ 808,386
Total Governmental Activities	$ 963,839	$ 538,730	$ (604,362)	$ 898,207	$ 808,386
Other Long-term Liabilities Due in More than One Year				$ 89,821	
Business-Type Activities:					
Compensated Absences	$ 62,308	$ 61,650	$ (49,858)	$ 74,100	$ 66,690
Total Business-Type Activities	$ 62,308	$ 61,650	$ (49,858)	$ 74,100	$ 66,690
Other Long-term Liabilities Due in More than One Year				$ 7,410	
Component Unit Activities - Sachse EDC:					
Compensated Absences	$ 3,809	$ 11,537	$ (6,172)	$ 9,174	$ 8,256
Total Component Unit Activities	$ 3,809	$ 11,537	$ (6,172)	$ 9,174	$ 8,256
Other Long-term Liabilities Due in More than One Year				$ 918	

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	$ 9,200,000	$ -	$ (315,000)	$ 8,885,000	$ 330,000
General Obligation Bonds	41,360,000	-	(3,440,000)	37,920,000	4,160,000
Premium	3,488,111	-	(276,656)	3,211,455	-
Tax notes	1,215,000	-	(430,000)	785,000	250,000
Other liabilities:					
Lease liabilities	36,148	93,289	(44,693)	84,744	17,223
Subscription liabilities	-	108,012	(23,885)	84,127	19,547
Total Governmental Activities	$ 55,299,259	$ 201,301	$ (4,530,234)	$ 50,970,326	$ 4,776,770
Long-term liabilities due in more than one year				$ 46,193,556	
Business-Type Activities:					
Bonds, notes and other payables:					
Certificates of Obligation	$ 11,545,000	$ -	$ (405,000)	$ 11,140,000	$ 415,000
Premium	346,382	-	(18,725)	327,657	-
Other liabilities:					
Lease liabilities	-	6,160	(354)	5,806	1,136
Total Business-Type Activities	$ 11,891,382	$ 6,160	$ (424,079)	$ 11,473,463	$ 416,136
Long-term liabilities due in more than one year				$ 11,057,327	
Component Unit					
Other liabilities:					
Lease liabilities	$ -	$ 3,079	$ (376)	$ 2,703	$ 568
Total Component Unit	$ -	$ 3,079	$ (376)	$ 2,703	$ 568
Long-term liabilities due in more than one year				$ 2,135	

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	$ 8,630,000
2016 General obligation refunding bonds	2.0-4.0%	20,025,000	14,260,000
2022 General obligation bonds	5.00%	16,645,000	15,030,000
2017A Certificates of obligation	3.0-4.0%	10,590,000	8,885,000
2019 Tax notes	1.17%	2,070,000	310,000
2021 Tax notes	0.83%	1,845,000	475,000
Total Governmental Activities		$ 61,845,000	$ 47,590,000
Business-type Activities:			
2017 Certificates of obligation	3.0-4.0%	$ 12,670,000	$ 11,140,000
Total Business-Type Activities		$ 13,290,000	$ 11,140,000
Total		$ 75,135,000	$ 58,730,000

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
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
2028	2,680,000	1,025,925	95,000	394	390,000	238,738
Thereafter	23,660,000	5,148,900	-	-	7,085,000	1,682,813
Total	$ 37,920,000	$ 11,297,481	$ 785,000	$ 15,157	$ 8,885,000	$ 3,023,503

Lease and Subscription Liabilities

Year ending	Lease Liabilities				Subscription Liabilities			
September 30,	Principal		Interest		Principal		Interest	
2024	$	17,223	$	3,846	$	19,547	$	4,213
2025		18,074		2,965		20,525		3,235
2026		18,999		2,038		21,551		2,209
2027		20,099		1,065		22,504		1,131
2028		10,349		167		-		-
	$	84,744	$	10,081	$	84,127	$	10,788

The City entered into a lease to finance a copier. The property is classified as a right-to-use asset with a total carrying value as of yearend for governmental activities of $83,960.

The City entered into multiple software subscriptions. The property is classified as a right-to-use asset with a total carrying value as of yearend for governmental activities of $162,069.

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	
2024	$	415,000	$	362,612
2025		435,000		345,612
2026		450,000		327,912
2027		470,000		309,512
2028		490,000		290,312
Thereafter		8,880,000		2,050,112
Total	$	11,140,000	$	3,686,072

Lease Liabilities

Year ending	Business-Type Activities			
September 30,	Principal		Interest	
2024	$	1,136	$	254
2025		1,248		195
2026		1,310		134
2027		1,374		70
2028		738		918
	$	5,806	$	1,571

The City entered into a lease to finance a copier. The property is classified as a right-to-use asset with a total carrying value as of yearend for business-type activities of $5,757.

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

<u>Lease Liabilities</u>

Year ending	Component Unit	
September 30,	Principal	Interest
2024	$ 568	$ 568
2025	574	574
2026	604	604
2027	636	636
2028	321	321
	$ 2,703	$ 2,703

The City entered into a lease to finance a copier. The property is classified as a right-to-use asset with a total carrying value as of yearend for component unit activities of $2,682.

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 $1,598,734. Current year amortization expense for governmental activities totaled $182,166.

G. Interfund Transactions

Transfers between the primary government funds during the 2023 year were as follows:

	Transfers In:			
Transfers Out:	**General**	**Capital Projects**	**Water & Sewer**	**Total**
General	$ -	$ 1,999,065	$ -	$ 1,999,065
Nonmajor governmental	246,539	-	-	246,539
Utility	1,388,119	1,459,362	-	2,847,481
Total	$ 1,634,658	$ 3,458,427	$ -	$ 5,093,085

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. During the year the American Rescue Plan Act Fund transferred capital assets to the utility fund in the amount of $2,355,720, which was incorporated within transfers within the Statement of Activities. During the year, the general fund, utility fund, and Sachse Economic Development fund transferred $1,400,312, $143,840, and $18,208, respectively, to the Internal Service Fund.

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**
Sachse EDC	$ 424,000
	$ 424,000

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 Sachse Economic Development fund has advanced the PGBT Reinvestment Zone $424,000 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	$	2,100,748
Total	$	2,100,748

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	$	1,414,899	$	-	$	-
Capital improvements		20,237,798		-		-
* Municipal court		357,826		-		-
* Street maintenance		1,851,204		-		-
Grants		4,357,293		-		-
Hotel occupancy		26,889		-		-
TIRZ activities		1,177,600		-		-
Economic development		-		5,592,555		-
Municipal development		-		-		270,138
Total	$	29,423,509	$	5,592,555	$	270,138

* Restricted by enabling legislation

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, 2023. 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	$ 608,022	$ 213,728
Animal Shelter	4,445,912	1,250,060	3,195,852
5th Street District Phase 1	2,465,875	939,965	1,525,910
Maxwell Creek Pump Station	5,101,700	2,355,720	2,745,980
	$ 12,835,237	$ 5,153,767	$ 7,681,470

Business-Type Activities:

Project Description	Contract Amount	Expended to Date	Remaining Commitment
Sables Hills Lift Station Improvements	$ 837,950	$ 805,300	$ 32,650
Public Works Pump Station Backup Generator	624,927	252,757	372,170
Third Garland Creek Stabilization	1,612,625	789,516	823,109
5th Street District Phase 1	450,000	113,033	336,967
	$ 3,525,502	$ 1,960,606	$ 1,564,896

D. Pension Plans

1. Texas Municipal Retirement Systems

Plan Description

The City of Sachse participates as one of 919 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 2022	Plan Year 2021
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, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	104
Inactive employees entitled to but not yet receiving benefits	159
Active employees	160
Total	423

3. <u>Contributions</u>

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 14.43% and 14.25% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were $1,949,890, and were equal to the required contributions.

4. <u>Net Pension Liability</u>

The city's Net Pension Liability (NPL) was measured as of December 31, 2022, 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, 2022, 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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.0%	7.7%
Core Fixed Income	6.0%	4.9%
Non-Core Fixed Income	20.0%	8.7%
Other Public/Private Markets	12.0%	8.1%
Real Estate	12.0%	5.8%
Hedge Funds	5.0%	6.9%
Private Equity	10.0%	11.8%
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%
$ 15,635,268	$ 7,752,628	$ 1,462,531

Changes in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balance at 12/31/21	$ 43,096,328	$ 41,181,112	$ 1,915,216
Changes for the year:			
Service Cost	2,139,340	-	2,139,340
Interest	2,927,610	-	2,927,610
Difference between expected and actual experience	299,082	-	299,082
Changes of assumptions	-	-	-
Contributions – employer	-	1,707,603	(1,707,603)
Contributions – employee	-	828,284	(828,284)
Net investment income	-	(3,012,296)	3,012,296
Benefit payments, including refunds of emp. contributions	(1,587,982)	(1,587,982)	-
Administrative expense	-	(26,013)	26,013
Other changes	-	31,042	(31,042)
Net changes	3,778,050	(2,059,362)	5,837,412
Balance at 12/31/22	$ 46,874,378	$ 39,121,750	$ 7,752,628

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. <u>Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

For the year ended September 30, 2023, the City recognized pension expense of $2,140,972.

At September 30, 2023, 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	$	135,058	$	-
Difference between projected and investment earnings		2,718,683		-
Contributions subsequent to the measurement date		1,497,364		-
Total	$	4,351,105	$	-

The City reported $1,497,364 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, 2024. 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:		
2023	$	235,281
2024		718,328
2025		741,730
2026		1,158,402
2025		-
Thereafter		-
Total	$	2,853,741

<u>Other Postemployment Benefits</u>

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 2021	Plan Year 2022
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 2023, 2022 and 2021 were $9,237, $7,079 and $5,275, 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**
2021	0.06%	0.06%	100.0%
2022	0.06%	0.06%	100.0%
2023	0.07%	0.07%	100.0%

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to but not yet receiving benefits	28
Active employees	160
Total	255

Total OPEB Liability

The City's Postemployment Benefits Other Than Pensions Liability (OPEB) was measured as of December 31, 2022, 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, 2022 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	4.05%
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 4.05%. The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 4.05%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

1% Decrease (3.05%)	Current Single Rate Assumption 4.05%	1% Increase (5.05%)
$ 450,786	$ 370,078	$ 308,040

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 12/31/21	**$** 556,898
Changes for the year:	
Service Cost	39,048
Interest	10,541
Difference between expected and actual experience	(15,506)
Changes of assumptions	(213,803)
Benefit payments	(7,100)
Net changes	(186,820)
Balance at 12/31/22	**$** 370,078

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

For the year ended September 30, 2023, the City recognized OPEB expense of $32,252.

At September 30, 2023, 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	$	-	(102,687)
Difference between expected and actual experience		-	(26,763)
Contributions subsequent to measurement date		7,356	-
Total	**$**	7,356	**$** (129,450)

The City reported $7,356 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, 2024. 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:		
2023	$	(21,971)
2024		(16,682)
2025		(29,021)
2026		(40,932)
2027		(20,844)
Thereafter		-
	$	(129,450)

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 is currently one existing agreement expiring October 21, 2025. The City abated $45,566 under this agreement during the current year.

The Sachse EDC has entered into sales tax incentive grant agreements with local businesses under Chapters 501-505 of the Texas Local Government Code. Under the terms of the agreements, Sachse EDC will pay annual reimbursement grants in an amount equal to up to 80% of its sales tax receipts related to sales generated by the business. The Sachse EDC did not grant any tax reimbursement grants related to these agreements in the current year.

F. Subsequent Events

There were no material subsequent events through February 23, 2024, the date the financial statements were issued.

G. New Accounting Pronouncements

The City has adopted the provision of Governmental Accounting Standard Board (GASB) Statement No. 96, entitled Subscription-Based Information Technology Arrangements (SBITAs). Due to the implementation of GASB 96 in the current year, the City recorded right to use assets and subscription liabilities.

H. Restatement

Due to corrections to the reporting of land as capital rather than held for sale, the fund balance of the Economic Development Corporation, discretely presented component unit of the City, was restated.

The restatement of beginning fund balance is as follows:

	Sachse EDC Activities
Prior year ending fund balance, as reported	$ 6,773,170
Correction to reporting of land	(2,353,786)
Restated beginning fund balance	$ 4,419,384

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Property tax	$ 14,734,419	$ 14,734,419	$ 14,906,120	$ 171,701
Sales tax	2,670,000	2,670,000	2,967,951	297,951
Franchise and local taxes	1,946,750	1,946,750	2,110,235	163,485
License, permits and fees	3,485,400	3,485,400	1,803,024	(1,682,376)
Intergovernmental	438,803	438,803	504,838	66,035
Fines and forfeitures	205,000	205,000	255,440	50,440
Investment income	55,000	55,000	796,583	741,583
Grants and donations	3,225	3,225	82,698	79,473
Other revenue	69,925	69,925	117,225	47,300
Total Revenues	23,608,522	23,608,522	23,544,114	(64,408)
Expenditures				
Current:				
General government				
City manager	880,103	880,103	791,598	88,505
City secretary	230,338	230,338	218,667	11,671
Human resources	544,270	594,270	482,791	111,479
Finance	821,721	833,086	778,566	54,520
Municipal court	277,808	277,808	266,260	11,548
Information technology	888,463	864,783	860,151	4,632
Public safety				
Police	6,471,649	6,503,829	6,290,712	213,117
Animal control	268,697	268,697	253,414	15,283
Fire	5,704,285	5,704,285	5,587,530	116,755
Public works				
Streets	1,804,753	2,114,753	1,954,860	159,893
Neighborhood services	253,009	253,009	239,914	13,095
Engineering	462,137	462,137	317,415	144,722
Leisure services				
Facilities maintenance	590,891	590,891	626,850	(35,959)
Parks and recreation	1,673,799	1,673,799	1,760,323	(86,524)
Senior activity center	142,638	142,638	155,001	(12,363)
Library	680,936	680,936	567,849	113,087
Development services	1,377,815	1,377,815	925,731	452,084
Combined services	559,225	559,225	438,371	120,854

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service:				
Principal	-	-	32,429	(32,429)
Interest	-	-	1,850	(1,850)
Capital outlay	339,804	462,439	698,204	(235,765)
Total Expenditures	23,972,341	24,474,841	23,248,486	1,226,355
Expenditures	$ (363,819)	$ (866,319)	$ 295,628	$ 1,161,947
Other Financing Sources (Uses)				
Transfers in	1,614,525	1,614,525	1,634,658	20,133
Transfers (out)	(773,065)	(773,065)	(1,999,065)	(1,226,000)
Lease issuance	-	-	93,289	93,289
Subscription issuance	-	-	108,012	108,012
Insurance recoveries	-	-	102,222	102,222
Total Other Financing Sources (Uses)	841,460	841,460	(60,884)	(902,344)
Net Change in Fund Balance	$ 477,641	$ (24,859)	234,744	$ 259,603
Beginning fund balance			16,001,938	
Ending Fund Balance			$ 16,236,682	

Notes to Required 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

IMPACT FEE FUND

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Impact and development fees	$ 2,750,000	$ 2,750,000	$ 840,503	$ (1,909,497)
Investment income	15,000	15,000	346,718	331,718
Total Revenues	2,765,000	2,765,000	1,187,221	(1,577,779)
Other Financing Sources (Uses)				
Transfers (out)	(1,300,000)	(808,175)	-	808,175
Total Other Financing Sources (Uses)	(1,300,000)	(808,175)	-	808,175
Net Change in Fund Balance	$ 1,465,000	$ 1,956,825	1,187,221	$ (769,604)
Beginning fund balance			7,812,239	
Ending Fund Balance			$ 8,999,460	

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

Years Ended:

	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014 [1]
Total pension liability									
Service cost	$ 2,139,340	$ 1,965,391	$ 1,938,134	$ 1,824,297	$ 1,745,860	$ 1,626,583	$ 1,521,822	$ 1,293,172	$ 1,042,550
Interest	2,927,610	2,714,571	2,493,268	2,301,736	2,093,509	1,869,149	1,663,017	1,563,772	1,430,625
Differences between expected and actual experience	299,082	(173,664)	6,987	(403,321)	198,661	688,777	596,374	(79,733)	(127,842)
Changes of assumptions	-	-	-	70,676	-	-	-	110,669	-
Benefit payments, including refunds of participant contributions	(1,587,982)	(1,286,270)	(1,060,648)	(964,941)	(1,019,862)	(820,744)	(738,818)	(670,232)	(466,852)
Net change in total pension liability	3,778,050	3,220,028	3,377,741	2,828,447	3,018,168	3,363,765	3,042,395	2,217,648	1,878,481
Total pension liability - beginning	$ 43,096,328	$ 39,876,300	$ 36,498,559	$ 33,670,112	$ 30,651,944	$ 27,288,179	$ 24,245,784	$ 22,028,136	$ 20,149,655
Total pension liability - ending (a)	$ 46,874,378	$ 43,096,328	$ 39,876,300	$ 36,498,559	$ 33,670,112	$ 30,651,944	$ 27,288,179	$ 24,245,784	$ 22,028,136
Plan fiduciary net position									
Contributions - employer	$ 1,707,603	$ 1,596,061	$ 1,563,325	$ 1,506,494	$ 1,397,265	$ 1,258,456	$ 1,132,714	$ 982,512	$ 770,437
Contributions - members	828,284	762,624	747,490	713,014	674,077	626,979	590,835	520,242	458,268
Net investment income	(3,012,296)	4,635,489	2,419,834	4,103,835	(787,492)	3,070,840	1,340,941	28,020	986,994
Benefit payments, including refunds of participant contributions	(1,587,982)	(1,286,270)	(1,060,648)	(964,941)	(1,019,862)	(820,744)	(738,818)	(670,232)	(466,852)
Administrative expenses	(26,013)	(21,410)	(15,639)	(23,154)	(15,202)	(15,902)	(15,135)	(17,065)	(10,302)
Other	31,042	147	(610)	(695)	(793)	(805)	(815)	(843)	(847)
Net change in plan fiduciary net position	(2,059,362)	5,686,641	3,653,752	5,334,553	247,993	4,118,824	2,309,722	842,634	1,737,698
Plan fiduciary net position - beginning	41,181,112	35,494,471	31,840,719	26,506,166	26,258,173	22,139,349	19,829,627	18,986,993	17,249,295
Plan fiduciary net position - ending (b)	$ 39,121,750	$ 41,181,112	$ 35,494,471	$ 31,840,719	$ 26,506,166	$ 26,258,173	$ 22,139,349	$ 19,829,627	$ 18,986,993
Fund's net pension liability - ending (a) - (b)	$ 7,752,628	$ 1,915,216	$ 4,381,829	$ 4,657,840	$ 7,163,946	$ 4,393,771	$ 5,148,830	$ 4,416,157	$ 3,041,143
Plan fiduciary net position as a percentage of the total pension	83.46%	95.56%	89.01%	87.24%	78.72%	85.67%	81.13%	81.79%	86.19%
Covered payroll	$ 11,832,631	$ 10,894,626	$ 10,678,426	$ 10,185,912	$ 9,629,676	$ 8,956,953	$ 8,440,501	$ 7,432,025	$ 6,546,680
Fund's net position as a percentage of covered payroll	65.52%	17.58%	41.03%	45.73%	74.39%	49.05%	61.00%	59.42%	46.45%

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 EMPLOYER CONTRIBUTIONS TO PENSION PLAN

TEXAS MUNICIPAL RETIREMENT SYSTEM

Years Ended:

	9/30/2023	9/30/2022	9/30/2021	9/30/2020	9/30/2019	9/30/2018	9/30/2017	9/30/2016	9/30/2015 [1]
Actuarially determined employer contributions	$ 1,949,890	$ 1,709,420	$ 1,580,675	$ 1,564,971	$ 1,459,900	$ 1,370,165	$ 1,225,344	$ 1,106,275	$ 893,569
Contributions in relation to the actuarially determined contribution	$ 1,949,890	$ 1,709,420	$ 1,580,675	$ 1,564,971	$ 1,459,900	$ 1,370,165	$ 1,225,344	$ 1,106,275	$ 893,569
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Annual covered payroll	$ 13,643,827	$ 11,798,996	$ 10,791,639	$ 10,659,160	$ 9,922,284	$ 9,525,614	$ 8,833,157	$ 8,185,274	$ 7,047,207
Employer contributions as a percentage of covered payroll	14.29%	14.49%	14.65%	14.68%	14.71%	14.38%	13.87%	13.52%	12.68%

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	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 benefit changes during the year.

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

Years Ended December 31,

	2022 [1]	2021	2020	2019	2018	2017
Total OPEB liability						
Service cost	$ 39,048	$ 30,505	$ 24,560	$ 17,316	$ 23,111	$ 18,810
Interest	10,541	10,566	11,588	11,835	10,685	10,028
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(15,506)	(13,603)	(5,674)	(4,174)	(6,206)	-
Changes of assumptions	(213,803)	19,630	77,814	75,889	(26,515)	28,386
Benefit payments, including refunds of participant contributions	(7,100)	(6,537)	(2,136)	(2,037)	(1,926)	(1,791)
Net change in total OPEB liability	(186,820)	40,561	106,152	98,829	(851)	55,433
Total OPEB liability - beginning	$ 556,898	$ 516,337	$ 410,185	$ 311,356	$ 312,207	$ 256,774
Total OPEB liability - ending [2]	$ 370,078	$ 556,898	$ 516,337	$ 410,185	$ 311,356	$ 312,207
Covered-employee payroll	$ 11,832,631	$ 10,894,626	$ 10,678,426	$ 10,185,912	$ 9,629,676	$ 8,956,953
Fund's net position as a percentage of covered-employee payroll	3.13%	5.11%	4.84%	4.03%	3.23%	3.49%

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.

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

September 30, 2023

	Street Maintenance	Special Revenue	ARPA	Hotel Occupancy	Total Nonmajor Governmental
Assets					
Cash and cash equivalents	$ 635,250	$ 306,985	$ 1,731,955	$ 9,891	$ 2,684,081
Investments	1,091,914	518,157	2,977,018	17,001	4,604,090
Receivables	124,206	5,751	-	-	129,957
Total Assets	$ 1,851,370	$ 830,893	$ 4,708,973	$ 26,892	$ 7,418,128
Liabilities					
Accounts payable	$ 166	$ 2,106	$ 351,680	$ 3	$ 353,955
Total Liabilities	166	2,106	351,680	3	353,955
Fund Balances					
Restricted for:					
Capital improvements	-	470,961	-	-	470,961
Street maintenance	1,851,204	-	-	-	1,851,204
Municipal court	-	357,826	-	-	357,826
Hotel occupancy	-	-	-	26,889	26,889
Grants	-	-	4,357,293	-	4,357,293
Total Fund Balances	1,851,204	828,787	4,357,293	26,889	7,064,173
Total Liabilities and Fund Balances	$ 1,851,370	$ 830,893	$ 4,708,973	$ 26,892	$ 7,418,128

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended September 30, 2023

	Street Maintenance	Special Revenue	ARPA	Hotel Occupancy	Total Nonmajor Governmental
Revenues					
Impact and development fees	$ -	$ 111,100	$ -	$ -	$ 111,100
Sales taxes	731,060	-	-	-	731,060
Franchise and local taxes	-	24,969	-	13,299	38,268
Fines and forfeitures	-	63,835	-	-	63,835
Donations	-	3,917	-	-	3,917
Investment income	64,850	32,955	244,987	836	343,628
Total Revenues	795,910	236,776	244,987	14,135	1,291,808
Expenditures					
General government	-	1,135	-	-	1,135
Public safety	-	26,120	-	-	26,120
Leisure services	-	1,444	-	-	1,444
Capital outlay	342,665	76,746	2,355,720	-	2,775,131
Total Expenditures	342,665	105,445	2,355,720	-	2,803,830
Revenues Over (Under) Expenditures	453,245	131,331	(2,110,733)	14,135	(1,512,022)
Other Financing Sources (Uses)					
Transfers (out)	-	(246,539)	-	-	(246,539)
Total Other Financing Sources (Uses)	-	(246,539)	-	-	(246,539)
Net Change in Fund Balances	453,245	(115,208)	(2,110,733)	14,135	(1,758,561)
Beginning fund balances	1,397,959	943,995	6,468,026	12,754	8,822,734
Ending Fund Balances	$ 1,851,204	$ 828,787	$ 4,357,293	26,889	$ 7,064,173

City of Sachse, Texas

COMBINING BALANCE SHEET

TAX INCREMENT REINVESTMENT ZONES

September 30, 2023

	PGBT Reinvestment Zone	Station Reinvestment Zone	Highway 78	Total Tax Increment Reinvestment Zones
Assets				
Cash and cash equivalents	$ 4,051	$ 238,963	194,231	$ 437,245
Investments	6,964	410,751	333,859	751,574
Total Assets	$ 11,015	$ 649,714	528,090	$ 1,188,819
Liabilities				
Accounts payable accrued liabilities	$ 675	$ 146	58	$ 879
Advances from component unit	424,000	-	-	424,000
Total Liabilities	424,675	146	58	424,879
Fund Balances				
Restricted for:				
TIRZ activities	-	649,568	528,032	1,177,600
Unassigned	(413,660)	-	-	(413,660)
Total Fund Balances	(413,660)	649,568	528,032	763,940
Total Liabilities and Fund Balances	$ 11,015	$ 649,714	528,090	$ 1,188,819

City of Sachse, Texas

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TAX INCREMENT REINVESTMENT ZONES

For the Year Ended September 30, 2023

	PGBT Reinvestment Zone	Station Reinvestment Zone	Highway 78	Total Tax Increment Reinvestment Zones
Revenues				
Property taxes	$ 247,281	$ 528,202	515,866	$ 1,291,349
Investment income	1,149	17,437	12,166	30,752
Total Revenues	248,430	545,639	528,032	1,322,101
Expenditures				
General government	1,964	36,236	-	38,200
Total Expenditures	1,964	36,236	-	38,200
Revenues Over (Under) Expenditures	246,466	509,403	528,032	1,283,901
Net Change in Fund Balances	246,466	509,403	528,032	1,283,901
Beginning fund balances	(660,126)	140,165	-	(519,961)
Ending Fund Balances (Deficit)	$ (413,660)	$ 649,568	528,032	$ 763,940

The City of
SACHSE

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, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Property tax	$ 6,263,477	$ 6,337,159	$ 73,682
Investment income	5,500	102,365	96,865
Total Revenues	6,268,977	6,439,524	170,547
Expenditures			
Debt service:			
Principal	4,190,000	4,185,000	5,000
Interest	1,999,422	2,003,891	(4,469)
Total Expenditures	6,189,422	6,188,891	531
Net Change in Fund Balance	$ 79,555	250,633	$ 171,078
Beginning fund balance		1,165,246	
Ending Fund Balance		$ 1,415,879	

Notes to Other Supplementary Information

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

City of Sachse, Texas

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

For the Year Ended September 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	$ -	$ -	$ 169,605	$ 169,605
Investment income	46,500	46,500	1,259,944	1,213,444
Other revenue	-	-	79,085	79,085
Total Revenues	46,500	46,500	1,508,634	1,462,134
Expenditures				
General government	6,764	6,764	1,796	4,968
Public safety	-	-	55,262	(55,262)
Debt service:				
Principal	-	-	36,149	(36,149)
Interest	-	-	1,807	(1,807)
Capital outlay	23,019,140	24,739,771	10,368,685	14,371,086
Total Expenditures	23,025,904	24,746,535	10,463,699	14,282,836
Revenues Over (Under)	(22,979,404)	(24,700,035)	(8,955,065)	(12,820,702)
Other Financing Sources (Uses)				
Transfers in	3,535,565	3,043,740	3,458,427	414,687
Sale of general capital asset	10,000	10,000	59,909	49,909
Total Other Financing Sources	3,545,565	3,053,740	3,518,336	464,596
Net Change in Fund Balance	$ (19,433,839)	$ (21,646,295)	(5,436,729)	$ 16,209,566
Beginning fund balance			34,270,671	
Ending Fund Balance			$ 28,833,942	

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Sales tax	$ 650,000	$ 650,000	$ 731,060	$ 81,060
Investment income	2,500	2,500	64,850	62,350
Total Revenues	652,500	652,500	795,910	143,410
Expenditures				
Capital outlay	650,000	1,000,000	342,665	657,335
Total Expenditures	650,000	1,000,000	342,665	657,335
Net Change in Fund Balance	$ 2,500	$ (347,500)	453,245	$ 800,745
Beginning fund balance			1,397,959	
Ending Fund Balance			$ 1,851,204	

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 SPECIAL REVENUE FUND

For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Impact and development fees	$ 488,600	$ 111,100	$ (377,500)
Franchise and local taxes	27,500	24,969	(2,531)
Donations	4,250	3,917	(333)
Fines and forfeitures	47,625	63,835	16,210
Investment income	2,500	32,955	30,455
Total Revenues	570,475	236,776	(333,699)
Expenditures			
General government	12,500	1,135	11,365
Public safety	52,000	26,120	25,880
Leisure services	500	1,444	(944)
Capital outlay	171,291	76,746	94,545
Total Expenditures	236,291	105,445	130,846
Other Financing Sources (Uses)			
Transfers (out)	(226,406)	(246,539)	(20,133)
Total Other Financing Sources (Uses)	(226,406)	(246,539)	(20,133)
Net Change in Fund Balance	$ 107,778	(115,208)	$ (222,986)
Beginning fund balance		943,995	
Ending Fund Balance		$ 828,787	

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 AMERICAN RESCUE PLAN ACT FUND (ARPA)

For the Year Ended September 30, 2023

	Original & Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues			
Grants	$ 3,233,294	$ -	$ (3,233,294)
Investment income	1,000	244,987	243,987
Total Revenues	3,234,294	244,987	(2,989,307)
Expenditures			
Capital outlay	5,300,000	2,355,720	2,944,280
Total Expenditures	5,300,000	2,355,720	2,944,280
Revenues Over (Under) Expenditures	(2,065,706)	(2,110,733)	(5,933,587)
Other Financing Sources (Uses)			
Transfers (out)	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	$ (2,065,706)	(2,110,733)	$ (45,027)
Beginning fund balance		6,468,026	
Ending Fund Balance		$ 4,357,293	

Notes to Other Supplementary Information

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

City of Sachse, Texas

BALANCE SHEET

DISCRETELY PRESENTED COMPONENT UNITS

September 30, 2023

	Sachse EDC	Sachse MDD	Total
Assets			
Cash and cash equivalents	$ 1,815,828	$ 55,128	$ 1,870,956
Investments	3,121,185	94,760	3,215,945
Receivables, net	258,412	120,250	378,662
Total Current Assets	5,195,425	270,138	5,465,563
Noncurrent Assets			
Advances to primary government	424,000	-	424,000
Total Noncurrent Assets	424,000	-	424,000
Total Assets	5,619,425	270,138	5,889,563
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	14,993	-	14,993
Total Liabilities	14,993	-	14,993
Fund Balances			
Nonspendable for:			
Interfund advances	424,000	-	424,000
Restricted for:			
Economic development	5,180,432	-	5,180,432
Municipal development	-	270,138	270,138
Total Fund Balances	5,604,432	270,138	5,874,570
Total Liabilities and Fund Balances	$ 5,619,425	$ 270,138	$ 5,889,563

City of Sachse, Texas

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

September 30, 2023

Fund Balances	$	5,874,570
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		1,649,893
Capital assets - net depreciable		2,682
Some liabilities, including bonds payable and deferred charges, are not reported as liabilities in the governmental funds.		
Compensated absences - Sachse EDC		(9,174)
Non-current liabilities due in one year		(568)
Non-current liabilities due in more than one year		(2,135)
Net Position of the Discretely Presented Component Units	$	7,515,268

City of Sachse, Texas

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

For the Year Ended September 30, 2023

	Sachse EDC	Sachse MDD	Total
Revenues			
Sales taxes	$ 1,462,120	$ 710,256	$ 2,172,376
Investment income	185,330	1,054	186,384
Contributions/donations	-	161,294	161,294
Other revenues	20,000	-	20,000
Total Revenues	1,667,450	872,604	2,540,054
Expenditures			
Economic development	482,066	-	482,066
Park development	-	6,296	6,296
Debt service:			
Principal	277	-	277
Interest	59	-	59
Capital outlay	2,990	769,571	772,561
Total Expenditures	485,392	775,867	1,261,259
Excess of Revenues Over (Under) Expenditures	1,182,058	96,737	1,278,795
Other Financing Sources (Uses)			
Lease proceeds	2,980	-	2,980
Sale of general capital assets	10	-	10
Total Other Financing Sources (Uses)	2,990	-	2,990
Net Change in Fund Balances	1,185,048	96,737	1,281,785
Beginning fund balances	4,419,384	173,401	4,592,785
Ending Fund Balances	$ 5,604,432	$ 270,138	$ 5,874,570

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, 2023

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

Net changes in fund balances	$	1,281,785
Governmental funds report capital outlays as expenditures. However, in the statement of activitites the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Contribution of capital assets		(703,883)
Gain on asset		(10)
Capital outlay		2,980
Depreciation expense		(298)
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		(5,365)
Lease issuance		(2,980)
Prinicpal payments		277
Change in Net Position of the Discretely Presented Component Units	$	572,506

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

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	$ 48,982,879	$ 49,395,981	$ 52,071,872	$ 50,617,047	$ 57,841,667	$ 58,662,282	$ 64,921,091	$ 67,797,822	$ 70,605,922	$ 79,772,178
Restricted	9,721,020	11,827,722	8,618,633	13,205,846	5,906,413	7,403,116	12,971,959	22,321,414	31,086,500	29,423,509
Unrestricted	(1,414,544)	(519,752)	4,049,157	4,306,816	4,229,764	6,219,720	6,027,751	9,024,001	13,828,608	15,423,478
Total Governmental Activities Net Position	$ 57,289,355	$ 60,703,951	$ 64,739,662	$ 68,129,709	$ 67,977,844	$ 72,285,118	$ 83,920,801	$ 99,143,237	$ 115,521,030	$ 124,619,165
Business-type Activities										
Net investment in capital assets	$ 18,603,126	$ 18,802,635	$ 20,509,338	$ 20,802,006	$ 26,313,666	$ 24,199,778	$ 25,534,424	$ 26,549,371	$ 25,142,628	$ 30,097,903
Unrestricted	2,586,599	4,232,573	7,450,081	9,203,735	9,233,900	13,145,910	15,218,006	16,372,891	22,125,091	23,316,830
Total Business-type Activities Net Position	$ 21,189,725	$ 23,035,208	$ 27,959,419	$ 30,005,741	$ 35,547,566	$ 37,345,688	$ 40,752,430	$ 42,922,262	$ 47,267,719	$ 53,414,733
Primary Government										
Net investment in capital assets	$ 67,586,005	$ 68,198,616	$ 72,581,210	$ 71,419,053	$ 84,155,333	$ 82,862,060	$ 90,455,515	$ 94,347,193	$ 95,748,550	$ 109,870,081
Restricted	9,721,020	11,827,722	8,618,633	13,205,846	5,906,413	7,403,116	12,971,959	22,321,414	31,086,500	29,423,509
Unrestricted	1,172,055	3,712,821	11,499,238	13,510,551	13,463,664	19,365,630	21,245,757	25,396,892	35,953,699	38,740,308
Total Primary Government Net Position	$ 78,479,080	$ 83,739,159	$ 92,699,081	$ 98,135,450	$ 103,525,410	$ 109,630,806	$ 124,673,231	$ 142,065,499	$ 162,788,749	$ 178,033,898

Source: City's Audited Financial Statements

City of Sachse, Texas

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	$ 2,332,316	$ 2,330,847	$ 2,500,102	$ 2,526,665	$ 2,878,022	$ -	$ 3,342,715	$ 3,335,835	$ 3,562,190	$ 4,363,153
Public safety	6,176,967	6,854,653	8,191,197	9,144,006	9,736,773	3,358,995	11,201,666	11,477,436	10,885,495	13,163,847
Public works	3,914,293	4,415,483	5,056,488	5,639,697	5,489,736	10,237,626	6,147,260	5,353,283	5,610,919	6,483,557
Leisure services	1,427,948	1,557,475	1,739,147	1,903,914	1,969,689	5,975,519	2,333,491	2,269,214	3,084,547	3,641,473
Development services	616,439	677,184	900,457	833,629	835,209	1,946,985	715,773	892,271	1,124,278	956,514
Interest and fiscal charges	1,802,117	2,022,071	2,105,723	1,193,484	1,563,657	806,203	1,347,849	1,315,797	1,620,664	1,809,107
Total governmental activities	16,270,080	17,857,713	20,493,114	21,241,395	22,473,086	22,325,328	25,088,754	24,643,836	25,888,093	30,417,651
Business-type activities:										
Water	6,590,497	7,238,771	8,128,858	8,946,369	9,342,633	6,799,081	7,586,871	7,813,426	8,566,726	8,853,465
Sewer	-	-	-	-	-	2,743,508	2,282,485	2,786,830	3,173,551	3,720,183
Stormwater drainage	-	-	-	-	-	119,957	38,484	25,950	156,406	41,522
Total business-type activities	6,590,497	7,238,771	8,128,858	8,946,369	9,342,633	9,662,546	9,907,840	10,626,206	11,896,683	12,615,170
Total primary government	$ 22,860,577	$ 25,096,484	$ 28,621,972	$ 30,187,764	$ 31,815,719	$ 31,987,874	$ 34,996,594	$ 35,270,042	$ 37,784,776	$ 43,032,821
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 13,702	$ 10,750	$ 720	$ -	$ -	$ 7,610	$ 9,900	$ 11,320	$ 11,485	$ 12,325
Public safety	952,056	871,054	596,562	845,462	1,136,924	1,079,089	1,058,301	1,263,222	1,522,293	1,579,109
Public works	1,458,819	1,216,081	1,315,780	739,151	539,258	1,005,214	1,737,126	2,935,326	2,472,726	841,947
Leisure services	-	-	-	264,852	205,363	-	-	-	-	-
Development services	1,055,577	1,804,213	1,169,517	1,189,194	1,223,216	691,080	-	249,256	303,077	268,179
Operating grants and contri.	7,587	521,003	744,975	20,832	18,879	453,212	2,240,037	219,956	11,315	256,220
Capital grants and contri.	5,054,515	1,745,994	4,913,651	2,754,486	839,290	2,274,863	7,163,304	9,114,448	11,100,582	4,437,317
Total governmental activities	8,542,256	6,169,095	8,741,205	5,813,977	3,962,930	5,511,068	12,208,668	13,793,528	15,421,478	7,395,097
Business-type activities:										
Charges for services:										
Water	6,866,641	9,137,569	10,382,099	11,384,202	13,532,977	7,619,612	8,098,664	7,974,914	9,664,072	10,166,120
Sewer	-	-	-	-	-	4,673,480	4,881,913	5,455,163	6,114,257	6,605,081
Stormwater drainage	-	-	-	-	-	209,459	209,636	210,802	220,706	229,246
Capital grants and contri.	2,019,038	1,233,994	2,810,315	1,047,236	82,530	564,030	1,385,442	1,427,866	1,356,145	1,378,955
Total business-type activities	8,885,679	10,371,563	13,192,414	12,431,438	13,615,507	13,066,581	14,575,655	15,068,745	17,355,180	18,379,402
Total primary government	$ 17,427,935	$ 16,540,658	$ 21,933,619	$ 18,245,415	$ 17,578,437	$ 18,577,649	$ 26,784,323	$ 28,862,273	$ 32,776,658	$ 25,774,499
Net (Expense)/Revenue										
Governmental activities	$ (7,727,824)	$ (11,688,618)	$ (11,751,909)	$ (15,427,418)	$ (18,510,156)	$ (16,814,260)	$ (12,880,086)	$ (10,850,308)	$ (10,466,615)	$ (23,022,554)
Business-type activities	2,295,182	3,132,792	5,063,556	3,485,069	4,272,874	3,404,035	4,667,815	4,442,539	5,458,497	5,764,232
Total primary government	$ (5,432,642)	$ (8,555,826)	$ (6,688,353)	$ (11,942,349)	$ (14,237,282)	$ (13,410,225)	$ (8,212,271)	$ (6,407,769)	$ (5,008,118)	$ (17,258,322)

City of Sachse, Texas

CHANGES IN NET POSITION (Continued)

Last Ten Fiscal Years

(accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues										
Governmental activities:										
Taxes:										
Property taxes	$ 9,951,685	$ 10,938,125	$ 12,296,608	$ 13,982,042	$ 15,674,089	$ 16,746,511	$ 17,833,325	$ 19,000,362	$ 19,502,913	$ 22,542,983
Sales and other taxes	2,390,224	2,790,620	3,024,925	3,094,029	3,305,196	3,400,267	3,705,978	4,142,062	5,551,188	5,847,514
Investment earnings	30,724	33,900	50,842	117,382	388,860	631,556	354,679	131,549	299,111	2,879,990
Other income	280,569	51,290	268,740	107,470	168,853	92,091	741,095	439,208	259,941	358,441
Transfers, net	(263,672)	1,289,279	146,505	1,516,542	(947,605)	1,669,294	1,437,917	2,359,563	1,231,255	491,761
Total governmental activities	12,389,530	15,103,214	15,787,620	18,817,465	18,589,393	22,539,719	24,072,994	26,072,744	26,844,408	32,120,689
Business-type activities:										
Investment earnings	837	1,970	7,160	77,795	338,741	465,779	176,844	86,856	118,215	874,543
Transfers, net	263,672	(1,289,279)	(146,505)	(1,516,542)	947,605	(1,669,294)	(1,437,917)	(2,359,563)	(1,231,255)	(491,761)
Total business-type activities	264,509	(1,287,309)	(139,345)	(1,438,747)	1,286,346	(1,203,515)	(1,261,073)	(2,272,707)	(1,113,040)	382,782
Total primary government	$ 12,654,039	$ 13,815,905	$ 15,648,275	$ 17,378,718	$ 19,875,739	$ 21,336,204	$ 22,811,921	$ 23,800,037	$ 25,731,368	$ 32,503,471
Change in Net Position										
Governmental activities	$ 4,661,706	$ 3,414,596	$ 4,035,711	$ 3,390,047	$ 79,237	$ 5,725,459	$ 11,192,908	$ 15,222,436	$ 16,377,793	$ 9,098,135
Business-type activities	2,559,691	1,845,483	4,924,211	2,046,322	5,559,220	2,200,520	3,406,742	2,169,832	4,345,457	6,147,014
Total primary government	$ 7,221,397	$ 5,260,079	$ 8,959,922	$ 5,436,369	$ 5,638,457	$ 7,925,979	$ 14,599,650	$ 17,392,268	$ 20,723,250	$ 15,245,149

Source: City's Audited Financial Statements

City of Sachse, Texas

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund:										
Nonspendable	$ 72,675	$ 101,621	$ 21,970	$ 39,463	$ 22,833	$ 77,251	$ 60,847	$ 94,036	$ 56,371	$ 52,877
Assigned	450,000	54,000	186,340	-	-	-	-	-	-	-
Unassigned	5,568,904	6,546,528	7,723,757	8,829,452	8,640,784	10,355,357	10,131,924	12,704,756	15,945,567	16,183,805
Total general fund	$ 6,091,579	$ 6,702,149	$ 7,932,067	$ 8,868,915	$ 8,663,617	$ 10,432,608	$ 10,192,771	$ 12,798,792	$ 16,001,938	$ 16,236,682
All other governmental funds:										
Restricted	$ 10,226,460	$ 11,827,722	$ 13,093,851	$ 12,911,936	$ 21,735,771	$ 17,130,804	$ 20,892,477	$ 26,987,818	$ 49,255,251	$ 44,504,488
Nonspendable	-	-	-	-	-	-	-	-	1,536,926	885,818
Assigned	-	-	186,340	293,910	625,976	788,338	682,802	877,760	1,278,713	2,100,748
Unassigned	(614,301)	(472,960)	(1,623,821)	(1,551,439)	(1,477,110)	(1,377,540)	(1,202,037)	(805,509)	(519,961)	(413,660)
Total all other governmental funds	$ 9,612,159	$ 11,354,762	$ 11,656,370	$ 11,654,407	$ 20,884,637	$ 16,541,602	$ 20,373,242	$ 27,060,069	$ 51,550,929	$ 47,077,394

Source: City's Audited Financial Statements

City of Sachse, Texas

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

(modified accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property taxes	$ 9,944,708	$ 10,928,163	$ 12,260,047	$ 14,034,836	$ 15,676,744	$ 16,708,542	$ 17,788,498	$ 19,032,551	$ 19,505,419	$ 22,534,628
Sales and other taxes	2,390,224	2,790,620	3,024,925	3,094,029	3,305,196	3,400,267	3,705,978	4,142,062	5,551,188	5,847,514
Licenses, permits, & fees	1,830,459	1,612,769	1,743,628	1,598,993	1,814,494	1,577,873	2,300,683	3,678,567	3,442,197	1,803,024
Intergovernmental	-	-	-	-	-	-	-	-	-	674,443
Grants and contributions	183,780	710,470	974,489	321,583	18,879	860,091	2,413,891	4,352,068	3,773,551	86,615
Fines and forfeitures	556,379	458,477	291,926	252,614	270,817	303,725	246,140	249,589	303,005	319,275
Impact and development fees	910,006	1,657,973	1,022,593	883,250	95,100	504,323	2,049,753	3,388,825	3,343,731	951,603
Investment income	30,669	33,900	50,842	117,228	387,954	631,556	354,679	131,549	299,111	2,879,990
Other revenue	280,569	51,290	271,595	92,796	968,855	72,938	70,748	386,419	89,254	196,310
Total Revenues	16,126,794	18,243,662	19,640,045	20,395,329	22,538,039	24,059,315	28,930,370	35,361,630	36,307,456	35,293,402
Expenditures										
General government	1,313,993	1,601,990	1,565,175	1,425,250	1,510,028	2,511,481	3,434,072	2,806,360	3,157,022	3,445,629
Public safety	5,278,726	6,274,349	7,466,728	8,293,828	8,963,876	9,154,685	9,988,757	10,702,217	10,728,655	12,213,038
Public works	1,344,008	1,781,872	1,882,251	2,626,166	2,263,665	2,350,290	2,115,492	1,836,357	1,949,985	2,512,189
Leisure services	1,114,822	1,269,794	1,455,952	1,564,719	1,631,189	1,557,954	1,921,627	1,681,738	2,597,672	3,111,467
Development services	569,864	673,506	831,719	828,351	827,741	1,027,065	678,081	886,903	1,156,736	925,731
Combined services	437,015	493,412	564,368	669,168	769,629	376,041	341,900	375,683	383,897	438,371
Debt service										
Principal	1,125,000	1,195,000	1,325,000	2,325,000	2,330,000	3,040,000	3,420,000	3,655,000	4,139,428	4,253,578
Interest	1,799,446	1,762,998	1,672,947	1,186,303	1,435,602	1,440,823	1,337,324	1,280,824	1,237,008	2,007,548
Bond issuance costs	-	177,355	372,256	-	105,000	-	34,490	49,775	248,793	-
Capital outlay	4,141,606	2,129,457	2,445,778	2,072,876	3,722,165	6,863,467	6,395,449	7,788,488	4,549,048	13,835,555
Total Expenditures	17,124,480	17,359,733	19,582,174	20,991,661	23,558,895	28,321,806	29,667,192	31,063,345	30,148,244	42,743,106
Revenues Over (Under) Expenditures	(997,686)	883,929	57,871	(596,332)	(1,020,856)	(4,262,491)	(736,822)	4,298,285	6,159,212	(7,449,704)
Other Financing Sources (Uses)										
Transfers in	1,708,777	1,289,279	1,841,302	3,948,013	5,089,835	3,553,012	9,896,810	8,871,496	4,765,910	5,093,085
Transfers (out)	(2,668,521)	-	(1,694,797)	(2,431,471)	(6,037,440)	(1,883,718)	(8,458,893)	(6,511,933)	(3,534,655)	(2,245,604)
Debt issued	-	9,470,000	21,225,000	-	10,590,000	-	2,070,000	2,635,000	18,490,000	201,301
Premium on bonds issued	-	458,338	2,204,516	-	318,393	59,909	-	-	1,642,852	-
Insurance recoveries	-	-	-	-	-	-	-	-	45,954	102,222
Payment to refunded escrow agent	-	(9,748,373)	(21,733,392)	-	-	93,289	-	-	-	-
Sale of capital assets	-	-	-	14,675	85,000	19,153	820,708	-	124,733	59,909
Total Other Financing Sources (Uses)	(959,744)	1,469,244	1,842,629	1,531,217	10,045,788	1,841,645	4,328,625	4,994,563	21,534,794	3,210,913
Net Change in Fund Balances	$ (1,957,430)	$ 2,353,173	$ 1,900,500	$ 934,885	$ 9,024,932	$ (2,420,846)	$ 3,591,803	$ 9,292,848	$ 27,694,006	$ (4,238,791)
Ratio of total debt service expenditures to noncapital	23%	19%	17%	19%	19%	21%	20%	21%	21%	22%

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
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
2023	4,092,796,420	85,901,079	702,058,583	3,476,638,916	0.65042

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

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Direct Rates:										
City of Sachse - Operating	0.56889	0.55903	0.57228	0.56200	0.55307	0.52579	0.52579	0.52579	0.50653	0.45621
City of Sachse - Debt Service	0.20193	0.21179	0.18500	0.19528	0.19421	0.19421	0.19421	0.19421	0.19421	0.19421
Total Direct Rate	0.77082	0.77082	0.75728	0.75728	0.74728	0.72000	0.72000	0.72000	0.70073	0.65042
Overlapping Rates:										
Garland Independent School District	1.25330	1.25330	1.35330	1.46000	0.14600	1.46000	1.39000	1.34630	1.25630	1.17250
Dallas County	0.64341	0.65388	0.66275	0.65470	0.65674	0.65650	0.64660	0.63984	0.61646	0.57965
Total Dallas County Entities	1.89671	1.90718	2.01605	2.11470	0.80274	2.11650	2.03660	1.98614	1.87276	1.75215
Wylie Independent School District	1.64000	1.64000	1.64000	1.64000	1.64000	1.64000	1.53840	1.52050	1.45980	1.39790
Collin County	0.32630	0.31696	0.30696	0.28962	0.27206	0.26201	0.25617	0.25375	0.24931	0.23366
Total Collin County Entities	1.96630	1.95696	1.94696	1.92962	1.91206	1.90201	1.79457	1.77425	1.70911	1.63156

Tax rates per $100 of assessed valuation.

Source: Dallas & Collin Central Appraisal Districts and City records.

City of Sachse, Texas

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Tax Payer	2023 Taxable Assessed Value	2023 Rank	2023 % of Taxable Assessed Value	2014 Taxable Assessed Value	2014 Rank	2014 % of Taxable Assessed Value
7700 Cody Lane (TX) Owner LP	$ 65,346,274	1	1.88%	$ -	n/a	-
5300 The Station TX Owner LP	59,000,000	2	1.70%	-	n/a	-
Linden Ranch Gardens LP Etal	55,950,300	3	1.61%	-	n/a	-
CSL Sachse 2017 LLC	41,362,730	4	1.19%	-	n/a	-
Batsu Enterprises LLC	39,186,650	5	1.13%	-	n/a	-
Intergerman Woodbridge Villas LP	32,100,168	6	0.92%	-	n/a	-
PMB Station Developer LLC	18,640,387	7	0.54%	-	n/a	-
Meritage Homes of Texas LLC	18,494,720	8	0.53%	-	n/a	-
Lipt Oak Grove LLC	17,554,940	9	0.50%	-	n/a	-
Wal-Mart Real Estate Business Trust	11,985,218	10	0.34%	3,364,879	5	-
Woodbridge Villas LLC	-	n/a	-	12,776,057	1	0.98%
Realty Associates	-	n/a	-	8,233,728	2	0.63%
Oncor Electric Delivery Co	-	n/a	-	5,154,670	3	0.40%
Jackson Meadows Partners				3,843,990	4	
Verizon	-	n/a	-	3,313,100	6	0.25%
Woodbridge Prop Inc	-	n/a	-	3,076,505	7	0.24%
Walgreens	-	na	-	2,843,950	8	0.22%
Shachse Self Storage LTD	-	n/a	-	2,778,830	9	0.21%
Woodbridge Shopping Ctr	-	n/a	-	2,640,083	10	0.20%
Total	$ 359,621,387		10.34%	$ 48,025,792		3.69%
Total Assessed Valuation	$ 3,476,638,916		100%	$ 1,300,626,676		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

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Tax levy	$ 9,864,675	$ 10,773,241	$ 12,186,445	$ 13,926,966	$ 15,368,350	$ 16,686,912	$ 17,639,496	$ 18,705,097	$ 19,436,737	$ 22,387,127
Current tax collected	$ 9,765,245	$ 10,649,420	$ 12,107,169	$ 13,844,380	$ 15,345,295	$ 16,606,826	$ 17,529,121	$ 18,624,346	$ 19,404,464	$ 22,369,462
Percent of current tax collections	98.99%	98.85%	99.3%	99.4%	99.8%	99.5%	99.4%	99.6%	99.8%	99.9%
Delinquent tax collections	$ 97,993	$ 128,710	$ 81,974	$ 42,724	$ 13,418	$ 67,918	$ 93,239	$ 42,752	$ 21,939	$ -
Total tax collections	$ 9,863,238	$ 10,778,130	$ 12,189,143	$ 13,887,104	$ 15,358,713	$ 16,674,744	$ 17,622,360	$ 18,667,098	$ 19,426,403	$ 22,369,462
Total collections as a percentage of levy	100.0%	100.0%	100.0%	99.7%	99.9%	99.9%	99.9%	99.8%	99.9%	99.9%

Source: Dallas and Collin County reports.

City of Sachse, Texas

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
General Obligation Bonds	$ 36,575,000	$ 36,915,000	$ 35,665,000	$ 33,500,000	$ 31,575,000	$ 28,970,000	$ 27,315,000	$ 26,490,000	$ 41,360,000	$ 37,920,000
Premium	-	434,215	2,614,608	2,848,622	2,666,428	2,467,981	2,269,534	2,071,087	3,488,111	3,211,455
Discounts	(14,463)	(14,354)	(4,829)	(3,720)	(2,611)	(2,437)	(1,264)	-	-	
Certificates of Obligation	470,000	-	-	-	10,350,000	10,080,000	9,800,000	9,505,000	9,200,000	8,885,000
Tax Notes	-	-	1,200,000	1,040,000	875,000	710,000	1,295,000	1,395,000	1,215,000	785,000
Lease liabilities	-	-	-	-	-	-	-	70,576	36,148	84,744
Business-type activities:										
General Obligation Bonds	$ -	$ -	$ 620,000	$ 12,670,000	$ 12,490,000	$ 12,265,000	$ 12,035,000	$ 11,795,000	$ 11,545,000	$ 11,140,000
Certificates of Obligation	935,000	835,000	110,000	620,000	500,000	380,000	255,000	130,000	-	-
Premium	-	-	66,671	495,643	456,686	427,845	399,004	370,164	346,382	327,658
Total primary government	$ 37,965,537	$ 38,169,861	$ 40,271,450	$ 51,170,545	$ 58,910,503	$ 55,298,389	$ 53,367,274	$ 51,826,827	$ 67,190,641	$ 62,353,857
Percentage of personal income (1)	5.09%	4.50%	4.48%	5.10%	5.92%	5.11%	5.64%	5.48%	5.59%	4.58%
Per capita (1)	$ 1,559	$ 1,553	$ 1,526	$ 1,905	$ 2,237	$ 2,205	$ 2,121	$ 2,044	$ 2,361	$ 2,127

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

RATIO OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Years

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NET TAXABLE ASSESSED VALUE										
All property	$ 1,300,626,676	$ 1,424,592,045	$ 1,635,579,749	$ 1,873,284,967	$ 2,158,595,689	$ 2,366,146,541	$ 2,497,215,084	$ 2,589,657,381	$ 2,862,003,066	$ 3,476,638,916
NET BONDED DEBT (1)										
Gross bonded debt	37,965,537	38,169,861	40,271,450	51,170,545	58,910,503	55,298,389	53,367,274	51,826,827	67,190,641	62,353,857
Less: available debt service funds	-	336,024	319,601	460,734	776,042	831,218	890,680	1,089,344	1,165,246	1,778,056
Net Bonded Debt	$ 37,965,537	$ 37,833,837	$ 39,951,849	$ 50,709,811	$ 58,134,461	$ 54,467,171	$ 52,476,594	$ 50,737,483	$ 66,025,395	$ 60,575,801
RATIO OF NET BONDED DEBT TO	2.92%	2.66%	2.44%	2.71%	2.69%	2.30%	2.10%	1.96%	2.31%	1.74%
POPULATION	23,756	23,756	24,554	24,777	24,720	24,910	25,040	25,289	28,453	29,314
NET BONDED DEBT PER CAPITA	$ 1,598	$ 1,593	$ 1,627	$ 2,047	$ 2,352	$ 2,187	$ 2,096	$ 2,006	$ 2,321	$ 2,066

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 original issuance discounts and premiums.

City of Sachse, Texas

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2023

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	$ 403,108,753	13.55%	$ 54,621,236
Garland I.S.D	490,885,000	7.10%	34,852,835
Collin County	721,825,000	0.69%	4,980,593
Dallas County	217,675,000	0.58%	1,262,515
Dallas County Hospital District	543,495,000	0.58%	3,152,271
Collin County Community College District	480,350,000	0.69%	3,314,415
Dallas College	375,515,000	0.58%	2,177,987
Subtotal, overlapping debt			104,361,852
City direct debt			50,886,199
Total direct and overlapping debt			$ 155,248,051

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	
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%
2023	29,314	1,360,990,392	46,428	51,436	19,176	3.7%

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

	2023			2014		
Employer	**Employees**	**Rank**	**Percentage of Total City Employment**	**Employees**	**Rank**	**Percentage of Total City Employment**
Garland ISD	471	1	2.79%	452	1	4.10%
Wal-Mart Supercenter	300	2	1.78%	305	2	-
Wal-Mart Neighborhood Market	200	3	1.18%	-	n/a	0.00%
City of Sachse	188	4	1.11%	160	3	1.45%
Wylie ISD	167	5	0.99%	128	5	1.16%
Trinity Regional Hospital	147	6	0.87%	-	n/a	-
Kroger	116	7	0.69%	150	4	-
Ariel Pointe of Sachse	113	8	0.67%	-	n/a	-
Northplace Church	66	9	0.39%	-	n/a	-
Whataburger	60	10	0.36%	52	6	0.47%
McDonalds	-	n/a	-	44	7	0.40%
Oxford Glen Memory Care	-	n/a	-	25	8	0.23%
Sachse Veterinary Clinic	-	n/a	-	25	9	0.23%
Walgreens	-	n/a	-	22	10	0.20%
Total	1,828		10.83%	1,363		8.24%
Total City Employment	16,883			11,016		

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	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government and adminstration	11	11	11	11	11	11	14	14	19	24
Public safety	80	85	85	88	89	92	89	89	90	95
Public works	11	10	10	11	11	11	10	10	14	14
Leisure services	16	15	15	16	16	17	17	17	23	19
Utility	20	21	21	21	22	22	24	24	15	16
Development services	11	11	12	11	11	11	10	10	9	10
Economic development	1	2	2	2	3	3	3	3	2	2
Total	150	155	156	160	163	166	166	166	172	180

Sources: Various City departments.

City of Sachse, Texas

OPERATING INDICATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police										
Number of employees	50	50	52	51	51	51	51	51	53	56
Number of violations (citations)	2,246	3,846	1,879	2,155	2,272	5,360	1,710	1,618	1,818	2,045
Fire										
Number of employees	34	35	35	36	37	37	35	36	39	42
Number of volunteers	0	0	0	0	0	0	0	0	0	0
Number of fire runs	272	394	600	705	819	831	769	847	938	934
Number of EMS runs	802	909	1,187	1,359	1,359	1,689	1,554	1,832	2,092	2,122
Public works										
Streets (miles)	135	135	135	137	137	130	130	128	163	165
Building permits issued	246	275	289	291	219	190	124	451	248	110
Cultural and recreational										
Parks and recreation										
Participants in parks programs	5,186	5,480	9,600	9,750	10,043	10,546	7,400	11,400	15,500	17,500
Participants in senior program	19,500	20,445	23,455	26,600	39,853	37,674	17,614	3,600	5,200	10,400
Community Center Memberships	0	0	0	0	0	0	900	578	1,341	1,430
Community Center Check-Ins	0	0	0	0	0	0	4,700	13,199	22,406	26,537
Library										
Volumes in collection	43,935	41,203	41,470	41,948	42,750	44,524	35,869	37,179	37,688	39,980
Utility										
Number of water connections	7,370	7,950	8,239	8,472	8,507	9,195	8,795	9,101	9,378	9,508
Number of sewer connections	7,113	7,468	7,384	7,972	8,105	8,761	8,207	8,317	8,685	8,931
Average daily water consumption[a]	2,776	2,412	2,573	2,386	2,458	2,732	2,944	2,897	3,495	3,740
Maximum storage capacity[a]	6.9	6.9	6.9	6.9	6.9	8.2	8.2	8.2	8.2	8.2

Sources: Various City departments.

[a] Millions of gallons

The City of
SACHSE

City of Sachse, Texas

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	25	27	27	27	27	25	26	27	27	28
Fire stations	2	2	2	2	2	2	2	2	2	2
Police motorcycle units	2	2	2	2	2	2	2	2	2	2
Public works										
Streets-paved (miles)	135	135	135	137	137	130	122	130	140	142
Cultural and recreational										
Parks (acres)	154	155	155	156	156	149	160	160	165	169
Playgrounds (1)	5	6	6	6	6	6	6	7	9	9
Library	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Utility										
Fire hydrants	933	970	935	970	970	1,011	996	1,025	1,248	1,256
Ground storage facilities	4	4	4	4	4	4	4	4	4	4
Elevated storage facilities	2	2	2	2	2	3	3	3	3	3
Lift stations	4	4	4	4	4	5	6	6	6	6

Sources: Various City departments.

(1) Does not include HOA playgrounds.

The City of
SACHSE

FEDERAL SINGLE AUDIT REPORT

City of Sachse, Texas

Fiscal Year Ended
September 30, 2023

City of Sachse, Texas

SINGLE AUDIT REPORTS

Year Ended September 30, 2023

TABLE OF CONTENTS

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Sachse, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Sachse, Texas's basic financial statements, and have issued our report thereon dated February 23, 2024.

Internal Control over Financial Reporting

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

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

14950 Heathrow Forest Pkwy | Suite 530 | Houston, TX 77032 | Tel: 281.907.8788 | Fax: 888.875.0587 | www.BrooksWatsonCo.com

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully,

BrooksWatson & Co.
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
February 23, 2024

BROOKSWATSON & CO.
CERTIFIED PUBLIC ACCOUNTANTS

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Sachse, Texas's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City of Sachse, Texas's major federal programs for the year ended September 30, 2023. The City of Sachse, Texas's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Sachse, Texas complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of the City of Sachse, Texas and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

14950 Heathrow Forest Pkwy | Suite 530 | Houston, TX 77032 | Tel: 281.907.8788 | Fax: 888.875.0587 | www.BrooksWatsonCo.com

opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Sachse, Texas's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements 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 and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Sachse, Texas' basic financial statements. We issued our report thereon dated February 23, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

This report is intended solely for the information and use of, management, governing body, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

BrooksWatson & Co.

BrooksWatson & Co.
14950 Heathrow Forest Pkwy | Ste 530
Houston, TX 77032
February 23, 2024

City of Sachse, Texas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended September 30, 2023

I. SUMMARY OF PRIOR YEAR AUDIT FINDINGS:

None.

City of Sachse, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2023

I. SUMMARY OF AUDITOR'S RESULTS:

Financial Statements

Type of auditor's report issued:

The auditor's report on the basic financial statements of the City expresses an unmodified opinion.

Internal control over financial reporting:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Is any noncompliance material to financial statements noted?	___ Yes	_X_ No

Federal Awards

The auditor's report on compliance for major federal programs expresses an unmodified opinion.

Internal control over major program compliance:

Are any material weaknesses identified?	___ Yes	_X_ No
Are any significant deficiencies identified not considered to be material weaknesses?	___ Yes	_X_ None Reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	___ Yes	_X_ No

City of Sachse, Texas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended September 30, 2023

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
21.027	Coronavirus State and Local Fiscal Recovery

Enter the dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Is the auditee qualified as a low-risk auditee?	__ Yes	_X_ No

II. FINANCIAL STATEMENT FINDINGS:

None.

III. FEDERAL AWARDS FINDINGS:

None.

City of Sachse, Texas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2023

Federal Grantor/Pass-through Agency/Program Name	Program/Grant/ Project Number	Federal Assistance Listing Number	Expenditures
U.S. DEPARTMENT OF JUSTICE			
Direct Award			
Bulletproof Vest Partnership Program	BVP 2022	16.607	$ 897
	Total U.S. Department of Justice		897
U.S. DEPARTMENT OF TREASURY			
Pass-through Texas Division of Emergency Management			
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	TX1914	21.027	2,355,720
	Total U.S. Department of Treasury		2,355,720
	TOTAL PROGRAMS		$ 2,356,617

City of Sachse, Texas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended September 30, 2023

Note 1: BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards includes the grant activity of Sachse, Texas and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Cost Principles for Federal Awards (the Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Note 2: INDIRECT COST RATE

The City has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

E. Regular Agenda Items

Subject	**2. Discuss and consider an Ordinance adopting the City of Sachse Engineering Design Manual; providing a repealing clause; providing a severability clause; and providing for an effective date.**
Meeting	Mar 4, 2024 - City Council Regular Meeting
Access	Public
Type	Action, Discussion
Preferred Date	Mar 04, 2024
Fiscal Impact	No
Budgeted	No
Recommended Action	Approve the ordinance adopting the City of Sachse Engineering Design Manual.
Goals	Strategically invest in the City's existing and future infrastructure.

BACKGROUND

The City of Sachse Public Works Department continues to monitor industry trends, best practices, technology, and materials to implement higher standards and requirements related to the design and construction of infrastructure within the community. The Engineering Design Manual was created in order to provide prospective developers and consulting engineers with a single location for all relevant design standards and requirements of new development in the city.

Public infrastructure designed and built as a component of private development is operated and maintained by the City of Sachse upon final acceptance of the subdivision. The Engineering Design Manual provides the minimum standards and requirements for the design of such public infrastructure. This design manual will also improve the ability of City staff to work with private developers and consulting engineers to ensure that new development projects are properly designed and constructed in accordance with the City's standards.

A **draft** of the document is available on the Engineering Standards page of the City's website.

POLICY CONSIDERATIONS

The City Council of the City of Sachse has the authority to adopt standards and requirements pertaining to the design and construction of public infrastructure.

RECOMMENDATION

Approve the ordinance adopting the City of Sachse Engineering Design Manual and providing for an effective date.

File Attachments
E2.1 Presentation_Design Manual_FINAL.pdf (273 KB)
E2.2 Ordinance Adopting Sachse Engineering Design Manual.pdf (113 KB)

2024 Engineering Design Manual Update

March 4, 2024

Overview

- Process
- Current Manual
- Proposed Manual
- Next Steps
- Discussion and Questions

The City of SACHSE

Process

- Existing manual was approved May 2019
- Staff reviewed existing engineering details and design manual in summer of 2023
- Staff compared standards with benchmark cities (BMP)
- External review of design manual
  - February 6, 2024, updated manual sent to development community for comments and review
  - 15 civil engineers/firms
  - Six land developers
  - Public input meeting February 16, 2024
  - One engineer attended meeting, and staff only received one response

Current Manual

- 141 pages (60 pages of appendix)
- Three chapters
  - Roadway
  - Water & Sanitary Sewer
  - Drainage
- Charts and tables reference outdated technical data and design criteria
- Information is not easy to use or reference

Proposed Design Manual

- 221 pages plus appendices
- Nine sections, table of contents, and appendices
  - General Design Requirements
  - Roadway and Traffic Design Requirements
  - Drainage Design Requirements
  - General Utilities Design Requirements
  - Water Design Requirements
  - Wastewater Design Requirements
  - Structural Design Requirements
  - Landscape and Irrigation Requirements
  - Definitions and Abbreviations

The City of SACHSE

Section 1: General Design Requirements

- Describes overall design and City requirements
- Outlines requirements for:
  - Civil design/plans
  - Easement and right-of-way (ROW) dedication
  - Subsurface utility engineering (SUE)
  - Survey
- Links to City master plans
- Outlines process of variance requests

Section 2: Roadway and Traffic Design Requirements

- Retains current design tables for pavement geometry
- Updates
  - Geometry of streets, alleys, and sidewalks
  - Design standards
  - Paving strength (4,000 psi)
- New sections
  - Traffic signal designs
  - Traffic control devices
  - Traffic impact analysis

The City of SACHSE

Section 3: Drainage Design Requirements

- Removes drainage design theory
- Retains stormwater design criteria
- Retains process to submit drainage plans
- Updates
  - Fully developed watershed
  - Storm information and floodplain references
- New sections
  - Bridge and culvert hydraulics
  - Detention and retention facilities

The City of
SACHSE

Section 4: General Utilities Design Requirements

- Current manual did not provide overall descriptions and references
- Updates
  - Water and sewer separation and clearance requirements
  - Master plan requirements/conformation
  - Mains are to extend through/to limits of development
  - Includes references to: AWWA, NCTCOG, TAC, Texas (TCEQ)

The City of SACHSE

Section 5: Water Design Requirements

- Current manual had outdated references and standards
- Updates
  - Minimum pipe size (8 inches for mains)
  - Minimum depth of cover
- New sections
  - Matches backflow prevention ordinance
  - Prohibits installation of dead end mains
  - Fittings and valves (approved materials list)

The City of SACHSE

Section 6: Sanitary Sewer Design Requirements

- Retains requirements to match City master plans
- Updates
  - Minimum pipe slope requirements
  - Minimum depth of cover increased
  - Manhole spacing for 18 inches and larger mains
- New sections
  - Lift station requirements

The City of SACHSE

Section 7: Structural Design Requirements

- No information provided in current manual
- New sections
  - (Structural) design standards
  - Screening wall design standards (Hudson Crossing)
  - Aerial crossings
  - Retaining walls
    - Details must be provided for walls over 2 feet
    - Retaining walls over 4 feet require structural design
    - Structural design required for commercial and multi-family projects

The City of SACHSE

Section 8: Landscape and Irrigation Design

- No information provided in current manual
- Updates
  - Provides requirements and standards for landscaping and irrigation
  - Landscape plans must be prepared and sealed by a Registered Landscape Architect
  - Approved trees and plantings list match City Ordinances

The City of SACHSE

Section 9: Definitions and Abbreviations

- Current manual includes definitions and abbreviations within individual chapters
- Updates
  - Based on new and updated standards
  - Creates one section for reference

Next Steps

- Ordinance adopting Engineering Design Manual and establishing an effective date
- Publish on City website and communicate changes to development community
- A copy will be provided to City Secretary’s Office
- Staff will continue to evaluate and update manual based on updated technology, standards, and best management practices

The City of SACHSE

Discussion and Questions

The City of
SACHSE

ORDINANCE NO. _________

AN ORDINANCE OF THE CITY OF SACHSE, TEXAS, ADOPTING THE CITY OF SACHSE ENGINEERING DESIGN MANUAL; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Sachse Subdivision Ordinance is the controlling document for the standards and requirements for the development of new subdivisions in the City of Sachse; and

WHEREAS, the City Council adopted Ordinance No. 3922 on May 6, 2019, adopting a new City of Sachse Engineering Design Manual; and

WHEREAS, Ordinance No. 3922 is now repealed in its entirety and the City Council will adopt a new Ordinance adopting a new City of Sachse Engineering Design Manual which is attached hereto as Exhibit "A"; and

WHEREAS, the City Council, in the exercise of its discretion, has concluded that the City of Sachse Engineering Design Manual attached as Exhibit "A" should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS:

SECTION 1. The City of Sachse Engineering Design Manual for the design of public infrastructure which is attached as Exhibit "A" is hereby adopted, with a copy being kept on file in the office of the City Secretary. All new development projects within the City of Sachse must be designed in compliance with the Engineering Design Manual attached as Exhibit "A."

SECTION 2. All ordinances of the City of Sachse, Texas, in conflict with the provisions of this ordinance be, and the same are hereby repealed; provided, however, that all other provisions of said ordinances not in conflict with the provisions of this ordinance shall remain in full force and effect.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance which shall remain in full force and effect.

SECTION 4. This Ordinance shall take effect immediately from and after its passage as the law in such cases provides.

PASSED AND APPROVED by the City Council of the City of Sachse, Texas this the 4th day of March 2024.

APPROVED:

____
Jeff Bickerstaff, Mayor

DULY ENROLLED:

____
Leah K Granger, City Secretary

APPROVED AS TO FORM:

____
Joseph J. Gorfida, Jr., City Attorney
(02-26-2024: 4895-0105-5145 v.1)

EXHIBIT "A'
City of Sachse Engineering Design Manual

4895-0105-5145, v. 1